

**Supply@ME has launched its  
unique Inventory Monetisation  
services and agreed its first  
White-Label commitment**

Annual Report and Accounts 2023

supply  me

Supply@ME's business model is unique and learning through the challenges presented during 2023 will enable the business to serve a greater range of client business models and inventory funder appetites

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# Strategic Report

# Highlights

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

announcement of the relationship between Supply@ME and an Italian neo bank to provide funding, initially for €35 million as part of an overall programme up to €135 million, of inventory in relation to the Supply@ME Italian client pipeline.

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

## Financial KPIs

Total revenue from continuing operations

£0.2m

£0.1m in 2022

Adjusted operating (loss) from continuing operations\*

(£3.6m)

(£4.6m) in 2022

(Loss) before tax from continuing operations

(£4.2m)

(£7.7m) in 2022

(Loss) from discontinued operations

(£0.2m)

(£2.2m) in 2022

Total Group assets

£2.2m

£8.3m at 31 December 2022

Total Group net (liabilities)

(£3.8m)

(£2.0m) at 31 December 2022

\*Adjusted operating loss is the operating loss from continuing operations before impairment charges and fair value adjustments.

## Operational KPIs

Warehoused goods monetisation pipeline at 19 April 2024

£ 330.7 m

£374.6m at 21 April 2023

The pipeline KPI represents the current potential value of warehoused goods inventory to be monetised rather than pipeline revenue expected to be earned by the Group. As such, this provides a good indicator of the level of demand for the Group's warehoused goods monetisation services. This pipeline represents the value as at the most practicable date possible prior to the issue of this annual report (being 19 April 2024), and has been calculated on a consistent basis as the prior year comparative. It should be noted that of the current pipeline figure of £330.7 million, there is one single client that accounts for approximately 57% of the total pipeline.

As referenced in the business, trading and funding update announcement issued by the Company on 29 February 2024, the Group is in the process of conducting a full review of its pipeline and is progressing with requesting a formal letter of interest from each client company in its pipeline for which there is currently not a signed term sheet in place. As at 19 April 2024, approximately 9% of the £330.7 million current pipeline figures are supported by either signed term sheets or the signed new letter of interest. This percentage is expected to grow as the new process becomes fully embedded.

# Chairman's Statement



Dear Shareholders,

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

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

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

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

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

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

**Albert Ganyushin,**  
*Chairman*  
30 April 2024

# Chief Executive Officer's Statement



Dear Shareholders,

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

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

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

During 2023 and early 2024 Supply@ME has developed an alternative IM infrastructure through collaboration with a group of private investors and subject matter experts of working capital solutions to launch the CH Trading Hub, to replace the GIF. The CH Trading Hub, owned by SFE, is assuming control of the independent stock companies from the GIF to manage the overall trading businesses using the Platform and the associated inventory servicer activities provided by the Group. This structure is designed to enable us to scale the offering of the Group as specialist inventory servicer with a stable partner in the CH Trading Hub. We share more detail about this structure in the Our Delivery Model section of this report on pages 9–12.

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

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

I am excited to take the Group forward into 2024, we are focused on continuing to evolve the processes, technologies and methodologies which support our various client's business models and inventory types, see pages 13–14 for more detail, and ultimately create a new market for inventory funding. Whether that be through Open Market Inventory Monetisations, tokenisation of inventory as an asset and democratisation of the sale of this through digital asset exchanges, or White-Label transactions with financial institutions, the progress that is being steadily made should start to show through the expansion of our track record and our ability to first break even and then to scale.

**Alessandro Zamboni,**  
*Chief Executive Officer*  
30 April 2024

# Supply@ME Inventory Monetisation – Key Features

Supply@ME is disrupting the industry with its unique model. Not only does it offer a new approach to businesses with cash flow needs, but it is doing so at a much more competitive rate than traditional lenders. Outlined below

are some of the ways in which Supply@ME offers a more complete, flexible service, that reflects client's needs than traditional inventory funders or other competitors.

	Supply@ME	Traditional inventory funders	Other competitors
Purely focused on inventory	✓	✗	✓
Non-credit approach	✓	✗	✓
Non-intrusive of other financing options	✓	✗	✓
Legal true sale	✓	✗	✓
Platform based	✓	✗	✗
Supply chain resilience enabler	✓	✗	✓
Quick initial yes or no	✓	✓	✓
Initial amount subject to due diligence	✓	✓	✓
Fixed due diligence fee and timescale	✓	✗	✗
Revolving facility	✓	✓	✓
Cross border	✓	✓	✓
Event led independent valuations	✓	✗	✗
Positive impact on key ratios	✓	✗	✗
Tax deductible costs	✓	✗	✗

## With fewer drawbacks or restrictions

Linked to other facilities on the balance sheet	✗	✓	✓
Debt facility	✗	✓	✗
Interest payable	✗	✓	✗
Security taken on Inventory or other assets	✗	✓	✓
Covenants in place	✗	✓	✗
Management accounts and borrowing base certificates	✗	✓	✗
Use of funds pre-determined	✗	✓	✗
Advance rate subject to Net Orderly Liquidation Value	✗	✓	✗
Regular independent evaluations	✗	✓	✗
ICT maturity required (to transfer data)	✓	✗	✗
Inventory segregation (if required)	✓	✗	✗
Inventory tracking (if required)	✓	✗	✗



# Our Delivery Model

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

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

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

- > Firstly, the CH Trading hub is located in Switzerland which is traditionally an important trading hub (in particular for raw materials and commodities) and a region establishing itself as a global leader in the custody of digital assets partly through its creation of a digital asset ecosystem that allows for innovation and diversity within a clear regulatory framework<sup>1</sup>. These characteristics are more desirable to potential inventory funders compared to the previous location of the GIF, being the Cayman Islands. The CH Trading Hub has already seen increased interest from potential inventory funders as a result of this new structure.
- > Secondly, this change responds to an evolution in the regulation of the fund management industry. In particular, the Monetary Authority of Singapore, Singapore's financial regulator, had advised that TradeFlow should separate its licensed fund management activities from the rest of the TradeFlow business. Potential inventory funders had also provided feedback that the segregation of the Platform provider and the investment adviser would help to eliminate any perceived conflicts of interest between these two roles. The completion of the TradeFlow Restructuring on 30 June 2023 resulted in the clear differentiation of the responsibility of both Supply@ME and TradeFlow, and lead to the opportunity to collaborate with a group of private investors and subject matter experts in working capital solutions to launch the CH Trading Hub.

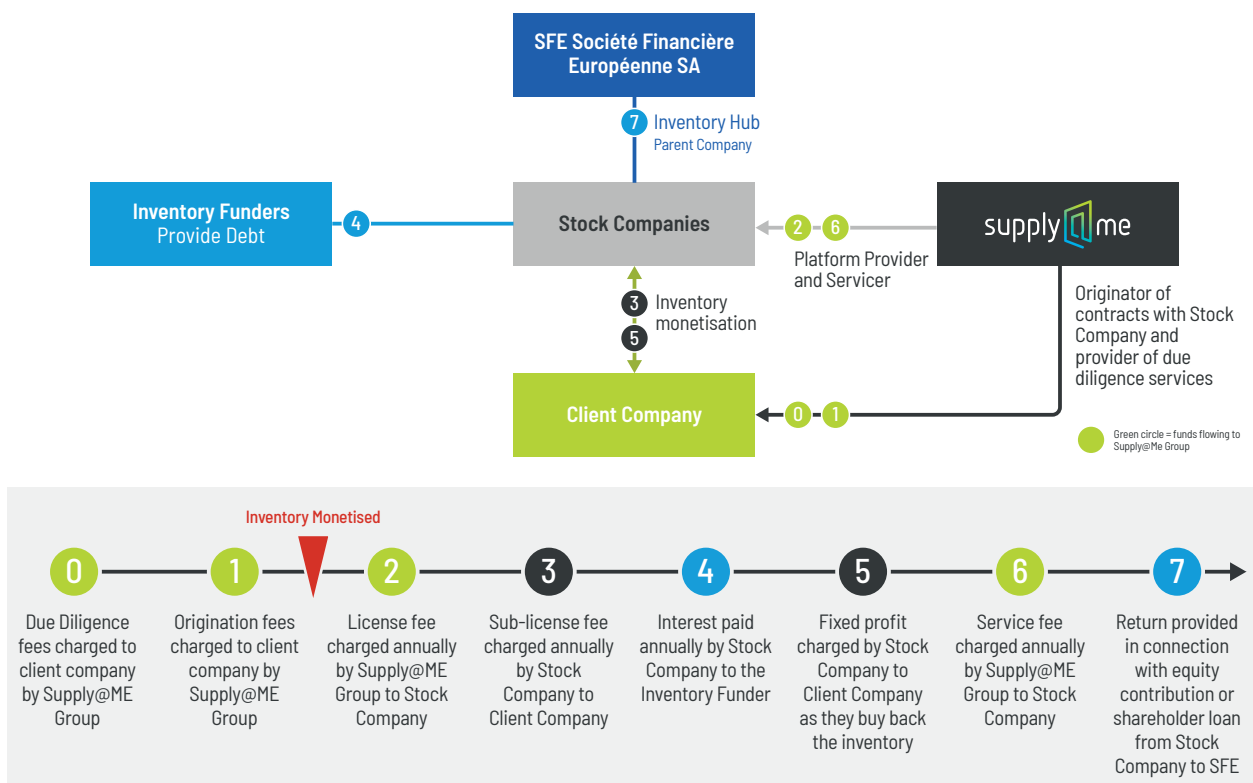
The intention is that the CH Trading Hub, through its ownership of the independent stock companies, will act as an asset (inventory) management group and invest its equity capital to build up a dedicated internal structured financing team and provide, when needed, equity capital for specific IM transactions.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

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

<sup>1</sup> Swiss Digital Asset Custody Report 2023, The Capital Markets and Technology Association

# Our Delivery Model

The diagram below illustrates the role of the Supply@ME Group in the overall Inventory Monetisation infrastructure outlined on the previous pages.



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

- > Pre-Inventory Monetisation activities carried out directly with the client company wishing to have their inventory monetised, including due diligence in respect of the client company itself and its potential eligible inventory, and origination of the full IM contracts with the relevant stock company
- > Post-Inventory Monetisation activities carried out directly with the relevant stock company including the usage of the Supply@ME platform under a Software as a Service ("SaaS") contract and the support and administration activities such as the monitoring, controlling, and reporting on the inventory monetised.

This model can be flexed and adapted based on the requirements of the inventory funders particularly in the case of White-Label partners. For example the level of due diligence required on a particular client company may vary if it is already a client of a White-Label inventory funder, or they may not require the use of a stock company in

a particular structure, in which case some of the Post-Inventory Monetisation fees (such as the SaaS license fee) may be charged directly to the White-Label inventory funder rather than to the relevant stock company.

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

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

## Pre-Inventory Monetisation activities:

### Due Diligence and Origination

The Group works both directly, and with an ecosystem of partners, to identify client companies who are interested in Inventory Monetisation, detail of 2023 client company pipeline can be seen on pages 5 and 19.

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

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

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

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

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

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

# Our Delivery Model

## Post-Inventory Monetisation activities

### Platform and Inventory Service Provider

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

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

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

The Group also provides administrative support in the facilitation of the client company's buybacks of the inventory monetised, and refills of new eligible inventory items over the course of the IM transaction contract.

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

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

# How we adapt to scale the business

“One size does not fit all” where Inventory Monetisation is concerned.

Supply@ME's business model has been developed further during 2023, and to date in 2024, and adapted for a range of client company inventory models and inventory funder's appetite for different inventory types. Understanding the needs of a range of businesses and building this into the Group's processes and methodologies will enable faster scaling as the Supply@ME business model will meet the needs of a broader base of client companies and inventory funder requirements. Each client company and hence every inventory model presented to the Group has unique features that need to be carefully considered and evaluated to ensure the correct eligible inventory items are selected for monetisation. This requires the Supply@ME team to:

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

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

## Generic Goods

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

## Orders Based Model

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

## Maturing Goods

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

## Manufacturing

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

# How we adapt to scale the business

## The Group's ability to scale

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

The Group sees the key to its ability to further scale as becoming:

- > best in class in inventory analytics for each of these different models
- > building automation through our due diligence processes making it fast and easy for client companies to receive feedback on eligible inventory items and enabling them to establish if Inventory Monetisation is viable for their inventory and
- > building automation and technological scalability in our monitoring and reporting activities to proactively detect, report and mitigate risks for the relevant stock company.

In short, continued focus on our key strategic priorities, and the shorter term goals that will allow us to deliver these strategic priorities, is key. Further details of these key strategic priorities can be found on pages 21–28.



# How we follow the tokenisation trend

In 2023, the trend towards tokenising real-world assets has surged, positioning itself as a significant transformative force by integrating digital representations of physical assets onto blockchain technology.

This movement is primarily propelled by the escalating costs of capital, which spotlight capital inefficiencies, thereby urging financial institutions to seek out tokenisation as a strategic solution. This approach aims to streamline existing processes, enhance operational efficiency, and notably reduce costs associated with clearing, trading, and financing activities. The applications of tokenisation span across various domains, each distinguished by their unique advantages. For efficiency, applications such as sustainability reporting, financial market unification, and digital identity management stand out.

Meanwhile, liquidity-focused applications endeavour to forge liquid markets for assets previously deemed illiquid, including carbon certificates and collectables, thereby expanding their market reach and accessibility. The financial sector has notably embraced this trend, with tangible momentum observed in the tokenisation of financial assets. However, the scope is anticipated to broaden, extending to other asset classes such as supply chain inventories.

The overarching benefits of tokenisation, irrespective of the industry, include enhanced liquidity through the facilitation of fractional ownership, improved accessibility to markets and assets previously out of reach due to high costs or access barriers, and heightened transaction transparency and security provided by blockchain technology. Moreover, operational efficiencies are anticipated to significantly benefit from reduced costs, streamlined reconciliations, and simplified monitoring processes. Additionally, the composability feature of DeFi platforms allows for RWA tokens to be utilised in novel ways, further enhancing potential returns and use cases for investors.

As of now, the realm of real-world asset tokenisation encompasses distinct categories:



Real estate, where assets are tokenised to yield passive income through rentals or utilised as collateralisable assets on Decentralised Finance platforms.



Luxury and Collectibles, where tokenisation is applied to unique or rare items, typically under the Non-Fungible Token (NFT) model.



Commodity, focusing on the tokenisation of gold and to a lesser extent silver, with other commodities like oil, gas, or agricultural products still largely untapped.



Equity and Debt, involving the tokenisation of government and corporate stocks and bonds, complemented by secondary markets for trading.



Carbon and ESG, where tokenisation is applied to ESG investments, particularly carbon neutrality initiatives, in response to stringent regulations, creating a vibrant market for buying and "offsetting" carbon credits.



# How we follow the tokenisation trend

Future developments in tokenisation are poised to impact a wide array of sectors:



Financial Services are expected to see innovations like tokenised deposits and the proliferation of stablecoin-based payment systems.



The Industrial Sector, including manufacturing, construction, and waste management, is likely to benefit from enhanced efficiency and transparency.



Energy and Utilities, especially in renewable energy and the carbon credit market, stand to gain from streamlined monitoring and trading.



The Public Sector could see the introduction of secure digital identities for citizens and simplified access to public services.

Real Estate is identified as a sector with significant growth potential due to the ease of trading and fractional ownership enabled by blockchain

A report by 21Shares at the end of 2023 spotlighted the impressive \$118.57 billion worth of tokenised assets on public blockchains, with Ethereum hosting 58% of these assets, showcasing an average daily user count of 6 million.

The focus on tokenised private loans and U.S. Treasuries within the securities-type RWA sector has been particularly pronounced since 2020, focusing initially on unsecured loans in the private credit sector. Data from [rwa.xyz](https://rwa.xyz) as of November 27, 2023, illustrates the significant growth in the value of active loans across various protocols within the private credit sector RWA, totalling about \$5 billion in December 2023. Concurrently, the demand for tokens linked to U.S. Treasuries has surged, with the Total Value Locked (TVL) in RWA projects linked to U.S. Treasuries rising from \$100 million at the start of 2023 to \$780 million, indicating robust demand<sup>1</sup>.

Despite the burgeoning interest and the expansive scope of tokenisation, the path is strewn with regulatory and operational challenges. A report by Roland Berger titled “Tokenization of Real-World Assets: Unlocking a New Era of Ownership, Trading, and Investment” delineates the segments poised for significant developments, including financial services, the industrial sector, energy and utilities, the public sector, and real estate, highlighting the vast potential of tokenisation. However, regulatory landscapes continue to evolve, with legal compliance, KYC/AML regulations, valuation, audit implications, security, and scalability among the chief concerns that must be addressed to unlock tokenisation’s full market potential. Collaboration among stakeholders, including regulators, issuers, service providers, and investors, is crucial for establishing a standardised, compliant environment for global tokenisation efforts.

In this context, the future of tokenisation remains promising, with projections suggesting the market value for tokenised assets could reach between \$3.5 trillion and \$10 trillion by 2030<sup>2</sup>. This optimistic outlook underscores tokenisation’s pivotal role in heralding a new era of digital finance and investment, reshaping the global economic landscape in the process.

Supply@ME is uniquely positioned to unlock a market for tokenisation of inventory as a real world asset to both retail and institutional investors. The relationship with VE Chain and the solid progress made in structuring a security token framework with the CH Trading Hub to allow the first security token issuance up to USD\$100 million is the first step on this journey.

<sup>1</sup> Link to website: <https://app.rwa.xyz/treasuries>

<sup>2</sup> The State of Tokenization by 21 Shares, 2023



# Serviceable Obtainable Market

## Background

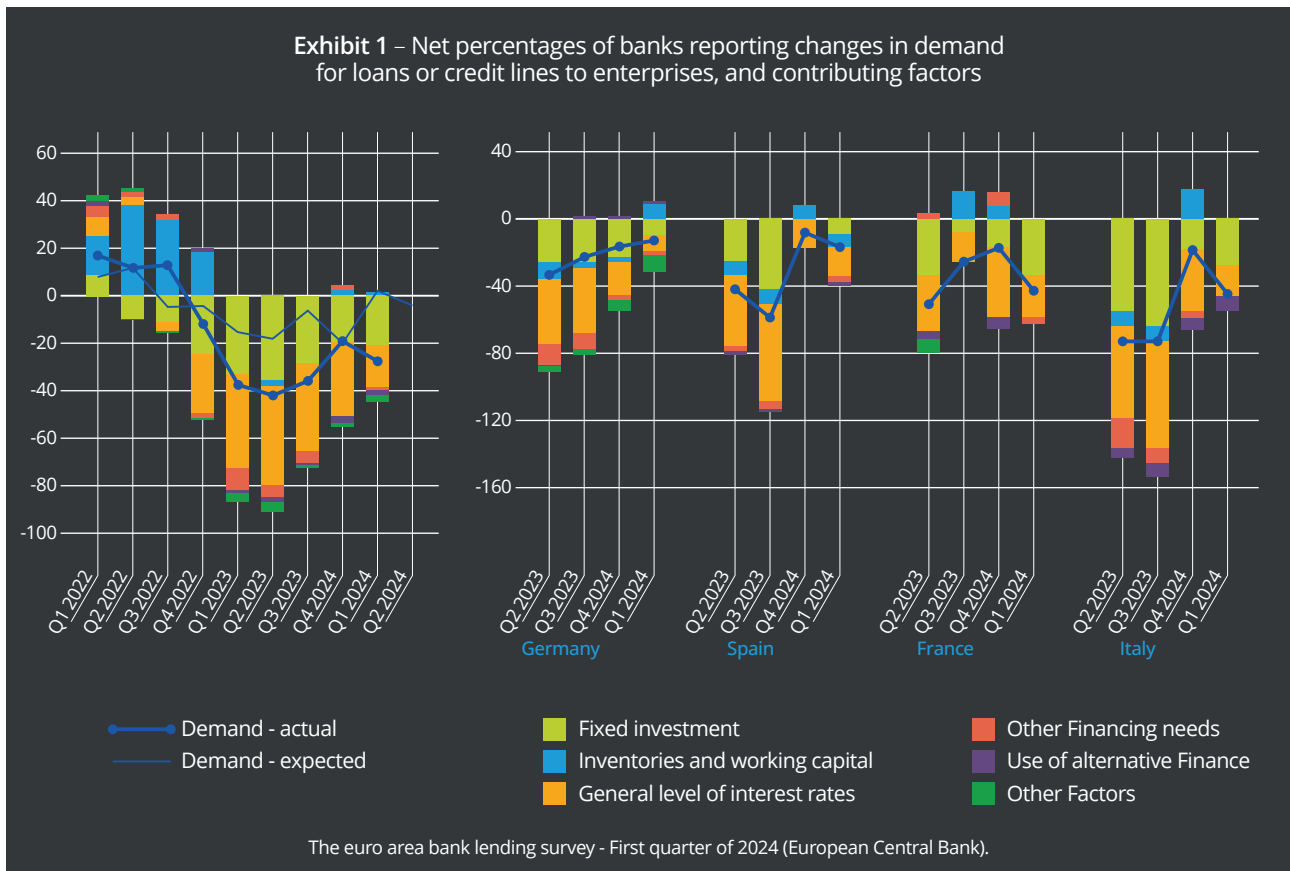
When considering the potential market for a new product, the quantum of the problem that the product has the potential to solve gives an indication as to the size of the market opportunity. The Supply@ME product of Inventory Monetisation facilitates unlocking of capital in a company's supply chain whilst also enabling a new market of assets for investors in the form of inventory. This leads to the question, how big is this market opportunity for Supply@ME's platform?

The need for supply chain financing solutions is clearly demonstrable. The most established parts of the market (factoring, receivables discounting, and payables finance) estimated at €1,633.5 billion or 10% of EU's GDP in 2018<sup>1</sup>, at which point it was estimated that €49,354,416 million was being loaned or advanced against inventory across EU member states (including UK at that time). This is prior to the move from the "just in time" to the "just in case" inventory model which was facilitated by the global pandemic in 2020. The novel solution that Supply@ME offers has the potential to unlock flows in the supply chain financing market even further.

A recent bank lending survey published by the European Central Bank<sup>2</sup> reports net demand by firms for loans continued to decline substantially in the first quarter of 2024 (net percentage of -28%), in contrast to expectations of stabilisation reported in the previous round of the study in January 2024 (net percentage of 2%).

While the net percentage of banks reporting a decrease remained smaller than its all-time low in the second quarter of 2023 (-42%), the decline added to the substantial net decreases in loan demand since the fourth quarter of 2022. Banks in all four large European area countries reported a further net decrease in demand. The strong decline contrasted with banks' expectations of a slight increase.

The general level of interest rates and declining fixed investment remained the main drivers of the net decrease in loan demand (see Exhibit 1).



1 European Commission Study on Supply Chain Finance, Valdani, Vicari & Associati January 2020

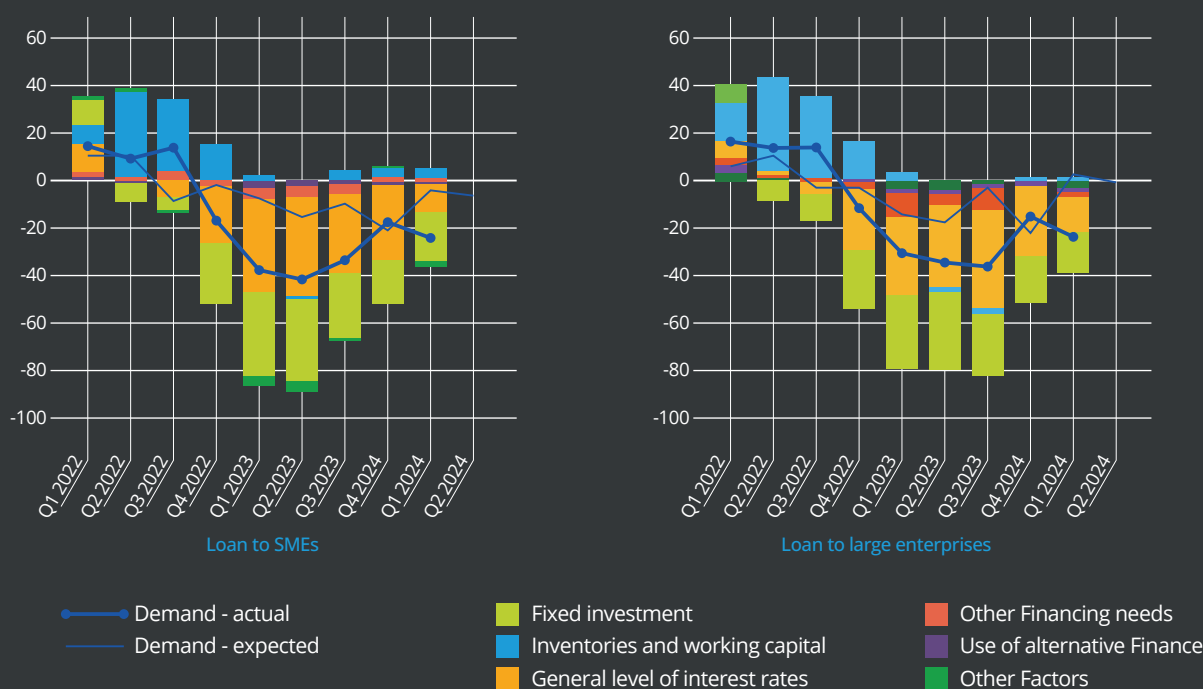
2 The euro area bank lending survey - First quarter of 2024 (European Central Bank).

# Serviceable Obtainable Market

The reported decline in loan demand was mainly driven by the general level of interest rates, as reported by banks in all four large European area countries, and lower fixed investment, consistent with the net decrease in demand for long-term loans. It was also reported that several banks in Germany referred to uncertainty about the domestic economic outlook and geopolitics more generally. At the same time, financing needs for inventories and working capital had a neutral impact on loan demand. Alternative

sources of Financing, such as internal financing and market-based financing via debt securities and corporate equity, dampened loan demand in the European area only slightly in the first quarter of 2024. Similarly to total net demand for loans to firms, the general level of interest rates and firms' financing needs for fixed investment were the main drivers of the decline in demand for loans to both SMEs and large firms (see Exhibit 2).

**Exhibit 2 – Net percentages of banks reporting a change in demand for loans or credit lines to SMEs and large enterprises, and contributing factors**



The euro area bank lending survey - First quarter of 2024 (European Central Bank).

The outcome of the recent lending survey conducted by the European Central Bank clearly indicates that corporates are trying to optimise their cost of funding, considering the high level of interest rates which impacts their net profits.

This trend also reflects the current Supply@ME pipeline, where some client companies decided to review the use of the Inventory Monetisation facility or to wait for better market conditions before proceeding. Also, some potential client companies were excluded from the pipeline due to the deterioration of their financial and/or business outlook. For this reason, in order to support the inventory funding processes managed by the CH Trading Hub, to date during 2024 a new process has been introduced where client

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

## Italy

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

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

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

## United Kingdom

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

## Europe (excluding UK and Italy)

Client companies have typically been sourced through Supply@ME's strong relationships held with a global ecosystem of introducers which have also enabled the growth in a wider European portfolio of client companies; including opportunities in France and Germany. There are several larger ticket opportunities to monetise inventory subject to the appropriate structure and funding being in place. Supply@ME has opportunistically engaged with a company with inventory in warehouses in other European countries currently £10.3 million of the pipeline for both the historical method of reporting and the New Lol pipeline number is located in other European location. Further details will be announced in due course.

# Case study - Retreading

Supporting a business vital to reducing the environmental impact of the automotive sector

## The problem

Tyre treading is a sector that is rarely, if ever, in the spotlight. Yet, it is vital in the automotive sector and, particularly, to its efforts to reduce its environmental impact. A new truck or bus tyre requires around 80 litres of oil, retreading it needs less than 30 litres. In addition, the retreading process preserves about 80% of the old tyre and saves up to 70% of energy. More than 70% of commercial transport fleets, globally, retread their tires at least once. A retread, typically costs less than half the price of a new tyre, giving it both commercial and environmental advantages. While the sector does not receive the plaudits it should, it has been innovating and driving a circular economy for over a century. It is also inventory intensive. The retreading industry is heavily linked to large commercial tyres for trucks, buses, construction vehicles and aviation. All of these require a lot of storage space. R&D costs are also high, the industry is constantly pushing to reduce waste, improve efficiencies, with each business seeking to further its environmental credentials and reduce costs to win tenders.

## The solution

Supply@ME was approached by one of the grandee companies of the retreading industry. This business with operations across the globe saw significant potential for growth. Commercial fleets have become increasingly environmentally conscious and tenders now place a premium on sustainability. This decades old business had the know-how and track record, yet operating costs were preventing it from scaling to its true potential. Supply@ME integrated its monitoring software within the business' existing systems without creating friction or delaying processes. This monitoring software also enhanced the existing infrastructure enabling them to enhance their supply chain and inventory planning.

## The impact

Monetising their inventory has enabled this Italian success story to increase its international expansion efforts. This business, which has always been at the forefront of innovation in the retreading sector, can now devote more capital to R&D, enabling it to further improve its production processes and compete and win more tenders, globally. Its financial position has been improved, enabling it to plan, for the long term, with greater certainty and it can invest in expertise and equipment to capitalise on increasing demand for its products.

# Key strategic priorities

Our three long term Key Strategic Priorities as outlined in the prospectus in March 2020 are:

1. **Become the best Fintech at Inventory Data Monitoring**
2. **Develop a phygital multi-channel funding strategy**
3. **Spread a highly scalable global business**

Progress against these strategic priorities over the last year are detailed in the next pages.



# Key strategic priorities

## 1. Becoming the best FinTech Inventory Data Monitoring Business

### Update on sub-goals from 2020 Prospectus

Priority	2023 Progress
Integrate platform with bank accounts	<p><b>Ongoing</b></p> <p>Due to the stage of growth of the Group and the to date small number of clients onboarded this has not yet been a direct priority for Supply@ME, as we grow this is a longer term goal which will be developed in due course as the desire for it becomes higher from corporate clients and inventory funders.</p> <p>Progress has however been made on how the data from clients ERP feeds could be ingested into the Supply@ME platform as detailed below. The Group also anticipates that the integration / automation with bank accounts (aimed at creating automated rebates once a client company sells the inventory owned by the relevant stock company) could be an area to further explore within the White-Label business line, leveraging the relationships with the White-Label funder which is expected to typically be a commercial bank.</p>
Due diligence / onboarding digitisation	<p><b>Ongoing</b></p> <p>During 2023, the Client Relationship Management (CRM) &amp; Due Diligence Module of the IM Platform was finalised and went live for use internally by the Group. This has enhanced procedural consistency, accountability, and reporting. This module allows multiple users with pre-defined roles (and access rights) to enter information and complete tasks related to the CRM, Due Diligence, and contracting phases of the Group's activities.</p> <p>It also facilitates greater oversight on pipeline activities and prioritisation, and understanding of inventory attrition rates as the client progresses through the due diligence process.</p> <p>The CRM and Due Diligence module is available to be used for the Group's White-Label solution.</p> <p>During 2023, through using the "Test and Learn" approach, the Group has further refined the due diligence process to optimise resources and client satisfaction.</p>
Enterprise Resource Planning (ERP) fully integrated	<p><b>Ongoing</b></p> <p>The data-ingestion cloud-based scalable component that was purchased and customised during 2022 allows the Platform to integrate multiple-data sources (for example ERP, Warehouse Management Systems, etc.), underpinning the management of an inventory analytics data hub.</p>

Priority	2023 Progress
Internet of Things ("IoT") (smart cameras, Radio Frequency Identification RFID) integration for inventory off-site monitoring	<p><b>Ongoing</b></p> <p>A pilot of IoT tracking is being explored for the Banco BPM White-Label transaction, together with a US technology partner.</p> <p>The objective being to create, a unique, unchangeable identifier with the physical object, thereby creating a digital twin, with reference to the inventory items monetised.</p> <p>The microtransponder technology (a silicon microchip) can trace, connect, and authenticate goods across the supply chain.</p> <p>Supply@ME aims at integrating its platform with the solution offered by the US technology partner, helping the verification process of the authenticity of the inventory items monetised, tracking chain-of-custody across the supply chain and managing data through web, cloud, or blockchain applications.</p>
Remarketing digital workplace (e-marketplace where remarketer can monitor, and place signed Inventory purchase offers)	<p><b>Ongoing</b></p> <p>The remarketing activities represent a key requirement for certain IM transactions since they mitigate the risk for the stock company and inventory funders to manage, directly or indirectly, the disposal of any unsold goods and, from another perspective, improve the selling capabilities of the overall model so that is it not solely reliant on the performance of the client. In this regard, the Group continues to work with inventory disposal specialists to develop a standard framework, underpinning the remarketing phase. The network of remarketers is increasing and over time the remarketing offering will mature.</p>

### Other progress towards becoming the best FinTech Inventory Data Monitoring Business

Priority	2023 Progress
Expansion of inventory models	<p><b>Ongoing</b></p> <p>As stated in how we adapt to scale the business section of this 2023 Annual Report and Accounts, as found on pages 13–14, we now have policies, procedures and frameworks in place that address several different inventory models. These have been developed by the team as a result of the Group working closely with a variety of clients over the past year and gaining an understanding of both the vertical industries and the individual business processes of these client companies. As these Groups continue to work more closely with a diverse range of client companies, it will allow the processes and procedures to be continually refined, and new inventory models to be addressed.</p>
Data standardisation and ingestion	<p><b>Ongoing</b></p> <p>Through adapting the business model for the different client company inventory models as referred to above and having greater exposure to a wider range of clients, we have now been able to standardise our data models. This is a critical first step in employing and augmenting the right technology modules and methodologies to the Platform. Our data ingestion module, through ad-hoc customisations, has the capability to process all the data necessary for each model.</p>
Monitoring methodologies	<p><b>Ongoing</b></p> <p>The adaption of the policy and procedures for the various inventory models has allowed us to simultaneously develop the appropriate monitoring procedures that work best with each model. Monitoring is one of the Group's Unique Selling Points ("USPs") and is key to ensuring we provide both the independent stock companies and the inventory funders the necessary transparency and protection against any potential client fraud or losses arising from unsold inventory.</p>

# Key strategic priorities

Priority	2023 Progress
Inventory Data Lake and Reporting	<p><b>Ongoing</b></p> <p>Through ingesting the data using the most appropriate level of granularity, and by classifying the data appropriately, we can now overlay standard reporting tools to be able to provide transparent reports to our client companies as well as to the independent stock companies and inventory funders.</p>
Trading Module	<p><b>Ongoing</b></p> <p>Each Inventory Monetisation transaction is underpinned by strong procedures and some tasks of the trading process are digitalised, allowing the users to buy and sell, via digital interfaces, the inventory items.</p> <p>Also learning from the first up and running IM transactions, the product team of SYME will collect further business requirements which may lead to further digitalisation of some specific activities and/or the improvement of the over-all user experience of the trading process.</p>



## 2. Developing a multi-channel funding strategy

Priority	2023 Progress
<p><b>Client Company Strategy</b></p>	<p>The Group has focused primarily on the European and UK market during 2023 with the aim of continuing to build our track record of the first traditional funding and tokenisation IM transaction, and kicking off our White-Label go-to-market offering. Further expansion of the Group's global reach will be a focus as the value and benefits of Inventory Monetisation is increasingly recognised.</p> <p><b>Europe (including Italy)</b></p> <p>The Group's marketing and sales team works with a select panel of originators and local business introducers who continue to make introductions to high quality businesses. As the track record and awareness of Inventory Monetisation builds, following the first two completed IM deals in 2022 and 2023, the Group is seeing opportunities to develop its product to cover a range of business models and inventory types as detailed in the how we adapt to scale the business section of this 2023 Annual Report and Accounts on pages 13–14.</p> <p>The Group has built a strong pipeline in Italy to facilitate further IMs through both the security token route and traditional inventory funding. The pegno non possessorio ("the PNP Regulation") was published in January 2023 and came into effect in June 2023 introducing the concept of security interest (a concept widely adopted across Europe and the UK) into Italian law, and allows entrepreneurs to access financing of their inventory more easily, without having to sell, transform or otherwise dispose of their business assets. The first traditional IM transaction in Italy leveraged this regulation. The Group has observed in the latter part of 2023 some Italian banks have started to adopt the PNP Regulation within their asset financing transactions demonstrating the kick off of the over-all adoption programme by the Italian banking sector.</p> <p>We have also been working closely with a particular client from our pipeline who has inventory located in France and as a result this has led to us investing and developing standard French contracts.</p> <p><b>United Kingdom</b></p> <p>Origination in the UK has taken longer than expected to materialise. Given that Supply@ME now has a legal framework in place we expect this to accelerate. The signing of agreements for the first UK IM transaction was announced on 3 July 2023, the execution of this transaction was delayed due to several external "barriers" (outside of SYME control) such as an existing floating charge facility which has required the client company to gain specific waivers, amongst other things. While this has resulted in delays to this deal, it has proved invaluable in enabling the team and framework to work to overcome these barriers.</p> <p>Client companies have typically been sourced through SYME's strong relationships held with a global eco-system of introducers which have also started to develop a wider European portfolio of client companies. As the Group continues to onboard the existing pipeline and build its track-record, this will unlock further related client company opportunities.</p> <p>Additionally Supply@ME's relationship with SFE will help the Group to capitalise on the foundations built by the sales and marketing team through SFE sourcing funders interested in monetising the inventory of the client companies identified.</p>

# Key strategic priorities

Priority	2023 Progress
Funders	<p>SYME has continued to work diligently to build quality portfolios of client companies to attract quality inventory funders. Leveraging the first IM transaction made in 2022, the first traditional Inventory Monetisation transaction made during 2023 and the White-Label commitment obtained in early 2024 the Group, as the provider of the Platform and inventory servicer, is now working on the following funding routes:</p> <p><b>White-Label</b></p> <p>During 2023 work progressed with launching the White-Label go-to-market strategy, this work culminated in the announcement on the 3 January 2024 of the commitment provided by BBPM to fund an initial IM transaction with an inventory value to be monetised up to €10 million of an existing client of theirs. During early 2024 there have been a number of approaches by local and global banks to explore developing their inventory funding offering utilising the Group's technology and unique methodologies.</p> <p>As detailed in the Our Delivery model section on pages 9–12 there is flexibility in the White-Label offering for partners to select from a suite of the Group's services as required.</p> <p><b>Digital Assets/Token Route</b></p> <p>Building on the 2022 adoption of the VE Chain Thor blockchain protocol, during 2023 and early 2024 work has been undertaken to expand the offering in the Web3 arena by adding Security Tokens as a distribution tool. This allows potential inventory funders (through the CH Trading Hub) to subscribe to a part or whole of a Security Token, which are backed by Non-Fungible Tokens (NFTs), which are in turn backed by the inventory monetised and owned by the relevant stock company. The development in this space will open IM's as a new asset class to a broader range of potential inventory funders.</p> <p>As outlined in the how we follow the tokenisation trend section of this report on pages 15–16 there is significant opportunity for funding through tokenisation of inventory as an asset through both crypto asset managers and direct investors through liquidity pool partnerships.</p> <p><b>Collaboration with investment bank and asset managers via the Open Market IM business line</b></p> <p>The Group has seen interest from banks and alternative asset fund managers in funding the pipeline of clients originated by the Group. These programmes could cover the Group's existing client pipeline and, also, new clients that match the eligibility criteria requested by the potential inventory funders. The recent announcement of the agreement with the Italian neo bank is significant progress in this area.</p>

### 3. Creating a highly scalable global business

Priority	2023 Progress
Operations	<p><b>Ongoing</b></p> <p>Our internal processes have continued to develop during 2023 with a test and learn approach in line with the adaption of the policies, procedures and framework for the differing inventory models, and associated corporate client and inventory funder needs.</p> <p>A greater level of automation and translating these processes into technology solutions will enable the scalability of the business.</p> <p>Developments have also been significant in building the protocols, structures, and processes required to deliver the White-Label solution.</p>
Legal framework	<p><b>Ongoing</b></p> <p>During 2023, and as a result of working with different vertical industries and in different jurisdictions we have now legal framework agreements and trading templates for a number of operating models in UK, Italy, and France.</p> <p>Additionally, as a result of the launch of the White-Label go to market strategy, we have broadened our legal framework pack to cater for this type of solution.</p> <p>The learning from the delay in the UK transaction, largely the result of the IM being managed alongside an existing floating charge facility which has required this client company to gain specific waivers has been invaluable with regard to how to operate the Group's product with respect to clients existing facilities.</p>

# Key strategic priorities

For the first time in 2023 the Board shared shorter term goals aimed at contributing to these longer term key strategic priorities referred to in detail above. Progress against these over the past 12 months is outlined below:

## Build track record

The focus on building a solid track record of Inventory Monetisations across Supply@ME's initial core markets of UK and Italy has led to the announcement of the execution of contracts relating to the first traditional IM's in both these markets. These contracts also start to build the Group's recurring revenue based.

## Expand pool of inventory funders

The team have continued to evolve its approach to the service provided to inventory funders and the stock companies. Additionally, the strategic partnership with SFE developed during 2023 will be key to this approach. The development of this structure is designed to grow the pool of inventory funders interested in using the Supply@ME Platform. The evolving approach to inventory funders has also been demonstrated by the announcement of the White-Label agreement with BBPM and also the institutional investor involved in the traditional funding announced during 2023. Additionally the development and interest in the tokenisation route during 2023 and early 2024 and the proof of concept demonstrated by the VE Chain transaction in 2022 opens a pool of funders interested in digital assets.

