14 April 2023

itim Group plc

("itim" or "the Company" and together with its subsidiaries "the Group")

Full year results for the year ended 31 December 2022 and Notice of AGM

itim Group plc, a SaaS based technology company that enables store-based retailers to optimise their businesses to improve financial performance, is pleased to announce its audited results for the year ended 31 December 2022.

Financial Highlights

- Group revenues increased by 4% to £14 million (2021: £13.5 million)
- Annual recurring revenue ("ARR") is £13.2 million (2021: £11.1 million)
- Group Adjusted EBITDA* £0.2 million (2021: £2.2 million)
- Adjusted EBITDA* margin decreased by 19 percentage points ("PPT") to 2% (2021: 17%)
- Adjusted Earnings per share** -2.01 pence (2021: 3.75 pence)
- Closing cash balances were £3.9 million at 31 December 2022, down from £6.2 million at 31 December 2021

* *EBITDA has been adjusted to exclude share-based payment charges, exceptional items, along with depreciation, amortisation, interest and tax from the measure of profit*
** *The profit measure has been adjusted to exclude exceptional items and share option charge*

Copies of the Annual Report and Accounts for FY2022 with the notice of annual general meeting have been posted to shareholders today and are available on the Company's website www.itim.com. The Company intends to hold its annual general meeting at 11am on 12th May 2023 at the offices of DMH Stallard LLP, 6 New Street Square, London EC4A 3BF.

Enquiries:

Itim Group plc	Ali Athar, CEO Ian Hayes CFO	0207 598 7700
WH Ireland (NOMAD & Broker)	Katy Mitchell Harry Ansell Darshan Patel	0207 220 1666
IFC Advisory	Graham Herring Florence Chandler	0207 3934 6630

ABOUT ITIM

itim was established in 1993 by its founder, and current Chief Executive Officer, Ali Athar. itim was initially formed as a consulting business, helping retailers effect operational improvement. From 1999 the Company began to expand into the provision of proprietary software solutions and by 2004 the Company was focused exclusively on digital technology. itim has grown both organically and through a series of acquisitions of small, legacy retail software systems and associated applications which itim has redeveloped to create a fully integrated end to end Omni-channel platform.

CHAIRMAN'S STATEMENT

I am pleased to report that itim's focus on product development, strengthening recurring revenues and diversifying its customer base has insulated it from significant impact in the difficult economic climate which prevailed in 2022 following Russia's invasion of Ukraine early in the year. It is also a credit to the team that we achieved some important strategic milestones in the year to ensure we remained in line with customer requirements in the prevailing business environment.

I said in my report last year that itim entered 2022 in a solid financial position following the IPO fundraise and growing subscription revenues and client activity. A keynote is that we continued to invest significant sums in our R&D programme in 2022 alongside investing in our staff base.

Furthermore, we have identified exciting growth opportunities for 2023 including a relaunch of our consultancy business as a complement to our technology offering and to enable our customers to gain the maximum benefit from it.

We also see a great opportunity in launching a payment hub designed to meet the needs of our retailer customers with the potential to offer them considerable cost savings when compared to traditional bank offerings.

Overall, excellent progress was made.

Financial results

Revenues increased by 4% year on year increasing from £13.5m in 2021 to £14m in 2022. Importantly, annual recurring revenues ("ARR") at the year-end increased significantly from £11.1m to £13.2m an increase of 19% with recurring revenues representing 84% of total revenues (2021: 77%). Gross margins fell however to 32% (2021: 41%) principally due to vital investment in headcount and ensuring the team remain committed and incentivised, but also due to the fact that many of our new customer contracts are subscription only with no up-front fees as previously with income consequently being delayed later into the cycle. This one-off impact should reverse out over time as subscription revenues kick in.

People

Itim's business is built around its people and products and as mentioned we have invested heavily in both. The team's commitment and passion to deliver first-rate services to our customers is evident and I continue to be immensely impressed with their high calibre and commitment. We review the effectiveness of the team and any areas where we could benefit from bringing in new expertise on an ongoing basis and I am pleased to report that a considerable number of new appointments were made during the year.

Outlook

We believe the need for itim's products and services is greater than ever as it becomes paramount for our customers to maintain profitability by driving efficiencies throughout their businesses. With the investment we have made in team, technology and products we are well placed to deliver on these requirements. We believe these factors together with the new developments outlined above will maintain momentum during 2023 and I am optimistic that 2023 will see continued growth in revenues and profits.

The Board and I extend our thanks to our loyal team, our partners and customers for their support.

Michael Jackson
Chairman
13th April 2023

CHIEF EXECUTIVE'S REVIEW

I am pleased to report that the solid platform for growth that was laid in 2021 has indeed led to the growth in sales in 2022 in what can only be described as a difficult trading period. Revenues in the year increased by 4% over 2021 with booked recurring revenue for the year of £11.8m representing 84% of Group turnover.

Itim currently has close to 80 customers using all or some elements of our platform providing us with a stable, recurring revenue base. We also have a good mix of business in the UK and growing international revenues.

The challenges caused by inflationary pressures should result in our customers homing in on all possible [cost effective] efficiencies to improve or at least maintain performance. Itim's business is designed precisely to meet such objectives and we therefore anticipate that although 2023 is likely to be a challenging year for retailers, itim's business will nevertheless fare well in this climate.

Within our own business we focused on two objectives in 2022. First, we focused on improving our EBITDA margin as investor sentiment turned to cash conservation, and we have taken various steps in this regard. Second, we looked to ensure that sales growth is matched by cash generation. To these ends we have and will continue to reduce the incentives we have previously offered customers. We are also keenly aware that rapid sales growth has sometimes resulted in pressures on cash flows. We have therefore amended our business plan to seek out growth opportunities that satisfy these two objectives. Alongside these steps and in order to protect itim for the future, we have continued to invest in R&D, increasing spend in 2022 and invested in building and protecting our staff base.

Key business developments planned for 2023 are:

To relaunch our consultancy business with the objective of assisting customers maximise the benefits from deploying itim's technology and enabling them to remain firmly focused on their own businesses. We firmly believe that many of our customers would welcome our expertise to help them maximise the benefits of our technology.

To launch an extension to our Retail Suite to allow us to provide Merchandising applications like line cards, and WSSI. Critical processes for retailers.

A second development planned for 2023 is to launch a payment hub which we have been funding over the past two years.

Itim provides an application called Didos which does invoice matching for about 30 major UK retailers. Invoice matching is how retailers approve supplier invoices. We have been approached by fintechs who want to collaborate with us in facilitating international payments to suppliers and also allowing retailers to offer invoice discounting services.

Itim provides EDI services and our 'itim hub' application to allow retailers and suppliers to digitally collaborate.

The payment hub is an extension of both those offerings. It is an application in the 'itim hub' that will allow us to collaborate with some of these fintech businesses.

In summary, our existing applications and new developments and consulting services will I believe ensure that itim is well placed to continue to win new customers and we see numerous opportunities within our existing customer base to increase our revenues.

Ali Athar
Chief Executive Officer
13th April 2023

CHIEF FINANCIAL OFFICER'S REVIEW

Income Statement

Overview
Our 2022 financial year was overshadowed by global events which drove double digit inflation which in turn fed into costs. The year post IPO was forecast as an investment year with additional headcount being taken on to deliver projects and improve quality. With headcount costs representing over 60% of our cost base and average pay increases of over 11% during the year management expected a detrimental impact on the full years result.

Revenue
With the uncertainty of global events and the impact on retailers of increasing cost of goods, wage pressure and spiralling transportation costs, we observed that retailer's decision making timescales lengthened which we believe was due to them

hunkering down to weather the uncertainties. This led to longer sales cycles for itim but also slowed project delivery timescales. However despite this, the Group still achieved an uplift on revenues during 2022 of 4.2% moving revenue to £14.0m from £13.5m in 2021 with Annual Recurring Revenue (ARR) increasing 19% to £13.2m at the year-end (2021: £11.1m). Additionally the quality and certainty of 2022 revenues improved with 84% of turnover coming from recurring revenues (2021: 77%).

Gross profit

2022 was the first full year in which the Group had secured new contracts that were subscription only with no upfront services fees. Where no services fees are being charged to the customer for implementation, the cost of implementation is being absorbed by the business. As a consequence, with no revenues in the year of implementation of a project - margins and EBITDA will be depressed in that year. Additionally with the gearing up of headcount ahead of projects and the inflationary impact on cost of sales it was inevitable that the gross margin of the group would drop in the year. This should improve over time when the subscriptions revenues commence. As a result the overall gross margin dropped to 32% in 2022 (2021: 41%) but should improve on the commencement of the subscription revenue of those contracts.

Administrative expenses

The 30% increase in administrative expenditure over the 2021 cost was caused by three main factors. Firstly inflationary increases on salaries, secondly pulling forward investment in sales and administrative hires that were scheduled for 2023 into 2022, and lastly the full year's impact of being a listed business over the six monthly cost incurred in 2021.

Foreign exchange rates

With 35% of revenues denominated in foreign currencies, the table below sets out the percentage of annual contracts in the foreign currencies we trade in and the impacts of those foreign currencies at the Balance Sheet date and the average movements over the course of the year for P&L purpose.

Foreign exchange rates have remained volatile during the year with an overall weakening of Sterling against all our functional currencies throughout the year and at the year end. The most significant impact for itim has been the 16% depreciation of Sterling against the Brazilian Real between December 2021 and December 2022 as 18% of our contracts are denominated in Reals. The Sterling to Euro rate has experienced similar volatility with Sterling ending the year 5% weaker at 31st December 2022 when compared to 31st December 2021 with 9% of our contracts in Euro's.
Despite phasing of movements over the current and prior year the weighted monthly average exchange rate of translating from functional currencies also remained volatile, with the Brazilian Real and US Dollar strengthening against Sterling by 14% and 10% respectively.