## Maintain solid pipeline of targeted corporate clients

The team at Supply@ME have continued to build the corporate client base. This client base provides the inventory for Open Market IM Transactions and provides revenue to the Group through pre and post-monetisation activities. The client base is delineated according to its business model and inventory type as outlined in the "how we adapt to scale the business" section on pages 13-14. The evolution of our pipeline reporting also demonstrates the learning about eligible inventory attrition rates as we progress through the due diligence phase and what our target client minimum size should be in each industry vertical. We can now quickly identify if a client and their anticipated eligible inventory size will be attractive to our pool of inventory funders.

Focus has been given to the inventory turns and volume of inventory to be monetised by each client and how the Supply@ME solution can best serve their needs. The volume of inventory turns is salient when facilitating Inventory Monetisation transactions for some client business models as in some instances it affects the return received by the inventory funder and also the level of risk to the stock company of unsold goods.

## The Group's 2024 focus is as follows:

- > Demonstrate to the market how Supply@ME can provide its inventory expertise through an "inventory funding infrastructure as a service" approach, facilitating inventory assessment, funding, monitoring and reporting.
- > Working closely with SFE to structure integrated processes in order to support SFE in the dialogue with inventory funders and the necessary structured financing activities.
- > Also considering the previous points, continue to augment our technology, processes and IM Platform to cater to varying client business models and best serve our clients and leverage funder interest in specific business models and markets. Regarding inventory models rolled out in 2023 and continuing to be further refined in 2024, these are:
  - > Order driven businesses, where the business takes client orders and builds bespoke products
  - > Inventory which undergoes an aging process, where our platform facilitates the monetisation of the inventory as it ages
  - > Trading & finished goods, businesses who resell and trade in goods
  - > Raw materials to finished goods, companies who make goods to trade
- > The potential market for the Supply@ME model is global. However, the 2024 focus will be on building client pools in UK and Europe, in line with the eligibility criteria of the inventory funders and SFE. However, Supply@ME is always open to opportunities and will continue to evaluate potential market expansion routes.
- > Now that there is a proof of concept for our White-Label solution provided by the agreements with BBPM the Company will build its White-Label track record, working closely with commercial banks.

# Our Team

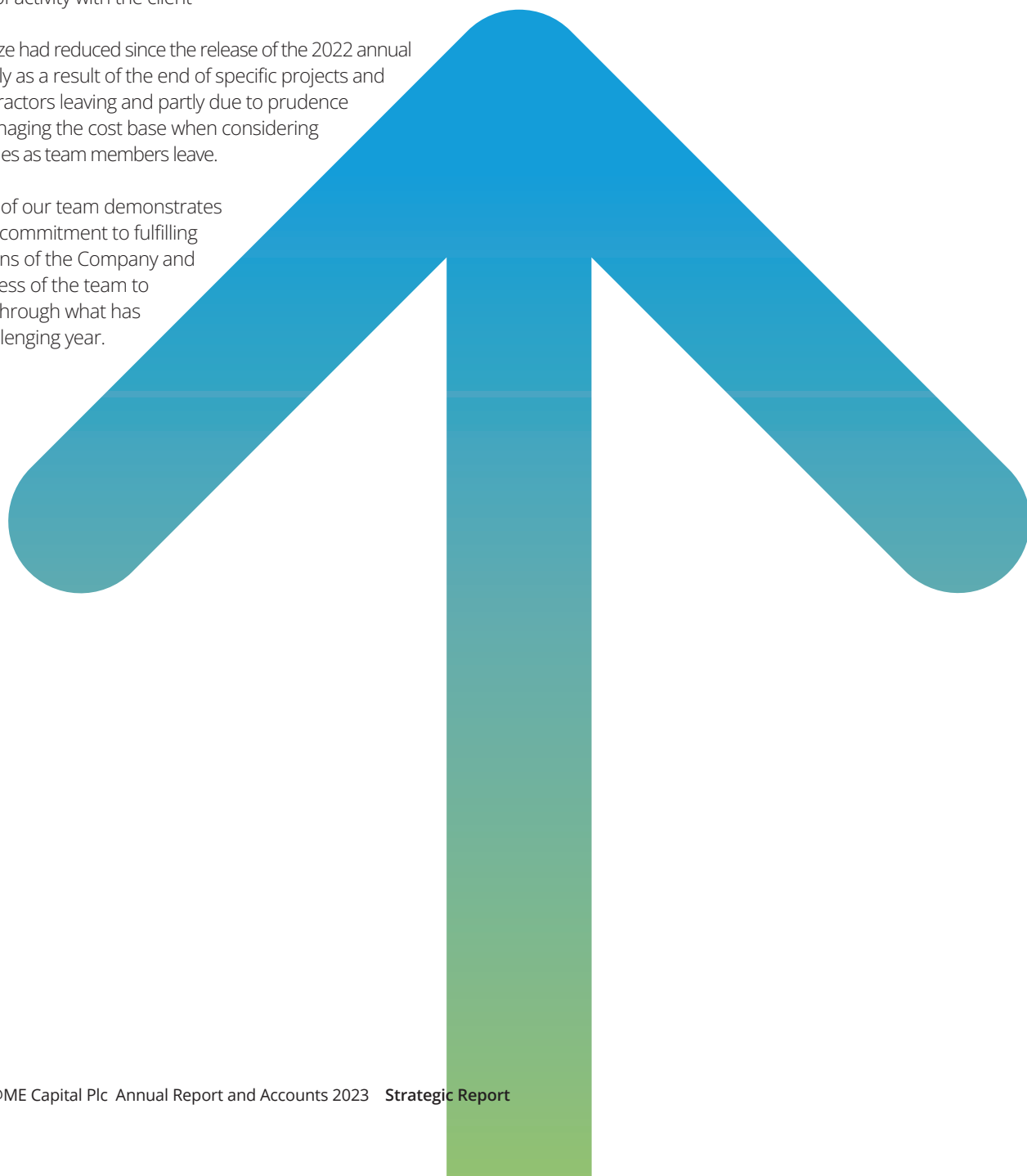
The Supply@ME team are fervent believers in our Inventory Monetisation product and its Unique Selling Points and are passionate about bringing this product to market.

Our team have developed unique expertise in Inventory Monetisation through the “Test and Learn” process. This has been developed by working with:

- > Clients to appreciate their business models and how Inventory Monetisation can support them, and how to adapt the Inventory Monetisation model to meet their needs and those of inventory funders
- > Partners to understand what they require in order to support all stakeholders in the transaction safely and effectively
- > Data to assimilate, augment, interrogate, and analyse all phases of activity with the client

Our team size had reduced since the release of the 2022 annual report, partly as a result of the end of specific projects and hence contractors leaving and partly due to prudence around managing the cost base when considering replacing roles as team members leave.

The tenure of our team demonstrates the level of commitment to fulfilling the ambitions of the Company and the willingness of the team to persevere through what has been a challenging year.



# Our Team

As at 19 April 2024

Permanent and fixed term contractors



Day-rate contractors



Our team works remotely across 3 European Countries

Chief Executive Officer



Finance



Operations and Due Diligence



Technology and Product



People



Risk



Sales and Marketing and Client Onboarding



Female

**41%**

Male

**59%**

Less than 1 year tenure

**2**

1 to 2 years tenure

**1**

2+ years tenure

**14**

## Diversity

In line with the FCA's listing rule requirements below is the required breakdown of the Board and Leadership team diversity as at 19 April 2024 the last practicable date to report.

### Gender

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in executive management	Percentage of executive management
Men	4	80	2	2	50
Women	1	20	0	2	50
Not specified/prefer not to say	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>100</b>	<b>2</b>	<b>4</b>	<b>100</b>

### Ethnicity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	5	100	2	4	100
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	0	0	0	0	0
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>100</b>	<b>2</b>	<b>4</b>	<b>100</b>

Supply@ME's Board does not yet meet the target of 40% of its directors being women, it also does not represent the gender diversity of the organisation as a whole. The leadership team immediately below the Board is 50% and the workforce as a whole is 41% female. In terms of the requirement for a senior position on the Board of directors (Chair, CEO, Senior Independent Director or CFO) to be held by a woman, the Supply@ME CFO is female, however is not currently a member of the Board of Directors although she does attend and contribute to the vast majority of Board meetings. Supply@ME is a Fintech company whose main

sources of talent are from Financial Services, Technology and the Fintech market, all of which have had challenges attracting and retaining female talent, this does not however limit Supply@ME's ambition to have a diverse team and will strive to do so. The Board does not currently meet the recommendation to have one member of the Board from a minority ethnic background. During the course of 2023 Alexandra Galligan has taken on the role of Board Diversity Champion, and will work closely with the Chief People Officer and Chief Executive Officer on Supply@ME's approach to diversity.

# Our Leadership Team



**Amy Benning**

*Chief Financial Officer*

Amy gained her Chartered Accountancy qualifications in New Zealand while working with KPMG on a range of clients across various industry sectors. On moving to the United Kingdom, Amy worked briefly with BP's shipping arm, before moving to PwC's London Capital Markets Team where she spent 12 years focussing on technical accounting, mergers and acquisitions and initial public offerings for a wide range of clients. In 2018, Amy moved to Alfa Financial Software Holdings PLC, a UK main market listed company and developer and provider of software for the automotive leasing sector. As Finance Director, Amy was responsible for the team which managed accounting, reporting (internal & external), corporate governance, audit, systems, process improvement, controls, and transactional accounting. Amy joined Supply@ME in June 2021.



**Stuart Nelson**

*Group Head of Enterprise Risk Management*

Stuart is an experienced credit risk analyst, with global experience of assessing the risk of financing solutions across multiple asset classes. Having begun his career at JPMorgan in the EMEA Emerging Markets Team in 2000, he then spent almost two decades in leadership roles at S&P Global Ratings. During his time at S&P, he managed multiple teams across the European office network in London, Milan, Frankfurt, Madrid, and Paris, focussing on the assessment of asset securitisation in all sectors, with oversight of ratings on securities of more than €50 billion equivalent over that period. From 2015, he concentrated his attention on the refinement and validation of risk methodologies across a global spectrum of asset classes. Stuart joined Supply@ME in 2020, where he monitors all aspects of the risk and operational functions.





## Alice Buxton

*Chief People Officer*

Alice is a HR leader motivated to help businesses succeed by creating environments which enable individuals, teams, and leaders to thrive. She has considerable experience in the Financial Services and FinTech industries. Prior to joining Supply@ME she built the Global Talent function at Greensill, helping the business grow its workforce from 250 to over 1,200 in multiple jurisdictions in just over two years. Previously she worked as an Executive Director in Goldman Sachs Human Capital Management Division, focusing on the EMEA Trading floor and Risk, Audit and Compliance teams attracting and developing high potential talent.

Before this she worked in Talent Acquisition for Ernst and Young's London office, recruiting for their risk and advisory business. Alice has a BSc in Psychology, MSc in Human Resource Management and is a qualified corporate and executive coach. Alice joined Supply@ME in June 2021.



## Mark Kavanagh

*Group Head of Operations and Transformation*

Mark is an experienced Risk Leader with over 25 years in Credit & Risk functions. Before joining Supply@ME, Mark worked for Greensill Capital as Head of Product Risk. Whilst there, he implemented accounts receivable ("AR") policies and procedures, installed an AR platform, helped Greensill expand territorially, and trained the Credit team on any new product offerings, acquisitions, and integrations. Prior to that, he worked for GE Working Capital Solutions (the monetisation arm of General Electric group) for 15 years, heading up their European Credit Team, managing the auto scoring and decisioning system, and ensuring processes were safe and efficient. Mark joined Supply@ME in June 2021.

## Recent Changes

During early 2024 Nicola Bonini, Group Head of Origination, left Supply@ME. Since her departure our CEO has become more hands on in leading our Sales and Marketing function and the relationships the Company has with our external ecosystem of originators. During 2024 continued assessment will be made as to the right moment to augment our sales and marketing team further balancing this with the revenue, funding, and cash flow.

# Team Q&A



## Francesca Tomasi

*Client and Sales Lead*

### Can you outline your career to date?

I joined Supply@ME in December 2022, initially as a Financial Analyst in the Business Operations team, I moved from there into the Sales and Marketing team where my career has continued to grow into my current role of Client and Sales Lead. My career trajectory has been marked by transitions across various sectors, starting with large-scale distribution, moving into the renewable resources sector, and ultimately fulfilling my long-standing goal of working in the fintech sector, with Supply@ME, in sales and marketing.

### What attracted you to Supply@ME?

I first encountered Supply@ME when attending fintech events focusing on smart contracts and the blockchain model, an area of particular interest to me being the focus of my Masters thesis. When I was approached by the Company for an interview, I immediately accepted.

Alessandro Zamboni, our CEO, played a significant role in my early interactions with the Company, which showcased their commitment to fostering strong relationships and caring for their team members. I was drawn in by the personal and proactive hiring approach, this level of care and dedication really stood out to me.

### Can you tell us about your role in Supply@ME?

My journey at Supply@ME began in the business operations team, where I worked as a Financial Analyst. During this initial phase, our team was small, and we all worked collaboratively towards a common goal - being the pioneers in monetising inventory held in warehouses in Italy and beyond.

Subsequently, I transitioned to Onboarding Supervisor - Client Relationship. This role primarily focused on the pre-trading phase, where I explained our services to clients and guided them through initial due diligence and the onboarding process. In essence, I served as the client's main point of contact throughout the entire journey, guiding them from the initial stages to the point of monetisation.

Today, my role has evolved into Client and Sales Lead as part of the Marketing and Sales team. In this capacity, I am responsible for business development and researching potential new clients. Once we identify and validate prospective clients, I educate the clients about the Supply@ME services, collect further information about the clients business model and inventory held, and lead negotiations of the term sheets to kick off the due diligence activities required. The ultimate objective in this role is not only to find clients who require our services but also to effectively convey the advantages and functionality of our offering.

### What will the future of Supply@ME look like from your point of view?

I am confident our future is very bright. I have always been a strong believer in the vision and the potential for Supply@ME. It is a truly innovative offering. I am one of the longest standing members of the team and I am very confident we will do great things for the Italian market and beyond. Our journey to date is a testament to perseverance and unwavering commitment.



## Andrea Antonucci

*Corporate and Inventory Analysis Associate*

### Can you outline your career to date?

My background is in corporate risk management and analysis, which has given me a number of transferrable skills relevant to my role at Supply@ME. I began my career at CRIF, a credit bureau in Bologna, before moving onto global professional services firm Deloitte, where I focused on regulatory risk. I joined Supply@ME in 2020 as a Business Analyst, before progressing to a more specialist role in assessing the corporate credit history and inventory of prospective and existing clients.

### What attracted you to Supply@ME?

Building something new, a cutting-edge platform which hasn't existed before, really appealed to me. Supply@ME's model has the potential to make a difference to a huge number of companies and revolutionise the way business approaches working capital, and I wanted to be a part of that.

Coming from a one of the largest consultancy firms in the world, I was really drawn by the tight-knit team culture at Supply@ME. From my first meeting with CEO Alessandro Zamboni, I have always felt valued for my skills and efforts. At Supply@ME you are more than just a number; each and every person has a role to play and is part of our team, which is reflected in the support we receive from senior management. We have built a culture which allows each person to make the most of their strengths and have access to the people and resources which can help us improve. We have achieved all of this while embracing a remote working model, which is great for achieving a healthy work/life balance.

### Can you tell us about your role at Supply@ME?

I am a Corporate Credit and Inventory Analysis Associate, which means I am responsible for assessing the eligibility of prospective clients to use our Inventory Monetisation services. I work very closely with our sales and marketing team, liaising directly with clients to understand their inventory cycles, sales patterns and other conditions we take

into consideration before onboarding a prospective client. Of course, none of our work would be possible without the unique technological platforms we are building, so part of my role also involves working with our technology and product teams to convert these insights into a digital format which we can use for analysis, monitoring and tracking.

### What does the future look like from your perspective?

Supply@ME has a presence in its core markets of the UK and Italy, and we continue to make progress in those markets. However, the problem which Supply@ME solves is global and impacts companies all over the world. So, while we are prioritising building our pipeline in our core markets, we always have an eye on the future and I look forward to being part of our international ambitions.

# Engaging with our Stakeholders

## Directors' statement under section 172 (1)

The following disclosure forms the Directors' statement required under the Companies Act 2006 on how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) in performing their duties. The Board recognises that engagement with its stakeholders is fundamental to the long-term success of the Group and considers the views and interests of all key stakeholders in its decision-making. Below is a summary of how the Board engaged with each key stakeholder group during the year.

## Our People

The Board recognises the critical importance of our team – a motivated, committed, engaged workforce is essential for the Group's success. The CEO, who is an Executive Director works closely and collaboratively with our global team, having regular contact both formally and informally. The Chief People Officer, Alice Buxton, regularly updates the Board and has developed a People Strategy, focused on growing the business' people capability to enable successful business growth and cultivating an engaged and high performing workforce. There have been three All Hands meeting during the year where Non-Executive Directors have spoken with the team and provided insight into market disclosures as they have been made. Enrico Camerinelli has taken on the role of Board Sponsor for employees and Alexandra Galligan is the Board Sponsor for Diversity, Equity, and Inclusion.

During 2023, our second employee experience and engagement survey was undertaken to assess the employee experience at Supply@ME. The results demonstrated continued high scores relating to team members being able to speak up and offer their views even if they are not the most popular standpoint, which also supports the recognition by the team of a diversity, equity, and inclusion culture at Supply@ME being a business priority and a strong appreciation of collaboration across the team. Scores in the survey had also increased in relation to the team working in line with the Supply@ME behaviours of collaboration, innovation, delivery, and global thinking. All this provides a solid foundation for the future. Areas of decreased scores year on year highlighted a need to further develop internal career growth opportunities to ensure the team continue to develop their careers within Supply@ME and the Group's approach to reward. The results from the survey have helped to develop the people focused goals for 2024, continuing the focus on reward, recognition and career growth for individuals to build skills, knowledge and experience for the companies future success. The long term incentive plan continues to be a key tool in rewarding and retaining employees for reaching goals that lead to increased shareholder value. The Board will continue to engage with our people to ensure areas of importance are prioritised.

## Our shareholders

The continued support of our shareholders is vital to the long-term success of the business. We aim to engage with our shareholders in line with the Group's strategic objectives and delivery of these, with the overall aim of delivering value to all our stakeholders.

The Group continually seeks to improve its engagement with its shareholders, both private and institutional investors. During 2023 Supply@ME has continued to focus on disseminating information to the market in a timely manner, as well as monitoring and responding to communications in the dedicated investor relations inbox, where it is possible to respond, for shareholders to be furnished with non-market sensitive information. As a growing business, with limited bandwidth, it is not possible for our team to provide an individualised response to each and every enquiry we receive. However, every communication is reviewed and, where possible, furnished with a full response as a priority. This process will continue to evolve with the business.

In addition to the AGM presentation held in June, in May 2023 the Company invited investors to a presentation to outline the opportunities for the business, demonstrate how the Supply@ME business model addresses these opportunities, and the Group's relative position within the relevant competitive landscape in more detail. After these events the Supply@ME team reviewed and responded to a significant number of shareholder questions. Additionally, during 2023 Supply@ME has provided commentary on topics relevant for global supply chains through a series of blogs published on LinkedIn. Supply@ME continues to develop its investor relations approach to provide more insights into the Company through regular engagement and discourse.

The completion of the TradeFlow Restructuring on 30 June 2023 was an important step for the Group as it will allow us to better serve both the needs of our client companies and the funders of both businesses. It will create value for the Company shareholders by eliminating any perception of conflicts of interest between the two businesses and providing both businesses with greater commercial opportunities through the clear differentiation of responsibilities of the individual entities.

### Corporate Clients

Corporate clients, both current and prospective, are a crucial stakeholder group for our business. Our Platform is designed to be simple, allowing an unobtrusive user experience. We want our clients to become advocates for the business and we are committed to working with them to refine the onboarding, trading, and monitoring processes. Through continuous communication our client-facing teams can build established relationships that ensure we understand and meet their business needs. This includes receiving regular feedback about our processes and product solutions and enhancing them to ensure they are best in class and continue to evolve as our customers business and the commercial environment changes. Every piece of feedback from prospective clients is also vital. We believe wholeheartedly in our proposition, and every client we onboard strengthens this belief. Ensuring that we reflect the issues which potential clients face and that our proposition is articulated appropriately is crucial to ensuring we realise our potential. The Group has endeavoured to keep clients up to date with likely timing of the completion of the IM transaction, particularly in light of the challenges that have been faced in connection with securing inventory funders on a timely basis. Going forward the new relationship with SFE should speed up this process as they will work to ensure they have a pool of inventory funders available. The team has also been working closely with the first UK client company whose current financing facility has led to a delay in the progress of the transaction to execution.

### Inventory funders

Inventory funders are essential to our business, and the ecosystem we support as providers of the IM Platform and inventory servicers. We are focused on creating a new asset class in which funders can confidently invest in inventory. Where required we have and will evolve our business model to ensure we are reflecting the feedback and views of current and prospective funders, and regulators.

An example of this evolution is the collaboration with a group of private investors and subject matter experts of working capital solutions during 2023 to launch the CH Trading Hub to replace the Cayman-based GIF, previously advised by TradeFlow. The CH Trading Hub, will purchase, incorporate and assume control of independent stock companies as required to meet the needs of specific IM transactions, and to manage the overall trading businesses using the Platform and the associated services provided by the Group. This over time will enable a multi-asset management model where the Group can cooperate with further European and UK authorised asset managers.

Additionally, the CH Trading Hub will handle the token route, the Group is continuing to work with the CH Trading Hub on the launch of a security token framework which will allow up to US\$100 million to be issued and subscribed, mostly by institutional investors active in the digital asset markets. The security token is expected to be issued by a vehicle sponsored by SFE and be tradeable on authorised digital asset exchanges. This initiative facilitates the creation of a new market in digital assets for interested investors.

### White-Label Banks

During 2023 the Company worked to finalise the commitment for the first White-Label IM transaction with BBPM, which was announced on 3 January 2024. Potential White-Label banks who use the technology and expertise provided by the Group as inventory servicer and IM Platform provider, will benefit by building a new unique service that they will be able to offer to their own existing client base, or provide funding to corporate clients who have been originated by Supply@ME and are in the Group's client pipeline.

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	2023 £000	2022 £000	Movement £000
<b>Continuing operations</b>			
Revenue from continuing operations	158	138	20
<b>Operating loss from continuing operations before impairment charges and fair value adjustments</b>	<b>(3,625)</b>	(4,651)	1,026
Impairment charges	(384)	(1,078)	694
Fair value adjustments to investments	(68)	-	(68)
<b>Operating loss from continuing operations</b>	<b>(4,077)</b>	(5,729)	1,652
Finance costs	(83)	(1,982)	1,899
<b>Loss before tax from continuing operations</b>	<b>(4,160)</b>	(7,711)	3,551
Income tax	-	-	-
<b>Loss after tax from continuing operations</b>	<b>(4,160)</b>	(7,711)	3,551
Loss from discontinued operations	(185)	(2,167)	1,982
<b>Total loss for the year</b>	<b>(4,345)</b>	(9,878)	5,533
	2023 Pence	2022 Pence	Movement Pence
<b>Total loss per share ("EPS")</b>	<b>(0.0073)</b>	(0.0228)	0.0155



The Group's consolidated financial statements for the year ended 31 December 2023 ("FY23") have been prepared in line with UK adopted International Accounting Standards ("IAS"). The TradeFlow operations continued to be classified as discontinued operations and assets held for resale in line with the requirements of IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations") from 1 January 2023 until the date of completion of the TradeFlow Restructuring, being 30 June 2023.

As shown in the financial summary on page 38, the TradeFlow (discontinued) operations contributed a loss of £185,000 (inclusive of the profit of £718,000 recognised in connection with the TradeFlow disposal) in FY23, compared to a loss of £2,167,000 from discontinued operations for the year ended 31 December 2022 ("FY22").

### Revenue from continuing operations

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

The table above provides a breakdown of the Group's revenue from Inventory Monetisation activities during FY23. Revenue is recognised in accordance with IFRS 15 ("Revenue from Contracts with Customers") and more details on the Group's revenue recognition policies can be found in the note 2 to the Group's FY23 consolidated financial statements included within this Annual Report and Accounts.

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

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

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

fees related to the following activities:

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

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

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

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

During the second half of 2023, the Group continued to make important progress to enhance its business operating model with continued differentiation of the IM Platform including, not only the underlying software, but also the supporting processes, methodologies and legal framework. Alongside this, the Group has worked on developing a new inventory funding framework through the launch of CH Trading Hub, has spent considerable time and effort securing its first commitment which will launch the Group's White-Label go-to-market strategy, and has been working with various investment banks and digital asset providers to explore and develop a wider variety of inventory funding

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routes. All these activities have continued into 2024 as outlined in more detail elsewhere this Annual Report and Accounts for the year ended 31 December 2023.

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

- > an aggregate decrease in the loss from gross profit and administration expenses of £537,000 from £4,123,000 recognised in the year ended 31 December 2023, compared to £4,660,000 recognised in the prior year ended 31 December 2022. This decrease largely resulted from focused cost saving efforts that were implemented during 2023, in particular in the second half of the year when the Group experienced cash flow pressures as a result of delayed contractual funding amounts due to the Group. In particular, the professional and legal fees reduced by £643,000 during FY23 as management made an effort to bring certain activities in house, staff costs reduced by £211,000 during FY23 as certain staff members who left during the year were not replaced, either at all or immediately, and contractor costs reduced by £59,000 during FY23 as the Group ended certain agreements with contractors as specific activities that were being worked on came to an end. When the Group has sufficient cash balances in the future, management will look to increase some of the costs again in order to support and drive growth and expansion. The decreases set out above were partially offset by:
  - > higher LTIP costs in FY23 as a result of a full 12 months of charges in relation to the October 2022 LTIP grants, compared to just two months of charges in FY22, and seven months of charges of the May 2023 LTIP grants; and
  - > higher interest and penalty costs incurred across the Group due to late payments being made as a result of the delayed revenue generation and contractual funding being received by the Group.
- > an increase of £489,000 in the other operating income recognised during FY23 to a total of £498,000 for the current financial year compared to £9,000 recognised in FY22. The majority of this increase arose as a result of a settlement agreement reached with an existing supplier during FY23 to reduce the total amount payable by the Group in exchange for payment of a lower agreed amount by a specific date. The difference in the previous amount owed and the agreed final settlement amount resulted in a gain recognised in the income statement of £376,000 in FY23 (FY22: £nil). The other two main factors contributing to the increase in other operating income in the current financial period are:
  - > an increase in interest income recognised during FY23

of £25,000 compared to the prior period. This interest income was charged on late payment of contractual amounts due to the Group; and

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

## Impairment charges and fair value adjustments from continuing operations

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

The impairment charges from continuing operations of £384,000 recognised during FY23 relate to the impairment of the Group's internally developed IM platform as at 31 December 2023 in line with the requirements of IAS 36 ("Impairment of Assets"). This followed the conclusion that indicators of impairment were present, which included the losses continued to be generated by the assets held by the Group's Italian operating subsidiaries. In line with the going concern statement, set out in note 2 to the Group's FY23 consolidated financial statements included within this Annual Report and Accounts, there is currently a material uncertainty with respect to both the future timing and growth rates of the forecast cash flows arising from the use of the internally developed IM Platform intangible asset. As such, the Directors have prudently decided to continue to impair the full carrying amount of this asset of £384,000 as at 31 December 2023 (2022: £1,078,000).

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



## Discontinued Operations

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

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

The revenue and operating loss of the TradeFlow operations for the period from 1 January 2023 through to the date on which the TradeFlow Restructuring was completed, being 30 June 2023, are shown in the table above. As detailed earlier, the TradeFlow operations continued to be classified as discontinued operations and assets held for resale in line with the requirements of IFRS 5 (“Non-current Assets Held for Sale and Discontinued Operations”) from 1 January 2023 and up until 30 June 2023. After this point, TradeFlow was no longer consolidated by the Group and instead the Group now recognises the fair value of the remaining 19% investment in TradeFlow on its balance sheet as an investment. The comparatives show the revenue and operating loss of the TradeFlow operations for the full year ended 31 December 2022.

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

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

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

- > foreign currency translation loss reclassified to comprehensive income of £62,000 during FY23. This represents the cumulative foreign currency translation reserve created on consolidation in respect of the TradeFlow operations. This is reclassified to income statement at 30 June 2023 due to TradeFlow no longer being consolidated by the Group from this date; and
- > the profit on disposal of the 81% of TradeFlow of £718,000. On the 30 June 2023, the net assets of TradeFlow (representing a value of £1,634,000 at 30 June 2023) are no longer consolidated by the Group, and instead the fair value of the new 19% investment of £352,000 was recognised on the balance sheet, together with the £2,000,000 remaining cash consideration to be received. The difference between these items resulted in a profit on disposal of the 81% of TradeFlow recorded in the Group’s FY23 consolidated statement of comprehensive income of £718,000.

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

As detailed above, following the finalisation of the TradeFlow Restructuring on 30 June 2023, the assets and liabilities of TradeFlow, including the intangible assets arising as part of the original TradeFlow acquisition in July 2021, are no longer consolidated by the Group. As such no further impairment charges relating to the discontinued operations were recognised during 2023. Instead, a calculation was undertaken to calculate any gain or loss arising on the change in ownership structure of the TradeFlow operations.

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The details of this calculation are set out below, and further detail can be found in note 26 to the Group's FY23 consolidated financial statements included within this Annual Report and Accounts.

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

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

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

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

To determine the accounting fair value of the retained 19% investment in TradeFlow of £352,000, management used the specifics set out in the TradeFlow share purchase agreement dated 30 June 2023. Further details of this calculation are set out in note 26 the Group's FY23 consolidated financial statements included within this Annual Report and Accounts. Following this calculation, management then applied a discount of 25% to this fair value to take account of the fact that the Company no longer controls the TradeFlow operations. This discount applied is a management judgement that will continue to be reassessed at each reporting date.

## New equity funding

On 28 April 2023, the Company and Venus Capital S.A. ("Venus Capital") entered into a new equity subscription agreement, pursuant to which Venus Capital committed to subscribe for 4,500,000,000 new ordinary shares (the "Subscription Shares") at £0.0005 per Subscription Share (the "Subscription Agreement") over two separate tranches, both of which took place in May 2023. The total gross proceeds received by the Group in relation to this Subscription Agreement was £2,250,000 or £2,137,500 net of the £112,500 commission that was charged by Venus Capital in connection with the issue of the Subscription Shares. An additional £112,500 was paid to Venus Capital in respect of agreed costs and expenses incurred by Venus Capital in connection with the Subscription Agreement.

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

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

## New debt financing

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

### TAG Unsecured Working Facility

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

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

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

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

### Top-Up Shareholder Loan Agreement

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

Full details of this Top-Up Shareholder Loan Agreement are set out in note 28 to the Group's FY23 consolidated financial statements included within this Annual Report and Accounts. In summary, under the Top-Up Shareholder Loan Agreement the Company has the ability to draw down up to £3,500,000 in monthly instalments over the period to 30 June 2025, with the monthly drawdown amount calculated in order to ensure that the Group's projected cash balance on the last business day of the coming calendar month will not be less than £250,000 after taking into account the Group's scheduled balance of receipts and payments for the next month.

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

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

# Financial Review

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

## Late payment challenges encountered by the Group during 2023

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

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

## Cash flow

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

- > cash inflow of £2,068,000, net of commission and other share issue costs, received from the issue of new ordinary shares during the first half of 2023 under the Subscription Agreement, and from existing warrant holders who chose to convert their warrants (which had been issued in conjunction with the Open Offer completed during 2022);
- > cash inflows from long-term borrowing from discontinued operations of £405,000 due to the new long-term borrowings secured by TradeFlow during the six-month period in 2023 prior to the completion of the TradeFlow Restructuring;

- > cash inflows from long-term borrowing from continuing operations of £139,000, net of repayments and other finance costs, predominantly due to amounts received under the amended TAG Unsecured Working facility agreed during 2023 less the cash repayments made during 2023 in relation to the long-term bank borrowings; and
- > cash inflow of £1,228,000 that have been received during the year ended 31 December 2023 from TAG in relation to the repayment of the remaining cash consideration that was due as a result of the TradeFlow Restructuring.

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

- > net outflows from operating activities of £3,633,000 (2022: £4,555,000 net outflow);
- > continued investment in the Group's IM Platform of £458,000 (2022: £1,175,000); and
- > removal of the opening cash balance of the TradeFlow operations of £324,000 to reflect the fact that the TradeFlow Restructuring was completed on 30 June 2023 and the TradeFlow assets and liabilities are no longer consolidated by the Group at the period end.

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

## Net liabilities

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

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

- > the addition of the new assets created as a result of the TradeFlow Restructuring including a) the £772,000 outstanding cash consideration receivable by the Company from TAG as at 31 December 2023 (31 December 2022: £nil), following TAG's assumption of the outstanding cash consideration payable from the buyers of TradeFlow on 30 June 2023, and b) the £284,000

investment balance relating to the fair value of the Group's remaining 19% ownership of TradeFlow as at 31 December 2023. Further details on these new assets can be found in notes 26 and 27 to the Group's FY23 consolidated financial statements included within this Annual Report and Accounts.

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

- > the removal of the assets and liabilities relating to TradeFlow from the Group's consolidated balance sheet at 30 June 2023 to reflect the fact that the TradeFlow Restructuring was completed on this date. The value of the net asset relating to TradeFlow that were consolidated as at 31 December 2022 was £2,283,000;
- > the reduction in the cash balance from continuing operations from £257,000 as at 31 December 2022 to £5,000 as at 31 December 2023 reflecting a number of delayed contractual funding amounts due to the Group from TAG in the second half of 2023;
- > an increase in provisions from £468,000 as at 31 December 2022 to £575,000 as at 31 December 2023 reflecting additional interest amounts and penalties due on overdue tax and social security balances due;
- > an increase in long-term liabilities reflecting the balance of the TAG Unsecured Working Capital facility of £250,000 as at 31 December 2023 (31 December 2022: £nil);
- > a small increase in other working capital items primarily due to the overall net cash outflows from operations.

### **Going Concern**

The Board's assessment of going concern, the key considerations and the material uncertainties thereto are set out in the note 2 to the Group's FY23 consolidated financial statements included within this Annual Report and Accounts.

### **Related Parties**

Note 28 to the Group's FY23 consolidated financial statements included within this Annual Report and Accounts contains details of the Group's related parties.

### **Subsequent events**

Note 30 to the Group's FY23 consolidated financial statements included within this Annual Report and Accounts contains details of all subsequent events.

# Environmental, Social and Governance Review

The Group recognises the importance of considering and managing our impact on society and the environment as well as protecting and developing the business' long-term value for its shareholder base. Consideration has been given to how to assess, measure and manage this impact over and above that which is required from a statutory perspective and managing and leveraging the Groups opportunity to have a positive impact. Supply@ME recognise that the Group has the ability to have a positive impact in this area and intends to continually develop its approach. Key to this approach will be ensuring that consideration is being given to the Environmental, Social and Governance ("ESG") impacts of the business as it builds its track record of successful IM transactions executed over its Platform.

## Environmental

### Company aspiration

The aspiration's for the Company's environmental impact stated in the 2022 Annual Report remain consistent and during 2023 Supply@ME continued to work on this basis:

- > Continuing to keep energy consumption as low as possible, exploring ways to reduce or offset this as the business grows.
- > Continuing to utilise technology to avoid unnecessary travel, especially given the staff and directors are based in a number of different locations.
- > During 2024 the Group intends to further consider building on voluntary disclosures, considering the impact and business supply chain in particular scope 3 emissions tracking and calculation. An internal working group will be formed, and external advice will be sought as required.

### 2023 update

During 2023, the Group continued to be a low energy user, using less than 40 MWh per annum. As required by the Companies Act 2006 (Strategic and Directors Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the Directors have undertaken a review of the Group energy consumption and associated emissions. The Group uses significantly less than 40MWh of energy per year and is therefore classed as a low energy user by the regulations, as a consequence of which it is exempt from reporting annual emissions, energy use and an intensity ratio.

Below is voluntary reporting to provide more detail of this assessment and aspirations for the future. As the Group grows we intend to make more detailed disclosures.

### Scope 1 emissions and associated energy usage

These emissions are directly related to combustible fuel, used for heating company premises and / or powering company owned vehicles. The UK and Italian businesses are remote first and do not own or lease offices. At times desk

sharing spaces or managed offices are rented for company meetings. The business does not own vehicles and focuses on using technology as a means of communication which limits business travel, for example all 2023 Board meetings having taken place via video conference with the exception of the Board strategy day held in March 2023 and the 2023 AGM which was held in London in order to give shareholders the chance to attend in person. In respect of the Board strategy day in March 2023, no air travel was used and video conferencing was utilised for those members who would have been required to use this mode of transport to attend.

Prior to the TradeFlow Restructure which was completed on 30 June 2023, the Group owned 100% of TradeFlow. During this time, TradeFlow continued to rent its office space but did not use heating fuel.

### Scope 2 emissions and associated energy usage

These emissions relate to electricity and / or heat supplied to an organisation. No part of the organisation is directly supplied with or pays for electricity. TradeFlow lease an office, electricity usage being part of the rental fee. The total electricity use of the organisation is therefore restricted to the supply to the Singaporean office for the first six months of 2023 when TradeFlow was a wholly owned subsidiary of the Group.

### Scope 3 emissions

These emissions are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly affects in its value chain.

Since December 2020, TradeFlow advised funds have been one of the first trade funds in the world to start buying carbon credits, with the aim of netting off carbon emissions from transportation related to the funds TradeFlow advises. Reporting in this area is something that the Group will look to develop in the future as the business starts to scale.

## Social Capital

### Company aspiration

Supply@ME aims to have a positive impact on society and will continue to illicit feedback from our key stakeholders on mechanisms through which to achieve this aim.

### 2023 update

The Group seeks to reach the highest ethical standards and behaviours when conducting our business, and to ensure this is done with integrity, openness and appropriate protections for those with whom our business interacts and impacts.

The Group's Platform, by its nature, helps businesses to free up working capital earlier in their production or sales cycle through the facilitation of Inventory Monetisation transactions. Inventory Monetisation also allows trading



businesses to buy and hold more inventory in warehouse, potentially resulting in fewer deliveries (facilitating a lower carbon footprint from reduced supplier haulage).

The business has continued to take a proactive approach to data protection recognising the importance of data management as the business grows.

As part of the 2023 Employee Experience and Engagement survey employee's views on how Supply@ME could have a positive social impact in their community were elicited. These views will be incorporated into the Companies future approach to social capital.

## Human Capital

### Company aspiration

Continue to build a diverse, inclusive organisation which offers opportunities for growth and development for all employees and contractors.

### 2023 update

During 2023 and early 2024 the team have had a range of opportunities for growth. Career paths and development plans were built to help guide career growth. Internal development opportunities have been Self Leader, Sales Training and Manager and Leadership Training. Additionally, the whole team are developing their understanding of Digitalisation of Assets through training by Route Crypto Training. The first internal promotions recognising individuals' growth with the Company were awarded during 2023. The Board and leadership team are focused on retaining talent and growing careers through what has been a challenging year for the team due to the delays in funding the business has faced.

The 2023 Employee Experience and Engagement Survey highlighted that 94% of the team recognise that at SYME we believe diversity, equity and inclusion are a business priority, average scores having increased year on year from 2022. This has also been supported by Alexandra Galligan being appointed as the Board Diversity Champion.

Supply@ME's equal opportunities policy aims to ensure that the work environment is free from direct and indirect discrimination on the grounds; of race, sex, disability, sexual orientation, gender reassignment, marriage or civil partnership, pregnancy or maternity, religion or belief or age, and enables everyone to achieve their potential.

Having a global mindset, being collaborative and embracing differences are fundamental to our corporate culture. They run deeply through our people practices, including in recruitment, performance management and development of the team. In addition to the behaviours of innovation and focusing on delivery.

## Business Model and Innovation

### Company aspiration

Robust, systematic ESG assessment of potential users of our Platform to become a core element of due diligence.

### 2023 update

Supply@ME aims to have a positive impact on the environment, society and our stakeholders. During 2023 the Company has continued to evolve our ability to assess potential inventory funders overall ESG strategy and appetite to ensure potential client companies ESG impact is being taken into consideration during the onboarding and due diligence process. This allows potential inventory funders to be informed of the corporate clients ESG assessment which will enable them to take a proactive approach to ESG management and client company selection. To support the ESG assessment made during the due diligence phase, details are requested from clients in respect of their ESG policies, frameworks and risk assessments. This feedback compliments the consideration given to a potential client's jurisdiction, size and industry. This information can then be shared with potential inventory funders.

## Leadership and Governance

### Company aspiration

Further development and disclosure of proactive internal risk management processes in line with business growth.