FX Rates	**31-Dec-21**	**31-Dec-22**	**31-Dec-22**	**2021 Average**	**2022 Average**	**2022**
(% of ARR at year end)	FX rate	FX rate	Variance %	FX rate	FX rate	Variance %
£GBP/Euro (ARR 9%)	1.191	1.129	-5%	1.163	1.150	-1%
£GBP/BRL (ARR 18%)	7.612	6.386	-16%	7.42	6.389	-14%
£GBP/USD (ARR 8%)	1.354	1.209	-11%	1.376	1.238	-10%

Financing costs

Total net interest costs in the year were nil (2021: £67k).

The reduction in interest payable on external loans was due to repayment of borrowing during the year ended 31st December 2021 leaving the business debt free.

Exceptional items

Exceptional costs incurred during the year were £nil (2021:
£0.7m). The comparative cost relates to the initial public offering and admission to AIM which could not be directly attributed to the raising of new equity and therefore were expensed through the P&L.

Taxation

The Group continues to take advantage of R&D tax credits as it continues to innovate its technology offering. The current year tax credit is made of up of a net current tax credit of
£0.62m (2021: £0.26m) and a deferred tax charge of £0.03m (2021: £0.2m).

Earnings/(Loss) per share

Earnings/(Loss) per share

Basic EPS for the year was -2.2p (2021: 0.88p) and the diluted EPS was -2.2p (2021: 0.78p).

On an adjusted profit basis after adjusting for exceptional items and the share option charge the adjusted earnings basic EPS was -2.01p (2021: 3.75p) and the adjusted earnings diluted EPS was -2.01p (2021: 3.32p).

Dividend

The Board does not propose to pay a dividend in respect of the financial year (2021: £nil).

Group Statement of Financial position

The Group had net assets of £12m at 31st December 2022 (2021: £13m) a decrease of £1m attributable to the loss for the year.

Cash flow and working capital

The Group ended the year with a cash balance of £3.9m (2021: £6.2m).

Cash generated from operating activities for the year amounted to £0.5m (2021: £2.1m). There were no further inflows from investing activities during the year (2021: £7.7m).
Cash expended was on capitalised product development of £2.2m (2021: £1.4m) payment of debt, interest, lease liabilities and equipment of £0.5m (2021:£4.3m). Additionally a further loan of £0.1m was made to a fintech start up to explore the disintermediation of banks on retailer's cost of bank payments. Which taken together with our opening cash balance of £6.2m gives the closing cash balance at the year- end.

IPO and admission to AIM

In June 2021 itim was admitted to AIM, a market of the London Stock Exchange after a successful initial public offering raising £8m (gross) to support its growth strategy as it continues to transition to a subscription-based revenue model.

Equity

There were no changes in equity during the year.

On the 28th June 2021 the Company issued 5,194,806 new 5p shares at 154p each raising £8m in new equity.

In May 2021 as part of the listing process, the Company purchased 110,251,743 deferred shares for 1p and subsequently cancelled that class of share whilst creating a capital redemption reserve of the same value.

Additionally, the Company undertook a capital reduction transferring £10,468,919 of share premium to retained earnings.

Ian Hayes
Chief Financial Officer
13th April 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	**Total 2022 £'000**	**Total 2021 £'000**
Revenue	4,5	14,034	13,474
Cost of sales		(9,538)	(7,953)
Gross profit		**4,496**	**5,521**
Administrative expenses		(4,285)	(3,297)
EBITDA		**211**	**2,224**
Amortisation of intangible assets	13	(889)	(746)

Share option charge	24	(58)	(151)
Depreciation	14	(42)	(38)
Depreciation of right-of-use/HP assets	20,14	(452)	(297)
Profit on disposal of right-of-use assets	20	-	10
(Loss) / profit from operations		**(1,230)**	**1,002**
Finance costs	10	-	(67)
Other interest		(45)	(42)
Exceptional items	6	-	(667)
(Loss) / profit on ordinary activities before taxation	**6**	**(1,275)**	**226**
Taxation	11	589	26
(Loss) / profit for the year		**(686)**	**252**
Other comprehensive income			
Exchange differences on retranslation of foreign operations		124	(119)
Total comprehensive (loss) / income for the year net of tax		**(562)**	**133**
Earnings/(Loss) per Share			
Basic	12	(2.20)p	0.88p
Diluted	12	(2.20)p	0.78p

All comprehensive income for continuing operations is shown above.

The notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Share options reserve £'000	Capital redemption reserve £'000	Foreign exchange reserve £'000	Retained profits/ (losses) £'000	Total £'000
At 1 January 2021	2,379	10,469	304	-	145	(8,283)	5,014
Comprehensive income for the year	-	-	-	-	-	252	252
Foreign exchange movement	-	-	-	-	(119)	-	(119)
Total comprehensive income	-	-	-	-	(119)	252	133
Share option charge	-	-	151	-	-	-	151
Share buyback of deferred shares	(1,103)	-	-	1,103	-	-	-
Cancellation of share premium	-	(10,469)	-	-	-	10,469	-
Shares issued in the period - IPO	260	7,740	-	-	-	-	8,000
Share option conversion	25	156	-	-	-	-	181
IPO expenses	-	(498)	-	-	-	-	(498)
At 31 December 2021	**1,561**	**7,398**	**455**	**1,103**	**26**	**2,438**	**12,981**
Comprehensive income for the year	-	-	-	-	-	(686)	(686)
Foreign exchange movement	-	-	-	-	124	-	124
Total comprehensive income	-	-	-	-	124	(686)	(562)
Share option charge	-	-	58	-	-	-	58
At 31 December 2022	**1,561**	**7,398**	**513**	**1,103**	**150**	**1,752**	**12,477**

The notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	13	10,069	8,733
Plant and equipment	14	721	280
Right-of-use assets	20	442	649
Deferred tax	11	164	65
Total non-current assets		11,396	9,727
Current assets			
Trade and other receivables	16	4,603	3,702
Cash and cash equivalents		3,922	6,172
Total current assets		8,525	9,874
Total assets		**19,921**	**19,601**
Current liabilities			
Trade and other payables	17	(5,776)	(5,218)
Right-of-use liability	20	(297)	(290)
Total current liabilities		(6,073)	(5,508)
Non-current liabilities			
Trade and other payables due in more than one year	18	(540)	(176)
Right-of-use liability	20	(201)	(434)
Deferred tax	11	(630)	(502)
Total non-current liabilities		(1,371)	(1,112)
Total liabilities		**(7,444)**	**(6,620)**
Net assets		**12,477**	**12,981**
Capital and reserves			
Called up share capital	22	1,561	1,561
Share premium account	23	7,398	7,398
Share options reserve	23	513	455
Capital redemption reserve	23	1,103	1,103
Foreign exchange reserve	23	150	26
Retained profit	23	1,752	2,438
Shareholders' funds		**12,477**	**12,981**

These financial statements were approved and authorised for issue by the Board of Directors on 13th April 2023

Signed on behalf of the Board of Directors

I D Hayes

Director

The notes form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	13	-	-
Plant and equipment	14	647	213
Investments	15	5,071	5,071
Deferred tax	11	-	55
		5,718	5,339
Current assets			
Trade and other receivables	16	13,774	10,738

Cash and cash equivalents		1,041	3,209
		14,815	13,947
Total assets		**20,533**	**19,286**
Current liabilities			
Trade and other payables	17	(647)	(498)
Deferred tax	11	(84)	-
		(731)	(498)
Non-current liabilities			
Trade and other payables due in more than one year	18	(540)	(176)
Total liabilities		**(1,271)**	**(674)**
Net assets		**19,262**	**18,612**
Equity			
Called up share capital	22,25	1,561	1,561
Share premium account	23,25	7,398	7,398
Share options reserve	23,25	513	455
Capital redemption reserve	23,25	1,103	1,103
Retained profit	23,25	8,687	8,095
Equity shareholders' funds		**19,262**	**18,612**

These financial statements were approved and authorised for issue by the Board of Directors on 13th April 2023

Signed on behalf of the Board of Directors

I D Hayes

Director

The notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit/(loss) after taxation		(686)	252
Adjustments for:			
Taxation	11	(589)	(26)
Finance costs	10	-	67
Share option charge	24	58	151
Other interest on leases	20	45	42
Amortisation and depreciation	13,14, 20	1,383	1,081
(Profit)/Loss on disposal of right-of-use assets	20	-	(10)
Cash flows from operations before changes in working capital		**211**	**1,557**
Movement in trade and other receivables	16	(384)	(354)
Movement in trade and other payables	17	371	335
Cash generated from operations		**198**	**1,538**
Finance costs	10	-	(4)
Corporation tax		280	543
Net cash flows from operating activities		**478**	**2,077**
Cash flows from investing activities			
Capital expenditure on intangible assets	13	(2,140)	(1,361)
Purchase of plant and equipment	14	(49)	(49)
Proceeds from shares issued - IPO	22	-	8,000
Proceeds from share option conversion	22	-	181
IPO expenses	22	-	(498)

Net cash flows from investing activities		**(2,189)**	**6,273**
Cash flows from financing activities			
Loan Repayments	19	-	(3,659)
Interest repayments	19	-	(98)
Payment of lease liabilities	20	(438)	(335)
Loan issued	16	(140)	(210)
Net cash flows from financing activities		**(578)**	**(4,302)**
Net increase/(decrease) in cash and cash equivalents		**(2,289)**	**4,048**
Cash and cash equivalents at beginning of year		6,172	2,127
Exchange gains/(losses) on cash and cash equivalents	29	39	(3)
Cash and cash equivalents at end of year		**3,922**	**6,172**

The notes form part of these financial statements.