### 2023 update

During 2023 the sale of 81% of TradeFlow was completed recognising the evolution of the regulation of the fund management industry and to cater to the needs of potential inventory funders who had expressed a desire to see a segregated structure of the Platform provider from the fund. This demonstrates the focus on ensuring effective governance of the business and our willingness to adapt to meet these requirements. The new structure with SFE is designed to enable us to scale the offering of Supply@ME as specialist inventory servicer with a stable partner in the CH Trading Hub.

The Company is a listed business which complies with the QCA Corporate Governance Code. Risk is regularly considered by the Board and a proactive approach is taken to risks identified, most recently through the application of the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework. Legal advice and guidance are sought from external experts, as and when required, in addition to a small inhouse team.

# Task Force on Climate-Related Financial Disclosures

## TCFD statement

We are committed to providing information about climate-related risks and opportunities that are relevant to our business. As outlined on the previous pages we are evolving our ESG strategy and governance framework, to take account of these risks and opportunities whilst balancing this with the current business environment. Below are our climate related disclosures aligned with the requirements of LR 9.8.6R by including disclosures consistent with the TCFD recommendations and disclosures. We also recognise that this specific statement was omitted from our 2022 annual

report and accounts. We have also included how this relates to the BEIS mandatory climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Our disclosures are not yet at the level consistent with the requirements, the leadership team and Board will be working towards compliance during 2024. Our intention is to create an internal working group and engage external advisors to support us on this journey.

TCFD Recommendation	BEIS Disclosure and Compliance Status	Commentary
<b>Governance</b>		
<p>a) Describe the Board's oversight of climate-related risks and opportunities.</p> <hr/> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>a) A description of the governance arrangements of the Company in relation to assessing and managing climate-related risks and opportunities.</p> <p><b>Partially compliant</b></p>	<p>Outlined in our ESG section of the annual report on pages 46–47 we explain the importance placed on ESG by the Group and its governance. Both the leadership team and Board were involved in developing and approving the approach and consideration given to ESG, with it being a topic for discussion at the Board strategy day in March 2023. It is also embedded into the Company's risk management approach.</p>
<b>Strategy</b>		
<p>a) Describe the climate-related risks and opportunities identified over the short, medium and long term.</p> <hr/> <p>b) Describe the impact of climate-related risks and opportunities on business, strategy and financial planning.</p> <hr/> <p>c) Describe the resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>(d) A description of: (i) The principal climate-related risks and opportunities arising in connection with the operations of the Company. (ii) The time periods by reference to which those risks and opportunities are assessed.</p> <p><b>Partially compliant</b></p> <p>e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Company.</p> <p><b>Partially compliant</b></p> <p>f) An analysis of the resilience of the business model and strategy of the Company, taking into consideration of different climate-related scenarios.</p> <p><b>Does not comply</b></p>	<p>The Group does not consider there to be any material climate related risks and therefore no material climate related impacts that require disclosure. However, the strategy with regard to climate risks and the Company's approach to its impact on the environment can be seen on page 46 in the Environmental section of our ESG Review.</p> <p>During 2024 this approach will be further developed with regard to the potential impacts of a changing environment on the Supply@ME business.</p>



TCFD Recommendation	BEIS Disclosure and Compliance Status	Commentary
<b>Risk Management</b>		
<p>a) Describe the processes for identifying and assessing climate-related risks.</p> <hr/> <p>b) Describe the processes for managing climate-related risks.</p> <hr/> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management.</p>	<p>(b) A description of how the Company identifies, assesses, and manages climate related risks and opportunities</p> <p><b>Partially compliant</b></p> <hr/> <p>c) A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the Company</p> <p><b>Partially compliant</b></p>	<p>Climate related risk is embedded into our overall risk management approach, detail of this can be found on page 50.</p> <p>Additional details of the Company's approach to environmental impact can be found on page 46.</p>
<b>Metrics and Targets</b>		
<p>a) Disclose the metrics used to assess climate-related risks and opportunities in line with the strategy and risk management process.</p> <hr/> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and related risks</p> <hr/> <p>c) Describe the targets used to manage climate-related risks and opportunities and performance against targets.</p>	<p>(h) The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.</p> <p><b>Does not comply</b></p> <hr/> <p>(g) A description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.</p> <p><b>Does not comply</b></p>	<p>Supply@ME is a low energy user, using less than 40MWh per annum. Detail of the Company's energy use is provided on page 46, including commentary around Scope 1, 2 and 3 emissions. As the Group grows more detailed disclosures in this area will be issued. As there are no material climate related risks identified at this time no other specific targets are set in relation to climate risk. The Company's aspirations in this regard can be seen on page 46.</p> <hr/> <p>Aspirations around the Company's approach to climate related risks can be found in the ESG section of this report on page 46.</p>

# Principal Risks and Uncertainties

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

reviewed and assessed centrally and key risks to the business are managed and mitigated. The key risks and mitigations are periodically presented to the Board and Audit Committee.

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

## Strategic risk

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

### Business Model and Strategic Competition

Movement since 2022	Likelihood	Impact
Maintained at same level	Unlikely	Major

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
<p>The Group's business model is that of an innovative Platform for Inventory Monetisation, aiming to capitalise upon market developments where supply chains may be placed under pressure.</p> <p>By its nature this is a new FinTech product which leads to an inherent risk of there being limited market interest in the product or on the converse a competitive offering being created by another organisation which outstrips our model or size.</p>	<p>The Group continues to acknowledge the risk of new and potentially larger competitors entering the Inventory Monetisation space and regularly monitors new entrants to keep abreast of changes to this risk factor.</p> <p>Over the past few years, a focus for the Group has been significantly investing in building, developing and flexing its unique model. It has also diversified the business model to encompass a variety of routes to market from White-Label product offerings, tokenisation and traditional inventory funding. Additionally, as detailed in the how we adapt to scale the business section of this annual report and accounts on pages 13–14 the Group's understanding and ability to deliver for a range of client companies business model adds to its competitive advantage, especially against potential new entrants to the market place.</p>	<p>The progress made during 2023 in the commencement of the variety of routes to market and the associated ability in the Group gives strategic competitive advantage, alongside the flexibility in the business model.</p> <p>Although there have been announcements from other companies with regard to progressing their own inventory funding model, Supply@ME is not aware of any other offering of Inventory Monetisation facilitated through a platform aligned to the Supply@ME business model. The investments made since the Group's inception would be challenging for a competitor to replicate over a short period at this stage.</p>

## Future Development and Strategy

Movement since 2022	Likelihood	Impact
Maintained at same level	Possible	Major

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

# Principal Risks and Uncertainties

## Macro Global and Economic Risks

Movement since 2022	Likelihood	Impact
Increased	Possible	Moderate

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
<p>The current global macro environment has an effect on all businesses, including the Group, its corporate clients and inventory funders.</p> <p>Consideration has been given to changes in loan appetite which is outlined in the Strategic Report on pages 17–18.</p> <p>The increased level of conflict globally, in particular the war in Ukraine and the increased tensions in the Middle East, could potentially affect the success of businesses who would be client companies of Supply@ME, leading to a smaller potential market.</p> <p>Consideration has also been given to the impacts of Brexit. As our business model requires legal contracts compliant with laws in individual countries the impact on the operations of the business from this macro event is limited. The restrictions of free movement of people and the immigration requirements in the UK as a result of Brexit is of greater concern.</p>	<p>The market for supply chain finance is large, as outlined in the Strategic Report on pages 17–18. As such, any increases to Supply@ME's market share to even a small degree, this could have a positive impact on the business.</p> <p>The business is currently focusing on clients based in the UK and Europe, Italy in particular. This narrowing of focus should mitigate some of the risk inherent from the increased global conflict.</p> <p>To mitigate the risk to the business of immigration constraints caused by Brexit the Company has obtained a Visa Sponsorship Licence.</p>	<p>The risk in this area has increased in the last year in our view largely due to the macro-economic environment. The increased uncertainty arising from continued global conflict is having an impact on overall business confidence which is also being felt by Supply@ME.</p> <p>Although Supply@ME is not a lender and does not provide financing the decreased appetite of SME's and large enterprises for loans due to higher interest rates could arguably reduce the size of the potential addressable market for Supply@ME.</p>

## Inventory Funding Risk

Movement since 2022	Likelihood	Impact
Reduced	Possible	Major

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
<p>Key to the Supply@ME business model is the interest of funders to acquire inventory and invest in the new model for which Supply@ME provides pre and post monetisation services. If there is no interest, or reduced interest by funders to invest in this asset class of inventory there is risk to the Supply@ME business model.</p>	<p>The new structure outlined in the strategic report on pages 9–12 mitigates some of this risk. Developing a strategic partnership with SFE who will proactively manage the funder relationships in any Inventory Monetisation transaction is a positive development in this area as it should allow for a greater understanding of the funders' requirements.</p> <p>Additionally, the diversification of potential routes to market mitigates this risk. These potential routes include funding provided by White-Label partners, traditional funding and tokenisation as potential funding routes for inventory.</p>	<p>The Group has seen positive progress in this area during 2023 including, the first traditional funding of inventory, the developments in the securitisation of assets and the first White-Label commitment. This progress, together with the new strategic partnership with SFE has reduced this risk to the Group through demonstrating there is interest from a variety of market players to fund inventory.</p>

## Technological Advancements

Movement since 2022	Likelihood	Impact
Maintained at same level	Unlikely	Moderate

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

# Principal Risks and Uncertainties

## Commercial Legal Risk

Movement since 2022	Likelihood	Impact
Reduced	Unlikely	Minor

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
<p>The Supply@ME business model requires new and detailed legal contracts to be in place in each global jurisdiction in which a monetisation is to take place. This is required in order to ensure the contracts are tailored to specific circumstances and regulations in that new region. This creates a risk of the Group potentially breaching legislation specific to a new region. It also means that the first monetisation in a new region could have significant up-front cost in both time and finances depending on the complexities of that region. However, as the business expands to more regions, this will then lead to a scalable model which can be replicated in a much more efficient manner for each new client onboarded in an already established region.</p>	<p>When Supply@ME engages with a new a corporate client the location of their inventory is a key part of early discussions and companies are progressed through the Supply@ME pipeline taking this into consideration. External legal expertise is sought for each country region that the Group is engaging in business to reduce any risk of breach of local legislation and to ensure the leadership team is made aware of any specific legal circumstances that might be unique to a particular country or region.</p>	<p>A significant amount of time and resources have been invested into the development of standard commercial contracts for the UK and Italy, and these have been implemented with client(s) in these two regions.</p> <p>Solid progress has also been made on establishing legal structures in France where corporate clients in the Group's pipeline have approached Supply@ME with inventory they wish to have monetised. Given this progress over 2023, this risk has reduced compared to the prior year.</p>

## Financial Risk

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

### Group Funding Risk

Movement since 2022	Likelihood	Impact
Increased	Likely	Major

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
<p>The Company and the Group remain in the early stage of development and have not generated consistent revenues from operations to date and are not currently profitable. In addition, predicting the time frames within which the Group will commence the generation of consistent revenues remains difficult. As a result of the current stage of development, the Group has needed to rely on funding from various sources in the past including equity placings, various shareholder funding commitments together with other loan and convertible loan note facilities.</p> <p>Despite continued confidence in its long-term strategic aims, the Directors continue to recognise additional financing will likely be required and that the availability of future potential funding options may be limited and could potentially be on terms that are not favourable to the Group and may be dilutive to shareholders.</p> <p>Additionally, during 2023, and to date in 2024, the Group has experienced delays in terms of the funding commitments that had been entered into with its key shareholder, TAG. This created a new risk to the Group in terms of the relevant counterparty being able to provide funding in line with their contractual commitments to the Group.</p>	<p>The Company and its Board are continually reviewing the cash flow position of the Group and, as required, will explore additional funding facilities available to meet the cash flow, working capital and growth needs of the Group. To support this the Company remains engaged with several key stakeholder and finance providers to fulfil the future funding needs and to provide the Group options to diversify the current sources of funding and mitigate the risk of being dependent on the various funding commitment provided by TAG.</p> <p>To help mitigate the impacts of the delayed funding payments from TAG during 2023 and to date in 2024, the Board are in regular contact with TAG and have been working closely with them to ensure the committed payments are continually being received, albeit on a delayed basis. Alongside this the Board are in regular contact with the CFO to ensure they are fully aligned on the use to funds that are available.</p>	<p>Funding was challenging during 2023 due to the delays in funding being received. As such, this risk has increased when compared to 2022. There were unforeseen delays which impacted on:</p> <ul style="list-style-type: none"> <li>&gt; Our people, which increased the risk of attrition.</li> <li>&gt; Our third-party suppliers, which increased the risk of the Company being able to seek the external expertise it required.</li> <li>&gt; Our ability to build the technology infrastructure at a pace originally.</li> </ul> <p>While the business progress has been positive over 2023 and early 2024, this risk will remain high until the Group is able to consistently generate revenue which is sufficient to cover its costs.</p>

# Principal Risks and Uncertainties

## Operational Risk

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

### Business Continuity Risk

Movement since 2022	Likelihood	Impact
Decreased	Unlikely	Moderate

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
<p>Our business is evolving. As a business evolves, processes need to adapt and improve. Not keeping abreast of these changes exposes the Group to risk of not delivering for our clients and/or business failure.</p> <p>It is also key that our IM Platform is accessible and available, which requires any outage time being kept to an absolute minimum. As such processes and policies being in place to allow for business continuity when faced with technical issues is key to the Groups success as a result any failure or inaccessibility of our IM platform is considered a principal risk for the Group.</p>	<p>"Key Person" dependency is an element of business continuity risk, to mitigate this all policies, processes, and procedures are clearly documented, along with training videos, and standardised templates enabling any team member to be able to carry out part of a process.</p> <p>Business continuity plans are in place and are presented to third parties when necessary. They are also reviewed and tested to ensure robustness.</p> <p>All our technological components are backed by Service Level Agreements and support plans, with scheduled back-ups and restoration plans should they fail.</p> <p>All our processes are able to be run manually should there be a significant downtime of any of our components.</p> <p>When working with third party suppliers we ensure agreements encompass business continuity measures / service level agreements in order to mitigate the risk that the IM Platform processes are impacted by the business interruption of services provided by key suppliers.</p>	<p>The team has consistently been focused on process documentation to create robust business continuity plans and to build this into every element across the Group. As a result of the work completed in 2023 and early 2024, this risk has decreased as compared to the prior year.</p>



## Talent and Diversity Risk

Movement since 2022	Likelihood	Impact
Increased	Possible	Moderate

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

# Principal Risks and Uncertainties

## Cyber Security Risk

Movement since 2022	Likelihood	Impact
Maintained at same level	Unlikely	Major

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

## Regulatory, Legal and Reputational Risk

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

### Corporate Legal and Regulatory Risk

Movement since 2022	Likelihood	Impact
Increased	Possible	Moderate

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

### Data Protection

Movement since 2022	Likelihood	Impact
Maintained at same level	Rare	Moderate

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

# Principal Risks and Uncertainties

## Reputational Risk

Movement since 2022	Likelihood	Impact
Increased	Possible	Moderate

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

## Environmental, Social and Governance Risk

The Supply@ME approach to ESG and its TCFD statement can be found on pages 46–49.

The Strategic Report set out from pages 3–60 is approved by the Board of Directors and signed on its behalf by:

**Alessandro Zamboni**

*Chief Executive Officer*

30 April 2024

# Corporate Governance Report

# Corporate Governance Introduction

Our Board of Directors are focused on ensuring sound corporate governance and an effective Board. The Board jointly takes responsibility for overseeing the Company's corporate governance model and ensuring that effective communication flows freely between Executives and Non-Executives in a timely manner.

We have adopted the Quoted Companies Alliance Corporate Governance Code (QCA Code). This report follows the structure of these guidelines and explains how we have applied the guidance. The Board is cognisant of the importance of compliance with the QCA Code and endeavours to adhere to this as far as practicable having regard to the size, nature and current stage of development of the Company. From April 2024 the Board will be using the updated QCA guidelines, and will report against them in future years.

We understand that application of the QCA Code supports the Company's medium to long term success whilst simultaneously managing risks and providing an underlying framework of commitment and transparent communications with stakeholders. We are committed to monitoring and promoting a socially responsible corporate culture, illustrated through internal policies and external stakeholder engagement.

As a main market company, (standard segment, trading on the London Stock Exchange) this information needs to be reviewed annually and details of our Corporate Governance can be found on our website.

Outlined in the next pages are details of the Directors of the Group during 2023.

# Directors' Information

## Current Executive Director



## Alessandro Zamboni

*Chief Executive Officer and Executive Director  
Appointed 23 March 2020*

Alessandro is CEO and Executive Director of Supply@ME Capital Plc. He specialises in the financial services industry and related strategic and digital models. Since 2008, he has been managing the delivery and the sales operations of a consulting company specialising in Regulatory & Internal Controls for Banks and Insurance Firms. He founded the AvanteGarde Group S.p.A, the former parent company of Supply@ME S.r.l., in 2014. He holds a BA degree in Economics from the University of Turin.

As well as being CEO of Supply@ME Capital Plc, Alessandro holds Executive positions at AZ Company S.r.l., AvantGarde 4.0 S.r.l., Orchestra Group (rete di imprese), The AvantGarde Group S.p.A., RegTech Open Project S.p.A., Future of Fintech S.r.l. and 1AF2 Limited and Non-Executive Director roles at Darwinsurance S.r.l. and RegTech Open Project Plc.

# Directors' Information

## Previous Executive Directors

### Thomas (Tom) James

*Executive Director*

*Appointed 30 July 2021*

*Resigned 23 March 2023*

Tom was an Executive Director from 30 July 2021 until 23 March 2023, and continues to be the CIO, CEO and co-founder of TradeFlow, of which Supply@ME owns 19%. He has over 30 years of commercial expertise in the commodity and energy industry and is the business and system architect for TradeFlow's unique and innovative digitised trade finance solution for bulk physical commodity transactions. He has experience of senior regulated roles in financial institutions (including Bank of Tokyo Mitsubishi UFJ, Credit Agricole and Credit Lyonnais) and various trading firms including BHP Billiton, covering a full range of functional areas including trade finance, project finance, investment banking, supply chain/operations, derivatives, physical markets, and fund management. During his career he has operated in many countries in Africa, Europe, Middle East, and Asia Pacific.

In addition to his role on the Board of Supply@ME Plc during 2023, Tom was also Director of TradeFlow Capital Management Pte. Limited, TradeFlow Capital Management Systems Pte. Limited, and the following dormant companies, Tijara Pte. Limited, TradeFlow Capital Fund Management Pte Ltd, TradeFlow Capital Management Limited (UK), Navitas Resources (UK) Limited, Navitas Resources Pte Limited and NR Capital Pte Limited which is currently in liquidation.

### John Collis

*Executive Director*

*Appointed 30 July 2021*

*Resigned 23 March 2023*

John was an Executive Director from 30 July 2021 until his resignation from the Board on 23 March 2023. He is co-founder of TradeFlow where he holds the position of Chief Risk Officer (CRO). As well as overseeing the development of the fund's critical legal infrastructure and working with leading counsel on its enforceability, John has overseen the classification of the specialist intellectual property developed and acquired by TradeFlow and its licensing. John is a commercial lawyer with expertise in regulatory, compliance, structuring, and transactional matters. John operated his own law firm from 2003, specialising in international commercial work. John has written and lectured about the rule of law, Eurasia Economic Union, CSTO, and International Commercial Enforcement. Before becoming a lawyer, John worked for Ernst & Young, he was educated at Oxford University and is chairman of Hertford College RFC.

In addition to his role as a Director of Supply@ME during 2022, John was a director of TradeFlow Capital Management Pte. Limited, TradeFlow Capital Fund Management Pte Limited, TradeFlow Capital Management Limited, Tijara Pte. Limited, TradeFlow Capital Management Systems Pte. Limited, Kenwood Secretaries Limited, Higher Education Research Limited, MTI Solutions Limited, JCS 107 Limited, JCS 110 Limited, NR Capital Pte Limited, Price Verifier System Limited, Softnpower Limited and Ultraponix Limited.



## Current Non-Executive Directors



### Albert Ganyushin

*Independent Chairperson and Non-Executive Director  
Appointed 30 June 2022*

Albert was appointed as independent chairperson and a Non-Executive Director in 2022 following a long career in capital markets. Since 2017, he has served as Head of Capital Markets at Dr. Peters Group with responsibility for international institutional business, including investment management, capital markets, financing and investor relations. Prior to joining Dr. Peters Group, between 2010 and 2016, he worked in leadership roles in the listings business of NYSE Euronext Group after a career in investment banking that started with Deutsche Bank A.G. (London Branch) in 2000. He graduated with an MBA degree from London Business School in 2000 and began his professional career as a management consultant with Accenture in London in 1995.

In addition to his role with Supply@ME Albert is also a director of Westcott Hill Capital Limited and Wotton Hill Capital LLP and Non- Executive Chair of RegTech Open Project Plc.



### Alexandra Galligan

*Independent Non-Executive Director  
Appointed 16 March 2023*

Alexandra holds more than 20 years' experience in senior business development positions, including most recently as Partner and Chief Executive Officer at FCA-regulated investment advisory firm MUSST Investments LLP (MUSST) – a role she held for over a decade. During her time at MUSST, Alexandra maintained and developed relationships with a wide network of investors advising them on investing in early-stage hedge funds, private credit and alternative assets. Her previous roles also included business development at financial services firm Matrix Group Ltd, where she was appointed to create in-house platform of hedge funds and UCITS vehicles. She was also responsible for the structuring of these funds, preparation of related prospectuses, subscription documentation and marketing materials. She graduated from the London School of Economics with an MSc in Accounting and Finance following obtaining a BComm from the University of Dublin.

Alexandra is also a Director of the charity A Leg to Stand on UK.

# Directors' Information

## Current Non-Executive Directors



### David Bull

*Independent Non-Executive Director  
Appointed 22 July 2021*

David, a Chartered Accountant, with 30 year's experience, is a technology-driven experienced financial services professional with a banking and financial services digitisation mindset. He has held a number of senior Board roles within banking, asset finance, treasury and credit management institutions, including several years as Chief Financial Accountant at The Bank of England. He holds a BSc (First Class) in Mathematics and Statistics from the University of Bradford.

David is also an Executive Director of KDB Office Services Limited and Thumb Soldiers Limited and Non-Executive Director of Braintree Hockey Club Limited, and CRB Family Limited.



### Enrico Camerinelli

*Independent Non-Executive Director  
Appointed 23 March 2020*

Enrico keeps abreast of market trends and business practices by taking an active part in projects launched by the United Nations Economic Commission for Europe, the World Bank, the World Trade Board, and the Council of Supply Chain Management Professionals. He regularly attends major industry events as invited guest speaker and writes on specialised magazines and papers. He holds an MSc in Electronic Engineering from Università degli Studi La Sapienza, Rome, Italy. Enrico is also a Director of Ermi di Enrico Camerinelli.

## Previous Non-Executive Director

### Andrew Thomas

*Independent Non-Executive Director*

*Appointed 30 June 2022*

*Resigned 15 March 2023*

Andrew has over 20 years' experience in various business advisory roles and during this time has worked across the US, UK, EU and APAC regions, acquiring expertise of onshore and offshore fund structuring and oversight, particularly in relation to regulatory issues. He also has extensive experience in mitigating ESG risks while helping organisations to maximise ESG opportunities. He holds BA in History and Politics from the University of Exeter. In addition to his role with Supply@ME he was also a director of Transatlantic Regulatory Consulting LLC.

# Directors' Information

## Overview

During the course of 2023 there have been a number of changes to the Board structure and composition. The Group started the year with Albert Ganyushin as Chairman and Enrico Camerinelli, David Bull and Andrew Thomas as Non-Executive Directors and Alessandro Zamboni, John Collis and Tom James as Executive Directors.

On 15 March 2023 Andrew Thomas stepped down as Non-Executive Director and was replaced by Alexandra Galligan who also undertook the role of Remuneration Committee Chair from this date. Following this, on 23 March 2023 John Collis and Tom James resigned from the Board whilst maintaining their roles at TradeFlow. Further information regarding Board changes during the year can be found in the Nomination Committee Report on pages 75–77.

The Board generally plans to meet once a month, however, additional Board meetings were held during FY2023 which reflect the pivotal activities undertaken during the year. Details of the Board's principal activities and decisions throughout the year are set out in more detail below. These included, but were not limited to, the first Inventory Monetisation transactions using traditional funding sources, securing a second subscription of longer term equity funding from Venus Capital which was agreed in April 2023, the TradeFlow Restructuring, the signing of the term sheet for the first White-Label transaction with BBPM in early January 2024, the agreement of additional financing facilities with TAG followed by the implications of the underperformance

by TAG against its committed financing facilities, discussion of various possible mitigating actions to be investigated as a result of the late payment by TAG and the issuing of the new supplementary prospectuses on 4 May 2023 and 30 June 2023 following the announcement of the FY2022 Annual Report and Accounts, and the completion of the TradeFlow Restructuring, respectively.

During 2023 30 Board meetings were held including both scheduled and ad-hoc meetings. Additionally there were 2 sub-committee meetings, 17 formal written resolutions and a Board Strategy Day which was held in March 2023 and focused on developing longer term strategic goals for the business and the senior leadership team. In addition, the Company held its Annual General Meeting and a specific General Meeting to approve the extension to the expiry date of the open offer warrants which were previously issued to retail shareholders during 2022. Both the Annual General Meeting and the General Meeting were held on 23rd June 2023.

Sub-committees are convened by the Board to manage specific work streams in a timely and efficient manner, and keep the Board apprised of progress. The sub-committee meetings were focused on final approval of documentation related to the annual report, interims, prospectus and related documents post discussion at a full Board meeting. Written resolutions require consideration and signatures from all members of the Board and were largely concerned with issuing shares as a result of open offer warrants being exercised.

## 2023 Board attendance

Director	Schedule / Attended	Appointed to Board	Resigned (if applicable)
Albert Ganyushin	30 / 30	30 June 2022	N / A
Alexandra Galligan	28 / 28	16 March 2023	N / A
Alessandro Zamboni	27 / 30	23 March 2020	N / A
David Bull	30 / 30	22 July 2021	N / A
Enrico Camerinelli	28 / 30	23 March 2020	N / A
John Collis	2 / 3	30 July 2021	23 March 2023
Tom James	2 / 3	30 July 2021	23 March 2023
Andrew Thomas	2 / 2	30 June 2022	15 March 2023

## Independence

Consideration has been given by the Board to the QCA Code in relation to independence and a balanced Board. Principle 5 of the QCA Code, is to maintain the Board as a well-functioning balanced team led by the Chair. The guidance to this principle states that there should be an appropriate balance between Executive and Non-Executive Directors and that there should be at least two independent Non-Executive Directors. This requirement has been met by the SYME Board throughout 2023.

All current Non-Executive Directors are considered independent by the Board. In addition, former Director Andrew Thomas was considered Independent during his tenure.

## Principal Board Activities and Decisions in 2023

The principal decisions made, and activities carried out, by the Board during 2023 are summarised below:

### Ongoing regular governance activities

- > During the pre-scheduled monthly Board meetings, regular agenda items included updates from the Chief Executive Officer, Chief Financial Officer, Group Head of Enterprise Risk Management and Chief People Officer. Updates were also provided from each of the Remuneration, Nomination, Audit and Disclosure Committees, following these respective Committee meetings, and where necessary, input and approval was sought from the Board on key topics in lines with the terms of reference. This included, but was not limited to, review of:
  - > related party transaction and potential conflicts of interest;
  - > committee terms of reference;
  - > business continuity;
  - > discussion, review and approval of budgets and cash flow forecasts;
  - > approval of regulatory news announcements including those relating to the interim financial statements, annual reports and accounts, prospectuses, issue of new ordinary shares, ad-hoc business updates etc; and
  - > risk management framework, with a focus on the principal risks and uncertainties.
- > Discussion and approval of Board changes, including members stepping down, and appointment of Alexandra Galligan;
- > Discussion and consideration of any investor relations communications;
- > Approval of the new Long Term Incentive Plan and granting of share options to certain employees on 19 May 2023; and
- > Exercise of warrants in relation to the open offer.

## Significant business milestones

During the course of 2023 a number of significant business milestones have been reached which have required the Board's focus, outlined but not limited to the below.

### Operational milestones:

- > The potential opportunities displayed by the new Italian legislation pegno non possessorio (the "PNP Regulation") for Italian banks to adopt the Supply@ME Platform for use under potential White-Label agreements and to further enhance the security available to the inventory funders in traditional IM transactions.
- > The completion of the first Inventory Monetisation transaction in Italy of warehoused goods of an Italian client company utilising traditional funding sources. The client being one of the market leaders in the tyre re-treading sector with operations around the world.
- > The completion of the TradeFlow Restructuring on 30 June 2023 with the aim of better serving both the needs of client companies and the funders of both businesses and eliminating any perception of conflicts of interest between the two businesses whilst providing both businesses with greater commercial opportunities through the clear differentiation of responsibilities of the individual entities.
- > Securing of a binding commitment provided by an institutional investor to provide committed funding for the first IM in the UK, the client being a UK client company, which provides parts and technology to the global marine industry the execution of this transaction was delayed due to several external barriers' (outside of SYME control) such an existing floating charge facility which has required the client company to gain specific waivers, amongst other things
- > Collaboration with a group of private investors and subject matter experts of working capital solutions to launch an independent Swiss-based trading business to replace the Cayman-based global inventory fund ("GIF"), previously advised by TradeFlow. The CH Trading Hub, owned by SFE, is also expected to acquire control of the independent stock companies from the GIF, to manage the overall trading businesses using the Platform and the associated services provided by the Group.
- > Working toward the commencement of the Group's overall White-Label go-to-market strategy resulting in the announcement on 3 January 2024 of the binding commitment provided by Banco BPM S.p.A. to fund an initial IM transaction with an inventory value to be monetised up to €10 million of an existing client of BBPM.

# Directors' Information

## Governance Milestones:

- > Transition from the London Stock Exchange's SETSqx (Stock Exchange Electronic Trading Service: Quotes and Crosses) trading platform to its SETS (Stock Exchange Trading System) trading platform.
- > Preparation and publication of new supplementary prospectuses published on 4 May 2023 and 30 June 2023, following the announcement of the FY2022 Annual Report and Accounts, and the completion of the TradeFlow Restructuring, respectively.

## Financial Milestones:

- > Execution of the new equity funding that was announced on 28 April 2023 with Venus Capital in order to continue to provide more stable and longer term investment into the Group.
- > The completion of the various funding facilities with The AvantGarde Group S.p.A. ("TAG") including:
  - > The unsecured fixed term working capital loan agreement which was signed by TAG and the Company on 28 April 2023 with the aim of TAG providing up to £2,800,000 of working capital funding to the Company. This agreement was subsequently amended on the 30 June 2023 and the amount of to be provided by TAG under this agreement was reduced to £800,000.
  - > The debt novation deed that was agreed between TAG, the Company and the buyers of the 81% stake in TradeFlow. This debt novation deed was signed in connection with the TradeFlow Restructuring on 30 June 2023 and created the obligation for TAG to settle the £2,000,000 cash payment due from the buyers of the 81% stake in TradeFlow to the Company.
  - > The top-up unsecured shareholder loan agreement agreed on 28 September 2023 with TAG to provide the Company with a further facility of up to £3,500,000 to cover the Company's working capital and growth needs up to 30 June 2025.
- > Given each of these agreements represented a material related party (as such term is defined by IFRS) transaction for the purpose of the DTR 7.3, these were each carefully considered by the independent directors to ensure they were concluded to be fair and reasonable from the perspective of the Company and its shareholders who were not the related party.
- > Towards the end of 2023, the Board's activities were focused on the monitoring of the Group's cash flow position as a result of delays in receipt of the funding from TAG under the various funding facilities referred to above. The Board met regularly and has been closely monitoring the impact on the Group as well as discussing with TAG what actions they are undertaking to ensure they are able to meet their contractual obligations to Supply@ME albeit on a delayed basis. The Board has also been analysing and exploring alternative funding options presented considering the issues caused by the late payments referred to above.

# Statement of Compliance with the QCA Corporate Governance Code

## Principle 1.

### *Establish a strategy and business model which promote long-term value for shareholders.*

The Board and leadership team continue to focus on the long-term growth of the business and building a solid foundation which underpin the reasons shareholders should invest. Supply@ME has developed a novel and unique solution which has and continues to take time and investment. There is a clear gap in the market which represents a huge opportunity for the organisation to scale and grow, whilst creating long-term value for shareholders. The solid foundations have been built and the unique solution is proven and multimarket ready.

## Principle 2.

### *Seek to understand and meet shareholder needs and expectations.*

The Group continually seeks to improve its engagement with its shareholders, both private and institutional investors. During 2023 Supply@ME has continued to focus on disseminating information to the market in a timely manner, as well as monitoring and responding to communications in the dedicated investor relations inbox, where it is possible to respond, for shareholders to be furnished with non-market sensitive information. As a growing business, with limited bandwidth, it is not possible for our team to provide an individualised response to each and every enquiry we receive. However, every communication is reviewed and, where possible, furnished with a full response as a priority. This process will continue to evolve with the business.

In May 2023 the Company invited investors to an online presentation to outline the opportunities for the business and demonstrate how the Supply@ME business model fulfills these opportunities and the Company's relative position in the competitive landscape in more detail. Additionally, in June 2023, the Company held its AGM and addressed the significant number of questions raised by its shareholders, both in person and via the Investor Meet platform. The AGM was available for shareholders to join online as well as in person, giving all shareholders the opportunity to join if they wished to. Finally, during 2023 Supply@ME has provided commentary on topics relevant for global supply chains through a series of blogs published on LinkedIn.

## Principle 3.

### *Take into account wider stakeholder and social responsibilities and their implications for long-term success.*

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. Proactively engaging with our stakeholders strengthens our relationships and helps

us make better business decisions to deliver on our commitments. The Board is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the Board to understand and consider these issues in decision-making. Details of how we seek to understand and meet shareholder needs and expectations are set out at Principle 2, above. Details of how the Board has engaged with our wider stakeholder group, including our people, shareholders, corporate clients, inventory funders and fund investors can be found in our section 172 Statement.

## Principle 4.

### *Embed effective risk management, considering both opportunities and threats, throughout the organisation.*

The Board has established a risk management process for identifying, assessing and mitigating the principal risks and uncertainties facing the Group. The Group's risk position is considered by the Board on a regular basis, with ad-hoc reviews conducted as required. The Board is responsible for establishing and maintaining the Group's system of internal financial controls and the Audit Committee assists the Board in discharging its duties relating to internal financial controls. Internal financial control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by its very nature can provide reasonable, but not absolute, assurance against material misstatement or loss.

Areas of focus for internal financial controls include strategic planning, approval of cash flow forecasts, regular monitoring of actual spend compared to cash flow forecasts (including investigation of significant variances), control of capital expenditure, ensuring proper accounting records are maintained and high-quality financial statements are produced as required. The Directors will continue to reassess internal financial controls as the Group expands further. It is the Board's policy to ensure that the management structure and the quality and integrity of the personnel are compatible with the requirements of the Group.

The Group's auditors are encouraged to raise comments on internal control in their management letter following their audit, and the points raised and actions arising are monitored through to completion by the Audit Committee.



# Statement of Compliance with the QCA Corporate Governance Code

## Principle 5.

### *Maintaining the Board as a well-functioning, balanced team led by the Chair.*

As referenced in the Directors' Information section and the Report of the Nomination Committee included in this Annual Report, there have been a number of Board membership changes during 2023. The Board currently consists of one Executive Director, Alessandro Zamboni, CEO and four independent Non-Executive Directors. Albert Ganyushin leads the Board as independent Non-Executive Chair supported by David Bull, Enrico Camerinelli and Alexandra Galligan as independent Non-Executive Directors. The balance of the Executive and Non-Executives and the structure of the Committees is in compliance with the QCA code. The biographical details of the Board members can be found in this Annual Report on pages 63–67, as well as on the Company's Website. The Board changes during early 2023 outlined in the Nomination Committee Report are testament to the fact the structure, size and composition of the Board is regularly reviewed to ensure the Board operates effectively.

The Board typically meets monthly in order to, amongst other things, receive commercial updates from the CEO and updates from other members of the Leadership team on their respective functional areas as appropriate. At the relevant time of the annual financial reporting cycle, these monthly meetings are also used to cover the approval of financial statements and significant changes in accounting practices. During 2023 there have been a significantly higher number of Board meetings to ensure the required focus and scrutiny on particular areas including funding, commercial progress of the business, and other strategic milestones. The Directors commit the requisite amount of time to their respective roles to ensure that they fulfil their individual and collective responsibilities in an effective manner. The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is supported by an Audit Committee, a Remuneration Committee, a Nomination Committee and a Disclosure Committee. Further details of the Nomination, Remuneration and Audit Committee can be found in each of the Committee Reports within this Annual Report on pages 75–77, 85–107, 78–84, as well as on the Company's website. One element of the role of the Independent Non-Executive Directors is to be available to shareholders who wish to raise any concerns that they have been unable to resolve through other channels and to attend meetings between management and major investors.

## Principle 6.

### *Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.*

During the recruitment process for new Non-Executive Board members, the Nomination Committee gives a great deal of consideration to the knowledge, skills and experience required for the future of Group. Ensuring a balance of broad Corporate Governance knowledge with specific skills sets including Regulations, Trade Finance, Capital Markets, FinTech Sector knowledge and Investor Relations and Business Development experience has been crucial. In addition to the appropriate balance of personal qualities and capabilities for our innovative global business.

In order to develop their skills and keep up to date with market developments and corporate governance matters, new joiners to the Board are provided with a comprehensive induction into the business. The Board also has regular updates from and access to the leadership team. All directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Biographies for each of the directors, including details on their experience and skills, are set out on the Company's website and in the Directors' Report section of this Annual Report.

## Principle 7.

### *Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.*

The Board's effectiveness and the individual performance of Directors are considered regularly by the Board on an informal basis. A formal Board evaluation was conducted in December 2023 and reported on to the Chair. This evaluation looked at the process that underpins Board effectiveness, Board and Committee constitution and commitment, Board dynamics and culture, stakeholder oversight and strategy. This evaluation will be conducted annually with feedback shared and appropriate actions taken.

Board and Leadership Team Succession planning is a matter considered by the Nomination Committee. During 2023 the risk and the impact of key members of the team taking the decision to leave the Group was assessed. How these risks could be mitigated was considered and appropriate action plans put in place to reduce the level of residual risk where possible. This evaluation will take place at least annually.



## Principle 8.

### *Promote a culture that is based on ethical values and behaviours.*

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. The CEO and the Leadership team seeks to engender open and positive interactions with a focus on innovation, collaboration, delivery and a global mindset. This culture is encouraged throughout the business, with people management practices aligned to support. Supply@ME is operating in a new business area and the ability to innovate will be essential to the Group's success. Collaboration and ensuring each member of the team's views and opinions are heard will lead to a better product and outcome for all the Group's stakeholders. Understanding the global perspective of each decision and having an understanding of global nuances will lead to a greater long-term reach of the Group. Most of all, the Group wants to deliver for all its stakeholders and this is central to the culture which is being created. The Company's policies set out its zero-tolerance approach towards any form of modern slavery, discrimination, harassment, bullying or unethical behaviour relating to bribery, corruption or business conduct.

## Principle 9.

### *Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.*

The Board endeavours to ensure governance structures within the Company are appropriate for the size, complexity and risk profile of the Company. This is regularly reviewed by the Board to ensure governance arrangements continue to be appropriate as the Company changes over time. The Board also responds to business opportunities and adjusts its composition to take advantage of this, hence the changes seen during early 2023.

The Board typically meet monthly to set the overall direction and strategy for the Group and to review operational and financial performance. The Board and its Committees receive appropriate and timely information prior to each meeting; and a formal agenda is produced for each meeting, and Board and Committee papers are distributed before meetings take place. Any director may challenge Company proposals and decisions are taken democratically after discussion. Any director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are signed by the meeting Chair and circulated to all directors.

Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's management. The Board and leadership

team, supported by external company secretaries and lawyers, ensure Board procedures are followed and applicable rules and regulations are complied with.

There is a formal schedule of matters reserved for the decision of the Board that covers the key areas of the Company's affairs. The schedule includes:

- > Determining the Company's overall strategy and direction
- > Establishing and maintaining controls, audit processes and risk management policies to ensure they counter identified risks and that the Company operates efficiently
- > Ensuring effective corporate governance
- > Approving cash flow forecasts and reviewing performance relative to those forecasts
- > Approving financial statements
- > Approving material agreements and non-recurring projects
- > Approving senior and Board appointments
- > Additionally, there is a delegated authority matrix mandating those items requiring approval by Board.