COMPANY CASH FLOW STATEMENT

Year ended 31 December 2022

		2022	**2021**
		£'000	**£'000**
Cash flows from operating activities			
Profit/(loss) after taxation		592	(501)
Adjustments for:			
Taxation	11	139	40
Depreciation	14	170	5
Finance costs		15	63
Finance income		(25)	(18)
Share option charge	24	58	151
Cash flows from operations before changes in working capital		**949**	**(260)**
Movement in trade and other receivables	16	(2,895)	(721)
Movement in trade and other payables	17	-	49
Cash generated from operations		**(1,946)**	**(932)**
Finance income		25	18
Net cash flows from operating activities		**(1,921)**	**(914)**
Cash flows from investing activities			
Proceeds from share capital issued - IPO	22	-	8,000
Proceeds from share option conversion	22	-	181
IPO expenses	22	-	(498)
Net cash flows from investing activities			**(7,683)**
Cash flows from financing activities			
Loan repayments	19	-	(3,409)
Interest paid	19	-	(98)
Payment of lease liability		(107)	-
Loan issued	16	(140)	(210)
Net cash flows from financing activities		**(247)**	**(3,717)**
Net (decrease) /increase in cash and cash equivalents		**(2,168)**	**3,052**
Cash and cash equivalents at beginning of year		3,209	157
Cash and cash equivalents at end of year		**1,041**	**3,209**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

The consolidated financial statements of ITIM Group plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 13th April 2023. itim Group plc ("the Company") is a public limited company incorporated and domiciled in the UK. The nature of the operations and principal activities of the Company and its subsidiary undertakings (the "Group") are set out in the Strategic Report on pages 4 to 11 and the Directors' report on pages 25 to 27.

2. Basis of preparation

The consolidated financial statements of the Group are prepared under IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The Company's financial statements have been prepared under IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as permitted by section 408 of the Companies Act 2006, no income statement is presented for the company. The Company made a profit of £591,650 for the year ended 31 December 2022 (2021 loss: £501,537)

The financial statements are presented in GBP, which is also the company's functional currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared on the going concern basis.

3. Summary of significant accounting policies

Basis of consolidation
The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Subsidiaries
Subsidiaries are all entities over which the Group has the ability to exercise control and are accounted for as subsidiaries. The results of subsidiaries are included in the Group income statement from the date of acquisition until the date that such control ceases. Intercompany transactions and balances between Group companies are eliminated upon consolidation.

Revenue recognition
Revenue was recognised to the extent that it was probable that the economic benefits would flow to the Group and the revenue could be reliably measured.

Revenue represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year by the group. Revenue is derived from the Group's principal activity and excludes VAT.

The Group derives revenue from two principal sources as noted below:

1. Recurring revenue Recurring revenue consists of:

- Subscriptions - revenue from subscriptions derive from the Group's hosted software-as-a-service subscription application, which allows customers to use hosted software over the contract period without taking possession of the software. Revenue is recognised over the contract period, commencing on the date of the service go live which gives the customer the right-to-use and access the platform.
- Support and maintenance - derive from support services and software upgrades offered to customers using the Group's software products. Revenue is recognised over the contract period, commencing on the go-live date of the implementation which gives the customer the right to access support services and the right to receive upgrades.

2. One off revenue

One off revenue consists of:

- Licences - the performance obligation for the provision of licences is considered to be satisfied when the agreement is signed by the customer and they are given access to the related software intellectual property ("IP") without any requirement to provide updates. It is recognised in full at the transaction price and over the period of implementation before the go live date of the implementation.
- Services - Services revenue relate to design and implementation services for each customer. Services enhance an asset that the customer controls and the Group creates specific fit for purpose assets which cannot be used elsewhere. The transaction price is the amount determined by fixed price contracts or on a time and materials basis where the Group has a right for consideration for work performed to date. Under the terms of the contracts, the Group has a right to invoice at the achievement of various milestones in the contract.
- Services are recognised over time and management consider the time spent as a proportion of total time expected is the most appropriate basis for recognition of this revenue stream as staff time is the main input into the delivery of the service. Any differences to the revenue measured by the above method and the amounts invoiced are included in the balance sheet. Further information on the contracts assets or contract liabilities are included in note 4.

Intangible assets - Goodwill

Goodwill is not amortised but tested for impairment annually and whenever impairment indicators require. In most cases the Group identified its cash generating units as one level below that of an operating segment. Cash flows at this level are substantially independent from other cash flows and this is the lowest level at which goodwill is monitored. A goodwill impairment loss is recognised in the Statement of Comprehensive Income whenever and to the extent that the carrying amount of a cash-generating unit exceeds the unit's recoverable amount, which is the greater of value in use and fair value less cost to sell.

Negative goodwill relating to intangible fixed assets requires immediate recognition in the Statement of Comprehensive Income.

In calculating goodwill, the total consideration, both actual and deferred, is taken into account. Where the deferred consideration is contingent and dependent upon future trading performance, an estimate of the present value of the likely consideration payable is made. This contingent consideration is re-assessed annually. The difference between the present value and the total amount payable at a future date gives rise to a finance charge which is charged to the Statement of Comprehensive Income and credited to the liability over the period in which the consideration is deferred. The discount used approximates to market rates.

Intangible assets - research and development expenditure

Research expenditure is written off as incurred. Internally generated development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and amortised over the period during which the group is expected to benefit. This period is seven years. Provisions are made for any impairment.

Intangible assets - other

Other intangible assets recognised in these financial statements consist of Customer contracts and relationships and Intellectual Property Rights acquired on the acquisition of EDI Plus Limited.

Amortisation is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Customer contracts and relationships - straight line over 10 years
Intellectual Property Rights - straight line over 10 years

The amortisation of intangible fixed assets is shown as a separate line in the Consolidated Statement of Comprehensive Income.

The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment non-current assets

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

For consolidation purposes, the assets and liabilities of overseas subsidiary undertakings are translated at the functional currency at the rate of exchange ruling at the reporting date. Profit and loss accounts of such undertakings are consolidated at the average rate of exchange during the year. Exchange differences arising are included in a separate component of equity.

Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation of plant and equipment is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computer equipment - straight line over 3 years
Office equipment - straight line over 3 years
Fixtures and fittings - straight line over 3 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis. An asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period that the asset is derecognised. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed asset investments

Subsidiaries are measured at cost less impairment. Investments are reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. Provision is made for any impairment.

Trade and other receivables

Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method if applicable, less impairment losses. Provisions against trade and other receivables are made when there is objective evidence that the Group will not be able to collect all amounts due to them in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short- term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of cash management are included as components of cash and cash equivalents for the purposes of the cash flow statement.

Trade and other payables

Trade and other payables are recognised at original cost.

Loans and borrowings

Loans and borrowings are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

Leases - as a lessee
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed lease payments. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset with similar terms, security and conditions.

Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, and any initial direct costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with low-value items and leases of a duration less than 1 year are recognised as an expense in profit or loss on a straight-line basis.

Income taxes
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled based on the tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Finance costs
Finance costs comprise interest payable on loans from directors and third parties and are recognised on an accruals basis.

Share-based payments
The group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non- market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions

Fair value is measured by use of the Black Scholes Model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Pension contributions

The company operates a defined contribution scheme for its employees. Contributions are charged to the Statement of Comprehensive Income in the year they are payable. The assets of the scheme are held separately from those of the group.

Financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. The other income included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income relates entirely to government support through the furlough scheme.

Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Use of assumptions and estimates
The Group makes judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision effects both current and future periods.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Useful economic lives of intangible assets
Intangible assets are amortised over their useful lives. Useful lives are based on management's estimates, which are periodically reviewed for continued appropriateness. Changes to estimates can result in variations in the carrying values and amounts charged to the statement of comprehensive income in specific periods.

Change in accounting policies
The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1st January 2022.

a) New and amended standards adopted by the Company:

There are no new standards which have had a material impact in the annual financial statements for the year ended 31 December 2022.

b) New standards, interpretations, and amendments not yet effective:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. These include:

- Annual Improvements to IFRS Standards 2018-2020 Cycle - IFRS 9 Financial Instruments and IFRS 16 Leases
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

4. Segmental reporting

The chief operating decision maker ("CODM") for the purpose of IFRS 8 is the Board. Segments are determined by reference to the internal reports reviewed by the Board. The group's operations relate to the provision of technology solutions to help clients drive revenues and profit.

The Group measures the performance of its operating segments through a measure of segment profit or loss which is referred to as EBITDA. This measure is reported to the CODM for the purposes of resource allocation and assessment of performance. The measure is the same as reported in the historic financial information.

Information about geographic location by key segments

		Year ended 31 December 2022	
	UK	**Portugal**	**Total**
	£'000	**£'000**	**£'000**
Revenue	9,191	4,843	14,034
Non-current assets	9,614	1,783	11,397
		Year ended 31 December 2021	
	UK	**Portugal**	**Total**
	£'000	**£'000**	**£'000**
Revenue	9,191	4,283	13,474
Non-current assets	8,219	1,508	9,727

Information about major customers

Transactions with a single customer exceeding 10% of total revenue amounted to £2,656K in the year (2021: £2,541K) and related to 1 customer (2021: 1).

5. Revenue

The analysis of the Group's revenue by geographical destination is set out below.

	2022	**2021**
	£'000	**£'000**
United Kingdom	8,670	8,611
Europe	456	271
Rest of World	4,908	4,592
	14,034	13,474

A breakdown of revenue by the two revenue streams as detailed in accounting policies is shown below:

	2022	**2021**
	£'000	**£'000**
Recurring revenue	11,824	10,324
One off revenue	2,210	3,150
	14,034	13,474

Revenue is either recognised at a point in time or over the period of the contract in line with the accounting policy (note 2).