Each member of the Board has clearly defined roles and responsibilities. The Chair is responsible for the leadership of the Board, ensuring its effectiveness and high standards of corporate governance, approving and monitoring strategic direction, and allowing stakeholder views to be incorporated as part of the Board's decision making. The Chair's role is also to build collaborative relationships, and promote debate and openness so as to ensure the effective contribution by all Directors and Non-Executive Directors. The CEO is responsible for the day-to-day operation and running of the Group, supported by the Leadership team. The CEO also leads the development and implementation of the approved strategy and business plan, ensuring decisions of the Board are implemented, effective working relationships with the Chair and Non-Executive Directors are maintained, whilst providing leadership in the Company's commitment to its purpose, high business standards, culture and core values, and communication with key stakeholders. The Non-Executive Director role is to bring external perspective, constructive challenge, independent judgement and objectivity to the Board's decision making and discussion. They act as a sounding Board for the Chairman and a source of reciprocal feedback for other members of the Board and shareholders. The Non-Executive Directors bring a range of skills, expertise and knowledge to the Board, and constructively challenge the Executive management of the Company. The Non-Executive Directors are responsible for a range of activities, including monitoring the performance of the Executive management, determining appropriate levels of remuneration, ensuring financial controls and risk management systems are robust, as well as challenging and supporting the CEO and Leadership team in the development of the strategy and objectives of the Company. An Executive Director is an employee of the Group who sits on the Board of directors but also performs management duties within the business of the Company. Currently

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the only Executive Director on the Board is the CEO. The Board is supported by an Audit Committee, Remuneration Committee, Nomination Committee and Disclosure Committee. Further details of the responsibilities of each of these are outlined in their respective reports.

Detail of the corporate governance frameworks provided by the Audit Committee, Remuneration Committee and Nomination Committee can be found in their respective reports and their terms of reference and those of the Disclosure Committee are available on the Company's website.

## **Principle 10.**

*Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.*

The Company is committed to open communications with all its shareholders. Communication will be primarily through the Company's website, the Annual Report and Accounts, Regulatory announcements, the AGM and one-to-one meetings with large existing or potential new shareholders. All shareholders will receive a copy of the Annual Report and an interim report at the half year is available on the Company's website.

# Report of the Nomination Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ending 31 December 2023. During the year, there were a number of changes to the membership of the Board including changes to Executive Directorships resulting from the TradeFlow Restructuring, alongside changes to Non-Executive Directorships due to our continued focus on ensuring we have the right composition to lead and govern our unique business to its full potential.

The resignations of Tom James and John Collis as Executive Directors on 23 March 2023 was a precursor to the completion of the TradeFlow Restructuring on 30 June 2023. The disposal of SYME's majority stake in TradeFlow was an important step required to remove any potential future regulatory or commercial conflicts of interest between the two businesses. This in turn will better serve the needs of our client companies and the funders of both business and will improve the future growth prospects of both businesses. The benefits of this change can be seen in the progress being shared in this report with respect to the establishment of the CH Trading Hub, owned by SFE.

In addition, Andrew Thomas resigned from his post as Non-Executive Directors on 15 March 2023 to pursue other business opportunities. I would like to thank Tom, John and Andrew for their valuable contributions to the Board and business during their tenure as directors.

We were extremely pleased that Alexandra Galligan joined the Board on 16 March 2023 and became Chair of the Remuneration Committee from this date, where she is focused on ensuring the team are rewarded appropriately and in line with shareholders' expectations. Alexandra adds a wealth of valuable knowledge and experience of Hedge Funds, Investments and Business Development to the Board alongside her valuable experience and knowledge of investor motivation and their increasing focus on investing in companies with demonstrable Environmental, Social and Governance ("ESG") credentials. On joining Alexandra also became a member of the Nomination and Audit Committees.

**Albert Ganyushin**

*Chair of the Committee and Board*

30 April 2024

# Report of the Nomination Committee

## 2023 Committee Members and Attendance

Director	Scheduled meetings attended	Appointed to Committee if during 2023 or 2024	Resigned \ (if applicable)
Albert Ganyushin	5 / 5	N / A	N / A
Alexandra Galligan	2 / 2	16 March 2023	N / A
David Bull	5 / 5	N / A	N / A
Enrico Camerinelli	5 / 5	N / A	N / A
Andrew Thomas	3 / 3	N / A	15 March 2023

As at 31 December 2023 the Nomination Committee was comprised of Alexandra Galligan, David Bull and Enrico Camerinelli as members and Albert Ganyushin as Chair (full biographical details can be found on pages 63–67). The Committee must have at least two members, with a majority being independent Non-Executive Directors. There must be a majority of independent Non-Executive Directors appointed to the Committee. After each meeting the Chair of the Committee reports to the Board on the Committee's proceedings in respect of all matters within its duties and responsibilities.

Meetings are held at least twice a year at appropriate times and otherwise as required. The Committee met five times during 2023 with meetings being held by video conference. In addition to the Committee members other regular attendees included the Chief Executive Officer, Chief Financial Officer and Chief People Officer.

## Roles and Responsibilities

The role of the Nomination Committee is set out in its terms of reference, which were updated in March 2024 and are available on the Company's website. The Nomination Committee is responsible for the following key activities:

- > Identify and evaluate suitable candidates to fill Board vacancies when they arise and nominate candidates for the approval of the Board. In identifying suitable candidates, the Committee shall:
  - > Evaluate the balance of skills, knowledge, independence, experience and diversity on the Board and prepare a description of the role and capabilities required for a particular appointment in light of this evaluation;
  - > Use open advertising or an external search consultant for the appointment of the Chair and Non-Executive Directors of the Board;
  - > Consider candidates based on merit and against objective criteria, and within this context, promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- > Before the appointment of a Director (including the Chair of the Board), require the proposed appointee to disclose any other significant commitments, including the time involved;
- > For the appointment of a Chair of the Board, prepare a job specification, including the time commitment expected. The proposed Chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise;
- > Keep under review the number of external appointments held by each Director. A Director of the Company should not undertake any additional external appointments or other significant appointments without the prior approval of the Board;
- > Perform a formal and rigorous annual review of the structure, size and composition of the Board, its Committees, its Chair and individual Directors (including the skills, independence, knowledge, experience, and diversity required to discharge duties) and recommend any changes, to ensure that an effective succession plan is in place;
- > Undertake, with the support of the Chief Executive Officer, a talent management and succession planning review of the senior management of the Company at least once each financial year;
- > Keep under review the Company's leadership needs, both Executive and Non-Executive, to ensure its continued ability to compete in the market place;
- > Review annually the time required from the Non-Executive Directors and assess through performance evaluation whether they are spending sufficient time to fulfil their duties;
- > Arrange for a Non-Executive Director, on appointment, to receive a formal letter of appointment to the Board, setting out what is expected in terms of time commitment, Committee service and any involvement outside Board meetings;

- > Set policy for the granting of service agreements and their termination;
- > Ensure that all Directors undergo an appropriate induction programme to ensure they are fully informed about their duties and responsibilities as a director, and to consider any training requirements for the Board as a whole. Individual training will be discussed and facilitated by the Company Secretary;
- > Before the appointment of a Director (including the Chair of the Board), require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;
- > Review, on an annual basis, declarations by Directors of situational and transactional conflicts / potential conflicts of interest, ensuring that the influence of third parties does not compromise independent judgement;
- > Ensure that the Committee's terms of reference are made available to shareholders on the Company's website and, if requested, in hard copy.

### Committee Activity during 2023

The Nomination Committee's meetings have focused on a number of matters, including those set out below:

- > New Non-Executive Director attraction, assessment, appointment and induction
- > Review of independence of Directors
- > Board and Board Committee evaluation including review and assessment of Board composition, balance and competence
- > Review of membership and composition of Board Committees
- > Review and assessment of elements of Board members contracts
- > Review of directors situational and transactional potential conflicts
- > Board and leadership team succession planning
- > Assessment and approval of Directors other appointments
- > Review and updating terms of reference
- > Review of time commitment from Non-Executive Directors
- > Diversity policy review
- > Board training review

### Board Changes and Succession Planning

There have been a number of changes to the Board during 2023, which were focused on ensuring we have the right structure and composition to lead and govern this unique business to its full potential.

Succession planning for both the Board and senior leadership team has been a topic discussed at the Nomination Committee, whereby thought and consideration have been given to the team; how the business mitigates any impact of departures and to develop long term strategies around the attraction and retention of talent throughout the organisation. The Nomination Committee has worked closely with the Remuneration Committee to mitigate these risks with the Long-Term Incentive Plan being a key element of this strategy. The Committee and the Board want the team and shareholders' interests to be firmly aligned over the long-term and this form of delayed performance-based remuneration supports our retention strategy. The second awards took place in May 2023 and details of the proposal for a 2024 award can be found in the Directors Remuneration Report on pages 85-107.

The Board views diversity on the Board itself and within Supply@ME Group's leadership team as essential for the future success of the organisation. One measure of diversity is gender balance. The gender balance of the Board of 20% female is not reflective of the gender balance in the Company. The Supply@ME leadership team immediately below Board level is 50% female, our employee base is 41% female. Further details of the diversity within Supply@ME can be found on page 31 where it is also outlined that the Board does not yet meet the Board ethnicity targets. The organisation is focused on hiring leaders and employees from diverse backgrounds and will continue this focus during 2024 and beyond.

At the 2024 AGM Supply@ME will request the reappointment of Enrico Camerinelli.

### Board and Committee Evaluation

A thorough Board and Committee performance evaluation was conducted in December 2023, to assess the following areas:

- > Processes that underpin Board effectiveness
- > Board and Committee constitution and commitment
- > Board dynamics
- > Culture, stakeholder oversight and strategy

### Focus for 2024

The Nomination Committee will continue to build on the work to date to future-proof Board-level and team capabilities to enable Supply@ME to excel in the future. While completing this work, there will be a continued and renewed focus on diversity and ensuring Supply@ME is positioned well to attract and retain the best talent.

# Report of the Audit Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Audit Committee Report for the year ended 31 December 2023. This report sets out the areas of key focus for the Audit Committee during this period.

The Audit Committee's core activities are linked to the Group's financial reporting cycle and cover the areas delegated to it by the Board in connection with the preparation and publication of the interim and annual financial statements and oversight of the external audit process. In respect of the financial statements for the Group and Company for the year ended 31 December 2023, the Audit Committee continued to review and challenge the assumptions and judgements made by management, particularly in connection with, the accounting for the fundraising and financing activities undertaken by the Company during 2023, the continued application of the revenue recognition policies applied by the Group in accounting for the initial Inventory Monetisation transactions, the application of IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations") to the TradeFlow business prior to the completion of the disposal of the 81% stake held by the Company in TradeFlow on 30 June 2023 (the "TradeFlow Restructuring"), the accounting for the TradeFlow Restructuring in the financial statements of both the Group and the Company, and the ability of the Company and the Group to continue operating as a going concern.

During 2023 the Board also requested Audit Committee involvement and support with the following specific activities:

- > Providing oversight in connection with the supplementary prospectuses that were required to be issued following the publication of the 2022 Annual Report and Accounts on 4 May 2023, and in connection with the TradeFlow Restructuring on 30 June 2023 (the "Second Supplementary Prospectus"). In particular, the Audit Committee provided challenge and review over the financial elements of the prospectuses, including the proforma financial information that was required to be included in the Second Supplementary Prospectus and the ongoing monitoring of the validity of the working capital statement included in the initial prospectus dated 3 October 2022.
- > Challenging and reviewing the key parameters included in the formal agreements signed on 30 June 2023 in connection with the Trade Restructuring, which included the novation of the remaining £2,000,000 consideration due from the buyers of TradeFlow to TAG, which is a related party.

- > Challenging and reviewing the new funding arrangements entered into during the year with TAG, particularly given the related party element to these arrangements and the importance of them on the Company and Group's ability to continue as a going concern. These funding arrangements with TAG included the unsecured working capital facility which was announced on 28 April 2022 and then subsequently amended on 30 June 2023, and the unsecured top up shareholder loan that was announced on 29 September 2023.

Alongside the important activities listed above, the Audit Committee has continued to focus on maintaining the integrity and transparency of the Group's external reporting, has given careful consideration to the risk management framework, has ensured compliance with relevant regulation, and has provided challenge and guidance in respect of the Group's cash flow position in light of the delays that have continued to be experienced in terms of the generation of revenue from the facilitation of multiple Inventory Monetisation transactions per year and in receipt of funds due from contractual funding commitments.

Despite the limited resources within the finance team, progress has continued in respect of strengthening internal controls around monthly reporting, cash flow forecasting and the application of complex accounting issues. To date the progress against the longer-term goals of the finance team has been slower than anticipated due to the prioritising on the Group's limited resources to other areas of the business and the support the finance team is providing across a number of other areas of the Group as a result of initiatives to cut costs where possible.

The Board and Nomination Committee have continued to ensure that the Audit Committee has the right mix of relevant financial and FinTech experience to support the Group's anticipated future growth and as a result appointed Alexandra as a member of the Audit Committee in March 2023, when she was also appointed to the Board.

**David Bull**

*Chair, Audit Committee*  
30 April 2024

## Audit Committee Members and Attendance

The table below sets out the members of the Audit Committee (the "Audit Committee") during the year (full biographical details can be found on pages 63–67). The current Audit Committee members are all Independent Non-Executive Directors.

Director	Scheduled Meetings attended	Appointed to Audit Committee	Resigned (if applicable)
David Bull – Chair	5 / 5	22 July 2021	N/a
Enrico Camerinelli	4 / 5	23 March 2022	N/a
Albert Ganyushin	5 / 5	30 June 2022	N/a
Alexandra Galligan	5 / 5	16 March 2023	N/a

## Role of the Audit Committee

The role of the Audit Committee is set out in its terms of reference, which were most recently reviewed and approved in January 2024. These are available on the Company's website. The Audit Committee's primary purpose is to assume the delegated authority from the Board for the responsibility of overseeing financial reporting, the review and assessment of internal control and risk management, compliance, and maintaining an appropriate relationship with the external auditor. In order to fulfil these responsibilities, the terms of reference provide a framework for the Audit Committee's duties including the following:

- > Overseeing the relationship with the Company's external auditor, monitoring its effectiveness and independence and making recommendations to the Board in respect of its remuneration, appointment and removal. The Audit Committee also meets regularly with the external auditor and reviews the findings from the external auditor, including discussion of significant accounting and audit judgements, levels of errors identified and overall effectiveness of the audit process.
- > Review and report to the Board on the financial statements of the Company and the Group, including its annual and interim reports and, if applicable, any other formal announcements containing information on financial performance. The Audit Committee will also consider and report to the Board on significant financial reporting issues, accounting policies and key areas of judgement or estimation. This review also includes consideration of the clarity and completeness of disclosures on the information presented in the financial statements.
- > Overseeing the accounting principles, policies and practices adopted by the Company.
- > Monitoring the need for an internal audit function in the context of the Group's overall risk management system.
- > Reviewing the effectiveness of the Company's system of

internal financial controls and internal control systems.

- > Advising the Board on the Company's risk strategy, risk policies and current and emerging risk exposures, including the oversight of the Group's risk management framework and systems.
- > Assessing the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrong-doing in financial reporting or other matters and to ensure proportionate and independent investigation of such matters.
- > Making recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is required.

## Meetings

The Audit Committee has met on five occasions during the year and three occasions since the year-end. In line with the Group's decision to focus on using technology as a means of communication to limit business travel, all meetings were held by video-conference.

The Audit Committee operates to an agenda linked to the financial calendar which ensures that the responsibilities and duties of the Audit Committee are discharged in accordance with the Terms of Reference and the requirements of the QCA Corporate Governance Code.

In addition to the Audit Committee members, by invitation, the meetings of the Audit Committee may be attended by the Chief Executive Officer, the Chief Financial Officer ("CFO") and other members of the leadership or finance team as appropriate. The Company's external auditor and accounting advisors are invited to attend relevant Audit Committee meetings, to ensure full communication of matters as they relate to their respective responsibilities. During the year, the Audit Committee members have the opportunity to meet with the external auditor for a private discussion, without management being present, regarding the audit process and the relationship with management.

The Chair of the Audit Committee holds regular meetings with the external auditor and also with the CFO.

Meetings of the Audit Committee are scheduled close to the end of the interim period and full year, as well as before the publication of the associated half-year and full-year financial reports, so as to ensure the Audit Committee is informed fully, on a timely basis, on areas of significant risks and judgement. The Board has confirmed that it is satisfied that Audit Committee members possess an appropriate level of independence and depth of financial and FinTech expertise.



# Report of the Audit Committee

On his appointment in July 2021, David Bull, the Chair of the Audit Committee, was determined by the Board as having recent and relevant financial experience. Full biographies of the members of the Audit Committee during the year can be found in the Corporate Governance Report on pages 63–67.

The Audit Committee is satisfied that it receives sufficient and timely information and has access to relevant management personnel to allow the Audit Committee members to engage in an informed debate during Audit Committee meetings and to fulfil its responsibilities.

## Principal activities in 2023

During 2023 the Audit Committee meetings have focused on the principal matters set out below:

- > Reviewed the 2022 annual report and consolidated financial statements.
- > Reviewed the 2023 interim financial results and any RNSs containing references to financial data.
- > Monitored the Company's risk management framework and updating of the risk register.
- > Reviewed key findings from the 2022 year end Group audit and review of the 2023 external audit plan with the external auditors.
- > Considered key accounting matters, including key accounting judgements and estimates, and accounting standards that were either newly issued or applicable to the Group due to changing circumstances.
- > Reviewed the output of any work produced by third party accounting advisors to support the key accounting matters.
- > Assessment of going concern and cash flow forecasting at regular intervals during the year and at least at those times as required for formal sign off of the going concern assessment in annual report and accounts and interim report.
- > Oversight, review and challenge of any key parameters of the financial contractual documents in connection with the TradeFlow Restructuring and new funding arrangements agreed during 2023.
- > Oversight of the regulatory compliance required in connection with the publication of the supplementary prospectuses issued on 4 May 2023 and 30 June 2023.
- > Reviewed the Audit Committee terms of reference.
- > Considered the need for an internal audit function.
- > Continued assessment of the skills and knowledge within the finance team.

## Significant issues considered in relation to the financial statements

As part of its monitoring of the integrity of the financial statements, the Audit Committee reviews whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements and seeks support from the external auditor to assess these. The Audit Committee considered the following significant judgements and other areas of audit focus in respect of the financial statements for the year ended 31 December 2023. These areas have been identified as being significant by virtue of their materiality, complexity, being accounting items which are new for the current financial year, or the level of judgement and/or estimation involved.

In order to ensure the approaches taken were appropriate, the Audit Committee considered reports from both management and the external auditor produced at relevant points during the year. The Audit Committee challenged judgements and sought clarification where necessary.

The Audit Committee received a report from the management and the external auditor on the work it had performed to arrive at its conclusions and discussed in detail all material findings contained within the report.

## Alternative performance measures ("APMs") and presentations not specifically defined by IFRS:

### Reporting issue:

The Group has chosen to continue to use an APM which is not specifically defined by IFRS, being Operating loss from continuing operations before impairment charges and fair value adjustments, to illustrate the impact on earnings from continuing operations before impairment charges and fair value adjustments to equity investments. This APM is used in order to present clearly the underlying costs and results of the Group.

### Review of the Audit Committee:

The Audit Committee reviewed the use of these and calculation of this APM and agreed with management that this measure has been appropriately calculated and disclosed as a non-GAAP measure in the financial statements. The Audit Committee is satisfied that the non-GAAP measure is not given undue prominence and that the reconciliations provided are presented in a clear manner.

## Going concern

### Reporting issue:

The Directors must satisfy themselves regarding the Group's ability to operate as a going concern and confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the 12 months following the date at which these consolidated financial statements for the year ended 31 December 2023 are issued.



### *Review of the Audit Committee:*

The Audit Committee reviewed management's cash flow forecasts, including an overview of the assumptions made in the preparation of the base case supporting the going concern statement. This included the Group's consolidated cash flow forecasts covering 2024 – 2025. The Audit Committee discussed and challenged the cash flow forecasts and assessed this in light of the principal risks and uncertainties set out within this annual report and accounts.

Given the continued delays experienced by the business during 2023, the Audit Committee discussed and challenged the downside scenarios modelled as part of the going concern statement. The downside scenarios reduced the Group's revenue generation but also looked at cost saving measures that would be implemented in such instances. These downside scenarios also looked at committed funding that is either available to the Group at the date of signing these accounts, or which the Directors have determined is reasonable to include. In conclusion, the Audit Committee have recommended to the Board that the going concern statement include material uncertainty primarily in regard to the timing of ongoing Inventory Monetisation revenue streams, and certain cash inflows that have been committed to the Group but which the cash have not yet been received.

### **Revenue recognition**

#### *Reporting issue:*

Prior to the Group's facilitation of the first Inventory Monetisation transaction in October 2022, revenue generated from the Inventory Monetisation operating segment consisted of due diligence fees. The contracting arrangements for the due diligence fees have changed over time and a large portion of the fees received in prior periods were from a contract with a related party. In determining the correct revenue recognition profile for the due diligence fees under IFRS 15 ("Revenue from Contracts with Customers"), management needed to consider, and apply certain judgements with respect to the different performance obligations from historical contracting agreements, current contracting agreements, and contracting agreements with the related party.

In connection with the first two Inventory Monetisation transactions that took place in 2022 and 2023, the Group received fees for the first time in connection with the following activities:

- a) origination of the contracts between the client company and the independent stock (trading) company that purchased the inventory;
- b) usage of the Group's IM Platform by the independent stock (trading) company in order to facilitate the purchase of the inventory from the client company; and
- c) service fees charged to the independent stock (trading) company by the Group in terms of the support and administration activities such as the monitoring of the inventory purchased using the Group's IM Platform.

As with the due diligence fee revenue, management needed to consider, and apply certain judgements with respect to the different performance obligations in relation to the each of the activities above in order to establish if the revenue recognition profile in accordance with IFRS 15 ("Revenue from Contracts with Customers") was point in time or over time, particularly given that some of the contracts extend over more than one financial reporting period.

### *Review of the Audit Committee:*

In connection with the review of the interim and annual financial statements, the Audit Committee received reports from management that outlined the judgements made about the performance obligations under each of the contracting agreements. These reports were carefully reviewed, challenged, and discussed in conjunction with input from the external auditor. With respect to the fees referred to above, management applied the following key judgements:

- a) The due diligence services performed represent a distinct beneficial service to the client companies receiving these services, and as such the revenue is recognised at the completion of the due diligence services;
- b) The non-refundable origination fees received from the client company relate to the fee payable to the Group at the point in time the client company enters into binding contracts with the stock (trading) company to purchase its inventory. It was noted that it does not relate to any transfer of assets from the Group to the client company and as a result, management concluded there is no separately identifiable performance obligation carried out by the Group associated with this fee. As such the recognition of the non-refundable origination fee as revenue is at the point in time that the fee becomes payable given that there are no performance obligations that remain to be completed by the Group relating to this fee;
- c) The usage of the Platform granted by the Group to the stock (trading) company represented a Software as a Service ("SaaS") contract, and as the related requirements of IFRS 15 ("Revenue from Contracts with Customers") were satisfied the annual Platform usage fees are recognised over time; and
- d) The service fees received in exchange for the support and administration activities relate to this separately identifiable performance obligation and as such the annual fees are recognised over time in line with the relevant requirements set out in IFRS 15 ("Revenue from Contracts with Customers").

# Report of the Audit Committee

## Capitalisation of costs directly attributable to the internally generated Inventory Monetisation ("IM") Platform

### Reporting issue:

The Group continues to invest in the development of its IM Platform. During the current financial period management was required to exercise judgement to distinguish those costs that were capable of being capitalised under IAS 38 ("Intangible assets") and those costs that related to research and development activities, which have been recognised as an expense during the relevant period

### Review of the Audit Committee:

The Audit Committee reviewed reports from management that detailed the judgements applied in determining which costs would meet the criteria for capitalisation. This was assessed in conjunction with feedback provided from the external auditor. The Audit Committee noted that to date only external costs have been capitalised and concurred with management's approach to the amounts to be capitalised.

## Accounting for issue of share warrants

### Reporting issue:

During the current year the Company has new equity funding facilities, in order to support the Group through its early-stage development. One of the terms of this new equity funding was the issue of new share warrants as an associated cost. Management was required to assign a fair value of these warrants in line with IFRS 2 ("Share-based Payments") and ensure the cost of these was appropriately recognised in the financial statements for the year ended 31 December 2023.

### Review of the Committee:

In order to determine the fair value of the various share warrants that have been issued, management engaged a third-party accounting advisor to carry out the IFRS 2 fair value exercise. This detailed analysis was also shared with the Audit Committee, and alongside discussions with the external auditors, the Audit Committee are satisfied that these complex funding arrangements have been appropriately account for and disclosed in the financial statements.

## Accounting for discontinued operations and the TradeFlow Restructuring

### Reporting issue:

During the second half of 2022, the Directors began the process of the TradeFlow Restructuring and as part of the preparation of the consolidated financial statements for the year ended 31 December 2022, management considered the application of IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations") to the TradeFlow business.

At this point in time, management considered the factors that needed to be in place in order for a business or asset to be classified as held for sale or a discontinued operation and concluded that as at 31 December 2022, TradeFlow was available for immediate sale in its present condition and it was highly probable that that sale would be completed. As such, the TradeFlow business has been classified as a discontinued operation as at 31 December 2022.

This classification of TradeFlow continued in the first half of 2023 until 30 June 2023, when the finalisation of TradeFlow Restructuring occurred. At this point in time, the disposal of the 81% stake in the TradeFlow business was accounted for in both the Company, and consolidated Group, financial statements. This resulted in the deconsolidation of TradeFlow from 30 June 2023 in accordance with IFRS 10 ("Consolidated Financial Statements"), the recognition of any loss / gain on disposal in the relevant financial statements, and the recognition of the remaining 19% stake in TradeFlow as an investment in both the Company, and consolidated Group, financial statements.

### Review of the Audit Committee:

In order to review management's judgement regarding the classification of the TradeFlow business in the first half of 2023, the Audit Committee reviewed the analysis against the IFRS 5 criteria that was presented to the Audit Committee by management. This analysis was also discussed with the external auditors as part of the year end audit procedures for the year ended 31 December 2022. Following this review and discussion, the Audit Committee concluded that the disclosure of the TradeFlow business as a discontinued operation was appropriate for the first half of 2023.

Following the completion of the TradeFlow Restructuring, the Audit Committee reviewed the work undertaken by management to record the effect of this transaction in both the Company, and consolidated Group financial statements. This was reviewed alongside the analysis and detailed calculations provided by management of the resulting loss of disposal recognised in the Company financial statements, and the gain on disposal recognised in the consolidated Group financial statements.

In carrying out these calculations, the key judgement made by management, and reviewed by the Audit Committee, related to the discount factor applied to the fair value of the remaining 19% investment that continued to be held in TradeFlow following 30 June 2023. This discount factor reflects the fact that the Group no longer holds control over the operations of TradeFlow.

## Impairment reviews

### *Reporting issue:*

The Group is required to annually assess any investment and intangible assets, including goodwill, for impairment. At the Group level, an impairment review took place in relation to the internally generated IM platform.

The Group has recognised an intangible asset in respect of its internally generated IM Platform, and has continued to capitalise costs in line with IAS 38 ("Intangible assets") during the current financial year. During the preparation of the FY21 annual report and accounts, this intangible asset was fully impaired based on the fact that the material uncertainties that existed in the going concern statement, also applied to the Groups IM Platform asset. Given the continued delays the Group has faced in achieving more than its first initial IM transaction, managements assessment was that the indicators of impairment continued to exist as at 31 December 2022, and further as at 31 December 2023. In line with the judgements applied in the prior years, and the fact that similar material uncertainties existed in the going concern statement in the current financial year, management again chose to fully impair the value of the Group's IM Platform as at 31 December 2023.

The Parent Company is required to annually assess for impairment the investments that it currently holds at carrying value of Supply@ ME S.r.l. and Supply@ME Technologies S.r.l.

During the year ended 31 December 2021, the full amount of the investment in Supply@ME S.r.l. was impaired, along with the full amount of any intercompany receivable balances in both Supply@ME S.r.l. and Supply@ME Technologies S.r.l., as applicable at the time. This followed the same rationale as noted above for the impairment review of the internally generated IM platform asset. During 2022 and the current financial year, management followed the same approach and recognised additional impairment charges as required.

### *Review of the Audit Committee*

The Audit Committee reviewed papers from management which set out the key assumptions and judgements underpinning the impairment assessments referred to above. The Group's external auditors provided their view of the assessment to the Audit Committee.

After due consideration and discussion, the Audit Committee concluded that it agreed with the impairment reviews carried out by management during the year ended 31 December 2023 and this resulted in the impairment charges being appropriately recognised in both the Group's consolidated financial statements and the Company's stand alone financial statements.

## Fair, Balanced and Understandable

The Audit Committee supports the Board in ensuring that the Annual Report is fair, balanced and understandable and as such has given due consideration as to whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy and can confirm that this is the case.

## Risk Management and Internal Controls

The Board has overall responsibility for determining the nature and extent of its principal and emerging risks and the extent of the Group's risk appetite, and to ensure any identified weaknesses are appropriately dealt with. Further details of the principal risks and uncertainties facing the Group are addressed on pages 50–60. The Board has delegated to the Audit Committee the responsibility for monitoring the effectiveness of the systems of risk management. The Audit Committee remains pleased with the improvements made to the Group's internal financial controls over the year, however this continues to remain a key area of continued focus for the Audit Committee to ensure controls are developed and improved in line with the Group's developing operations.

## Internal Audit

The Audit Committee has considered if the Group's internal controls processes would be significantly enhanced by an internal audit function and has taken the view that, given the size of the Group's current operations, the internal controls in place and significant executive involvement in the Group's day to day business, an internal audit function is not required at this stage. However, the Audit Committee will keep this under review especially as the Group's operations grow and develop.

## External Audit

The Audit Committee reviews the independence and objectivity of the external auditor prior to the proposal of a resolution to shareholders at the Annual General Meeting concerning the appointment and remuneration of the auditor. This process includes the review of audit fee proposals, investigation and approval for non-audit services' fees, tenure and audit partner rotation (based on best practice and professional standards within the United Kingdom). The Group's auditor, Crowe U.K. LLP ("Crowe"), similarly considers whether there are any relationships between itself and the Group that could have a bearing upon Crowe's independence and has confirmed its independence to us.

# Report of the Audit Committee

Each year the Audit Committee obtains written confirmation of the auditor's independence. Crowe have been the Group's auditors since the Group listed on the London Stock Exchange in March 2020, and the current external audit partner is Leo Malkin who was also appointed at this time. Having reviewed the auditor's independence and performance, the Audit Committee has concluded that these are effective and recommends that Crowe be reappointed at the next AGM.

The Audit Committee also has responsibility for approving the nature of non-audit services which the external auditor may or may not be allowed to provide to the Company and the fees paid for these services. Currently all non-audit services would need to be approved by the Audit Committee if they were to be undertaken by the external auditor. During the current financial year, no non-audit services were carried out by Crowe.

The auditor prepares an annual planning report for consideration by the Audit Committee, which details areas of audit focus and anticipated key audit risks, together with the anticipated level of materiality. This is reviewed and approved by the Audit Committee. Following the audit, the auditor presented its findings to the Audit Committee. No significant areas of concern were raised by the external auditor.

## Board and Committee Evaluation

A thorough Board and Committee evaluation took place during November 2023. This performance evaluation was conducted by assessing the below areas:

- > Processes that underpin Board effectiveness
- > Board and Committee constitution and commitment
- > Board dynamics
- > Culture, stakeholder oversight and strategy

In light of this evaluation the Audit Committee will continue to assess its current skill set and will highlight to the Nomination Committee if there are any issues that arise in the future due to lack of specific skill set or knowledge, particularly as the Group continues to grow in both size and complexity. Additionally, the Audit Committee will continue to assess the information provided to them by management and provide effective feedback to help improve the quality and timeliness of this information.

### David Bull

*Chair, Audit Committee*

30 April 2024

# Directors' Remuneration Report

## Annual statement from the Remuneration Committee

I joined the Board as Chair of the Remuneration Committee in March 2023 and am pleased to present, on behalf of the Board, our Directors' Remuneration Report for the year ending 31 December 2023.

In line with the UK reporting regulations, this Directors' Remuneration Report is split into three sections:

- > this Annual Statement which summarises the work of the Committee and our approach to remuneration;
- > the Directors' Remuneration Policy which shareholders voted 99.28% in favour of at the AGM on 23 June 2023 and which provides details of our approach to remuneration and the parameters within which we implement pay arrangements going forward, and how this links to our strategy; and
- > the Annual Report on Remuneration, which sets out the remuneration arrangements and incentive outcomes for the year under review and how the Committee intends to implement the Remuneration Policy in FY 2024. The Annual Report on Remuneration is subject to an advisory shareholder vote at the AGM in 2024.

## Remuneration in FY 2023

During 2023 the Remuneration Committee has continued to monitor the pay of the Executive Director, Chair and Non-Executive Directors, based on benchmarking of companies of a similar market capitalization and listed on either AIM or the Main Market. The current sole Executive Director, being the CEO, continues to be paid below market levels, taking into account the size and nature of the business. The Committee has decided that, whilst the Group is still working towards achieving profitability, it is not currently appropriate to increase remuneration levels for the CEO; this will be kept under review and re-considered once the economics of the business justify it.

Fee levels for Non-Executive Directors are a matter for the Chair and Executive team. Non-Executives' fees were also reviewed in light of external benchmarking. This review demonstrated the Non-Executive Directors are all underpaid comparative to market.

As outlined in the 2021 and 2022 reports, consistent with general market practice, the Committee has decided that it would be appropriate to gradually introduce an annual bonus and long-term incentive arrangement.

On 19 May 2023 the second Long Term Incentive Plan Awards were made, the performance conditions being:

- > The Absolute TSR Performance Condition: 50% of the award to be based on absolute TSR over 3 financial years, requiring (assuming no dividends) the average closing share price over the period 1 October 2025 – 31 December 2025 to be 0.15p for 25% of the award to vest increasing on a straight-line basis to 0.3p for 100% to vest.
- > The Inventory Monetisation performance condition: 50% of the award to be based on volume of inventory monetised by the end of the performance period (31 December 2025). 25% of award to vest if £300m of inventory is monetized (in aggregate) over the 3 financial years ending 31 December 2025, increasing on a straight line basis to 100% of the award to vest if £400m of inventory is monetized (in aggregate) in the same period. This is contingent on the Remuneration Committee deeming the inventory was monetised on acceptable commercial terms.

The satisfaction of the Performance Conditions (in whole or in part) and vesting of an Award will be subject to the general discretion of the Remuneration Committee. The Committee has broad discretion to reduce vesting if it considers the level of vesting to be inappropriate having regard to affordability, risk management and other factors.

As part of the introduction of the LTIP, Executive Directors became subject to share ownership guidelines requiring them to build up a holding of shares worth at least 200% of base salary (and to normally continue to hold such shares for 2 years' post-cessation). The Chief Executive Officer, being the only Executive Director at 31 December 2023, currently holds over this threshold as set out later in this Directors' Remuneration Report.

No bonus payments were made to Executive Directors during the year ending 2023.

# Directors' Remuneration Report

## Implementation of the Directors' Remuneration Policy in FY2024

As explained above, the remuneration levels of the Executive and the Non-Executive Directors (excluding the Chair) are both below market level. The Committee has concluded this will be considered more broadly as and when it is considered affordable.

The Committee has given consideration to the performance conditions for the 2024 Long Term Incentive Plan Awards, which aim to align to shareholders' needs. Further details of this are provided in the annual report on remuneration.

At the 2023 AGM an annual bonus plan was included as part of the new Remuneration Policy. The Policy permits the operation of a bonus plan with Executive Directors eligible to receive a bonus of up to 100% of base salary. The Committee has given consideration to the implementation of the bonus plan for Executive Directors during 2023 in line with this policy and concluded to not yet approve a plan for 2023 or 2024. The Remuneration Committee will consider this prudently during 2024 in light of revenue and cash flow. If significant progress is made on the Group's key financial targets a variable pay pool would be formed based on a combination of profit and satisfaction of strategic and personal objectives. These objectives will be linked to the Group's strategy and aligned with key financial, strategic and/or individual targets and be governed by the Remuneration Policy.

## Conclusion

We continue to be committed to a responsible approach to executive pay, which I hope this Directors' Remuneration Report demonstrates. The Committee recognises the importance of developing a close relationship with shareholders in facilitating the work of the Committee in developing our pay arrangements. I am happy to meet or speak with shareholders if there are any questions or feedback on our approach to executive remuneration and if you have any comments or feedback on this report, then please let me know through the Company Secretary.

I look forward to receiving your support at the 2024 AGM.

On behalf of the Remuneration Committee.

## Alexandra Galligan

*Chair of the Remuneration Committee*

30 April 2024

## Directors' Remunerations Report – at a glance

### Our pay principles

#### Promotion of the long-term success of the Group

The principal aim of the Directors' Remuneration Policy is the ability to offer competitive remuneration packages which are designed to attract, retain and provide appropriate incentives to Executive Directors and Leadership Team with the experience and necessary skills to operate and develop the Group's business to its maximum potential, thereby delivering the highest level of return for our shareholders.

### Implementation of our Policy in FY 2024

<b>Fixed Pay</b>	Salary / fees	> CEO - GBP £207,000
	Pension	> CEO - 6% of salary
	Benefits	> CEO entitled to life assurance and health insurance, however he has not taken up the health insurance benefit
<b>Annual Bonus</b>	Maximum	> 100% of salary > 2024 plan not yet approved. Consideration will be given by the Committee during 2024 to the implementation of a 2024 plan in line with the policy
	Performance Measures	> Individual bonuses allocated based on delivery of corporate and/or individual performance objectives
	Operation	> Any bonus in excess of 50% of salary deferred into shares for three years > Malus and clawback provisions operate
<b>Long Term Incentive Plan</b>	Award Level	> Up to 100% of salary, the CEO will receive a grant over shares worth a maximum of 100% of salary
	Performance Measures	> 50% of the award based on absolute TSR over 3 financial years & 50% of the award based on volume of inventory monetised over the same period
	Operation	> Performance measured over three years > Two-year additional holding period applies to vested awards > Malus and clawback provisions operate
<b>Share ownership guidelines</b>	In-employment guideline	> 200% of salary
	Post-cessation guideline	> 200% of salary to be held for two years post-employment
	Shareholding as a multiple of salary at 31 December 2023 <sup>1</sup>	> CEO – 46.14

<sup>1</sup> The shareholding as a multiple of salary has been calculated using the value of the shareholding held at 31 December 2023 compared to the full year salary for the year ended 31 December 2023.



# Directors' Remuneration Report

As announced on 4 April 2024, the number of shares of the Company held by the CEO, through the AvantGarde Group S.p.A increased by 1,500,000,000 to a total of 16,194,038,529. There have been no other changes between 31 December 2023 and 19 April 2024, being the latest practicable date prior to the publication of this report.

## Directors Remuneration Policy

This part of the Directors' Remuneration Report sets out the Directors' Remuneration Policy which shareholders voted 99.28% in favour of at the AGM on 23 June 2023 and which provides details of our approach to remuneration and the parameters within which we implement pay arrangements going forward, and how this links to our strategy. This Policy formally applies for three years beginning on the date of approval (23 June 2023) unless a new policy is presented to shareholders in the interim. All payments to Directors are consistent with the approved Policy.

### Considerations when determining the Directors' Remuneration Policy

The overarching objective of the Policy is to promote the long-term success of the Group. In seeking to achieve this objective the Remuneration Committee takes account of the following guiding principles:

- > remuneration packages should be clear and simple
- > arrangements should be closely aligned with the interests of shareholders and other key stakeholders and ensure that the Company is not unduly exposed to risk
- > remuneration should align with, and support, our values
- > a significant proportion of remuneration should be based on performance-related components with potential rewards subject to the achievement of challenging performance targets based on measures linked to the Group's KPIs and to the best interests of stakeholders and
- > salaries and the overall level of potential remuneration should be competitive but not excessive when compared with other companies of a similar size, scale and geographical reach and should be sufficient to recruit, retain and motivate individuals of the requisite calibre to deliver long-term success.

### Consideration of shareholders' views

The Committee is committed to an ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. The Committee will seek to engage appropriately with major shareholders and their representative bodies on changes to the Policy. The Committee will also consider shareholder feedback received in relation to the remuneration-related resolutions each year following the AGM. This, plus any additional feedback received from time to time (including any updates to shareholders' remuneration guidelines), will then be

considered as part of the Committee's annual review of the remuneration policy and its implementation.

The Remuneration Committee also actively monitors developments in the expectations of institutional investors and considers good practice guidelines from institutional shareholders and shareholder bodies.

### Consideration of employment conditions elsewhere in the Group

The Committee closely monitors the pay and conditions of the wider workforce and the design of the Directors' Remuneration Policy is informed by the policy for employees across the Group. While employees are not formally directly consulted on the design of the Directors' Remuneration Policy, we have a relatively small workforce which allows the Board to regularly engage directly with employees. In addition, the Committee receives periodic updates on remuneration arrangements and employment conditions across the Group from the Chief People Officer.

### Differences in pay policy for Executive Directors in comparison to employees more generally

The overall approach to reward for employees across the workforce is a key reference point when setting the remuneration of the Executive Directors. As for the Executive Directors, general practice across the Group is to recruit employees at competitive market levels of remuneration, incentives and benefits to attract and retain employees, accounting for local conditions. When affordable for the Company, it is envisaged that all employees will be able to earn annual bonuses for delivering exceptional performance and the corporate measures used to generate the bonus pool apply to all employees participating in the annual bonus plan.

The key difference between the remuneration of Executive Directors and that of our other employees is that, overall, at senior levels, remuneration is increasingly long term, and 'at risk' with an emphasis on performance-related pay linked to business performance and share based remuneration.