The following table provides information on contract assets and contract liabilities from contracts with customers:

	2022	**2021**
	£'000	**£'000**
Contract assets	90	418
Contract liabilities	2,605	2,498

Contract assets ("accrued income") are recognised where there are excess of revenues earned over billings. Contracts are classified assets when only the act of invoice is pending, there is an unconditional right to receive cash and only the passage of time is required as per contractual terms.

Contract liabilities ("deferred income") are recognised when there are billings in excess of revenues. Contracts are classified as liabilities when there is an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer (or the payment is due) but the transfer has not yet completed. These arise based on the billing cycle of the Group's revenues and all are expected to be reversed in under one year.

6. Profit/(Loss) on operating activities before taxation

Profit/(Loss) on ordinary activities before taxation is stated after charging:

	2022	2021
	£'000	£'000
Share based payments	58	151
Exceptional items	-	667
Deprecation of tangible fixed assets		
- owned	42	38
Depreciation of leased assets	452	297
Amortisation of intangible assets	889	746
Profit/(Loss) on disposal of right-of-use assets	-	(10)
Auditors' remuneration (see note 7)	60	139

Exceptional items relate to costs incurred in relation to the initial public offering and the admission to the AIM Market of the London Stock Exchange.

7. Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2022 £'000	2021 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	31	13
Fees payable to the company's auditors and their associates for other services to the group		
- The audit of the company's subsidiaries pursuant to legislation	24	27
- Tax compliance services	5	3
- Other fees	-	96
Total other services	60	126

8. Employee information

Their aggregate emoluments were:

	2022 £'000	2021 £'000
Wages and salaries	7,783	6,549
Social security costs	1,169	987
Other pension costs	261	210
Other benefits	369	340
	9,582	8,086

The average monthly number of employees (including directors) during the year for the group was as follows:

	2022 No.	2021 No.
Selling and administration	27	22
Technical	147	138
	174	160

9. Directors' emoluments

	2022 £'000	2021 £'000
Aggregate emoluments	925	896
Pension contributions (money purchase schemes)	38	41
	963	937

Total directors' emoluments disclosed above is equivalent to total key management personnel compensation in the period. Directors' emoluments disclosed above include the following payments to the highest director:

	2022 £'000	2021 £'000
Aggregate emoluments	332	269
Pension contributions (money purchase schemes)	16	13
	348	282

	2022 £'000	2021 £'000
Number of directors to whom relevant benefits are accuring under:		
Money purchase schemes	2	4

The above is equivalent to total key management personnel compensation. There were no other key management personnel other than the Directors.

Further details of Directors remuneration can be found in the remuneration report on pages 23 to 24.

Share based compensation

The Group operates an equity-settled share based compensation plan for Directors and executives. In accordance with IFRS 1, the Group has elected to implement the measurement requirements of IFRS 2 in respect of only those equity-settled share options that were granted after 7 November 2002 and that had not vested as at 1 January 2005. The fair value of the employee services received in exchange for the grant of options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the grant date.

At each year end date, the Group revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Statement of Consolidated Income, and a corresponding adjustment to equity over the remaining vesting period. When share options are cancelled the Group accounts for the cancellation as an acceleration of vesting and therefore recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The fair value of share options has been assessed using the Black Scholes Model.

No share options were granted to Directors in the period (2021 - Nil).

Included on the face of the Statement of Comprehensive Income, is a total charge for share based payments of £58,341 (2021:£151,000) which arises wholly from transactions accounted for as equity settled share based payments.

10. Finance Costs

	2022 £'000	2021 £'000
Other interest and similar charges	-	67

11. Taxation

a) Taxation charge:

	2022 £'000	2021 £'000
Total current income tax credit charged in the income statement		
Research and development tax credit	(600)	(300)
Portugal corporate tax	22	40
Adjustment in respect of prior years	(40)	-
Total current income tax	(618)	(260)
Deferred tax (income) / expense		
Current year	29	234
	29	234
Total income tax	**(589)**	**(26)**

b) Taxation reconciliation:

The current income tax credit for the year is explained below:

	2022 £'000	2021 £'000
(Loss)/Profit before tax	(1,275)	226
(Loss)/Profit at the standard UK income tax rate of 19% (2021: 19%)	(242)	43
Effects of:		
Expenses not deductible for tax purposes	130	253
Capital allowances in excess of depreciation	(123)	(45)
Tax losses utilised as part of research and development tax credit	(600)	(300)
Unrelieved tax losses and other deductions arising in the year	383	(112)
B/fwd losses group relieved	(36)	(72)
Adjustment in respect of earlier year	(40)	-
Difference in overseas tax rates and temporary GAAP differences	(90)	(27)
Recognition of deferred tax asset in respect of losses	(15)	92
Other deferred tax timing differences	44	142
Total income tax credited in the income statement	**(589)**	**(26)**

c) Deferred tax

Deferred tax balances consist of the following timing differences

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred tax asset				
Acceleration capital allowances-UK	(603)	(466)	-	(40)
Tax losses available for carry forward - UK	760	528	-	95
Other timing differences-UK	7	3	-	-
	164	65	-	55