This ensures that remuneration at senior levels will increase or decrease in line with business performance and provides alignment between the interests of Executive Directors and shareholders.

In particular, performance-based long-term incentives are normally reserved for those considered to have the potential to influence overall levels of performance.



### Policy table for Executive Directors

The table below sets out the main components of approved Directors' Remuneration Policy, together with further information on how these aspects of remuneration operate.

The Remuneration Committee has discretion to amend remuneration to the extent described in the table and the written sections that follow it.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<b>Base Salary</b>	<p>To provide competitive fixed remuneration.</p> <p>To attract and retain Executives of a superior calibre.</p>	<p>Salaries are usually reviewed annually, with any increases typically effective from the start of the financial year.</p> <p>Salaries are typically set after considering:</p> <ul style="list-style-type: none"> <li>&gt; pay and conditions elsewhere in the Group</li> <li>&gt; overall Group performance</li> <li>&gt; individual performance and experience</li> <li>&gt; progression within the role and</li> <li>&gt; competitive salary levels in companies of a broadly similar size, scale and complexity.</li> </ul>	<p>While there is no prescribed maximum salary or maximum increase, increases will normally be in line with the typical range of salary increases awarded (in percentage of salary terms) to the wider workforce.</p> <p>Larger salary increases may be awarded to take account of individual circumstances, such as:</p> <ul style="list-style-type: none"> <li>&gt; where an Executive Director has been promoted or has had a change in scope or responsibility</li> <li>&gt; where the Committee has set the salary of a new hire at a discount to the market level initially, a series of planned increases can be implemented over the following few years to bring the salary to the appropriate market position, subject to individual performance or</li> <li>&gt; where the Committee considers it appropriate to adjust salaries to reflect the continuing development of the Company</li> </ul> <p>Increases may be implemented over such time period as the Committee deems appropriate.</p>	<p>Although there are no formal performance conditions, any increase in base salary is only implemented after careful consideration of individual contribution and performance and having due regard to the factors set out in the Operation column of this table.</p>

# Directors' Remuneration Report

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<b>Benefits</b>	<p>To provide competitive fixed remuneration.</p> <p>To attract and retain Executives of a superior calibre.</p>	<p>Executive Directors are currently entitled to benefits including life assurance and health insurance.</p> <p>Executive Directors will be eligible for any other benefits which are introduced for the wider workforce on broadly similar terms, Other benefits (including a car or car allowance) might be provided from time to time based on individual circumstances and if the Committee decides payment of such benefits is appropriate.</p> <p>For external and internal appointments or relocations, the Company may pay certain relocation and/or incidental expenses as appropriate (for up to two years from recruitment).</p> <p>Any reasonable business-related expenses can be reimbursed (and any tax thereon met if determined to be a taxable benefit).</p> <p>Executive Directors are also provided with the opportunity to participate in any all-employee share plan arrangements on the same basis as other employees.</p>	<p>As it is not possible to calculate in advance the cost of all benefits, a maximum is not pre-determined.</p> <p>The maximum level of participation in all-employee share plans is subject to the limits imposed by the relevant tax authority from time to time.</p>	Not applicable.
<b>Pension</b>	To provide employees with long-term savings to allow for retirement planning.	The Group may offer participation in a defined contribution pension plan or may permit Executive Directors to take a cash supplement in lieu of pension up to the same value.	The maximum employer's contribution or cash allowance in lieu of pension is limited to up to the contribution levels of the majority of the workforce (currently 6% of salary).	Not applicable.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<p><b>Annual Bonus</b></p>	<p>Rewards achievement of annual financial and business targets aligned with the KPIs of the Group.</p> <p>Bonus deferral encourages long-term shareholding, provides a retention element and discourages excessive risk taking.</p>	<p>Awards are based on performance typically measured over one year.</p> <p>Any payment is discretionary and pay-out levels are determined by the Committee after the year end based on performance against pre-set targets.</p> <p>Bonus is normally paid in cash, except for any bonus in excess of 50% of base salary which is deferred into an award over shares, typically for a three-year period.</p> <p>Dividends or dividend equivalents may accrue on deferred share awards.</p> <p>The vesting of the deferred share awards is not subject to the satisfaction of any additional performance conditions.</p> <p>The annual bonus plan includes malus and clawback provisions which enable the Committee (in respect of both the cash and the deferred elements of bonuses) to recover or withhold value in the event of certain defined circumstances (i.e. in cases of gross misconduct, material misstatement of financial results, error in calculation, material risk failings, reputational damage or corporate failure).</p>	<p>Maximum annual bonus opportunity is 100% of base salary.</p> <p>A bonus plan has not yet been approved for 2024. The Remuneration Committee will consider this prudently during 2024 in light of revenue and cash flow.</p>	<p>It is intended that a variable pay pool is formed based on a combination of profit and satisfaction of strategic and personal objectives although the Committee may adopt alternative arrangements within the overall cap.</p> <p>Targets are set annually with measures linked to the Group's strategy and aligned with key financial, strategic and/or individual targets.</p> <p>The performance measures applied may be financial or non-financial, corporate, divisional or individual, and in such proportions as the Committee considers appropriate.</p> <p>A graduated scale of targets is set for each measure, with no pay-out for performance below a threshold level of performance.</p> <p>The Committee has discretion to amend the pay-out should any formulaic outcome not reflect the Committee's assessment of overall business performance.</p>

# Directors' Remuneration Report

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<p><b>Long Term Incentive Plan ("LTIP")</b></p>	<p>To incentivise Executive Directors, and to deliver genuine long-term performance-related pay, with a clear line of sight for Executives and direct alignment with shareholders' interests.</p>	<p>Awards will be in the form of nil or nominal-cost share options, conditional shares or other such form as has the same economic effect.</p> <p>Awards will normally be granted with vesting dependent on the achievement of performance conditions set by the Committee, with performance normally measured over at least a three-year performance period.</p> <p>In line with best practice for financial-services companies, 'restricted stock' LTIP awards may be made to control function personnel (e.g. Chief Risk Officer) which are not subject to performance measures.</p> <p>Awards will be subject to a further two-year holding period, and shares will typically not be released to participants until the end of any such holding period.</p> <p>During the vesting period (and the additional holding period) the value of any dividends on performance vested shares will be credited as re-invested in further LTIP award shares.</p> <p>The LTIP includes malus and clawback provisions which enable the Committee to recover or withhold value in the event of certain defined circumstances (i.e. in cases of gross misconduct, material misstatement of financial results, error in calculation, material risk failings, reputational damage or corporate failure).</p>	<p>The LTIP allows for awards over shares with a maximum value of 100% of base salary per financial year (the Committee reserves the discretion to grant awards up to a maximum value of 200% of base salary per financial year for recruitment related awards or in exceptional circumstances).</p> <p>Actual participation levels will be kept under regular review, and the Committee expressly reserves discretion to make such awards as it considers appropriate within the plan limits.</p>	<p>LTIP performance measures may include, but are not limited to, financial, TSR, strategic and ESG-related objectives.</p> <p>The Committee retains discretion to set alternative measures and weightings for awards over the life of the Policy.</p> <p>Targets are set and assessed by the Committee in its discretion.</p> <p>A maximum of 25% of any element vests for achieving the threshold performance target and 100% for maximum performance.</p> <p>The Committee has discretion to reduce the vesting level should any formulaic outcome not reflect the Committee's assessment of overall business performance.</p>

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<p><b>Share ownership guidelines</b></p>	<p>To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.</p>	<p>Executive Directors are expected to accumulate and maintain a holding in shares in the Company equivalent in value to no less than 200% of base salary.</p> <p>Executive Directors will be expected to retain the lower of actual shares held at cessation and shares equal to 200% of salary for two years post-cessation.</p> <p>These guidelines apply in respect of any shares which vest from Supply@ME share awards granted after the 2022 AGM.</p>	<p>Not applicable.</p>	<p>Not applicable.</p>

# Directors' Remuneration Report

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<p><b>Chairman and Non-Executive Directors' fees</b></p>	<p>To attract high calibre individuals and to appropriately reflect knowledge, skills and experience.</p>	<p>Fees are normally reviewed annually taking into account factors such as the time commitment and contribution of the role and market levels in companies of comparable size and complexity.</p> <p>The Non-Executive Chairman is paid an all-inclusive fee for all Board responsibilities.</p> <p>Fees for the other Non-Executive Directors may include a basic fee and additional fees for further responsibilities (for example, holding the office of Senior Independent Director or chairing of Board Committees).</p> <p>The Company repays any reasonable expenses that a Non-Executive Director incurs in carrying out their duties as a Director, including travel, hospitality-related and other modest benefits and any tax liabilities thereon, if appropriate.</p> <p>In exceptional circumstances, if there is a temporary yet material increase in the time commitments for the Chairman or Non-Executive Directors, the Board may pay extra fees on a pro rata basis to recognise the additional workload.</p> <p>The Chairman and Non-Executive Directors cannot participate in any of the Group's incentive arrangements.</p>	<p>The aggregate fees and any benefits of the Chairman and Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees (currently £500,000 p.a. in aggregate).</p> <p>Any increases actually made will be appropriately disclosed.</p>	<p>Not applicable.</p>

### Explanation of performance measures chosen

Performance measures for the annual bonus, once introduced, will be selected annually to align with the KPIs and prevailing strategic imperatives of the Group, and the interests of shareholders and other stakeholders. Financial measures will normally be used to determine the overall bonus pool (e.g. as a % of group pre-tax profit) and the individual allocations will be made based on key strategic and/or personal objectives designed to ensure that Executive Directors are incentivised to deliver across a range of objectives. "Target" performance is typically set in line with the business plan for the year, with threshold to stretch targets set around this based on a sliding scale which takes account of relevant commercial factors. Only modest rewards are available for delivering threshold performance levels, with rewards at stretch requiring material outperformance of the business plan. Details of the specific measures used for the annual bonus are set out in the Annual Report on Remuneration.

Performance measures for the LTIP are selected in order to provide a robust and transparent basis on which to measure the Group's performance, to demonstrably link remuneration outcomes to delivery of the business strategy over the longer term, and to provide strong alignment between senior management and shareholders. They should not be considered as the goals for the business, but rather as the level considered by the Committee to be appropriate to facilitate the overarching goals of the LTIP, to reward and retain key staff. The policy provides for Committee discretion to alter the LTIP measures and weightings to ensure they can continue to facilitate an appropriate measurement of performance over the life of the policy, taking account of any evolution in the Group's strategic ambitions. The measures for the 2022 grant were absolute TSR (equivalent to a range of 0.6945-1p over the last 3 months of FY 2024). The performance measures for the 2023 grant were:

- > 50% of the award to be based on absolute TSR over 3 financial years, requiring (assuming no dividends) the average closing share price over the period 1 October 2025 – 31 December 2025 to be 0.15p for 25% of the award to vest increasing on a straight-line basis to 0.3p for 100% to vest.
- > 50% of the award to be based on volume of inventory monetised by the end of the performance period (31 December 2025). 25% of award to vest if £300m of inventory is monetized (in aggregate) over the 3 financial years ending 31 December 2025, increasing on a straight-line basis to 100% of the award to vest if £400m of inventory is monetized (in aggregate) in the same period. This is contingent on the Remuneration Committee deeming the inventory was monetised on acceptable commercial terms.

The performance measures for the 2024 grant will remain the same as those set for the 2023 grant, with adjusted performance periods. This decision has been reached due to the decline in the share price since the 2023 performance measures were set and also recognising that the volume of inventory monetised has not grown at the rate anticipated:

- > 50% of the award to be based on absolute TSR over 3 financial years, requiring (assuming no dividends) the average closing share price over the period 1 October 2026 – 31 December 2026 to be 0.15p for 25% of the award to vest increasing on a straight-line basis to 0.3p for 100% to vest.
- > 50% of the award to be based on volume of inventory monetised by the end of the performance period (31 December 2026). 25% of award to vest if £300m of inventory is monetized (in aggregate) over the 3 financial years ending 31 December 2026, increasing on a straight-line basis to 100% of the award to vest if £400m of inventory is monetized (in aggregate) in the same period. This is contingent on the Remuneration Committee deeming the inventory was monetised on acceptable commercial terms.

The vesting for the 2022, 2023 and 2024 LTIP award will also be subject to the ability of the Committee to reduce vesting if it considers that appropriate having regard to financial, risk and strategic performance.

When setting performance targets for the bonus and LTIP, the Committee will take into account a number of different reference points, which may include the Group's business plans and strategy, external forecasts and the wider economic environment.

### Flexibility, discretion and judgement

The Remuneration Committee operates the annual bonus and LTIP according to the rules of each respective plan which, consistent with market practice, include discretion in a number of respects in relation to the operation of each plan. Discretions include:

- > who participates in the plan, the quantum of an award and/or payment and the timing of awards and/or payments
- > determining the extent of vesting
- > treatment of awards and/or payments on a change of control or restructuring of the Group
- > whether an Executive Director or a senior manager is a good/bad leaver for incentive plan purposes and whether the proportion of awards that vest do so at the time of leaving or at the normal vesting date(s)
- > how and whether an award may be adjusted in certain circumstances (e.g. for a rights issue, a corporate restructuring or for special dividends)
- > what the weighting, measures and targets should be for the annual bonus plan and LTIP awards from year to year

# Directors' Remuneration Report

- > the ability to apply malus and clawback provisions which enable the Committee to recover or withhold value in the event of certain defined circumstances
- > the Committee also retains the ability, within the policy, if events occur that cause it to determine that the conditions set in relation to an annual bonus plan or a granted LTIP award are no longer appropriate or unable to fulfil their original intended purpose, to adjust targets and/or set different measures or weightings for the applicable annual bonus plan and LTIP awards. Any such changes would be explained in the subsequent Directors' Remuneration Report and, if appropriate, be the subject of consultation with the Company's major shareholders and
- > the ability to override formulaic outcomes in line with Policy.

All assessments of performance are ultimately subject to the Committee's judgement. Any discretion exercised, and the rationale, will be disclosed in the Annual Remuneration Report.

## Legacy arrangements

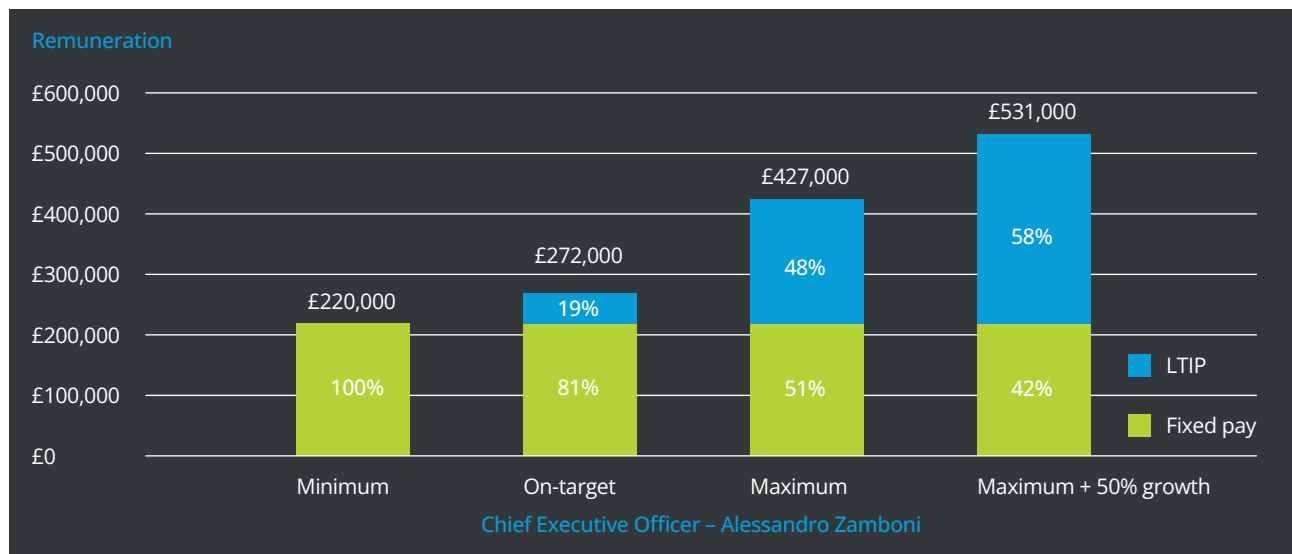
For the avoidance of doubt, in approving this Directors' Remuneration Policy, authority is given to the Company to honour any previous commitments entered into with

current or former Directors (such as the payment of a pension or the unwinding of legacy share awards granted before the approval of this Policy) that remain outstanding. While these details are included in the remuneration report for transparency, it is not necessary to include them within the remuneration policy or the various emoluments tables as it does not comprise legal remuneration. However it is accounted for as remuneration (see single total figure of remuneration for each Director section).

## Illustrations of application of remuneration policy

The chart below sets out for the Executive Directors an illustration of the application of the Directors' Remuneration Policy set out above. The chart shows the split of remuneration between fixed pay and LTIP on the basis of minimum remuneration, remuneration receivable for performance in line with the Group's expectations, maximum remuneration (not allowing for any share price appreciation) and maximum remuneration (assuming 50% share price growth).

As a 2024 bonus plan for Executive Directors has not yet been approved the charts exclude any value relating to annual bonus.





In illustrating the potential reward, the following assumptions have been made.

	Fixed Pay	LTIP (normal policy level)
Minimum performance	Fixed elements of remuneration only, being: <ul style="list-style-type: none"> <li>&gt; base salary (being the salary to be paid in FY 2024)</li> <li>&gt; benefits paid in FY 2024 with an assumed value of £1k</li> <li>&gt; pension contributions of 6% of salary.</li> </ul>	No vesting.
Performance in line with expectations		25% of maximum award vesting (equivalent to 25% of salary) for achieving threshold performance.
Maximum performance		100% of maximum award vesting (equivalent to 100% of salary) for achieving maximum performance.
Maximum performance plus 50% share price growth		100% of maximum award vesting (equivalent to 100% of salary) for achieving maximum performance plus hypothetical share price growth of 50%.

Notes to the scenarios methodology: LTIP is measured at face value, i.e. no assumption for dividends or share price growth (other than in the fourth scenario).

### Recruitment remuneration

The policy aims to facilitate the appointment of individuals of sufficient calibre to lead the business, to execute the Group's strategy effectively and to promote the long-term success of the Group for the benefit of shareholders and other stakeholders. When appointing a new Executive Director, the Committee seeks to ensure that arrangements are in the best interests of the Group and not to pay more than is appropriate.

When hiring a new Executive Director, the Committee will typically align the remuneration package with the above Policy. The Committee may include other elements of pay which it considers are appropriate; however, this discretion is capped and is subject to the principles and the limits referred to below.

- > New Executive Directors will be offered a basic salary in line with the Policy. This will take into consideration a number of factors including, external market forces, the expertise, experience and calibre of the individual and current level of pay. Where the Committee has set the salary of a new appointment at a discount to the market level initially until proven, they may receive an uplift or a series of planned increases to bring the salary to the appropriate market position over time.
- > For external and internal appointments, the Committee may agree that the Company will meet appropriate relocation and/or incidental expenses as appropriate.
- > Annual bonus awards, LTIP awards and pension contributions would not be in excess of the levels stated in the Policy table above.
- > Depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions for the first performance year of appointment. An LTIP award can be made following an appointment (assuming the Company is not in a closed period).

- > Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue according to the original terms, adjusted as relevant to take into account the appointment.
- > In addition, the Committee may offer additional cash and/or share-based buyout awards when it considers these to be in the best interests of the Company (and therefore shareholders) to take account of remuneration given up at the individual's former employer. Such awards would represent a reasonable estimate of the value foregone and would reflect, as far as possible, the delivery mechanism, time horizons and whether performance requirements are attached to that remuneration. Shareholders will be informed of any such payments at the time of appointment and/or in the next published Annual Report. However, for the avoidance of doubt, the value of buy-out awards is not capped.
- > For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved Policy.

### Service contracts and letters of appointment

The Company's policy is that Executive Directors should normally be employed under rolling service contracts with notice periods of up to 12 months (from each party). Further details of the notice periods in respect of each Executive Director are provided on page 106. All Non-Executive Directors have letters of appointment which may be terminated by the giving of notice by either party (see page 106 for details of current notice periods). Chairman and Non-Executive Director appointments are subject to Board approval and election by shareholders at each annual general meeting.

Copies of Executive Directors' service contracts and Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal hours of business.

# Directors' Remuneration Report

## Payments for loss of office

The principles on which the determination of payments for loss of office will be approached are set out below:

	Policy
<b>Payment in lieu of notice</b>	<p>The Company may terminate a Director's contract with immediate effect with or without cause by making a payment in lieu of notice by monthly instalments of salary and benefits, with reductions for any amounts received from providing services to others during this period.</p> <p>There are no obligations to make payments beyond those disclosed elsewhere in this report.</p>
<b>Annual bonus</b>	<p>This will be at the discretion of the Committee on an individual basis and the decision as to whether or not to award an annual bonus award in full or in part will be dependent on a number of factors, including the circumstances of the individual's departure and their contribution to the business during the annual bonus period in question. Any annual bonus award amounts paid will be prorated for time in service during the annual bonus period and will, subject to performance, be paid at the usual time (although the Committee retains discretion to pay the annual bonus award earlier in appropriate circumstances). Any bonus earned for the year of departure and, if relevant, for the prior year may be paid wholly in cash at the discretion of the Committee.</p> <p>On a change of control, annual bonuses will either continue for the full year or a pro-rata bonus may be paid out to the time of completion.</p>
<b>Deferred bonus awards</b>	<p>If a participant ceases employment for any reason (other than voluntary resignation or summary dismissal, in which case the award will lapse), the award will ordinarily continue until the normal vesting date. The Committee retains discretion to release awards when the participant leaves.</p> <p>On a change of control, awards will generally vest on the date of a change of control, unless the Committee permits (or requires) awards to roll over into equivalent shares in the acquirer.</p>
<b>LTIP</b>	<p>Any outstanding awards will ordinarily lapse, however in "good leaver" cases the default treatment is that awards will vest subject to any performance conditions and time pro-rata and the holding period will normally continue to apply. For added flexibility, the rules allow for the Committee to decide not to prorate (or prorate to a different extent) if it decides it is appropriate to do so, and to allow vesting to be triggered at the point of leaving by reference to performance to that date, rather than waiting until the end of the performance period if the Committee so decides.</p> <p>On a change of control, awards will generally vest on the date of a change of control, unless the Committee permits (or requires) awards to roll over into equivalent shares in the acquirer. Any vesting of awards will be subject to assessment of performance against any performance conditions and will normally be pro-rated.</p>
<b>Buy-out awards</b>	<p>Where a buy-out award is made under the Listing Rules then the leaver provisions would be determined at the time of the award.</p>
<b>Other payments</b>	<p>The Group may pay outplacement and professional legal fees incurred by Executives in finalising their termination arrangements, where considered appropriate, and may pay any statutory entitlements or settle compromise claims in connection with a termination of employment, where considered in the best interests of the Company. Outstanding savings/shares under all-employee share plans would be transferred in accordance with the terms of the plans.</p>

Where the Committee retains discretion, it will be used to provide flexibility in certain situations, taking into account the particular circumstances of the Director's departure and performance.

## External appointments

The Company recognises that its Executive Directors may be invited to become Non-Executive Directors of other companies and that such external appointments can broaden a Director's experience and knowledge to the potential benefit of Supply@ME. Subject to approval by the Board, Executive Directors are allowed to accept Non-Executive appointments, provided that these appointments are not likely to lead to conflicts of interest. The Committee will consider its approach to the treatment of any fees received by Executive Directors in respect of external Non-Executive roles as they arise.

## Annual Report on Remuneration

### Role and composition of the Remuneration Committee

The Board is ultimately accountable for executive remuneration and delegates this responsibility to the Remuneration Committee. The Remuneration Committee is responsible for developing and implementing a remuneration policy that supports the Group's strategy and for determining the Executive Directors' individual packages and terms of service together with those of the other members of the leadership team (including the Company Secretary). When setting the remuneration terms for Executive Directors, the Committee reviews and has regard to workforce remuneration and related policies and takes close account of the remuneration-related provisions of the QCA Corporate Governance Code.

The Committee is formally constituted and operates on written terms of reference, which are available on the Company's website at <https://www.supplymecapital.com/investors/governance>.

During 2023 the Committee was comprised of Enrico Camerinelli, David Bull, Albert Ganyushin and Andrew Thomas prior to his stepping down from the Board on 16 March 2023. On joining the Board on 16 March 2023 Alexandra Galligan undertook the role of Chair of the Remuneration Committee.

The Committee met four times during the year ending 31 December 2023. Enrico, David and Albert attended all meetings, Andrew attended two meetings prior to his departure on 16 March 2023 and Alexandra has attended as the Chair of the two meetings held since her appointment to the Board on 16 March 2023.

By invitation of the Committee, meetings are also attended by the CEO, CFO and CPO, who are consulted on matters discussed by the Committee, unless those matters relate to their own remuneration. Advice or information is also sought directly from other employees where the Committee feels that such additional contributions will assist the decision-making process.

In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration. In particular, the remuneration of Executive Directors is set and approved by the Committee. The Chair and Executives are responsible for the remuneration of the Non-Executive Directors and the Non-Executives (excluding the Chair) and the Executives are responsible for determining the Chair's remuneration. None of the Directors are involved in the determination of their own remuneration arrangements.

The Committee is authorised to take such internal and external advice as it considers appropriate in connection with carrying out its duties, including the appointment of its own external remuneration advisers. During the year, the Committee was assisted in its work by FIT Remuneration Consultants LLP. FIT was appointed in July 2021 and has continued to provide advice in relation to general remuneration matters during 2023. Fees incurred by FIT in relation to advice provided to the Committee during the year to 31 December 2023 were £6,151.50 (excluding VAT), charged on a time/cost basis. FIT is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that the advice they received from FIT was objective and independent.

The Committee considered the following main items during the 2023 financial year:

- > Review of the remuneration policy, including key performance indicators
  - > Remuneration for incoming Non-Executive Director
  - > Review, approval and issuance of the second awards under the Long Term Incentive Plan
  - > Consideration and review of shareholder feedback on Long Term Incentive Plan performance conditions for 2023
  - > Design for proposed Executive and Leadership team bonus plan and discussion on appropriate targets and timing. This will remain under review during FY2024
  - > Review of Board level salary considering external benchmark
  - > Consideration of employees salaries in light of current market conditions and Board remuneration
  - > Preparations for Directors' remuneration reporting in respect of FY2022 and FY2023 and review of the Remuneration Policy
  - > Consideration of Executive Directors' Strategic Priorities
  - > Review and update of Committee terms of reference
- Since the end of the 2023 financial year, the Committee has:
- > Considered and recommended the 2024 LTIP performance conditions
  - > Reviewed and contributed to the publishing of this Directors Remuneration Report
  - > Reviewed and considered Executive Directors KPIs
  - > Reviewed and updated the Remuneration Committee Terms of Reference

# Directors' Remuneration Report

The information that follows has been audited (where indicated) by the Company's auditors, Crowe UK LLP.

## Single total figure of remuneration for each Director (audited)

The table below reports the full-year total remuneration receivable by those Directors who performed qualifying services during the year.

### For the year ended 31 December 2023:

	Base salary / fees £	Benefits <sup>1</sup> £	Pension <sup>2</sup> £	Annual bonus <sup>3</sup> £	Long Term Incentives <sup>4</sup> £	Total £	Total fixed £	Total variable £
<b>Executive Directors</b>								
Alessandro Zamboni	207,000	254	12,420	-	-	219,674	219,674	-
Tom James <sup>5</sup>	51,252	-	-	-	-	51,252	51,252	-
John Collis <sup>5</sup>	51,252	-	-	-	-	51,252	51,252	-
<b>Non-Executive Directors</b>								
Albert Ganyushin	150,000	-	-	-	-	150,000	150,000	-
Andrew Thomas <sup>6</sup>	6,269	-	-	-	-	6,269	6,269	-
Enrico Camerinelli	30,000	-	-	-	-	30,000	30,000	-
David Bull	40,000	-	-	-	-	40,000	40,000	-
Alexandra Galligan <sup>7</sup>	31,846	-	-	-	-	31,846	31,846	-
<b>Total</b>	<b>567,619</b>	<b>254</b>	<b>12,420</b>	<b>-</b>	<b>-</b>	<b>580,293<sup>8</sup></b>	<b>580,293</b>	<b>-</b>

1 Non-salary benefits include the provision of life assurance.

2 The amount of the employer contribution is based on a fixed percentage of base salary, being 6% for the Chief Executive Officer only.

3 The Group did not operate a bonus scheme in 2023. Please see details of future intention in the Directors Remuneration Policy.

4 The CEO was awarded share options in the 2022 and 2023 LTIP awards. The other Executive Directors who were in role at the time of both the 2022 and 2023 LTIP award being made did not receive any share awards due to the separate earn out arrangements that they were a party to. During the year ended 31 December 2023 there were no share options that vested under the 2022 or 2023 LTIP award or any other share option awards.

5 Tom James and John Collis receive a proportion of their salary in USD. These amounts have been converted to GBP in the total above using the average exchange rate of 1.23. Tom James and John Collis left the Board on 23 March 2023 and the amounts included in the table above include their salary and fees to that date.

6 Andrew Thomas left the Board on 16 March 2023 and received fees to that date.

7 Alexandra Galligan joined the Board on 16 March 2023 and received fees from that date.

8 The aggregate emoluments (being salary/fees, bonuses, benefits and pension allowances) of all Directors for 2023 was £580,293 (2022:£857,617).

For the year ended 31 December 2022:

	Base salary / fees £	Benefits <sup>1</sup> £	Pension <sup>2</sup> £	Annual bonus <sup>3</sup> £	Long Term Incentives <sup>4</sup> £	Total £	Total fixed £	Total variable £
<b>Executive Directors</b>								
Alessandro Zamboni	207,000	156	12,420	-	-	219,566	219,566	-
Tom James <sup>5</sup>	222,083	-	-	-	-	222,083	222,083	-
John Collis <sup>5</sup>	222,083	-	-	-	-	222,083	222,083	-
<b>Non-Executive Directors</b>								
Albert Ganyushin <sup>6</sup>	75,577	-	-	-	-	75,577	75,577	-
Andrew Thomas <sup>7</sup>	15,115	-	-	-	-	15,115	15,115	-
Enrico Camerinelli	30,000	-	-	-	-	30,000	30,000	-
David Bull <sup>8</sup>	34,912	-	-	-	-	34,912	34,912	-
Jim Coyle <sup>9</sup>	26,731	-	-	-	-	26,731	26,731	-
Susanne Chishtji <sup>10</sup>	11,538	-	-	-	-	11,538	11,538	-
<b>Total</b>	<b>845,040</b>	<b>156</b>	<b>12,420</b>	<b>-</b>	<b>-</b>	<b>857,617<sup>11</sup></b>	<b>857,617</b>	<b>-</b>

1 Non-salary benefits include the provision of life assurance.

2 The amount of employer contribution is based on a fixed percentage of base salary, being 6% for the Chief Executive Officer only.

3 The Group did not operate a bonus scheme in 2022. Please see details of future intention in the Directors Remuneration Policy.

4 The CEO was awarded share options in the 2022 LTIP award. The other Executive Directors were not included in the 2022 award due to existing earn out arrangements. During the year ended 31 December 2022 there were no share options that vested under the 2022 LTIP award or any other share option awards.

5 Tom James and John Collis receive a proportion of their salary in USD. These amounts have been converted to GBP in the total above using the average exchange rate of 1.25.

6 Albert Ganyushin joined the Board on 30 June 2022 and received fees from that date, this figure does not include fee paid to him prior to joining the Board of £12,500 (excluding VAT) for strategic advisory project.

7 Andrew Thomas joined the Board on 30 June 2022 and received fees from that date.

8 David Bull's fee was increased from £30,000 per annum to £40,000 per annum on 22 July 2022 to recognise his role as Chair of the Audit Committee.

9 Jim Coyle stepped down from the Board on 4 March 2022 and received fees to that date.

10 Susanne Chishtji stepped down from the Board on 14 April 2022 and received fees to that date.

11 The aggregate emoluments (being salary/fees, bonuses, benefits and pension allowances) of all Directors for 2022 was £857,617 (2021:£629,352).

While not remuneration for the purposes of this table, for completeness, in addition to an initial consideration received on completion of the acquisition of TradeFlow, Tom James and John Collis, the TradeFlow directors, were entitled to receive acquisition related earn-out payments determined by reference to pre-determined revenue milestones of TradeFlow and, separately, of its subsidiary company (Tijara Pte. Limited). These milestones were to be calculated by reference to the revenues achieved in each of the 2021, 2022 and 2023 financial years and are contingent on employment to the relevant dates. The acquisition related earn-out amounts were able to be paid in either cash or shares at the Company's discretion. As such, they fall into the definition of shared based payments under IFRS.

Prior to the completion of the TradeFlow Restructuring on 30 June 2023, the acquisition related earn-out milestone targets were only met in respect of the year ended 31 December 2021. The fair value of the related earn-out payments were calculated to be £700,000 at the grant date, being the date of completion of the acquisition, with this fair value being spread over the period from grant to vesting date in the consolidated financial statements. On the 19 July 2022, the Company chose to equity settle the earn-out payment that was due. This resulted in each of the two TradeFlow directors, being Tom James and John Collis, each being awarded 106,762,760 new ordinary shares on 19 July 2022.

# Directors' Remuneration Report

## Annual bonus for the year ending 31 December 2023 (audited)

The Company did not offer annual bonus for FY 2023.

## LTIP awards with performance periods ending in the year (audited)

There were no long-term incentive awards capable of vesting in relation to performance during the year ending 31 December 2023.

## LTIP awards granted in the year (audited)

On 19 May 2023 awards in the form of nominal-cost share options ("Awards") over 355,884,274 ordinary shares of nominal value 0.002 pence each in the capital of the Company ("Ordinary Shares") were granted under the Supply@ME Long Term Incentive Plan (the "LTIP") to certain of the Company's executives and senior management.

## The Awards granted include those made to the following Director:

Name	Position	Number of Ordinary Shares under Award
Alessandro Zamboni	Chief Executive Officer; Executive Director	97,031,250

Pursuant to the terms of the LTIP the Awards will normally become exercisable on 19 May 2026.

Awards may become exercisable subject to continued employment and the achievement of performance conditions relating to absolute Total Shareholder Return measured (50%) and volume of inventory monetised (50%). Each performance condition will be measured over a three-year performance period comprising the 2023, 2024 and 2025 financial years. In addition, the Remuneration Committee will have broad discretion to reduce vesting if it considers the level of vesting to be inappropriate having regard to affordability, risk management and other factors.

The Award granted is subject to a two-year post-vesting holding period following the vesting date.

## Payments for loss of office and to past Directors (audited)

No such payments were made during the year.

### Statement of Directors' shareholding and share interests (audited)

The following table shows the interests of Directors and their connected persons in the Company's ordinary shares as at 31 December 2023.

Director <sup>1</sup>	Number of shares owned outright (including connected persons)	Share awards not subject to performance conditions	Share awards subject to performance conditions	Shareholding as a multiple of salary at 31 December 2023 <sup>2</sup>	Shareholding guideline as a multiple of salary <sup>3</sup>	Shareholding guideline met?
Alessandro Zamboni <sup>4</sup>	14,694,038,529	-	-	46.14	2.0	Yes
Tom James	-	-	-	-	N/A	N/A
John Collis	-	-	-	-	N/A	N/A
Albert Ganyushin	5,000,000	-	-	0.02	N/A	N/A
Andrew Thomas	-	-	-	-	N/A	N/A
Enrico Camerinelli	-	-	-	-	N/A	N/A
David Bull	-	-	-	-	N/A	N/A
Alexandra Galligan	2,493,333	-	-	0.04	N/A	N/A

1 The shareholdings and awards set out above include those held by Directors and their respective connected persons.

2 Alessandro Zamboni's shares are held through the AvantGarde Group. In connection with the TradeFlow Restructuring which completed on 30 June 2023, TAG assumed the obligation of Tom James and John Collis, as the buyers of the 81% of TradeFlow, to pay £2,000,000 to the Company. In consideration for assuming the £2,000,000 obligation, TAG acquired a total of 1,026,525,520 existing ordinary shares of nominal value £0.00002 each in the capital of the Company from Tom James and John Collis.

3 The shareholding as a multiple of salary has been calculated using the value of the shareholding held at 31 December 2023 compared to the full year salary for the year ended 31 December 2023.

4 The shareholding guideline as a multiple of salary is only applicable to Executive Directors and not to Non Executive Directors. Tom James and John Collis resigned as Directors on 23 March 2023 and as such this guideline no longer applies to them as at 31 December 2023.

As announced on 4 April 2024, the number of shares of the Company held by the CEO, through the AvantGarde Group S.p.A increased by 1,500,000,000 to a total of 16,194,038,529. There have been no other changes between 31 December 2023 and 19 April 2024, being the latest practicable date prior to the publication of this report.

### Executive Directors Long term incentive (share) plan interests

Executive Director	Date of Grant	Vesting date	Holding period ends	No of shares granted	Grant Price	Face value (no of shares x grant price)
Alessandro Zamboni	31 October 2022	31 October 2025	31 October 2027	258,750,000	0.8p	£207,000
	19 May 2023	19 May 2026	19 May 2028	97,031,250	0.107p	£103,500
Tom James <sup>5</sup>	-	-	-	-	-	-
John Collis <sup>5</sup>	-	-	-	-	-	-

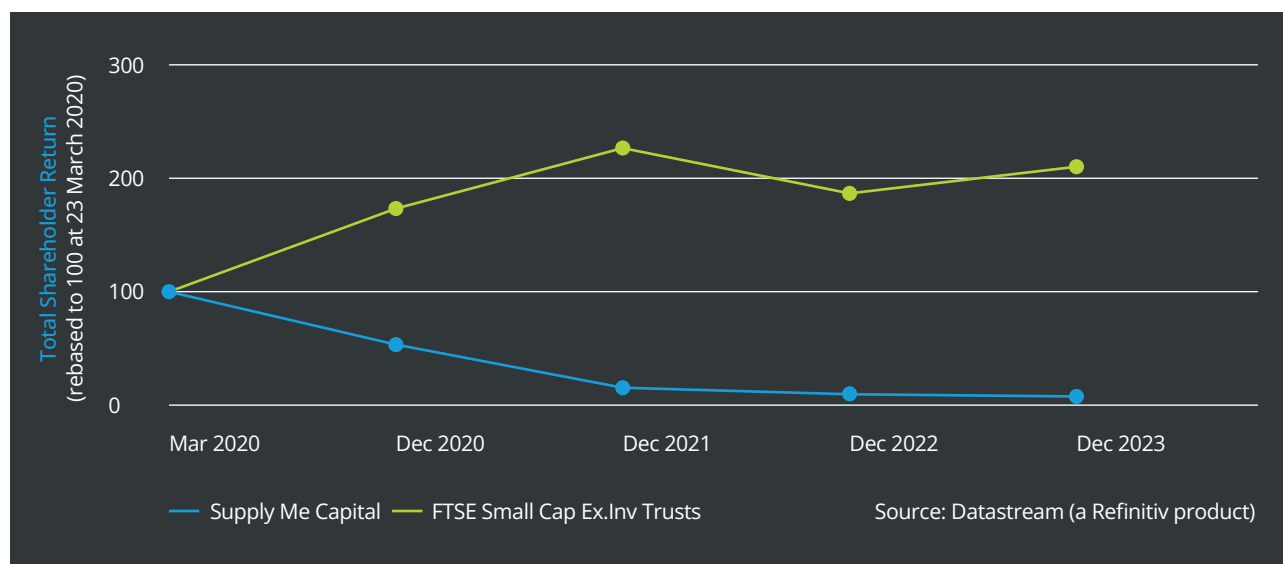
5 Tom James and John Collis resigned as Directors on 23 March 2023.

# Directors' Remuneration Report

## Total shareholder return performance graph

The graph below shows the value at 31 December 2023 of £100 invested in the Company on 23 March 2020 (i.e. the date that Admission to trading on the London Stock Exchange) compared to the value of £100 invested in the FTSE SmallCap Index (excluding Investment Trusts), making

the assumption that dividends are reinvested to purchase additional equity. The FTSE SmallCap Index (excluding Investment Trusts) has been selected as a comparator index to the Company, being made up of companies with a similar market capitalisation to the Company.



## Chief Executive Officer's remuneration

The total remuneration figure for the Chief Executive Officer in 2023 is shown in the table below, along with the value of bonuses paid, and LTIP vesting, as a percentage of the maximum opportunity. This table will build up to show ten years' worth of data over time.

Year	CEO	CEO single figure of total remuneration £	Annual bonus pay-out % of maximum	LTIP vesting % of maximum
2023	Alessandro Zamboni	219,674	-	-
2022	Alessandro Zamboni	219,576	-	-
2021	Alessandro Zamboni	234,376	-	-
2020	Alessandro Zamboni	138,750	-	-



## Annual percentage change in remuneration of Directors and employees

The table below shows the percentage change in remuneration of the Directors and employees of the business between the 2022 and 2023 financial years.

	% Change from FY2022 to FY2023		
	Salary or fees	Benefits	Bonus
Employees <sup>1</sup>	0	33	N/A
<b>Executive Directors<sup>2</sup></b>			
Alessandro Zamboni	0	63	N/A
Tom James <sup>3</sup>	(77)	N/A	N/A
John Collis <sup>3</sup>	(77)	N/A	N/A
<b>Non-Executive Directors<sup>2</sup></b>			
Albert Ganyushin <sup>4</sup>	98	N/A	N/A
Andrew Thomas <sup>5</sup>	(59)	N/A	N/A
Enrico Camerinelli	-	N/A	N/A
David Bull <sup>6</sup>	15	N/A	N/A
Alexandra Galligan <sup>7</sup>	100	N/A	N/A
Jim Coyle <sup>8</sup>	(100)	N/A	N/A
Susanne Chishti <sup>8</sup>	(100)	N/A	N/A

- The % change from FY2022 to FY2023 of the employees salary is calculated using the mean annualised FTE salaries of the Supply@ME Capital Plc employee base. The % change from FY2022 to FY2023 of the employee benefits is calculated using the gross costs of these benefits to the Company.
- In order to illustrate the % change of the Directors from FY2022 to FY2023 the actual amount paid as salary and fees during the period served as a Director has been used.
- Tom James and John Collis both resigned from the Board on 23 March 2023 and received fees to this date during FY23, compared to for a full year during FY22.
- Albert Ganyushin joined the Board during FY22 and therefore the increase in his salary reflects the full year impact of his salary in FY23, compared to the prior year when fees were received from his date of joining the Board which was 30 June 2022.
- Andrew Thomas joined the Board on 30 June 2022 and resigned from the Board on 16 March 2023. The reduction in his salary reflects the shorter time period he was a member of the Board in FY23.
- David Bull's fee was increased from £30,000 per annum to £40,000 per annum on 22 July 2022 to recognise his role as the Chair of the Audit Committee.
- Alexandra Galligan joined the Board on the 16 March 2023 and therefore had no comparative salary received in FY22
- Jim Coyle and Susanne Chishti resigned during 2022, so no comparative salary during 2023.

## Relative importance of spend on pay

The table below details the change in total staff pay between 2022 and 2023 as detailed in note 8 to the Group consolidated financial statements, compared with distributions to shareholders by way of dividend, share buy backs on any other significant distributions or payments. These figures have been calculated in line with those in the audited financial statements:

	2023 (£000)	2022 (£000)	% Change
Total gross staff pay	2,198	2,767	(21)%
Dividends / share buybacks	-	-	N/A

The total gross staff pay for 2023 set out above includes the gross staff pay for TradeFlow for the period from 1 January 2023 to 30 June 2023, compared to for 2022 where the total gross staff pay includes a full year of TradeFlow gross staff pay. This reflects the fact that the TradeFlow Restructuring was finalised and completed on 30 June 2023 and TradeFlow was deconsolidated from the Group's financial results from this date. The total gross staff pay excluding TradeFlow reduced by 10% in 2023 compared to 2022.

# Directors' Remuneration Report

## Summary of Shareholder Voting

The following table shows the results of the advisory vote on the 2022 Directors' Remuneration Report and the binding vote on the Directors' Remuneration Policy at the 2023 Annual General Meeting:

	Approval of the 2022 Directors' Remuneration Report (2023 AGM)		Approval of the Remuneration Policy (2023 AGM)	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For (including discretionary)	2,629,954,150	99.31%	2,628,985,769	99.28%
Against	18,232,816	0.69%	19,034,860	0.72%
Votes withheld	2,126,668	-	2,293,005	-

## Executive Directors' service contracts

The table below summarises key details in respect of the current Executive Directors' contracts:

	Date of service contract/ letter of appointment	Notice period (from either party unless stated otherwise)
Alessandro Zamboni	23 March 2020	12 months

The service contracts of all current Executive Directors are available for inspection at the Company's registered office.

## Non-Executive Directors' letters of appointment

The table below summarises key details in respect of the Non-Executive Directors' contracts:

	Date of letter of appointment	Notice period (from either party)
Enrico Camerinelli	23 March 2020	3 months
David Bull	21 July 2021	90 days
Albert Ganyushin	30 June 2022	90 days
Alexandra Galligan	16 March 2023	90 days

## External appointments

Alessandro Zamboni is a Non-Executive Director with Darwinsurance srl and Non-Executive Director for RegTech Open Project Plc.

## Implementation of policy for the year ending 31 December 2024

### Basic salary

Executive Directors' salaries for FY 2024 are as follows:

	Base salary FY2024	Director fees FY2024
Alessandro Zamboni	£207,000	-

The Committee reviewed Executive Directors salaries during 2023 and although current total remuneration levels are below market no increases are currently proposed for FY 2024. The Committee intends to keep them under review with a view to increasing total remuneration toward market levels once the performance of the business warrants it.

### Benefits and pension

The CEO receives a pension contribution or allowance of 6% of base salary.

### Annual bonus

A bonus plan has not yet been approved for 2024. The Remuneration Committee will consider this prudently during 2024 in light of revenue and cash flow. If significant progress is made on the Group's key financial targets a variable pay pool would be formed based on a combination of profit and satisfaction of strategic and personal objectives. These objectives will be linked to the Group's strategy and aligned with key financial, strategic and/or individual targets and be governed by the Remuneration Policy.

### LTIP

Executive Directors are eligible to participate in the LTIP. An award is anticipated to be made during FY 2024 to the CEO over shares up to 100% of base salary. The performance conditions will be:

- > 50% of the award to be based on absolute TSR over 3 financial years, requiring (assuming no dividends) the average closing share price over the period 1 October 2026 – 31 December 2026 to be 0.15 for 25% of the award to vest increasing on a straight-line basis to 0.3 for 100% to vest.
- > 50% of the award to be based on volume of inventory monetised by the end of the performance period (31 December 2026). 25% of award to vest if £300m of inventory is monetized (in aggregate) over the 3 financial years ending 31 December 2026, increasing on a straight-line basis to 100% of the award to vest if £400m of inventory is monetized (in aggregate) in the same period. This is contingent on the Remuneration Committee deeming the inventory was monetised on acceptable commercial terms.

The Committee will have broad discretion to reduce vesting if it considers the level of vesting to be inappropriate having regard to affordability, risk management and other factors.

### Non-Executive Directors' fees

Non-Executive Directors' fees for FY2024 will remain the same as during 2023. This will however be reviewed during the year in light of business progress and market conditions. The Non-Executive Directors fees are detailed below:

	Fee FY2023 £
Chairman	150,000
Base Non-Executive Director fee	30,000
Senior Independent Director fee	10,000
Chair of Audit or Remuneration Committee fee	10,000

# Report of the Directors

## Report of the Directors

The Directors present their report on the Group together with the audited consolidated financial statements for the year ended 31 December 2023.

## Results and dividends

The Group's consolidated loss before taxation for the year was £4,345,000 (2022: £9,878,000). The Group's consolidated operating loss from continuing operations before impairment charges and fair value adjustments for the year was £3,625,000 (2022: £4,651,000). More information about the Group's financial performance can be found in the financial review on pages 38–45 and in the financial statements on pages 115–195.

The Directors are not proposing a final dividend for the year ended 31 December 2023. Which was the same in year ended 31 December 2022.

## Review of Business and Future Developments

The Chief Executive Officer's Statement on page 7 and the Strategic Report on pages 3–60 provide a review of the business, the Group's trading for the year ended 31 December 2023, key performance indicators and an indication of future developments and risks, form part of this Directors' Report.

## Matters covered in the Strategic Report

A comprehensive review and assessment of the Group's activities during the year as well as its position at the year end and prospects for the forthcoming year are included in the Chief Executive's Officer's Statement and the Strategic Report. These reports can be found in the relevant sections above and should be read in conjunction with this report. The review of the business and its future development in the Strategic Report has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential for this strategy to succeed

Disclosure	Location
Capital Structure	Notes 15, 17 and 22 to the consolidated Financial Statements – pages 149, 152, 155
Directors' interests	Directors' Remuneration Report – pages 85–107
Directors' Remuneration Report	Corporate Governance Report – pages 85–107
Directors' responsibility statement	Page 114
Engaging with our stakeholders	Strategic Report – pages 36–37
Environmental Impact	Strategic Report, Environmental Impact – page 46
Exposure to price risk, credit risk, liquidity risk and cash flow risk	Details can be found on pages 50–60 of the Strategic Report and Note 22 to the consolidated Financial Statements on page 155
Financial risk management objectives and policies (including hedging policy and use of financial instruments)	Notes 2 and 22 to the consolidated Financial Statements – pages 127, 155
Future business developments	Strategic Report – pages 3–28
Greenhouse gas emissions	Strategic Report, Environmental Impact – pages 46–49
People, culture and employee engagement	Strategic Report – pages 29–36
Principal decisions made by the Board during the year	Strategic Report – pages 69–70
TCFD Statement	Strategic Report - pages 48–49
Section 172 Statement	Strategic Report – pages 36–37

The stakeholder engagement section of the strategic report contains information in respect of the Group's key stakeholders and business relationships, including our

people, shareholders, corporate clients, inventory funders, fund investors and White-Label clients.

## Cautionary statement

The review of the business and its future development in the Strategic Report has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential for this strategy to succeed. It should not be relied on by any other party for any other purpose. The review contains forward-looking statements which are made by the Directors in good faith based on information available to them up to the time of the approval of the reports and should be treated with caution due to the inherent uncertainties associated with such statements.

## Directors of the Group

The Directors, who held office during the period, and subsequently, together with current Directors are as follows:

- > *Albert Ganyushin* – Independent Chairperson and Non-Executive Director (appointed 30 June 2022)

## Directors' interests

The Directors who held office during the year and their interests in the ordinary shares of the Company were as follows:

	Ordinary Shares (At 31 December 2023)	Ordinary shares (At 31 December 2022)
Alessandro Zamboni (held through AvantGarde Group SpA and 1AF2 Limited)	14,694,038,529	12,742,513,009
Albert Ganyushin	5,000,000	Nil
Alexandra Galligan	2,493,333	N/A
Enrico Camerinelli	Nil	Nil
David Bull	Nil	Nil
John Collis	Nil	513,262,760
Thomas James	Nil	513,262,760
Andrew Thomas	Nil	Nil

In connection with the TradeFlow Restructuring which completed on 30 June 2023, TAG assumed the obligation of Tom James and John Collis, as the buyers of the 81% of TradeFlow, to pay £2,000,000 to the Company. In consideration for assuming the £2,000,000 obligation, TAG acquired a total of 1,026,525,520 existing ordinary shares of nominal value £0.00002 each in the capital of the Company from Tom James and John Collis.

On the 26 March 2024, the Company and TAG entered into an agreement, which allowed the full outstanding amount of £800,000 owed by the Company to TAG, under amended TAG Unsecured Working Capital facility, to be extinguished by the issue of 1,500,000,000 new ordinary shares which were issued to TAG on 28 March 2024. Following this issue of new ordinary shares to TAG on the 28 March 2024, the number of ordinary shares held by Alessandro Zamboni increased to 16,194,038,529

- > *Alessandro Zamboni* – Chief Executive Officer and Executive Director (appointed 23 March 2020)
- > *Enrico Camerinelli* – Independent Non-Executive Director (appointed 23 March 2020)
- > *David Bull* – Independent Non-Executive Director (appointed 22 July 2021)
- > *Alexandra Galligan* – Independent Non-Executive Director (appointed 16 March 2023)
- > *John Collis* – Former Executive Director (appointed 30 July 2021, resigned 23 March 2023)
- > *Thomas James* – Former Executive Director (appointed 30 July 2021, resigned 23 March 2023)
- > *Andrew Thomas* – Former Non-Executive Director (appointed 30 June 2022, resigned 15 March 2023)

The biographies of the Directors in office as at the date of this Annual Report are set out on pages 63–67 of the Corporate Governance Report.

## The Powers of the Company Directors

The powers of the Directors are set out in the Company's articles of association (the Articles) and the Companies Act 2006 and are subject to any directions given by special resolution. The Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company whether relating to the management of the business or not. The Directors may also, subject to the Articles, delegate any of their powers, authorities and discretions as they see fit. The Board is required by the Articles to consist of no fewer than two Directors and is not subject to any maximum number.

# Report of the Directors

## Appointment and replacement of Directors

The rules governing the appointment and replacement of Directors are set out in the Articles and are governed by the QCA Code, the Companies Act 2006 and related legislation. Directors may be appointed by ordinary resolution of the shareholders or by the Board. At each AGM, all Directors who have been appointed by the Board since the previous AGM shall offer themselves for re-election by the shareholders. In addition, any Directors for whom the AGM is their third since they were last elected or re-elected, shall offer themselves for re-election by the shareholders. As such at the Company's next AGM, a date for which will be announced shortly following the publication of this Annual Report. Enrico Camerinelli will be the only Director who will offer himself for re-election.

## Articles of Association

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Articles of Association may be amended by a special resolution of the Company's shareholders.

## Compensation for loss of Office

No compensation for loss of office was paid to Directors who resigned during the year or in the period following the year end and up to the date at which this Annual Report has been published.

## Corporate governance statement

The Corporate Governance Report set out on pages 61–114 forms part of the Directors' Report.

## Directors' and officers' liability insurance

Throughout the financial year the Company had, as permitted by sections 234 and 235 of the Companies Act 2006, maintained Directors' and Officers' Liability insurance cover on behalf of the Directors of the Company. These policies indemnify them against certain liabilities which may be incurred by them in relation to the Company.

## Financial Instruments

The financial risk management objectives and policies of the Group are shown in note 22 to the Group's consolidated financial statements.

## IAS

The Directors have prepared the Group consolidated financial statements in accordance with UK-adopted International Accounting Standards.

## Political and charitable donations

No political or charitable donations were made by the Group during the period (2022: £nil).

## Research and Development

During the year the Group continued to invest in the development of its core Inventory Monetisation Platform, the purpose of which is to facilitate, record and monitor Inventory Monetisation transactions between third party client companies and segregated independent trading companies (known as stock companies). The internally generated Inventory Monetisation Platform includes not only the software but also:

- > the methodologies and business policies underpinning each Inventory Monetisation transaction.
- > the legal and accounting frameworks required to support each Inventory Monetisation transaction.
- > the technical infrastructure (cloud environment, distributed ledger technology) used to support each Inventory Monetisation transaction.

During the year the Group capitalised costs associated with the development of the Inventory Monetisation Platform to the value of £458,000 (2022: £1,125,000) as disclosed in note 12 to the Group's consolidated financial statements.

## Authority for Company to Purchase own Shares.

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase. Since listing the Directors have not exercised any of their powers to purchase its own shares.

## Significant Interests (greater than 3%)

The table below shows the interests in shares notified to the Company in accordance with the Disclosure Guidance and Transparency Rules as of 31 December 2023, and 19 April 2024 (being the latest practicable date prior to publication of the Annual Report):

Name of Shareholder	As of 31 December 2023		As at 19 April 2024	
	No. of ordinary shares held of £0.00002 nominal value each	% of total voting rights held	No. of ordinary shares held of £0.00002 nominal value each	% of total voting rights held
Alessandro Zamboni (held through AvantGarde Group SpA and 1AF2 Limited)	14,694,038,529	24.00%	16,194,038,529	25.81%
Venus Capital S.A	9,150,000,000	14.94%	9,150,000,000	14.59%
Hartfort Growth Fund Limited	1,955,392,026	3.19%	1,792,792,026	2.86%

Except as disclosed in the above table, the Company and the Directors are not aware of any person who, directly or indirectly, has a holding which is notifiable under English law or who directly or indirectly, jointly or severally, exercises or could exercise control over it, nor are they aware of any arrangements the operation of which may at a subsequent date result in a change of control over it. Those interested, directly or indirectly, in 3% or more of the issued ordinary shares (as set out in the above table) do not have different voting rights from other shareholders.

### Branches outside of the UK

The Group has subsidiaries outside the UK in Italy. Further details of these can be found in note 3 to the Company's financial statements. The Company currently does not have any branches outside of the UK.

### Change of Control

The Group is party to a limited number of funding agreements that include change of control provisions which, in the event of a change of control of the Company, or the relevant Group entity, could result in the termination of those arrangements at the election of the lender, which if triggered would result in the discontinuation of further funding and a requirement to repay amounts outstanding under the affected arrangement.

### Going concern

In carrying out their duties in respect of going concern, the Directors have completed a review of the Group's financial forecasts for a period exceeding 12 months from the date of issue of this annual report. This review included sensitivity analysis focused on the more immediate going concern period to determine the potential impact on the Group of reasonably possible downside scenarios. For the reasons set out below, the Directors consider that it is appropriate to adopt the going

concern basis in preparing the financial statements of the Group for the year ended 31 December 2023.

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

### Funding secured during 2023

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

- > the subscription agreement with Venus Capital dated 28 April 2023 for the issue of the 4,500,000,000 new ordinary shares (the "Subscription Shares") at £0.0005 per Subscription Share (the "Subscription Agreement"). The issue of the Subscription Shares raised gross proceeds of £2,250,000 during the first six months of the year (the "2023 Venus Subscription");
- > the fixed term unsecured working capital loan agreement with The AvantGarde Group S.p.A ("TAG"), the Group's major shareholder, dated 28 April 2023 (the "TAG Unsecured Working Capital facility"), which was then amended on 30 June 2023 in conjunction



# Report of the Directors

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

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

- a) The ability of the Company to draw down up to £3.5 million in monthly instalments over the period to 30 June 2025;
- b) On a monthly basis the Board will assess (acting in good faith and in its sole and absolute discretion) if the Group's projected cash balance on the last business day of the coming calendar month will be less than £250,000 following the Group's scheduled balance of receipts and payments for the next month by reference to, inter alia, the Group's contracted receivables, revenues and payables due for receipt or payment in the next month, the Group's contracted fixed operating expenditure and/or capital expenditure due for payment in the next month, the cash inflows in the next month arising from any warrants that have been contractually exercised and any projected unrestricted cash amounts resulting from any contractually agreed alternative equity, debt or hybrid financing (including, but not limited to, pursuant to a pre-emptive offering of ordinary shares and a non-pre-emptive offering of ordinary shares) for such month;
- c) If the above assessment results in the Group's projected cash balance on the last business day of the coming calendar month being less than £250,000, the Company may draw down an amount under the TAG Top-Up Shareholder Loan Agreement which is no greater than the GBP amount to ensure that the Group's bank balances in the coming month shall be equal to £250,000;
- d) Repayment of any sum drawn down under the TAG Top-Up Shareholder Loan Agreement will be due five calendar years (calculated on the basis of a year of 360 days) from the date which funds are received by the Company subject to the relevant draw down request; and

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

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

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

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

Taking into consideration the factors above and in order to consider their assessment of the Group as a going concern,



the Directors have reviewed the forecast cash flows for the next 12 months from approval of the Group's consolidated financial statements for the year ended 31 December 2023. The cash flow forecasts take into account that the Group meets its day to day working capital requirements through its forecast available and committed cash resources. The Directors have prepared the forecast using their best estimates, information and judgement at this time, including the receipt of cash that is contractually committed under the TAG Top-Up Shareholder Loan Agreement. The Directors have also considered the expected cash flows arising from the use of the Group's innovative Platform to facilitate Inventory Monetisation transactions. This reflects the business progress that has been made to date and the fact that the Directors expect the Group to continue to prove the concept of its business model and to fully operationalise in the near future following the progress steps that have made to date.

Despite the facts outlined above, there continues to be an absence of a historical recurring track record relating to multiple Inventory Monetisation transactions being facilitated by the Group's Platform and the Group being cash flow positive. As such the Directors have prudently identified uncertainty in the cash flow model. This uncertainty arises with respect to both the future timing and growth rates of the forecast cash flows arising from the Group's multiple Inventory Monetisation revenue streams. In this regard, if these future revenues are not secured as the Directors envisage, it is possible that the Group will have a shortfall in cash and require additional funding during the forecast period. In addition the cash inflows arising from the TAG Top-Up Shareholder Loan Agreement have not yet been fully received. These amounts have been factored into the cash flow forecast in line with the contractual commitments received from the counterparty and/or the latest updates from TAG. As such, there is a risk that these cash flows might not be received or might not reach the Group in the time frame expected despite the contractual commitment in place.

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

The Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should this be required.

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

## Website publication

The Directors are responsible for ensuring that the Annual Report and financial statements are made available on the website. The financial statements are published on the Group'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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Directors' responsibilities pursuant to DTR 4

The Directors confirm that to the best of their knowledge:

- > the Group consolidated financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the requirements of UK-adopted International Accounting Standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- > the Annual Report includes a fair review of the development and performance of the business and the position of the Group, and the parent Company, together with a description of the principal risks and uncertainties that they face.

## Disclosure of information to the auditor

Each Director at the date of approval of this annual report confirms that:

- > so far as the Directors are aware, there is no relevant audit information of which the Group's and Company's auditor is unaware; and
- > all the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## External Auditor

The auditor, Crowe U.K. LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

## 2024 AGM

The Notice of Annual General Meeting for 2024 will be circulated to all the shareholders at least 21 clear days before the AGM and it will also be made available on our corporate website [www.supplymecapital.com](http://www.supplymecapital.com). The voting on the resolutions will be announced via the Regulatory News Service.

# Report of the Directors

## Post balance sheet events

Details of post events since the reporting date can be found in note 30 to the Group's consolidated financial statements.

## Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities 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 year. Under that law the Directors have elected to prepare the Group consolidated financial statements in accordance with UK-adopted International Accounting Standards. 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 of the Group's results for that period.

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

- > select suitable accounting policies and apply them consistently.
- > make judgements and accounting estimates that are reasonable and prudent.
- > state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- > prepare the financial statements on the 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 and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

The Report of the Directors set out from page 108 to page 114 is approved by the Board of Directors and signed on its behalf by:

**Alessandro Zamboni**

*Chief Executive Officer and Executive Director*

30 April 2024

# Financial Statements

# Independent Auditor's Report

to the members of Supply@ME Capital Plc

## Opinion

We have audited the financial statements of Supply@ME Capital plc (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2023 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- > the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 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 United Kingdom Generally Accepted Accounting Practice; and the
- > 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 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.

## Material uncertainty relating to going concern

We draw your attention to note 2 which indicates the existence of uncertainties in relation to assumptions about future trading and the quantum and timing of financing transactions that support the going concern basis of preparation. As stated in note 2, these events or conditions, along with other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

- > we reviewed and challenged the forecast revenues and agreed, where possible, to underlying term sheets. The resulting cash flows within the assessment period are uncertain and this fact is disclosed in note 2;
- > we challenged management over the forecast of cash inflows from financing activities, the receipt of which the going concern assumption is reliant on. We removed these cashflows from the model to ascertain whether they were material to the model. The reliance on the model to these inflows and the uncertainty over the quantum and timing are disclosed in note 2
- > we tested the mathematical accuracy of the model;
- > we reviewed forecast cost assumptions having regard to historic experience and current trading levels; and
- > we reviewed the appropriateness of the disclosure made and its consistency with our review of the going concern assessment.

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

## Overview of our audit approach

### Materiality

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

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £208,000 (2022 £600,000), based on approximately 5% of the loss before tax for the period. Materiality for the parent company financial statements as a whole was set at £190,000 (2022: £310,000) based on 4% of its individual result.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be £124,800 (2022 £360,000) for the Group and £114,000 (2022: £186,000) for the parent company. Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £10,000 (2022: £7,200). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

### Overview of the scope of our audit

As at 31 December 2023, the group consists of three components, Supply@ME Capital plc, a holding company based in London, United Kingdom and its trading subsidiaries, Supply@ME Srl and Supply@ME Technologies Srl both based in Italy. Supply@ME Capital plc was audited by us and was conducted from the UK. Audit work on the significant non-UK components being Supply@ME Srl, and Supply@ME Technologies Srl were carried out by a member of the Crowe Global International network as component auditor. Limited procedures were performed by a member of the Crowe Global International network on disclosures relating to TradeFlow Capital Management Pte Ltd, which is based in Singapore, a component which was disposed of in the year.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team. For the full scope components in Italy and Singapore, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to ensure that sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The primary team led by the Senior Statutory Auditor was ultimately responsible for the scope and direction of the audit process. The primary team, using technology, interacted regularly with the component teams where appropriate during various stages of the audit, reviewed working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

# Independent Auditor's Report

to the members of Supply@ME Capital Plc

## 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.

In addition to the matter described in the material uncertainty relating to going concern above, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our scope addressed the key audit matter
<p><i>Disposal of TradeFlow Capital Management Pte Ltd</i></p> <p>As disclosed in note 26 to the financial statements, during the year the group disposed of 81% of TradeFlow Capital Management Pte Ltd. The conditions for Discontinued operations were met and this has had a pervasive impact across the primary financial statements and related notes.</p> <p>In addition, linked to this transaction, the group was left with a 19% residual interest that is accounted for at fair value, which is inherently judgmental and the consideration for the transaction was novated to The AvanteGarde Group and was not settled by 31 December 2023.</p> <p>Given the size and importance of the disposal of TradeFlow Capital Management Pte Ltd and the additional accounting considerations that arose this was a key area of focus for our audit.</p>	<p>To assess the adequacy of the accounting for the presentation as Assets held for sale and Discontinued operations:</p> <ul style="list-style-type: none"> <li>&gt; We agreed the sale transaction to the signed share purchase agreement, noting the key terms.</li> <li>&gt; We reviewed the disclosures having regard to the requirements of IFRS 5</li> <li>&gt; We considered the criteria for significant influence to exist which could impact the accounting for the residual interest</li> <li>&gt; We challenged management's calculation of the Fair value of the residual interest at the disposal and reporting date and a downward fair value adjustment was recorded following our challenge</li> <li>&gt; We performed specified procedures on the result of the entity prior to disposal and the assets and liabilities at the disposal date</li> <li>&gt; We recalculated the associated gain on disposal, including agreeing the consideration to the share purchase agreement and agreeing the net assets disposed to supporting documentation</li> <li>&gt; We assessed the recoverability of the consideration receivable</li> </ul> <p><b>Key observation</b> We concluded that the accounting for the sale of TradeFlow Capital Management Pte Ltd was appropriate.</p>

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

## Other information

The 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 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 our 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 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- > the 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement on page 114, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and 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:

- > enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance; the laws and regulations we considered in this context were relevant company law and taxation legislation
- > examining supporting documents for all material balances, transactions and disclosures;
- > review of the Board of directors and the Audit Committee minutes;
- > enquiry of management about litigations and claims and inspection of relevant correspondence;
- > evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- > analytical procedures to identify any unusual or unexpected relationships;
- > testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- > review of accounting estimates for biases; and
- > Communications with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are

# Independent Auditor's Report

to the members of Supply@ME Capital Plc

particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

## Other matters which we are required to address

We were appointed by management on 22 September 2020 to audit the financial statements for the period ending 31 December 2019. Our total uninterrupted period of engagement is 5 years, covering the periods ending 31 December 2019 to 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the company and we remain independent of the group and the 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 the fullest 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.

### Leo Malkin

*Senior Statutory Auditor*

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

30 April 2024



# Consolidated Statement of Comprehensive Income

for the Year Ended 31 December 2023

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

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

# Consolidated Statement of Financial Position

As at 31 December 2023

	Note	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
<b>Non-current assets</b>			
Intangible assets and goodwill	12	-	-
Investment	27	284	-
Property, plant and equipment		3	7
Other non-current assets		19	19
<b>Total non-current assets</b>		<b>306</b>	26
<b>Current assets</b>			
Trade and other receivables	13	1,026	1,219
Cash and cash equivalents		5	257
Receivable from related party	14	847	-
		<b>1,878</b>	1,476
<b>Assets of disposal group held for sale</b>	26	-	6,844
<b>Total current assets</b>		<b>1,878</b>	8,320
<b>Total assets</b>		<b>2,184</b>	8,346
<b>Current liabilities</b>			
Trade and other payables	16	4,569	4,587
<b>Liabilities of disposal group held for sale</b>	26	-	4,561
<b>Total current liabilities</b>		<b>4,569</b>	9,148
<b>Net current liabilities</b>		<b>(2,691)</b>	(828)
<b>Non-current liabilities</b>			
Long-term borrowings	17	840	748
Provisions	18	575	468
Deferred tax liabilities		7	7
<b>Total non-current liabilities</b>		<b>1,422</b>	1,223
<b>Net liabilities</b>		<b>(3,807)</b>	(2,025)
<b>Equity attributable to owners of the parent</b>			
Share capital	15	5,989	5,897
Share premium		25,396	25,269
Share-based payment reserve	24	7,969	5,871
Other reserves		(11,048)	(11,413)
Retained losses		(32,113)	(27,649)
<b>Total equity</b>		<b>(3,807)</b>	(2,025)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes. The consolidated financial statements on pages 121-176 were approved and authorised for issue by the Board on 30 April 2024 and signed on its behalf by:

**Mr. Alessandro Zamboni**

CEO and Executive Director

**Mr. David Bull**

Independent Non-Executive Director and Chair of Audit Committee

Supply@ME Capital plc - Registration number: 03936915

# Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2022

	Note	Share capital £ 000	Share premium £ 000	Other reserves* £ 000	Share-based payment reserve £ 000	Merger reserve* £ 000	Reverse takeover reserve* £ 000	Foreign currency reserve* £ 000	Retained losses £ 000	Total £ 000
<b>At 1 January 2022</b>		5,486	18,171	21	2,018	226,905	(237,834)	18	(16,209)	(1,425)
Loss for the year		-	-	-	-	-	-	-	(9,878)	(9,878)
Forex retranslation difference		-	-	-	-	-	-	(539)	-	(539)
		5,486	18,171	21	2,018	226,905	(237,834)	(521)	(26,087)	(11,841)
Issuance of new shares	15	406	10,396	-	-	-	-	-	-	10,802
Costs incurred in connection with the issuance of new ordinary shares		-	(4,024)	-	-	-	-	-	(1,605)	(5,629)
Credit to equity for issue of warrants	24	-	-	-	5,292	-	-	-	-	5,292
Exercise of Open Offer Warrants	15	1	31	-	(40)	-	-	-	40	32
Credit to equity for prior year acquisition related earn-out payments		-	-	-	172	-	-	-	-	172
Settlement of prior year acquisition related earn-out payments	15	4	695	-	(699)	-	-	-	-	-
Debit to equity for current year and future acquisition related earn-out payments		-	-	-	(883)	-	-	-	-	(883)
Equity settled employee share-based payment schemes		-	-	-	11	-	-	-	-	11
Pension plan actuarial gain or loss		-	-	16	-	-	-	-	-	16
Subsidiaries disposed of during the year		-	-	-	-	-	-	-	3	3
<b>At 31 December 2022</b>		<b>5,897</b>	<b>25,269</b>	<b>37</b>	<b>5,871</b>	<b>226,905</b>	<b>(237,834)</b>	<b>(521)</b>	<b>(27,649)</b>	<b>(2,025)</b>

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

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

# Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2023

	Note	Share capital £ 000	Share premium £ 000	Other reserves* £ 000	Share-based payment reserve £ 000	Merger reserve* £ 000	Reverse takeover reserve* £ 000	Foreign currency reserve* £ 000	Retained losses £ 000	Total £ 000
<b>At 1 January 2023</b>		5,897	25,269	37	5,871	226,905	(237,834)	(521)	(27,649)	(2,025)
Loss for the year		-	-	-	-	-	-	-	(4,345)	(4,345)
Foreign currency translation reserve reclassified to comprehensive income on disposal of 81% of TradeFlow		-	-	-	-	-	-	62	-	62
Forex retranslation difference		-	-	-	-	-	-	304	-	304
		5,897	25,269	37	5,871	226,905	(237,834)	(155)	(31,994)	(6,004)
Issuance of new shares	15	90	2,160	-	-	-	-	-	-	2,250
Costs incurred in connection with the issuance of new ordinary shares		-	(1,971)	-	-	-	-	-	-	(1,971)
Credit to equity for issue of warrants	24	-	-	-	1,717	-	-	-	-	1,717
Exercise of Open Offer Warrants	15	2	70	-	(95)	-	-	-	95	72
Increase in fair value of previously issued warrants		-	(132)	-	346	-	-	-	(214)	-
Equity settled employee share based payment schemes		-	-	-	130	-	-	-	-	130
Pension plan actuarial gain or loss		-	-	(1)	-	-	-	-	-	(1)
<b>At 31 December 2023</b>		<b>5,989</b>	<b>25,396</b>	<b>36</b>	<b>7,969</b>	<b>226,905</b>	<b>(237,834)</b>	<b>(155)</b>	<b>(32,113)</b>	<b>(3,807)</b>

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

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

# Consolidated Statement of Changes in Cash Flows

for the Year Ended 31 December 2023

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

# Consolidated Statement of Changes in Cash Flows

for the Year Ended 31 December 2023

	Note	Year ended 31 December 2023 £ 000	Year ended 31 December 2022 £ 000
Cash outflow on disposal of discontinued operations	26	(324)	-
<b>Net cash flows from investing activities</b>		<b>446</b>	<b>(1,197)</b>
<b>Cash flows from financing activities</b>			
Net cash inflow from new long-term borrowings		655	2,334
Cash repayment of existing long-term borrowings		(105)	-
Cash inflow from issue of new ordinary shares		2,322	7,013
Cost of share issue paid in cash	25	(254)	(231)
Other finance costs paid in cash		(6)	(425)
Cash inflow from convertible loan notes		-	1,500
Cash repayment of loan notes and convertible loan notes		-	(5,572)
<b>Net cash flows from financing activities</b>		<b>2,612</b>	<b>4,619</b>
Net movement in cash and cash equivalents		(575)	(1,133)
Foreign exchange differences to cash and cash equivalents on consolidation		(1)	(13)
Cash and cash equivalents at 1 January		581	1,727
<b>Cash and cash equivalents at 31 December</b>		<b>5</b>	<b>581</b>

## Significant non-cash transactions

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

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

- > A total of 5,298,382,757 new ordinary shares were issued during the prior year to extinguish £3,274,166 principle value of convertible loan notes; and
- > 213,525,520 new ordinary shares were issued during the prior year to settle the acquisition related earn-out payments for the financial year ended 31 December 2021.

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

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 1 General information

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

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

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

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

## 2 Accounting policies

### Going concern

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

### Funding secured during 2023

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

- > the subscription agreement with Venus Capital S.A. ("Venus Capital") dated 28 April 2023 for the issue of the 4,500,000 new ordinary shares (the "Subscription Shares") at £0.0005 per Subscription Share (the "Subscription Agreement"). The issue of the Subscription Shares raised gross proceeds of £2,250,000 during the first six months of the year (the "2023 Venus Subscription");
- > the fixed term unsecured working capital loan agreement with The AvantGarde Group S.p.A ("TAG"), the Group's major shareholder, dated 28 April 2023 (the "TAG Unsecured Working Capital facility"), which was then amended on 30 June 2023 in conjunction with the finalisation of the disposal of the 81% stake in ownership of TradeFlow Capital Management Pte. Limited ("TradeFlow") (the "TradeFlow Restructuring"). On 30 June 2023, the Company issued a draw down notice to TAG under the amended TAG Unsecured Working Facility for the full £800,000 of funding available under this facility. As at 31 December 2023, £250,000 had been received from TAG in respect of this facility. As set out in note 30, subsequent to 31 December 2023, and prior to the issue of these financial statements, the remaining £550,000 had been received from TAG. Additionally, on 26 March 2024, the Company and TAG signed a second deed of amendment agreement, which allowed the full outstanding amount of the amended TAG Unsecured Working Capital facility to be extinguished by the issue of 1,500,000,000 new ordinary shares issued to TAG on 28 March 2024; and
- > the top up unsecured shareholder loan agreement with TAG, dated 28 September 2023 ("TAG Top-Up Shareholder Loan Agreement"), details of which are set out below:
  - a) The ability of the Company to draw down up to £3.5 million in monthly instalments over the period to 30 June 2025;
  - b) On a monthly basis the Board will assess (acting in good faith and in its sole and absolute discretion) if the Group's projected cash balance on the last business day of the coming calendar month will be less than £250,000 following the Group's scheduled balance of receipts and payments for the next month by reference to, inter alia, the Group's contracted receivables, revenues and payables due for receipt or payment in the next month, the Group's contracted fixed operating expenditure and/or capital expenditure due for payment in the next month, the cash inflows in the next month arising from any warrants that have been contractually exercised and any projected unrestricted cash amounts resulting from any contractually agreed alternative equity, debt or hybrid financing (including, but not limited to, pursuant to a pre-emptive offering of ordinary shares and a non-pre-emptive offering of ordinary shares) for such month;

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 2 Accounting policies

- c) If the above assessment results in the Group's projected cash balance on the last business day of the coming calendar month being less than £250,000, the Company may draw down an amount under the TAG Top-Up Shareholder Loan Agreement which is no greater than the GBP amount to ensure that the Group's bank balances in the coming month shall be equal to £250,000;
- d) Repayment of any sum drawn down under the TAG Top-Up Shareholder Loan Agreement will be due five calendar years (calculated on the basis of a year of 360 days) from the date which funds are received by the Company subject to the relevant draw down request; and
- e) Any sums drawn down by the Company under the TAG Top-Up Unsecured Shareholder Loan will attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on a relevant due date shall attract a compounding rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year.

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

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

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

against amounts owed by the Group companies to TAG. The Company is now charging a late fee to TAG calculated at a compounding rate of 15% per annum on any amounts of the instalments not transferred to the Company by the relevant due date. As set out in note 30, subsequent to 31 December 2023, and prior to the issue of these financial statements £655,000 of the £772,000 outstanding at 31 December 2023 was repaid through the combination of cash payments and the offsetting of amounts due to TAG from the Group, leaving a remaining balance of £117,000.

Taking into consideration the factors above and in order to consider their assessment of the Group as a going concern, the Directors have reviewed the forecast cash flows for the next 12 months from approval of these consolidated financial statements. The cash flow forecasts take into account that the Group meets its day to day working capital requirements through its available and committed cash resources. The Directors have prepared the forecast using their best estimates, information and judgement at this time, including the receipt of cash that is contractually committed under the TAG Top-Up Shareholder Loan Agreement. The Directors have also considered the expected cash flows arising from the use of the Group's innovative Platform to facilitate Inventory Monetisation transactions. This reflects the fact that the Directors expect the Group to continue to prove the concept of its business model and to fully operationalise in the near future following the progress steps that have made to date.

Despite the facts outlined above, there continues to be an absence of a historical recurring track record relating to multiple Inventory Monetisation transactions being facilitated by the Group's Platform and the Group being cash flow positive. As such the Directors have prudently identified uncertainty in the cash flow model. This uncertainty arises with respect to both the future timing and growth rates of the forecast cash flows arising from the Group's multiple Inventory Monetisation revenue streams. In this regard, if these future revenues are not secured as the Directors envisage, it is possible that the Group will have a shortfall in cash and require additional funding during the forecast period. In addition the cash inflows arising from the TAG Top-Up Shareholder Loan Agreement have not yet been fully received. These amounts have been factored into the cash flow forecast in line with the contractual commitments received from the counterparty and/or the latest updates from TAG. As such, there is a risk that these cash flows might not be received or might not reach the Group in the time frame expected despite the contractual commitment in place.

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



## 2 Accounting policies

The Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should this be required.

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

### Adjusted performance measures

Management believes that adjusted performance measures provide meaningful information to the users of the accounts on the operating performance of the business. Accordingly, the adjusted measure of operating profit from continuing operations excludes, where applicable, impairment charges and fair value adjustments. These terms are not defined terms under IFRSs and may therefore not be comparable with similarly titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. The items excluded from adjusted results are those items that are charged to the consolidated statement of comprehensive income due to the impairment of the Group's intangible assets or investments. They are not influenced by the day-to-day operations of the Group.

### Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 December 2023. Subsidiaries are entities over which the Group has control. Control comprises an investor having power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Supply@ME Technologies S.r.l. was incorporated by the Company in Italy on 25 March 2022 for the purpose of holding the Group's intellectual property rights relating to the Platform together with future developments in a dedicated entity.

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

### New and revised accounting standards and interpretations

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

### New standards, interpretations and amendments not yet effective

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

### Business Combinations

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

### Measurement of consideration

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

### Acquisition related earn-out payments (deemed remuneration)

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

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 2 Accounting policies

### Fair value assessment

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

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

### Goodwill

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

### Transaction costs

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

### Investment in equity instruments

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

### Intangible assets

#### Goodwill

Goodwill arising on consolidation is recognised as an asset.

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

### Other intangible assets

#### a) Internally developed Inventory Monetisation ("IM") platform

The core activity of the existing Supply@ME business is the creation and marketing of a software-driven secure platform (the "IM Platform") that can be used for the facilitation, recording and monitoring of Inventory Monetisation ("IM") transactions between third party client companies and segregated trading companies (known as stock companies). The software modules which form part of the IM Platform can also be used, through a White-Label model, by third party banks in order for them to deploy their own inventory backed financial products. The internally generated IM Platform includes not only the software but also:

- > the methodologies and business policies underpinning each IM transaction
- > the legal and accounting frameworks required to support each IM transaction
- > the technical infrastructure (cloud environment, distributed ledger technology) used to support each IM transaction.

Associated with this core activity are significant product development requirements and expenditure in order to develop compliance with legal, regulatory, accounting, valuation and insurance criteria. This expenditure includes software and infrastructure development, intellectual property ("IP") related costs and professional fees related to the development of legal and accounting infrastructure.

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

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

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

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

## 2 Accounting policies

### b) Acquired intangible assets

Intangible assets arising on business combinations are recognised initially at fair value at the date of acquisition. Subsequently they are carried at cost less accumulated amortisation. As the acquired intangible assets recognised by the Group during the year ended 31 December 2022 and 31 December 2023 arose on the acquisition of TradeFlow, the amortisation of acquired intangible assets is charged within loss from discontinued operations in the consolidated statement of comprehensive income.

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

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

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

### Impairment

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

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

An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the

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

### Revenue recognition

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

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

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

The Group recognises revenue from the following activities:

#### a) Open Market IM - Due diligence fees:

This revenue arises from due diligence services performed by the Group in relation to the potential client companies. This due diligence covers topics such as the client's financial information, operations, credit rating and analysis of its inventory. Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, the due diligence revenues recognised by the Group to date have been limited. Further details are provided below:

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

Due to the above circumstances, these down payments have not been recognised as revenue under IFRS 15 ("Revenue from Contracts with Customers") until the specific performance obligation, being the use of the Group's Platform for the first time, has been satisfied by the Group. Until such time, these amounts have been recognised as

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 2 Accounting policies

deferred income in the statement of financial position, or as other payables in the case where a refund has been requested (due to the current delays being experienced by the Group), but not yet paid as at the balance sheet date.

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

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

### b) Open Market IM – Origination fees:

This revenue arises from origination of the contracts between the client company wishing to have their Inventory Monetised and the independent stock (trading) company that purchased the inventory from the client company. Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, as at 31 December 2023, the Group had facilitated two IM transactions over its IM Platform and therefore had received origination fees from two client companies, one of which took place during the year ended 31 December 2022 and the other during the year ended 31 December 2023. The non-refundable origination fees received from the client company relates to the fee payable to the Group at the point in time the client company enters into binding contracts with the stock (trading) company to purchase its inventory. The Group have recognised the non-refundable origination fee as revenue at the point in time that the fee becomes receivable from the

client company. This is consistent with the fact that there are no performance obligations that remain to be completed by the Group relating to this fee at this point in time.

### c) Open Market IM – IM Platform usage fees:

This revenue arises from usage of the Group's IM Platform by the independent stock (trading) company to facilitate the purchase of the inventory from the client company. Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, as at 31 December 2023, the Group had facilitated two IM transactions over its IM Platform and therefore had received IM Platform usage fees from the independent stock (trading) company in respect of these two IM transactions only. Management concluded that the usage of the IM Platform granted by the Group to the stock (trading) company represented a Software as a Service ("SaaS") contract and as such the annual IM Platform usage fees are recognised over time in line with the time period covered by the contract as required by IFRS 15 ("Revenue from Contracts with Customers"). As the annual IM Platform usage fees are received by the Group at the beginning of the annual period, any unrecognised amounts are held on the balance sheet as deferred income.

### d) Open Market IM – IM service fees:

This revenue arises as a result of the service fees charged by the Group to the independent stock (trading) company as remuneration for the support and administration activities, such as the monitoring of the inventory purchased, the Group performs in connection with the use of the Group's IM Platform. Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, as at 31 December 2023, the Group had facilitated two IM transactions over its IM Platform and therefore had received IM service fees from the independent stock (trading) company in respect of two IM transactions only. Management concluded that the support and administration activities performed in exchange for these fees represent separately identifiable performance obligation and as such the annual fees are recognised over time in line with the time period covered by the contract as required by IFRS 15 ("Revenue from Contracts with Customers"). These service fees are accrued up to the point the fees are received and then any unrecognised amounts are held on the balance sheet as deferred income.

### Cost of Sales

Cost of sales represents those costs that can be directly related to the sales effort. At this early stage in the Group's development, the cost of sales includes both the costs of the work force who are engaged in the due diligence related processes, the amortisation of the costs relating to the internally developed IM platform, and any external costs directly related to the completion of the due diligence activities. Management regard these items as the direct

## 2 Accounting policies

costs associated with generating the Open Market IM revenue; in line with similar fintech companies.

### Leases

The Group does not have any material lease arrangements that would be required to be accounted for under IFRS 16 ("Leases"). In addition, in accordance with IFRS 16 ("Leases"), any short term leases costs are recognised in the consolidated statement of comprehensive income in the period which is covered by the term of the lease.

### Property, Plant and equipment

#### Recognition and measurement

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

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

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

#### Depreciation

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

- > Computers and IT equipment at 33% per annum.

### Tax

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary

differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

### Cash and cash equivalents

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

### Functional and presentation currencies

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

#### Foreign currency

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

#### Foreign currency transactions and balances

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

Foreign currency transactions are translated into the functional currency using the average exchange rates in the month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary



# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 2 Accounting policies

assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

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

See applicable exchange rates to GBP used during FY23 and FY22 below:

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

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

### Consolidation of foreign entities

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

### Employee benefits

#### Short-term employee benefits

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

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

#### Defined contribution pension obligations

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

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

### Financial assets

#### Classification

Financial assets currently comprise trade and other receivables, receivable from related party and cash and cash equivalents.

#### Recognition and measurement

##### Loans and receivables

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

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

### Financial liabilities

#### Classification

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

#### Recognition and measurement

##### Trade and other payables

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

##### Long-term borrowings and loan notes

Interest bearing long-term borrowings and loan notes and are initially recorded at the proceeds received, net of direct issue costs (including commitment fees, introducer fees and the fair value of warrants issued to satisfy issue costs). Finance charges, including direct issue costs, are accounted for on an amortised cost basis to the consolidated statement of comprehensive income using the effective

## 2 Accounting policies

interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The carrying value of the loan notes have been adjusted for any principal repayments made since inception.

### Convertible loan notes

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

### Provisions

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

### Share-based payments

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

### Share warrants

Certain equity-settled share-based payments relate to the warrants issued in connection with the cost of issuing new equity, loan notes and convertible loan notes. These equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of these equity-settled share-based transactions are set out in note 24.

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

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

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

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

### Employee share schemes

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

Full details of the Group's share-base payments refer to note 24.

### Acquisition related earn-out payments

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 2 Accounting policies

and any changes required to true-up the related share-based payment reserve are recognised through the Group's income statement in the relevant period.

### Discontinued Operations

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

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

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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

- > Represents a separate major line of business or geographical area of operations; and
- > Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statements. All other notes in the financial statements include amounts for continuing operations, unless otherwise mentioned.

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

its present condition and it was highly probable that that sale would be completed within 12 months of 31 December 2022. The TradeFlow Restructuring was completed and finalised on 30 June 2023 at which point the Group reduced its ownership in TradeFlow from 100% to 19%. Prior to completion of the TradeFlow Restructuring, the TradeFlow operations were continued to be classified as held for sale in the Group's consolidated financial statements. Following the 30 June 2023, the TradeFlow operations were deconsolidated from the Group's financial statements.

### Equity

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

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

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

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

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

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

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

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



## 2 Accounting policies

### Critical accounting judgements and sources of estimation uncertainty

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

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

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

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

#### Judgements

##### *Internally developed intangible assets*

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

##### *Revenue recognition – assessment of performance obligations*

> The Directors are required to make a judgement as to if the due diligence services represent a distinct performance obligation under IFRS 15 ("Revenue from

Contracts with Customers"). The Board and management have concluded that this is indeed the case due to the distinct beneficial service being provided to client companies through the delivery of the due diligence report which provide insight and information into the business.

> The Directors are required to make a judgement as to if the receipt of non-refundable origination fees received from the client companies represent a distinct performance obligation under IFRS 15 ("Revenue from Contracts with Customers"). The Board and management have concluded that no separately identifiable performance obligation is carried out by the Group associated with this fee.

#### Estimates

##### *Valuation of share warrants issued*

During the current financial year the Group issued share warrants in connection with the new equity funding. In the prior financial year the Company also issued share warrants in connection with loan notes and certain convertible loan notes alongside the issue of new equity. As these share warrants were issued as a cost of securing new equity investment or funding facilities for the Group, they fall into the scope of IFRS 2 ("Share-based payments"). As such the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. Judgement was required in determining the most appropriate inputs into the valuation models (Black Scholes) used and the key judgemental input was the expected volatility rate of the Company's share price over the relevant period and the assumption applied in the models were between 97% - 88% and were based the actual volatility of the Company's share price from the date of the reverse takeover (being March 2020) to the date at which the relevant valuation model was run.

The fair value cost of those share warrants that were issued in connection with new equity funding during the financial year ended 31 December 2023 were recognised as debits to equity on the consolidated statement of financial position. If the expected volatility rate was adjusted by plus 10%, then the impact on the fair value recognised as the initial debit to equity in the current year would have been approximately plus £84,000. If the expected volatility rate was adjusted by minus 10%, then the impact on the fair value recognised as the initial debit to equity in the current year would have been approximately minus £89,000.

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 2 Accounting policies

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

### *Non-controlling discount*

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

### 3 Segmental reporting

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

Following the acquisition of TradeFlow, the Board of Directors managed the Group as two operating segments being Inventory Monetisation (currently comprising largely of the Group's Supply@ME operating subsidiary) and investment advisory (comprising the TradeFlow operations), alongside the head office costs (comprising the Company). To date the Inventory Monetisation segment has been focused on the development of the IM platform, the provision of due diligence services and the facilitation of the initial IM transaction that took place during 2022 and 2023.

During 2022, the management team and the Board of Directors of the Company began work in respect of the TradeFlow Restructuring and as a result, the TradeFlow operations have been classified as a discontinued operation under IFRS 5 ("Non-current assets held for sale and discontinued operations") for the purposes of the consolidated annual financial statement for the year ended 31 December 2022 and for the year ended 31 December 2023. Further to the above, the TradeFlow Restructuring transaction was finalised on 30 June 2023 resulting in the Group reducing its ownership in TradeFlow from 100% to 19% through the disposal of 81% of the issued share capital in TradeFlow. As such the Group has reverted back to a single segment from its continuing operations for the financial year ended 31 December 2022 and for the year ended 31 December 2023, being Inventory Monetisation, alongside the head office costs (largely comprising the Company).

The key metrics assessed by the Board of Directors include revenue and adjusted operating profit (before impairment charges and fair value adjustments) which is presented below. Revenue is presented by basis of IFRS 15 ("Revenue from Contracts with Customers") revenue recognition and by service line.

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

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

Year ended 31 December 2023	Inventory Monetisation £ 000	Head office £ 000	Consolidated Group – continuing operations £ 000
<b>Balance sheet</b>			
Assets	971	1,213	2,184
Liabilities	(4,321)	(1,670)	(5,991)
<b>Net (liabilities)</b>	<b>(3,350)</b>	<b>(457)</b>	<b>(3,807)</b>

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 3 Segmental reporting

### Geographical analysis

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

### Comparative segmental reporting

Year ended 31 December 2022	Inventory Monetisation £ 000	Head office £ 000	Consolidated Group – continuing operations £ 000
<b>Revenue</b>			
Due diligence fees	102	-	102
Inventory Monetisation fees	36	-	36
<b>Revenue by operating segment</b>	<b>138</b>	<b>-</b>	<b>138</b>
<b>Operating loss from continuing operations before impairment charges</b>	<b>(1,308)</b>	<b>(3,343)</b>	<b>(4,651)</b>

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

Year ended 31 December 2022	Inventory Monetisation £ 000	Head office £ 000	Consolidated Group – continuing operations £ 000
<b>Balance sheet</b>			
Assets	635	867	1,502
Liabilities	(4,773)	(1,037)	(5,810)
<b>Net (liabilities)</b>	<b>(4,138)</b>	<b>(170)</b>	<b>(4,308)</b>

### Geographical analysis

The Group's Inventory Monetisation operation is currently predominately located in Europe, while the investment advisory operations (classified as a discontinued operation) were predominately located in Singapore for the year ended 31 December 2022.

## 4 Finance costs from continuing operations

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

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

## 5 Other operating income from continuing operations

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

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

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

## 6 Operating loss

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

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

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

	2023 £ 000	2022 £ 000
Impairment charges (note 12)	384	1,078
Fair value adjustments on investments (note 26)	68	-
<b>Total impairment charges and fair value adjustments</b>	<b>452</b>	1,078

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 6 Operating loss

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

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

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

## 7 Auditors' remuneration

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

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

## 8 Staff costs

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

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

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 9 Key management personnel

Key management compensation (including directors):

	2023 £ 000	2022 £ 000
Wages, salaries and short-term employee benefits	1,254	1,521
Social security costs	115	111
Post-employment benefits	44	42
<b>Total key management compensation</b>	<b>1,413</b>	<b>1,674</b>

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

No retirement benefits are accruing to Company Directors under a defined contribution scheme (2022: £nil), however the Chief Executive Officer received cash in lieu of payments to a defined contribution pension scheme of £12,420 during the year (2022: £12,420). This was allowable under his director's employment contract.

The Directors' emoluments are detailed in the Remuneration Report of the Annual Report and Accounts for the year ended 31 December 2023.



## 10 Income tax

Tax charged in the income statement:

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

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

The differences are reconciled below:

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

In addition, unrecognised deferred tax assets relating to tax losses carried forward across the Group have not been recognised due to uncertainty over the timing and extent of future taxable profits. The losses can be carried forward indefinitely and have no expiry date. The total approximate tax losses carried forward across the Group as at 31 December 2023 was £20.8 million (31 December 2022: £16.8 million)

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 11 Earnings/(loss) per share

The calculation of the basic earnings/(loss) per share ("EPS") is based on the total loss for the year of £4,345,000 (2022 — loss £9,878,000) and on a weighted average number of ordinary shares in issue of 59,880,078,004 (2022 — 43,240,915,594). The basic EPS is (0.0073) pence (2022 – (0.0228) pence).

The calculation of the basic earnings/(loss) per share ("EPS") from continuing operations is based on the total loss for the year from continuing operations of £4,160,000 (2022 — loss £7,711,000) and on a weighted average number of ordinary shares in issue of 59,880,078,004 (2022 — 43,240,915,594). The basic EPS from continuing operations is (0.0070) pence (2022 – (0.0178) pence).

The calculation of the Basic earnings/(loss) per share ("EPS") from discontinued operations is based on the total loss for the year discontinued operations of £185,000 (2022 — loss £2,167,000) and on a weighted average number of ordinary shares in issue of 59,880,078,004 (2022 — 43,240,915,594). The basic EPS from discontinued operations is (0.0003) pence (2022 – (0.0050) pence).

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

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

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

## 12 Intangible assets

	Customer Relationships £ 000	Brand £ 000	CTRM Software £ 000	AI Software £ 000	Goodwill £ 000	Internally developed IM platform £ 000	Total £ 000
<b>Cost or valuation</b>							
At 1 January 2022	4,829	205	1,429	425	2,199	2,544	11,631
Additions	-	-	-	-	-	1,125	1,125
Reclassified to assets of disposal group held for sale	(4,829)	(205)	(1,429)	(425)	(2,199)	-	(9,087)
At 31 December 2022	-	-	-	-	-	3,669	3,669
Additions	-	-	-	-	-	458	458
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,127</b>	<b>4,127</b>
<b>Amortisation</b>							
At 1 January 2022	186	20	143	43	-	771	1,163
Amortisation charge	401	44	309	92	-	47	893
Reclassified to assets of disposal group held for sale	(587)	(64)	(452)	(135)	-	-	(1,238)
At 31 December 2022	-	-	-	-	-	818	818
Amortisation charge	-	-	-	-	-	74	74
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>892</b>	<b>892</b>
<b>Impairment</b>							
At 1 January 2022	-	-	-	-	800	1,773	2,573
Impairment charge	-	-	-	-	765	1,078	1,843
Reclassified to assets of disposal group held for sale	-	-	-	-	(1,565)	-	(1,565)
At 31 December 2022	-	-	-	-	-	2,851	2,851
Impairment charge	-	-	-	-	-	384	384
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,235</b>	<b>3,235</b>
<b>Net Book Value</b>							
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 December 2022	-	-	-	-	-	-	-

The following intangible assets arose on the acquisition of TradeFlow during the year ended 31 December 2021; Customer relationships, Brand, Commodity Trade Risk Management ("CTRM") software, Artificial Intelligence and back-office ("AI") software and Goodwill. The carrying value of these assets at the date of acquisition is shown in the table above. As at 31 December 2022, the TradeFlow operations were reclassified as discontinued operations and as such the net book value of the intangible assets relating to the TradeFlow operations have been reclassified to assets of the disposal group held for sale at this date. On 30 June 2023, the Group completed the TradeFlow Restructuring and as such the assets and liabilities of TradeFlow, including the intangible assets referred to above, are no longer consolidated by the Group as of 30 June 2023. Further details are set out in note 26.

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 12 Intangible assets

### Impairment assessment – Internally developed IM Platform

The Directors considered the continued current year losses of the Group's Italian subsidiary, to which the Internally developed IM platform relates, and the full impairment of this intangible asset in the prior year, as an impairment indicators and therefore, in accordance to IAS 36 ("Impairment of Assets"), considered if as at 31 December 2023, this intangible asset required further impairment in relation the additions made during the year, or if some of the prior year impairment could be reversed.

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

As such, the Directors have prudently decided to continue to impair the full carrying amount of this asset as at 31 December 2023. This impairment loss may subsequently be reversed and if so, the carrying amount of the asset will be increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

### Impairment assessment – TradeFlow

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

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

## 13 Trade and other receivables

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

## 14 Receivable from related party

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

### Receivable from related party

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

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

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

### Interest receivable from related party

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

### Other related party receivable

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

## 15 Share capital

### Allotted, called up and fully paid shares

	As at 31 December 2023		As at 31 December 2022	
	No. 000	£ 000	No. 000	£ 000
Equity				
Ordinary shares of £0.00002 each	61,232,096	1,224	56,621,568	1,132
Deferred shares of £0.04000 each	63,084	2,523	63,084	2,523
2018 Deferred shares of £0.01000 each	224,194	2,242	224,194	2,242
<b>Total</b>	<b>61,519,374</b>	<b>5,989</b>	<b>56,908,846</b>	<b>5,897</b>

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 15 Share capital

### Reconciliation of allotted, called up and fully paid shares

	As at 31 December 2023		As at 31 December 2022	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares as at 1 January	56,908,846	5,897	36,355,720	5,486
New ordinary shares issued to Venus Capital in connection with 2023 Venus Subscription	4,500,000	90	-	-
New ordinary shares issued to fulfil the conversion of Open Offer warrants	110,528	2	49,508	1
New ordinary shares issued to fulfil the conversion of Mercator Capital Management Fund LP convertible loan notes	-	-	1,400,898	28
New ordinary shares issued to Venus Capital in connection with the Capital Enhancement Plan	-	-	14,350,000	287
New ordinary shares issued to settle the FY21 acquisition related earn-out payments	-	-	213,526	4
New ordinary shares issued in connection with Open Offer completed during the year	-	-	641,710	13
New ordinary shares issued to fulfil the conversion of Venus Capital convertible loan notes	-	-	3,897,484	78
<b>Total at 31 December</b>	<b>61,519,374</b>	<b>5,989</b>	<b>56,908,846</b>	<b>5,897</b>

### Details of new shares allotted during the current financial year

#### *New ordinary shares issued to Venus Capital in connection with 2023 Venus Subscription*

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

- > an initial tranche of 3,375,000,000 Subscription Shares for gross proceeds of £1,687,500 (or £1,603,125 net of a 5% commission chargeable by Venus Capital). This tranche of Subscription Shares were admitted to trading on the Main Market of the London Stock Exchange on 5 May 2023; and
- > a second tranche of 1,125,000,000 Subscription Shares for proceeds of £562,500 gross (or £534,375 net a 5% commission chargeable by Venus Capital). This tranche of Subscription Shares were admitted to trading on the Main Market of the London Stock Exchange on 30 May 2023.

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

Further to the issue of new ordinary shares on the 18 August 2022 as a result of the Open Offer, the Company also issued 320,855,008 warrants to certain qualifying shareholders who participated in its open offer (the "Open Offer Warrants"). Following the issue of the Open Offer Warrants, certain holders have elected to exercise their Open Offer Warrants and this resulted in a total of 110,528,379 new ordinary shares being issued during the year ended 31 December 2023 in relation to Open Offer Warrant conversion.

## 15 Share capital

### Rights, preferences and restrictions

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

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

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

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

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

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

## 16 Trade and other payables

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 17 Long-term borrowings

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

### Non-current portion of long-term bank borrowings

On 12 October 2022, Supply@ME Technologies S.r.l. entered into a new long term loan facility with Banco BPM S.p.A (the "Banco BPM Facility"). The obligations of Supply@ME Technologies S.r.l. under the Banco BPM Facility are guaranteed by the Company. The key commercial terms of the Banco BPM Facility include:

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

Fees totalling €52,000 were incurred in connection with the arrangement of the Banco BPM Facility. These costs have been capitalised and will be spread over the term of the Banco BPM Facility. The amount include in the table above represents the non-current portion of the Banco BPM Facility. The current portion is set out in note 16 above.

### Working capital loan due to TAG

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

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

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

Any sums drawn under the amended TAG Unsecured Working Capital facility will attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on 1 February 2028 will attract a compounding interest rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year. In respect of these amounts received from TAG for the year ended 31 December 2023, the Group recognised an interest expense of £7,000 (2022:£nil), which all remained unpaid as at 31 December 2023.

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



## 17 Long-term borrowings

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### Loan notes and convertible loan notes

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

#### *Loan notes*

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

#### *Convertible loan notes*

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

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 18 Provisions

	Post-employment benefits £ 000	Provision for risks and charges £ 000	Provision for VAT and penalties £ 000	Total £ 000
At 1 January 2022	46	92	221	359
Released to profit and loss	-	(19)	(20)	(39)
Provided for in the year	22	12	144	178
Payments	(8)	-	-	(8)
Actuarial (gain)/loss	(22)	-	-	(22)
At 31 December 2022	38	85	345	468
Forex retranslation adjustment	(1)	(2)	(8)	(11)
At 1 January 2023	37	83	337	457
Released to profit and loss	-	(28)	-	(28)
Provided for in the year	17	139	-	156
Payments	(13)	-	-	(13)
Actuarial (gain)/loss	3	-	-	3
<b>At 31 December 2023</b>	<b>44</b>	<b>194</b>	<b>337</b>	<b>575</b>

### Post-employment benefits

Post-employment benefits include severance pay and liabilities relating to future commitments to be disbursed to employees based on their permanence in the Company. This entirely relates to the Italian subsidiary where severance indemnities are due to each employee at the end of the employment relationship. Post-employment benefits relating to severance indemnities are calculated by estimating the amount of the future benefit that employees have accrued in the current period and in previous years using actuarial techniques. The calculation is carried out by an independent actuary using the "Projected Unit Credit Method".

### Provision for risks and charges

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

### Provision for VAT and penalties

In advance of the Group's first monetisation transaction, a number of advance payments have been received by the Group's Italian subsidiary from potential client companies in accordance with agreed contractual terms. These payments have been recognised as revenue in accordance with local accounting rules. These advance payments, for which an invoice has not yet been issued, have been made exclusive of VAT. As at 31 December 2023, the Group has included a provision relating to a potential VAT liability, including penalties, in respect of these advance payments of £196,000 (31 December 2022: £201,000).

At the point in the future when the associated monetisation transaction takes place, the potential VAT liability will be settled by the Group. At this same point in time, the Directors expect to be able to recover the VAT from the client companies as invoices in respect of the monetisation transactions are issued. The timing of these future monetisation transactions currently remains uncertain and as such no corresponding VAT receivable has been recognised as at 31 December 2023, however there is a contingent asset of £140,000 as at 31 December 2023 (31 December 2022: £143,000) in respect of this.

An additional amount of £144,000 was added to the provision during the second half of 2022 to reflect the fact that the Italian intercompany invoice was issued late and this balance reflects potential VAT penalties that may arise due to the timing of the invoice. This balance remains provided for at 31 December 2023, however has been revalued to £141,000 as at 31 December 2023.

## 18 Provisions

From time to time, during the course of business, the Group may be subject to disputes which may give rise to claims. The Group will defend such claims vigorously and provision for such matters are made when costs relating to defending and concluding such matters can be measured reliably. There were no cases outstanding as at 31 December 2023 that meet the criteria for a provision to be recognised.

## 19 Pension and other schemes

### Defined contribution pension scheme

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

The total pension charge for the year represents contributions payable by the Group to the scheme and amounted to £53,000 for continuing operations (2022: £55,000).

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

## 20 Capital commitments

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

## 21 Contingent liabilities

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

## 22 Financial instruments

### Financial assets

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

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 22 Financial instruments

### Financial liabilities

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

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

There are no financial liabilities that are carried at fair value through the profit and loss as at 31 December 2023 (31 December 2022: £nil).

### Risk management

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

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

### Principal financial instruments

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

- > trade receivables and other receivables;
- > cash at bank;
- > receivables from related parties;
- > trade and other payables; and
- > long-term borrowings.

### General objectives, policies and processes

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

## 22 Financial instruments

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### Interest rate risk

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

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

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

### Sensitivity analysis

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

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

### Credit risk and impairment

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

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

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

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 22 Financial instruments

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

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

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

### Foreign exchange risk

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

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

### Currency profile as at 31 December 2023

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

## 22 Financial instruments

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

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

### Sensitivity analysis

At 31 December 2023, if Sterling had strengthened by 10% against the below currencies with all other variables held constant, loss before tax for the year would have been approximately

- > EUR: £19,000 higher (2022 - £60,000 higher)
- > Singapore Dollar: £nil (2022 - £69,000 higher)

Conversely, if the below currencies had weakened by 10% with all other variables held constant, loss before tax for the year would have been approximately:

- > EURO: £19,000 lower (2022 - £60,000 lower)
- > Singapore Dollar: £nil lower (2022 - £69,000 lower)

### Liquidity risk

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

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

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

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

At 31 December 2023	Up to 3 months £ 000	Between 3 and 12 months £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000
<b>Liabilities</b>					
Long-term borrowings	76	182	223	676	-
Trade and other payables	1,511	746	-	-	-
Social security and other taxes	1,566	-	-	-	-
<b>Total liabilities</b>	<b>3,153</b>	<b>928</b>	<b>223</b>	<b>676</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 22 Financial instruments

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

### Capital risk management

The Group's capital management objectives are to ensure the Group is appropriately funded to continue as a going concern and to provide an adequate return to shareholders commensurate with risk. The Group defines capital as being issued share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Group's capital structure is periodically reviewed and, if appropriate, adjustments are made in the light of expected future funding needs, changes in economic conditions, financial performance and changes in Group structure. As explained in note 28, the Group has currently entered into financing facilities from TAG during the year ended 31 December 2023.

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

Capital for the reporting periods under review is summarised as follows:

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



## 23 Net debt

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

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

	Loan notes £ 000	Convertible loan notes £ 000	Total long-term borrowings (current and non-current portion) £ 000	Total £ 000
<b>At 1 January 2022</b>	(5,732)	-	(1,284)	(7,016)
Net cash flows	-	(1,500)	(2,403)	(3,903)
Convertible loan notes issued as repayment of loan notes, share issue costs and/or interest	-	(5,187)	-	(5,187)
Amortisation of finance costs	(1,051)	-	(356)	(1,407)
Cash repayments made during the year	2,191	3,381	-	5,572
Repayment of convertible loan notes via share issues	-	3,306	-	3,306
Repayment of loan notes via issue of convertible loan notes	4,592	-	-	4,592
Reclassification of disposal group held for sale	-	-	3,171	3,171
Foreign exchange	-	-	(34)	(34)
<b>As at 31 December 2022</b>	-	-	(906)	(906)

## 24 Share-based payments

### Share warrants issued to Mercator

During 2021 the Group entered into a funding facility with Mercator Capital Management Fund LP ("Mercator") which included the Group issuing loan notes in exchange for funding. These loan notes were linked to a convertible loan note facility, which was able to be used should the Group elect not to repay any of the interest or principal relating to the loan notes in cash. Both the loan note and convertible loan note agreements required share warrants to be issued representing 20% of the face value of any loan notes or convertible loans issued. The warrants have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the issue of the warrants. Under the terms of amendment agreement signed with Mercator dated 26 April 2022, no further warrants were required to be issued on the monthly repayments due following April 2022.

The total number of share warrants issued to Mercator during the years ended 31 December 2021 and 2022 was 961,832,433 (the "Mercator Warrants"). Details of the outstanding share warrants issued to Mercator are set out in the table below. There have been no movement in these Mercator Warrants during the year ended 31 December 2023, however as

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 24 Share-based payments

announced by the Company on 23 November 2023 and further on 28 March 2024 the Company approved the transfer of Mercator Warrants from Mercator to an independent third-party purchaser(s).

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

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

### Share warrants issued to Venus under Capital Enhancement Plan

On the 27 April 2022, the Company announced it had entered into a subscription agreement with Venus Capital in connection with the Group's Capital Enhancement Plan. The subscription agreement specified that the Company was required to issue one warrant for every two shares issued in connection with the mandatory tranches of the new shares issues. This was a total of 3,425,000,000 share warrants. The subscription agreement specified that the Group was required to issue one warrant for every five shares issued in connection with the optional tranches of the new shares issues. This was a total of 1,500,000,000 share warrants. Additionally, an amount of 3,250,000,000 share warrants were issued to Venus Capital in connection with the signing of the subscription agreement on 26 April 2022. As such the Group issued a total of 8,175,000,000 share warrants to Venus Capital during the year ended 31 December 2022, and as at the 31 December 2023, these all remain outstanding. The initial terms of the warrants specified that they could be exercised at any time up to 31 December 2025 and have an exercise price of 0.065 pence per warrant.

As these share warrants were issued as a cost of issuing new ordinary shares to Venus Capital they fall into of scope of IFRS 2 ("Share-based payments"). The total fair value of the above share warrants issued to Venus Capital under the Capital Enhancement Plan was £4,795,000 and this amount has been fully recognised during 2022.

### Share warrants issued to retail shareholders under the Open Offer

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

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

## 24 Share-based payments

As these share warrants were issued as a cost of issuing the new Open Offer ordinary shares they fall into of scope of IFRS 2 ("Share-based payments"). As such, the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. The fair value was determined using a Black-Sholes. The total fair value of the above share warrants issued in connection with the Open Offer was £261,000 and this amount was fully recognised during 2022.

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

### Share warrants issued to Venus Capital under the 2023 Venus Subscription

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

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

Under the new subscription agreement, new warrants are required to be issued to Venus Capital at a ratio of one warrant for every two subscription shares issued under the new subscription agreement. This resulted in an obligation for the Group to issue 2,250,000,000 new warrants to Venus ("New Venus Warrants") which existed at 31 December 2023. These new warrants are each exercisable into one new ordinary share at a price equal to 0.065 pence per share up to a final exercise date of 31 December 2026.

As these share warrants were issued as a cost of issuing new ordinary shares to Venus Capital they fall into of scope of IFRS 2 ("Share-based payments"). As such, the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. The fair value was determined using a Black-Sholes model which required certain judgements to be made in determining the most appropriate inputs to be used model and the key judgemental assumptions have been detailed in note 2. In particular, the key judgemental point was the expected volatility rate of the Company's share price over the relevant period prior to the grant of the warrants. The assumption applied in the model for the warrants to be issued to Venus Capital was 88%. This was based on the actual volatility of the Company's shares over the historical period from March 2020 (the date of the reverse takeover) to the valuation date.

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

### Extension to the expiry date of the warrants issued in connection with the Open Offer carried out on 17 August 2022 and the warrants issued to Venus Capital during 2022

In connection with 2023 Venus Subscription, the final exercise date of the existing 8,175,000,000 warrants issued to Venus Capital during 2022, under the Capital Enhancement Plan, was agreed to be extended from 31 December 2025 for 12 months to 31 December 2026, through a deed of amendment to the existing warrant instruments. This deed of amendment was also dated 28 April 2023.

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

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## 24 Share-based payments

signed on 23 June 2023.

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

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

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

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

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

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

### Acquisition related earn-out payments

The terms of the TradeFlow acquisition completed in July 2021 included related earn-out payments that, together with the initial cash payment and issue of equity, form the total legal consideration agreed between the parties. Further details are set out below.

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

## 24 Share-based payments

earn-out payments have been accounted as a charge to the income statement (as deemed remuneration) rather than as consideration. The terms of the agreements also allow this acquisition related earn-out payments to be settled in either cash or equity at the discretion of the Company. As it is the Company's current intention to settle these payments in equity, they were previously fair valued at the grant date in line with IFRS 2 ("Share-based payments") estimated using a Monte Carlo simulation model.

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

As the acquisition related earn-out payment for the 2021 targets was settled during July 2022, an additional amount was added to the share-based payment reserve of £172,000 which covered the amounts to be recognised in FY22 in line with the estimated vesting date of March 2022. As this relates to the TradeFlow operations, it has been recognised through the loss from discontinued operations in the year ended 31 December 2022. Following the settlement of the 2021 acquisition related earn-out payments in July 2022, as at 31 December 2022, the relevant share-based payment reserve had been released and the corresponding increase in share capital and share premium was recognised.

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

### Employee share scheme awards

#### October 2022 Employee share scheme

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

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

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

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

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## 24 Share-based payments

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

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

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

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

These awards will be equity-settled by award of ordinary shares. The total share-based payment charge recognised in the consolidated statement of comprehensive income for the year ended 31 December 2023 in relation to the October 2022 employee share scheme options is £60,000 (2022: £11,000). As all social security charges with respect to the share awards will be the responsibility of the employee, no expense has been recognised by the Group in respect of these charges.

The following table summarised the movements in the number in share awards issued by the Company in October 2022:

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

## 24 Share-based payments

### May 2023 Employee share scheme

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

- > with respect to the TSR element the adjusted share price measurement period is the average closing mid-market price of a share price over a three month period ending on the last dealing day of the performance period, being 31 December 2025. If the average share price during the measurement period is 0.15p then 25% of the award will vest, and this increases on a straight line basis to 0.3p for 100% of vesting; and
- > with respect to the GBP amount of Inventory Monetised the measurement period is by the end of the performance period, being 31 December 2025. 25% of the award will vest if £300m of inventory is monetised (in aggregate) over the three year performance period, increasing on a straight line to 100% of the award to vest if £400m of inventory is monetised (in aggregate) over the same three year performance period.

The vesting date of these share awards is 19 May 2026, and the continued employment covers up until this date. The share awards issued to the Chief Executive Officer are subject to an additional 2 years holding period following the vesting date.

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

LTIP awards (granted on 19 May 2023)	TSR element	Inventory Monetisation element
Share price at date of grant	0.14 pence	0.14 pence
Award price	0.002 pence	0.002 pence
Volatility	119.81%	n/a
Life of award	3 years	3 years
Risk free rate	3.90%	n/a
Dividend yield	0%	0%
Fair value per award	0.1098 pence	0.1384 pence

The additional holding period applicable to the share awards issued to the Chief Executive Officer have been valued using the Fannerty model. The following table lists the inputs to the model used for the awards granted during the year ended 31 December 2023 based on information at the date of grant:

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

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## 24 Share-based payments

These awards will be equity-settled by award of ordinary shares. The total share-based payment charge recognised consolidated statement of comprehensive income for the year ended 31 December 2023 in relation to the May 2023 employee share scheme options was £71,000 (2022: £nil). As all social security charges with respect to the share awards will be the responsibility of the employee, no expense has been recognised by the Group in respect of these charges.

The following table summarised the movements in the number in share awards issued by the Company in May 2023:

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

## 25 Share issue costs

The costs relating to the various share issues that took place during the year have been netted off against the amount of share premium that is recognised in respect of the share issue to which they directly relate. Any amounts in excess of the share premium recognised, are taken to retained losses. Details of the share issue costs recognised during the year ended 31 December 2023 are set out in the table below.

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

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



## 26 Discontinued operations and TradeFlow Restructuring

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 26 Discontinued operations and TradeFlow Restructuring

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

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

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

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

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

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

## 26 Discontinued operations and TradeFlow Restructuring

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

	6 months to 30 June 2023 £ 000
Accounting fair value of the 81% ownership of the TradeFlow operations disposed of by the Group	2,000
Accounting fair value of 19% ownership of the TradeFlow operations retained by the Group	352
	<b>2,352</b>
Less:	
Accounting fair value of net assets disposed of by the Group	<b>(1,634)</b>
<b>Profit on disposal of 81% of TradeFlow</b>	<b>718</b>

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

- The TradeFlow SPA set out the total legal consideration for the 81% of the TradeFlow business and required a cash amount of £2,000,000 to be payable to the Company by the Buyers as a result of the TradeFlow Restructuring;
- Based on the amount agreed in a) above, the estimated accounting fair value of 100% of the TradeFlow operations is assumed to be £2,469,000; and
- Based on the numbers set out in a) and b) above, the fair value of the 19% investment in TradeFlow retained by the company as at 30 June 2023 is £469,000. Management then applied a discount of 25% to this fair value to take account of the fact that the Group no longer controls TradeFlow operations. This discount applied is a management judgement that will continue to be reassessed at each reporting date.

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

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

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

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 26 Discontinued operations and TradeFlow Restructuring

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### TradeFlow long-term borrowings

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

Both the unsecured loan notes and the new loan facility include a redemption premium cost which is payable together with the settlement of the principal amount of the facility. This redemption premium cost is recognised over the expected life of the facility using the effective interest rate method. Due to the early settlement of the unsecured loan notes this resulted in the unrecognised portion of the redemption premium cost being accelerated. This contributed an additional finance cost of £122,000 during the year ended 31 December 2022.

On 22 May 2023, TradeFlow signed an additional loan agreement with the same third party as the loan agreement signed on 1 April 2022. This new loan agreement was for USD \$500,000, which has a maturity date of 31 March 2026. The new long-term borrowings bears a simple fixed interest rate of 7.9% per annum and has an additional redemption premium cost of USD\$50,000 which is payable at the time the principal is repaid. As with the existing long-term borrowings, the redemption premium cost is recognised over the expected life of the facility using the effective interest rate method.

## 27 Investments

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

## 28 Related Party Transactions

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During the year ended 31 December 2023, the following are treated as related parties:

### Alessandro Zamboni

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

### TAG and the Group's operating subsidiaries

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

Following the reverse takeover in March 2020, the Group entered into a Master Service Agreement with TAG in respect of certain shared services to be provided to the Group. During the year ended 31 December 2023, the Group incurred

## 28 Related Party Transactions

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expenses of £39,000 (2022: £70,000) to TAG in respect of this agreement. Additionally, during the year ended 31 December 2023, the Group incurred costs of £22,000 from TAG (2022: £nil) in relation certain ICT services provided, reimbursed TAG for an amount of £2,400 relating to ICT costs that TAG initially incurred on behalf of the Group (2022: £nil), and had recognised £45,000 of capitalised legal costs which had been incurred on behalf of the Group by TAG (2022: £nil).

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

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

### **TAG and TradeFlow Restructuring**

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

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

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

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

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

### **TAG Unsecured Working Facility**

On the 28 April 2023, the Company and TAG entered into a fixed term unsecured working capital loan agreement (the "TAG Unsecured Working Capital facility"). Under the TAG Unsecured Working Capital facility, TAG agreed to provide, subject to customary restrictions, a facility of up to £2,800,000, in tranches up to 31 January 2024, to cover the Company's interim working capital and growth needs. In conjunction with the TradeFlow Restructuring, which was completed on 30 June 2023, the £2,000,000 receivable by the Company that was assumed by TAG from the Buyers, was offset against the current obligations of TAG under TAG Unsecured Working Capital facility. The amendment to the TAG Unsecured Working Capital facility was agreed on 30 June 2023 and this reduced the obligations to the Company under the TAG Unsecured Working Capital facility to up to £800,000 (the "amended TAG Unsecured Working Capital facility").

The due date for repayment by the Company of amounts drawn under the TAG Unsecured Working Capital facility is 1 February 2028. Any sums drawn under the TAG Unsecured Working Capital facility will attract a non-compounding interest rate of 10% per

# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 28 Related Party Transactions

annum, and any principal amount (excluding accrued interest) outstanding on 1 February 2028 will attract a compounding interest rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year.

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

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

### Top-Up Shareholder Loan Agreement

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

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

- > The Company has the ability to draw down up to £3.5 million in monthly instalments over the period to 30 June 2025;
- > On a monthly basis the Board will assess (acting in good faith and in its sole and absolute discretion) if the Group's projected cash balance on the last business day of the coming calendar month will be less than £250,000 following the Group's scheduled balance of receipts and payments for the next month by reference to, inter alia, the Group's contracted receivables, revenues and payables due for receipt or payment in the next month, the Group's contracted fixed operating expenditure and/or capital expenditure due for payment in the next month, the cash inflows in the next month arising from any warrants that have been contractually exercised and any projected unrestricted cash amounts resulting from any contractually agreed alternative equity, debt or hybrid financing (including, but not limited to, pursuant to a pre-emptive offering of ordinary shares and a non-pre-emptive offering of ordinary shares) for such month;
- > If the above assessment results in the Group's projected cash balance on the last business day of the coming calendar month being less than £250,000, the Company may draw down an amount under the TAG Top-Up Shareholder Loan Agreement which is no greater than the GBP amount to ensure that the Group's bank balances in the coming month shall be equal to £250,000;
- > Repayment of any sum drawn down under the TAG Top-Up Shareholder Loan Agreement will be due five calendar years (calculated on the basis of a year of 360 days) from the date which funds are received by the Company subject to the relevant draw down request;
- > Any sums drawn down by the Company under the TAG Top-Up Unsecured Shareholder Loan will attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on a relevant due date shall attract a compounding rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year.

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

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

## 28 Related Party Transactions

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### **RegTech Open Project S.p.A (“RTOP S.p.A”) and RegTech Open Project plc (“RTOP plc”)**

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

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

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

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

### **TradeFlow Capital Management Pte. Ltd. (TradeFlow)**

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

### **Eight Capital Partners Plc**

David Bull, an Independent Non-Executive Director and Audit Committee Chair was the CEO of Eight Capital Partners Plc from 22 June 2021 until 12 August 2022. Following the reverse takeover in March 2020, the Company entered into a Master Service Agreement with Eight Capital Partners Plc in respect of certain shared service to be provided to the Group. This agreement was terminated in early 2022 and as such there were no expenses in respect of this agreement with Eight Capital Partners Plc were incurred during the year ended 31 December 2023 (year ended 31 December 2022: £3,000).

### **SFE Société Financière Européenne SA**

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



# Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

## 29 Controlling party

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At 31 December 2023 the Directors do not believe that a controlling party exists.

## 30 Subsequent events

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### Shares issued post year relating to Open Offer Warrant Conversions

- > On 11 January 2024, the Company announced the exercise of 31,055 Open Offer Warrants by certain Qualifying Shareholders, and the issue of 31,055 Open Offer Warrant Shares.
- > On 19 February 2024, the Company announced the exercise of 14,772 Open Offer Warrants by certain Qualifying Shareholders, and the issue of 14,772 Open Offer Warrant Shares.

### TAG unsecured Working Capital loan agreement

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

### Top-Up Shareholder Loan Agreement

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

### Deed of Novation

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



# Company Statement of Financial Position

As at 31 December 2023

	Note	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
<b>Non-current assets</b>			
Property, plant and equipment		3	7
Investments	3	293	2,478
Other non-current assets		18	19
<b>Total non-current assets</b>		<b>314</b>	<b>2,504</b>
<b>Current assets</b>			
Trade and other receivables	4	132	612
Cash and cash equivalents		3	229
Receivable from related party	5	772	-
<b>Total current assets</b>		<b>907</b>	<b>841</b>
<b>Total assets</b>		<b>1,221</b>	<b>3,345</b>
<b>Current liabilities</b>			
Trade and other payables	7	1,507	1,035
<b>Total current assets</b>		<b>1,507</b>	<b>1,035</b>
<b>Non-current liabilities</b>			
Long-term borrowings	8	250	-
<b>Total non-current liabilities</b>		<b>250</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,757</b>	<b>1,035</b>
<b>Net (liabilities)/assets</b>		<b>(536)</b>	<b>2,310</b>
<b>Equity attributable to owners of the parent</b>			
Share capital	6	5,989	5,897
Share premium		25,396	25,269
Share-based payment reserve	9	7,969	5,871
Retained losses		(39,890)	(34,727)
<b>Total equity</b>		<b>(536)</b>	<b>2,310</b>

A separate income statement for the parent company has not been presented, as permitted by section 408 of the Companies Act 2006. The Company's loss for the year ended 31 December 2023 was £5,044,000 (2022: loss for the year of £8,339,000)

The notes on pages 179–195 form an integral part of these financial statements.

The Company financials on pages 177–195 were approved and authorised for issue by the Board on 30 April 2023 and signed on its behalf by:

**Mr. Alessandro Zamboni**  
CEO and Executive Director

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

Supply@ME Capital plc - Registration number: 03936915

# Company Statement of Changes in Equity

for the Year Ended 31 December 2022	Notes	Share capital £ 000	Share Premium £ 000	Share-based payment reserve £ 000	Retained losses £ 000	Total £ 000
<b>At 1 January 2022</b>		5,486	18,171	2,018	(24,823)	852
Loss for the year		-	-	-	(8,339)	(8,339)
		5,486	18,171	2,018	(33,162)	(7,487)
Issuance of new ordinary shares	6	406	10,396	-	-	10,802
Costs incurred in connection with the issuance of new ordinary shares	10	-	(4,024)	-	(1,605)	(5,629)
Credit to equity for issue of warrants	9	-	-	5,292	-	5,292
Exercise of Open Offer warrants	9	1	31	(40)	40	32
Credit to equity for prior year acquisition related earn-out payments	9	-	-	172	-	172
Settlement of prior year acquisition related earn-out payment		4	695	(699)	-	-
Debit to equity for current year and future acquisition related earn-out payments		-	-	(883)	-	(883)
Equity settled employee share-based payment schemes		-	-	11	-	11
<b>At 31 December 2022</b>		5,897	25,269	5,871	(34,727)	2,310

for the Year Ended 31 December 2023	Notes	Share capital £ 000	Share Premium £ 000	Share-based payment reserve £ 000	Retained losses £ 000	Total £ 000
<b>At 1 January 2023</b>		5,897	25,269	5,871	(34,727)	2,310
Loss for the year		-	-	-	(5,044)	(5,044)
		5,897	25,269	5,871	(39,771)	(2,734)
Issuance of new ordinary shares	6	90	2,160	-	-	2,250
Costs incurred in connection with the issuance of new ordinary shares	10	-	(1,971)	-	-	(1,971)
Credit to equity for issue of warrants	9	-	-	1,717	-	1,717
Exercise of Open Offer warrants	9	2	70	(95)	95	72
Increase in fair value of previously issued warrant	9	-	(132)	346	(214)	-
Equity settled employee share-based payment schemes		-	-	130	-	130
<b>At 31 December 2023</b>		5,989	25,396	7,969	(39,890)	(536)

The notes on pages 179–195 form an integral part of these financial statements.

# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 1 General information

Supply@ME Capital Plc (the “Company” or “SYME”) is a public company limited by share capital incorporated and domiciled in England. The address of its registered office is 27/28 Eastcastle Street, London W1W 8DH. The Company's ordinary shares are traded on the Main Market of the London Stock Exchange.

These financial statements are the separate financial statements for the Company and have been prepared in compliance with Financial Reporting Standard 102, the Financial Reporting Standard applied in the United Kingdom and the Republic of Ireland (“FRS 102”) and the Companies Act 2006.

The Company's financial statements are presented in Pounds Sterling, the Company's functional and presentation currency, and all values are rounded to the nearest thousand pounds (£'000) except when otherwise stated.

These financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies are set out below, which have been consistently applied to all the years presented.

As permitted by FRS 102 section 1.12, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- > Section 7 “Statement of Cash Flows”: Presentation of a statement of cash flow and related notes and disclosures;
- > Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instrument Issues”: Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches
- > Section 26 “Share-based Payment”: Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- > Section 33 “Related Party Disclosures”: Compensation for key management personnel.

The parent company meets the definition of a qualifying entity under FRS 102. Where required, equivalent disclosures are given in the Group consolidated accounts of Supply@ME Capital Plc.

Supply@ME Capital Plc is the parent company of the Group and its results are included in the consolidated financial statements on pages 121–176.

## 2 Accounting policies

### Going concern

These financial statements have been prepared on a going concern basis. The Directors have assessed the Company's ability to continue in operational existence for the foreseeable future. During this assessment, the Directors identified that the going concern assessment of the Company is directly linked to the going concern assessment of the Group.

The full going concern assessment of the Group, being the Company and its subsidiaries, has been set out in note 2 to the Group's consolidated financial statements for the year ended 31 December 2023. In particular, the going concern assessment of the Group identified material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. These material uncertainties related to the timing and future growth rates of cash flows from revenue generation and timing of cash flows due to the Group under specific contractual funding arrangements in place. Despite these factors being identified, the Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should this be required.

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

### Investments in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Unless otherwise stated, the investments in subsidiary undertakings are stated at cost, including the costs associated with the acquisitions, if applicable.

The value of the acquisition of Supply@ME S.r.l. during the financial year ended 31 December 2020, and TradeFlow Capital Management Pte. Ltd. (“TradeFlow”) during the financial year ended 31 December 2021, as shown in the accounts of the holding company, has been determined by applying the sections 610, 612 and 615 of the Companies Act 2006 as they relate to merger relief. These sections of the Companies Act 2006 are applicable to corporate investments where more than 90% of the acquired entity is represented by a share for share exchange, as occurred with

# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 2 Accounting policies

the acquisition of Supply@ME S.r.l. and TradeFlow. In this instance FRS 102 allows the investment to be carried in the Company's balance sheet at the nominal value of the shares issued, ignoring any associated share premium.

The carrying value referred to above is then adjusted by:

- a) any provision for impairment in the value. Where events or changes in circumstances indicate that the carrying value of an investment may not be recoverable, an impairment review is carried out. An impairment write down is recognised to the extent that the carrying value of the investment exceeds the higher of fair value less costs to sell and value in use; and
- b) any increases or decreases due to acquisition related earn-out payments recognised in the Company's subsidiaries during the current year. Refer to the share-based payment reserve accounting policy for further details.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the date of acquisition or the date of the change of control. Any profit or loss on disposal of shares in a subsidiary entity are recognised in the profit or loss. When control of the subsidiary is lost, and no significant influence exists, any remaining equity holdings will be recognised as an investment on the balance sheet and accounted for in line with the other investment accounting policy.

The amounts due to and from subsidiaries are unsecured, interest free and repayable on demand. The carrying amounts of such payables or receivables are considered to be the same as their fair values due to their short-term nature.

### Other Investments

The Company measures its investments in equity instruments, where no significant influence or control exists, at fair value through the profit or loss.

### Financial assets

#### Classification

Financial assets currently comprise trade and other receivables, receivable from related party and cash and cash equivalents

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of

impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

### Financial liabilities

#### Classification

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

#### Recognition and measurement

##### Trade and other payables

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

##### Long-term borrowings and loan notes

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

## 2 Accounting policies

### Convertible loan notes

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

### Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

### Provisions

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

### Share-based payments

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

### Share warrants

Certain equity-settled share-based payments relate to the warrants issued in connection with the cost of issuing new equity, loan notes and convertible notes. Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 9 to these financial statements.

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

The fair value determined at the grant date of the equity-settled share-based payments relating to the warrants issued in connection with the issue of loan notes, convertible

loan notes or other debt instruments are netted off against the fair value of the underlying debt instrument to which they directly relate. The fair value is then expensed together with the other related finance costs on an amortised cost basis to the Company's income statement using the effective interest method.

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

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

### Employee share schemes

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

Grants made to subsidiary employees will not result in a charge to the Company's income statement as any charges for share-based payments are recognised in the cost of investment in the relevant subsidiary.

Full details of the Group's share-based payments refer to note 24 to the Group's consolidated financial statements for the year ended 31 December 2023.

### Acquisition related earn-out payments

In addition, the Company previously recognised a share-based payment reserve in connection with acquisition related earn-out payments arising from the acquisition of TradeFlow. The fair value of these earn-out payments were measured using the same methods as outlined above. Given the service conditions related to these payments are linked to the Company's subsidiaries, the share-based payment expense was recognised by this entity. The Company recorded this amount as an increase to the investment value and through the share-based payment reserve. The fair value determined at the grant date of these equity-settled share-based payments was recognised over the vesting period on a straight-line basis, based on the estimate

# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 2 Accounting policies

of equity instruments that would eventually vest. Vesting assumptions were reviewed during each period to ensure they reflect current expectations and any changes required to true-up the related share-based payment reserve were recognised through the income statement of the Company's subsidiary, and the Company's investment value and share-based payment reserve, in the relevant period. Full details can be found in note 24 of the Group's consolidated financial statements and note 3 to these financial statements of the Company.

### Equity

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

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

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

"Retained losses" represents retained losses of the Company.

### Foreign currency transactions

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

### Critical judgements and significant accounting estimates

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate. The most significant areas where judgement and estimates have been applied are as follows:

### Judgements

#### *Accounting for acquisition related earn-out*

The terms of the agreement to acquire TradeFlow included acquisition related earn-out payments that, together with the initial cash payment and issue of equity, form the total legal consideration agreed between the parties. The acquisition related earn-out payments are determined by reference to pre-determined revenue milestone targets in each of 2021, 2022 and 2023. These payments may have been forfeited by the selling shareholders should they, in certain circumstances, no longer remain employed prior to the end of each earn-out period. As set out in note 2 to the Groups consolidated financial statements, the Directors have concluded that the inclusion of the substantive post-acquisition service conditions requires the fair value of these earn-out payments to be accounted for a charge to the income statement (as deemed remuneration) in the financial statements of the entity to which the service condition relates, rather than as consideration or part of the initial investment made. Given that the Company disposed of 81% of its stake in TradeFlow on 30 June 2023, there were no acquisition related earn-out charges recognised during the year ended 31 December 2023.

#### *Impairment*

At the end of the accounting period the Company assesses if there are any indicators of impairment with respect to its investments in subsidiaries and other investments. The carrying value is determined by the use of a discounted cash flow model of future free cash flows which involves estimates to be made by the Directors around future cash forecasts, discount rates etc.

#### *Estimates*

##### *Valuation of share warrants issued*

During the current financial year, the Company issued share warrants in connection with the current years equity funding. In the prior financial year the Company also issued share warrants in connection with loan notes and certain convertible loan notes alongside the issue of new equity. As these share warrants were issued as a cost of securing new equity investment or funding facilities by the Company they are classified as share-based payments. As such the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. Judgement was required in determining the most appropriate inputs into the valuation models (Black Scholes) used and the key judgemental input was the expected volatility rate of the Company's share price over the relevant period. The assumptions applied in the models were between 97% - 88% and were based the actual volatility of the Company's share price from the date of the reverse takeover (being March 2020) to the date at which the relevant valuation model was run.

## 2 Accounting policies

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The fair value cost of those share warrants that were issued in connection with new equity funding during the financial year ended 31 December 2023 were recognised as debits to equity in the consolidated statement of financial position. If the expected volatility rate was adjusted by plus 10%, then the impact on the fair value recognised as the initial debit to equity in the current year would have been approximately plus £84,000. If the expected volatility rate was adjusted by minus 10%, then the impact on the fair value recognised as the initial debit to equity in the current year would have been approximately minus £89,000.

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

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

### *Non-controlling discount*

During the current financial year, the Company disposed of 81% of its investment in TradeFlow. To determine the accounting fair value of the retained 19% investment in TradeFlow management used the specifics set out in the TradeFlow share purchase agreement dated 30 June 2023. Further details of this calculation are set out in note 3 to these financial statements. Following this calculation, management then applied a discount of 25% to this fair value to take account of the fact that the Company no longer controls the TradeFlow operations. This discount applied is a management judgement that will continue to be reassessed at each reporting date. If the discount rate was adjusted by plus 10%, then the impact on the loss on disposal of investments recognised in the income statement in the current financial year would have been higher by £47,000. If the discount rate was adjusted by minus 10%, then the impact on the loss on disposal of investments recognised in the income statement in the current financial year would have been lower by £47,000.



# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 3 Investments

### Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital as at 31 December 2023 are as follows:

Subsidiary undertakings	Country of incorporation	Registered address	Holding	Proportion of voting rights and shares held 2023	Proportion of voting rights and shares held 2022
Supply@ME S.r.l.	Italy		Legal capital	100%	100%
Supply@ME Technologies S.r.l.	Italy	Via Giosuè Carducci	Legal capital	100%	100%
Supply@ME Stock Company 2 S.r.l.	Italy	36, 20123, Milano, Italy	Legal capital	N/A	100% (indirectly through Supply@ME S.r.l.)
Supply@ME Stock Company 3 S.r.l.	Italy		Legal capital	N/A	100% (indirectly through Supply@ME S.r.l.)
Supply@ME Limited	England and Wales	27/28 Eastcastle Street, W1W 8DH, UK	Ordinary shares	100%	100%
TradeFlow Capital Management Pte. Ltd.	Singapore		Legal capital	N/A	100%
Tijara Pte. Ltd.	Singapore	16 Raffles Quay, #16-02, Hong Leong Building, Singapore	Legal capital	N/A	85% (indirectly through TradeFlow)
TradeFlow Capital Management Systems Pte. Ltd.	Singapore	048581	Legal capital	N/A	50% (indirectly through TradeFlow)

Supply@ME S.r.l. is the Company's operating subsidiary currently engaged in Inventory Monetisation activities in Italy. Supply@ME Technologies S.r.l. is the Company's operating subsidiary in Italy which was incorporated on 25 March 2022 for the purpose of holding the Group's intellectual property rights relating to the Inventory Monetisation Platform, together with future developments, in a dedicated entity.

On the 24 November 2023, Supply@ME S.r.l. sold two of its 100% owned subsidiaries, Supply@ME Stock Company 2 S.r.l. and Supply@ME Stock Company 3 S.r.l. to Société Financière Européenne S.A. ("SFE"), for consideration of €1,000 each. Prior to the sale, both Stock Company 2 S.r.l. and Stock Company 3 S.r.l. were non-trading entities.

On 30 June 2023 the Company reduced its ownership in TradeFlow from 100% to 19% by selling 81% of the issued share capital in TradeFlow to Tom James and John Collis (the "Buyers") (the "TradeFlow Restructuring"), creating a clear separation between Group's Inventory Monetisation fintech Platform and TradeFlow's regulated fund management business in order to create better serve the needs of both businesses. As shown in the table above, TradeFlow owned 85% of the issued share capital of Tijara Pte. Limited and 50% of the issued share capital of TradeFlow Capital Management Systems Pte. Limited at the time of the TradeFlow Restructuring. Further details of the TradeFlow Restructuring are set out below.



### 3 Investments

#### Investments

	£000
<b>As at 1 January 2022</b>	<b>5,426</b>
Increase in investment of Supply@ME S.r.l. due to waiver of intercompany debt	420
Transfer of prior year intercompany debt impairment charge to Investments	(420)
Additions at cost - Supply@ME Technologies S.r.l.	9
Increase for acquisition related earn-out payments relating to 2021 earn-out targets	172
Reversal of acquisition related earn-out payments relating to 2022 and 2023 earn-out targets	(883)
Impairment charges – TradeFlow	(2,246)
<b>As at 31 December 2022</b>	<b>2,478</b>
<b>As at 1 January 2023</b>	<b>2,478</b>
Increase in investment of Supply@ME S.r.l. and Supply@ME Technologies S.r.l. due to waiver of intercompany debt	1,166
Transfer of prior year intercompany debt impairment charge to Investments	(1,166)
Accounting fair value of 100% investment in TradeFlow	(2,469)
Accounting fair value of 19% investment in TradeFlow retained by the Company	352
Fair value adjustment of investment in TradeFlow	(68)
<b>As at 31 December 2023</b>	<b>293</b>

#### Investment in Supply@ME S.r.l.

On 23 March 2020, the Company issued 32,322,246,220 ordinary shares to acquire the whole of the share capital of Supply@ME S.r.l. These shares had a nominal value of £0.00002 per share and an issue price of £0.006945 per share. As outlined in note 2 above the value of the acquisition of Supply@ME S.r.l. has been determined by applying the sections 610, 612 and 615 of the Companies Act 2006 as they relate to merger relief. These sections of the Companies Act 2006 are applicable to corporate investments where more than 90% of the acquired entity is represented by a share for share exchange, as occurred with the acquisition of Supply@ME S.r.l. In this instance FRS 102 permits the investment to be carried in the Company's balance sheet at the nominal value of the shares issued, ignoring any associated share premium.

During the current financial year, an agreement was signed between the Company and Supply@ME S.r.l. stating that the Company would unconditionally waive repayment of the intercompany debt to the amount of €1,000,000 (£883,000) (2022: €500,000 / £420,000). The waiving of this debt resulted in an increase in the value of the investment in Supply@ME S.r.l. As at 31 December 2022, the Directors had fully impaired the carrying value of the full amount owed by Supply@ME S.r.l. to the Company. As a result of the intercompany debt waiver being agreed post 31 December 2022, an amount of £883,000 was transferred from the provision for impairment of the receivable from Supply@ME S.r.l., to the provision for impairment of the investment in Supply@ME S.r.l. No amounts were recorded in the income statement in the current financial year as a result of this transfer.

#### Investment in Supply@ME Technologies S.r.l.

During the current financial year, an agreement was signed between the Company and Supply@ME Technologies S.r.l. stating that the Company would unconditionally waive repayment of the intercompany debt to the amount of €320,000 (£283,000) (2022: £nil). The waiving of this debt resulted in an increase in the value of the investment in Supply@ME Technologies S.r.l. As at 31 December 2022, the Directors had fully impaired the carrying value of the full amount owed by Supply@ME Technologies S.r.l. to the Company. As a result of the intercompany debt waiver being agreed post 31 December 2022, an amount of £283,000 was transferred from the provision for impairment of the receivable from Supply@ME Technologies S.r.l., to the provision for impairment of the investment in Supply@ME Technologies S.r.l. No amounts were recorded in the income statement in the current financial year as a result of this transfer.

# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 3 Investments

### *Impairment assessment relating to investment in Supply@ME S.r.l. and Supply@ME Technologies S.r.l.*

As at 31 December 2022, the Directors impaired the full carrying amount of the investment in Supply@ME S.r.l. As set out above, the additional investment in Supply@ME S.r.l. and Supply@ME S.r.l. Technologies that was added during the current year as a result of the intercompany debt waivers, had also been fully impaired by the Directors in the prior year. As such the value of the investment in Supply@ME S.r.l. as at 31 December 2023 was £nil (31 December 2022: £nil) and the value of the investment in Supply@ME Technologies S.r.l. as at 31 December 2023 was £9,000 (31 December 2022: £9,000).

During the preparation of these current year financial statements for the Company, the Directors considered if there were indicators that the previously recognised impairment loss on the investment in Supply@ME S.r.l. could be reversed. Given the following factors, the Directors concluded this was not the currently the case:

- > Supply@ME S.r.l. continued to record losses in the current year;
- > the continued absence of a historical recurring track record relating to Inventory Monetisation transactions being facilitated by the Group;
- > the inability to fully establish recurring generation of the full range of fees from the use of its Platform; and
- > the Group being cash flow negative.

The impairment losses recognised in the current and prior financial years may subsequently be reversed in future financial periods, and if so, the carrying amount of the investment will be increased to the revised estimate of its recoverable amount. The increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

### **Investment in TradeFlow**

On 1 July 2021 the Company completed the acquisition of the entire share capital of TradeFlow by way of cash and share consideration (the "Acquisition"). As such from this date TradeFlow became a fully owned subsidiary of the Company and formed part of the Group's consolidated financial performance and position from this point. The Company acquired 100% of the equity of TradeFlow for a purchase consideration of £4,000,000 which was paid in cash and the issue of 813,000,000 equity shares.

As outlined in note 2 above the value of the acquisition of TradeFlow has been determined by applying the sections 610, 612 and 615 of the Companies Act 2006 as they relate to merger relief. These sections of the Companies Act 2006 are applicable to corporate investments where more than 90% of the acquired entity is represented by a share for share exchange, as occurred with the acquisition of TradeFlow. In this instance FRS 102 permits the investment to be carried in the Company's balance sheet at the nominal value of the shares issued, ignoring any associated share premium.

In addition, during the financial years ended 31 December 2021 and 2022, the Company recognised an increase or decrease in the carrying amount of the TradeFlow investment in connection with acquisition related earn-out payments. The increase in the acquisition related earn-out payments relating to the 2021 earn-out targets related the fact that 2021 acquisition related earn-out payment was settled during 2022 and an additional amount was added to the share-based payment reserve of £172,000 during the financial year ended 31 December 2022. This covered the amounts to be recognised during FY22 in line with the estimated vesting date of March 2022. The reversal of acquisition related earn-out payments relating to 2022 and 2023 earn-out targets of £883,000 recognised during the financial year ended 31 December 2022 reflected the underperformance of TradeFlow during 2022 resulting in the relevant earn-out targets not being met, and management reassessing the likelihood of the 2023 earn-out targets being achieved as remote. As a result the share-based payment reserve created during FY21 in relation to the 2022 and 2023 earn-out targets was reversed during the financial year ended 31 December 2022.

Further details can be found in notes 2 and 26 of the Groups consolidated financial statements for the year ended 31 December 2023.

### 3 Investments

#### *TradeFlow Restructuring*

On 30 June 2023 the Company announced that had entered into relevant binding commercial agreements to complete the TradeFlow Restructuring. The TradeFlow Restructuring resulted in the Company reducing its ownership in TradeFlow from 100% to 19% by selling 81% of the issued share capital in TradeFlow to the Buyers.

Details of the consideration for the Group's 81% stake in TradeFlow and the specifics of the TradeFlow Restructuring share purchase agreement dated 30 June 2023 (the "TradeFlow SPA") can be found in note 26 to the Group's consolidated financial statements for the year ended 31 December 2023. The TradeFlow SPA required a cash amount of £2,000,000 to be payable to the Company, which gave estimated accounting fair value of 100% of the TradeFlow operations of £2,469,000, and a fair value of the 19% investment in TradeFlow retained by the Company as at 30 June 2023 of £469,000. Management then applied a discount of 25% to this fair value to take account of the fact that the Company no longer controls the TradeFlow operations. This discount applied is a management judgement that will continue to be reassessed at each reporting date.

#### *Fair value adjustment to investment in TradeFlow*

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

A reconciliation of the Investment in TradeFlow is set out below:

Investment in TradeFlow	£000
<b>As at 1 January 2022</b>	<b>5,426</b>
Increase for FY21 acquisition related earn-out payments	172
Reversal of FY22 and FY23 acquisition related earn-out payments	(883)
Impairment charges – TradeFlow	2,246
<b>As at 31 December 2022</b>	<b>2,469</b>
<b>As at 1 January 2023</b>	<b>2,469</b>
Accounting fair value of 100% investment in TradeFlow	(2,469)
Accounting fair value of 19% investment in TradeFlow retained by the Company	352
Fair value adjustment of investment in TradeFlow	(68)
<b>As at 31 December 2023</b>	<b>284</b>

The calculation of the loss arising on the restructuring of the TradeFlow ownership by the Company as at 30 June 2023 is shown below:

	As at 30 June 2023 £000
Accounting fair value of the 81% investment in TradeFlow disposed of by the Company	2,000
Accounting fair value of 19% ownership of the TradeFlow operations retained by the Group	352
	2,352
<b>Less: Accounting fair value of 100% investment in TradeFlow</b>	<b>(2,469)</b>
<b>Loss arising on the restructuring of the TradeFlow investment</b>	<b>(117)</b>

# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 4 Trade and other receivables

	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
Prepayments	35	33
Interest receivable from related party	22	-
Other receivables	75	579
Amounts due from Group companies	-	-
<b>Total trade and other receivables</b>	<b>132</b>	<b>612</b>

### Impairment of amounts due from Group companies

During the preparation the Company's financial statements for the year ended 31 December 2023, the Directors reviewed the carrying value of amounts due from Group companies for indicators of impairment and/or if there were indicators that the previously recognised impairment loss on the carrying value of amounts due from Group companies could be reversed. In order to be prudent, and to follow a consistent approach used to determine the impairment of the Company's investment in Supply@ME S.r.l. and Supply@ME Technologies S.r.l. due to the factors set out in note 3, the Directors reached the conclusion to impair the full carrying value of the specific receivable balance due from both the Company's Italian subsidiaries as at the 31 December 2023.

Prior to this review, the Company held a total combined amount due from Supply@ME S.r.l. and Supply@ME Technologies S.r.l. of £2,378,000 (31 December 2022: £1,588,000). An impairment charge in respect of the amounts due from Group companies of £1,955,000 has been recognised in the Company's income statement for the current financial year (2022: £689,000). The impairment charge for the year ended 31 December 2023 reflects the increase in the amounts due from Group companies of £789,000, together with the £1,166,000 that was transferred from the provision for impairment of the receivables from Group companies, to the provision for impairment of investments in Group companies as a result of the intercompany debt waivers agreed in April 2023.

### Interest receivable from related party

This represents the interest that is receivable from the AvantGarde Group S.p.A ("TAG"), the Group's majority shareholder, as at 30 December 2023 relating to the late payments of both the top-up unsecured shareholder loan agreement dated 28 September 2023 (the "Top-Up Shareholder Loan Agreement") and the debt novation deed dated 30 June 2023 (the "Debt Novation Deed"). These interest amounts have been calculated at a compounding rate of 15% per annum on the overdue amounts. Details of both these agreements can be found in note 28 to the Group's consolidated financial statements for the year ended 31 December 2023.

## 5 Receivable from related party

	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
Receivable from related party	772	-
<b>Total receivable from related party</b>	<b>772</b>	<b>-</b>

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

As at 31 December 2022, £1,228,000 of the £2,000,000 had been repaid by TAG to the Company. The payment had been received through a split of £771,000 in cash, £421,000 by way of formal debt novation agreements with specific suppliers whereby the debt held by the Group companies was novated to TAG with no recourse to the Group companies, and £36,000 by way of offset against amounts owed by the Group companies to TAG. As outlined in note 4 above, the Company is now charging a late fee to TAG calculated at a compounding rate of 15% per annum on any amounts of the instalments not transferred to the Company by the relevant due date.

Of the £772,000 outstanding at 31 December 2023, £655,000 was repaid through a combination of cash and offsetting of amounts due to TAG from Group companies prior to the issue of these financial statements. This leaves a remaining balance of £117,000 still to be paid.

# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 6 Share capital

### Allotted, called up and fully paid shares

	As at 31 December 2023		As at 31 December 2022	
	No. 000	£ 000	No. 000	£ 000
Equity				
Ordinary shares of £0.00002 each	61,232,096	1,224	56,621,568	1,132
Deferred shares of £0.04000 each	63,084	2,523	63,084	2,523
2018 Deferred shares of £0.01000 each	224,194	2,242	224,194	2,242
<b>Total</b>	<b>61,519,374</b>	<b>5,989</b>	<b>56,908,846</b>	<b>5,897</b>

### Reconciliation of allotted, called up and fully paid shares

	2023		2022	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares as at 1 January	56,908,846	5,897	36,355,720	5,486
New ordinary shares issued to Venus Capital S.A. in connection with 2023 Venus Subscription	4,500,000	90	-	-
New ordinary shares issued to fulfil the conversion of Open Offer warrants	110,528	2	49,508	1
New ordinary shares issued to fulfil the conversion of Mercator Capital Management Fund LP convertible loan notes	-	-	1,400,898	28
New ordinary shares issued to Venus Capital S.A. in connection with the Capital Enhancement Plan	-	-	14,350,000	287
New ordinary shares issued to settle the FY21 acquisition related earn-out payments	-	-	213,526	4
New ordinary shares issued in connection with Open Offer completed during 2022	-	-	641,710	13
New ordinary shares issued to fulfil the conversion of Venus Capital S.A. convertible loan notes	-	-	3,897,484	78
<b>Total at 31 December</b>	<b>61,519,374</b>	<b>5,989</b>	<b>56,908,846</b>	<b>5,897</b>

### Details of new shares allotted during the current financial year

#### New ordinary shares issued to Venus Capital in connection with 2023 Venus Subscription

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

- > an initial tranche of 3,375,000,000 Subscription Shares for gross proceeds of £1,687,500 (or £1,603,125 net of a 5% commission chargeable by Venus Capital). This tranche of Subscription Shares were admitted to trading on the Main Market of the London Stock Exchange on 5 May 2023; and
- > a second tranche of 1,125,000,000 Subscription Shares for proceeds of £562,500 gross (or £534,375 net a 5% commission chargeable by Venus Capital). This tranche of Subscription Shares were admitted to trading on the Main Market of the London Stock Exchange on 30 May 2023

## 6 Share capital

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

Further to the issue of new ordinary shares on the 18 August 2022 as a result of the Open Offer, the Company also issued 320,855,008 warrants to certain qualifying shareholders who participated in its open offer (the "Open Offer Warrants"). Following the issue of the Open Offer Warrants, certain holders have elected to exercise their Open Offer Warrants and this resulted in a total of 110,528,379 new ordinary shares being issued during the year ended 31 December 2023 in relation to Open Offer Warrant conversions.

### Rights, preferences and restrictions

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

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

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

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

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

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

## 7 Trade and other payables

	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
Trade payables	865	482
Other payables	196	32
Social securities and other payroll taxes due	254	89
Accruals and deferred income	185	427
Accrued interest payable to related party	7	-
Amounts due to Group companies	-	5
<b>Total trade and other payables</b>	<b>1,507</b>	<b>1,035</b>

# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 8 Long-term borrowings

	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
Working Capital loan due to TAG	250	-
<b>Total long-term borrowings</b>	<b>250</b>	<b>-</b>

This balance represents the total amount due to TAG under the unsecured working capital loan agreement that was signed between the Company and TAG on 28 April 2023, and then subsequently amended on 30 June 2023 (the "amended TAG Unsecured Working Capital facility"). Under the TAG Unsecured Working Capital facility, TAG agreed to provide the Company with an unsecured working capital facility of up to £800,000.

The due date for repayment by the Company of amounts received under the amended TAG Unsecured Working Capital facility is 1 February 2028. Any sums drawn under the amended TAG Unsecured Working Capital facility will attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on 1 February 2028 will attract a compounding interest rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year. The interest expense recognised during the year ended 31 December 2023 in relation to the amended TAG Unsecured Working Capital facility was £7,000 (2022: £nil). As shown in note 7 above, this all remained unpaid as at 31 December 2023.

On 30 June 2023, the Company issued a draw down notice to TAG under the amended TAG Unsecured Working Facility for the full £800,000 available. As at 31 December 2023, the Company had received £250,000 from TAG in respect of the draw down made. Subsequent to 31 December 2023, and prior to the issue of these financial statements, the remaining £550,000 had been received from TAG. Additionally on 26 March 2024, the Company and TAG signed a second deed of amendment, which allowed the full outstanding amount of the amended TAG Unsecured Working Capital facility to be extinguished by the issue of 1,500,000,000 new ordinary shares which were issued to TAG on 28 March 2024.

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

### Loan notes

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

### Convertible loan notes

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

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



## 9 Share-based payments

### Share warrants issued to Mercator

The full disclosures relating to the share warrants issued to Mercator are set out in note 24 to the Group's consolidated financial statements for the year ended 31 December 2023.

### Share warrants issued to Venus Capital under the Capital Enhancement Plan

The full disclosures relating to the share warrants issued to Venus Capital under the Capital Enhancement Plan are set out in note 24 to the Group's consolidated financial statements for the year ended 31 December 2023.

### Share warrants issued to retail shareholders under the Open Offer

The full disclosures relating to the share warrants issued to retail shareholders under the Open Offer are set out in note 24 to the Group's consolidated financial statements for the year ended 31 December 2023.

### Share warrants issued to Venus Capital under 2023 Venus Subscription

The full disclosures relating to the share warrants issued to Venus Capital under the 2023 Venus Subscription are set out in note 24 to the Group's consolidated financial statements for the year ended 31 December 2023.

### Extension to the expiry date of the warrants issued in connection with the Open Offer carried out on 17 August 2022 and the warrants issued to Venus Capital during 2022

The full disclosures relating to the extension of the expiry date of the warrants issued in connection with the Open Offer and the warrants issued to Venus Capital during 2022 are set out in note 24 to the Group's consolidated financial statements for the year ended 31 December 2023.

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

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

# Notes to the Company Financial Statements

for the Year Ended 31 December 2023

## 9 Share-based payments

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

	2023 £ 000	2022 £ 000
Share warrants to be issued to Venus Capital	1,717	-
Change in fair value due to extension of expiry date of existing share warrants issued to Venus Capital and retail shareholders in prior periods	346	-
Share warrants issued to Venus Capital	-	4,795
Share warrants issued to Mercator	-	236
Share warrants issued to retail shareholders	-	261
<b>Total</b>	<b>2,063</b>	<b>5,292</b>

### Acquisition related earn-out payments

The full disclosures relating to the acquisition related earn-out payments are set out in note 24 to the Group's consolidated financial statements for the year ended 31 December 2023.

## 10 Share issue costs

The costs relating to the various share issues that took place during the year have been netted off against the amount of share premium that is recognised in respect of the share issue to which they directly relate. Any amounts in excess of the share premium recognised, are taken to retained losses. Details of the share issue costs recognised during the year ended 31 December 2023 are set out in the table below.

	2023 Costs recognised in share premium £ 000	2023 Costs recognised in retained losses £ 000 s
2023 Venus Subscription warrant costs (note 9)	1,717	-
Other costs (legal fees, listing fees, commission cost)	254	-
Impact of extension of expiry date of warrants issued during 2022 relating to Capital Enhancement plan and Open Offer warrants (note 9)	132	214
<b>Total</b>	<b>2,103</b>	<b>214</b>

	2022 Costs recognised in share premium £ 000	2022 Costs recognised in retained losses £ 000
Capital enhancement plan warrant costs (note 9)	3,204	1,591
Capital enhancement plan costs settled through issue of convertible loan notes	343	-
Open offer warrant costs (note 9)	247	14
Other costs (legal fees, listing fees, registrars' fees)	230	-
<b>Total</b>	<b>4,024</b>	<b>1,605</b>

## 11 Related party transactions

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The Company has taken advantage of the exemption under FRS 102:33.1A from disclosing transactions with other, wholly owned members of the Group.

A full list of the Company's subsidiaries and related party transactions are set out in note 28 to the Group's consolidated financial statements for the year ended 31 December 2023.

## 12 Controlling party

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At 31 December 2023 the Directors do not believe that a controlling party exists.

## 13 Subsequent events

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A full list of the Company's subsequent events are set out in note 30 to the Group's consolidated financial statements for the year ended 31 December 2023.

# Information

# Company information

## Directors

David Bull  
Enrico Camerinelli  
Alexandra Galligan  
Albert Ganyushin  
Alessandro Zamboni

## Registered Office

27/28 Eastcastle Street  
London  
W1W 8DH

## Company Number

03936915

## Website

[www.supplymecapital.com](http://www.supplymecapital.com)

## Company Secretary

MSP Corporate Services Limited  
27/28 Eastcastle Street  
London  
W1W 8D

## Auditors

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

# Glossary

Term	Definition
AGM	Annual General Meeting of Supply@ME Capital Plc
BBPM	Banco BPM S.p.A.
Board	The Board of Directors of Supply@ME Capital Plc
BuyBack	With specific reference to TradeFlow, the written notice provided by Tom James and John Collis of their intention to exercise their rights to buy back 100% of the share capital of TradeFlow pursuant to certain earn out arrangements entered into in connection with the Company's acquisition of TradeFlow in July 2021
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Company or SYME or Supply@ME	Supply@ME Capital Plc
CH Trading Hub	An independent Swiss-based trading business which will replace the Cayman-based global inventory fund and is in the process of assuming control of the independent stock companies and manage the overall trading businesses using the Platform and the associated services provided by the Group
Debt Novation Deed	The English law governed debt novation deed entered into between the Company, Tom James, John Collis and TAG on 30 June 2023, pursuant to which TAG agreed to assume the £2m million debt of Tom James and John Collis resulting from the TradeFlow Restructuring to the Company
ERP	Enterprise Resource Planning
FY22	The financial year ended 31 December 2022
FY23	The financial year ended 31 December 2023
FY24	The financial year ended 31 December 2024
GIF or the Fund	Global Inventory Fund (Segregated Portfolios)
Group	The Company and its subsidiaries
IFRS or IAS	UK adopted International Accounting Standards
ICT	Information and communications technology
IM	Inventory Monetisation
IoT	Internet of things
KPIs	Key Performance Indicators
KRIs	Key Risk Indicators
Leadership team	Amy Benning, Alice Buxton, Mark Kavanagh, Stuart Nelson and Nicola Bonini until her departure from the Company
LTIP	Long Term Incentive Plan
Mercator	Mercator Capital Management Fund LP
NFT	Non-Fungible Token
Open Market IM transaction	A IM transactions from the pipeline originated by the Group and funded by third-party investors
Platform	The Supply@ME Inventory Monetisation Platform

Term	Definition
PNP Regulation	Italian legislation Pegno Non Possessorio, introduces the concept of security interest into Italian law
QCA Code	Quoted Companies Alliance Corporate Governance Code for small and mid-sized quoted companies
Security Token Route	Tokenised inventory tradeable on authorised digital asset exchanges
SFE	Société Financière Européenne S.A.
TAG	The AvantGarde Group S.p.A (an entity ultimately beneficially wholly-owned and controlled by Alessandro Zamboni, Chief Executive Officer of the Company)
TAG Unsecured Working Capital Facility	The English law governed top-up unsecured working capital facility entered into on 28 April 2023 and amended on 30 June 2023 between TAG and the Company, pursuant to which TAG agreed to provide the Company with a facility of up to £800,000 to cover the Company's working capital needs.
Top-Up Shareholder Loan Agreement	The English law governed top-up unsecured shareholder loan agreement entered into on 28 September 2023 between TAG and the Company, pursuant to which TAG agreed to provide the Company with a further facility of up to £3,500,000 to cover the Company's working capital and growth needs up to 30 June 2025
TradeFlow	TradeFlow Capital Management Pte. Limited
TradeFlow Group	TradeFlow and its subsidiaries
TradeFlow Restructuring	The disposal of 81% of the stake in TradeFlow Capital Management Pte. Limited which was completed on 30 June 2023
VE Chain	The VeChain Foundation
Venus Capital	Venus Capital S.A.
White-Label	The service whereby banks and other financial institutions access and pay for the use of our technology and Platform to deploy with their existing customer bases