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred tax asset				
Acceleration capital allowances-UK	(123)		(123)	-
Tax losses available for carry forward - UK	39		39	-
Acceleration capital allowances-Portugal	(361)	(292)	-	-
Arising on business combinations - UK	(185)	(210)	-	-
	(630)	(502)	(84)	-

The Group has not recognised all deferred tax assets in respect of tax losses due to timing uncertainty regarding the recoverability against future profits. If all tax losses were recognised the deferred tax asset would increase as below in each year.

	2022	2021
	£'000	£'000
Deferred tax asset		
Acceleration capital allowances-UK	(603)	(467)
Tax losses available for carry forward - UK	2,049	1,817
Other timing differences-UK	7	3
Deferred tax asset	**1,453**	**1,353**
Increase in deferred tax asset if all losses recognised	**1,289**	**1,288**

The movement in deferred tax assets during the period are:

Group

Deferred tax assets	**Accelerated capital allowances on PPE- UK**	**Accelerated capital allowances on Development costs- UK**	**Tax losses available for carry forward- UK**	**Other timing differences- UK**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 31 December 2020	**1**	**(326)**	**620**	**3**	**298**
Charged to profit and loss account	(47)	(94)	(92)	0	(233)
At 31 December 2021	**(46)**	**(420)**	**528**	**3**	**65**
Charged to profit and loss account	(86)	(174)	271	4	15

Transfer to liability	123	-	(39)	-	84
At 31 December 2022	**(9)**	**(594)**	**760**	**7**	**164**

Company

Deferred tax assets	**Accelerated capital allowances on PPE- UK**	**Tax losses available for carry forward- UK**	**Total**
	£'000	**£'000**	**£'000**
At 31 December 2021	(40)	95	55
Charged to profit and loss account	(83)	(56)	(139)
Transferred to liability	123	(39)	84
At 31 December 2022	**-**	**-**	**-**

The movement in deferred tax liabilities during the period are:

Group

Deferred tax liabilities	**Accelerated capital allowances on PPE- UK**	**Tax losses available for carry forward- UK**	**Accelerated capital allowances on Development costs- Portugal**	**Timing differences on acquired intangible assets- UK**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 31 December 2020			**(266)**	**(235)**	**(501)**
Charged to profit and loss account			(26)	25	(1)
At 31 December 2021			**(292)**	**(210)**	**(502)**
Charged to profit and loss account			(69)	25	(44)
Transfer from asset	(123)	39	-	-	(84)
At 31 December 2022	**(123)**	**39**	**(361)**	**(185)**	**(630)**

Company

Deferred tax liabilities	**Accelerated capital allowances on PPE- UK**	**Tax losses available for carry forward- UK**	**Total**
	£'000	**£'000**	**£'000**
At 31 December 2021	-	-	-
Transferred from asset	(123)	39	(84)
At 31 December 2022	**(123)**	**39**	**(84)**

12. Earnings/(Loss) per share

Basic and diluted loss per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. For the avoidance of doubt the deferred shares have been excluded as they have no rights to profits or capital. Additionally, the Company's ordinary shares were subject to a share consolidation where 5 ordinary shares were converted into 1 ordinary share. The comparative period weighted average number of shares has been adjusted for this to aid comparison. The Company's share options have a dilutive effect over the two year period.

	2022	**2021**
	£'000	**£'000**

Profit/(Loss) after tax for the year	**(686)**	**252**
Exceptional items	-	667
Share option charge	58	151
Adjusted Profit after tax for the year	**(628)**	**1,070**
Weighted average number of shares:		
Basic - 000	31,211	28,536
Potentially dilutive share options - 000	3,657	3,668
Diluted average number of shares - 000	34,868	32,204
Earnings/(Loss) per share:		
Basic - pence on continuing operations	(2.20)	0.88
Diluted - pence on continuing operations	(2.20)	0.78
Adjusted earnings/(loss) - Basic - pence on continuing operations	(2.01)	3.75
Adjusted Diluted - pence on continuing operations	(2.01)	3.32

13. Intangible assets

Group

	Development cost	Goodwill	Acquired intellectual property rights	Customer contracts	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 January 2022	13,386	8,712	300	1,000	23,398
Foreign exchange differences	139	-	-	-	139
Additions	2,159	-	-	-	2159
At 31 December 2022	**15,684**	**8,712**	**300**	**1,000**	**25,696**
Amortisation					
At 1 January 2022	9,711	4,759	45	150	14,665
Foreign exchange differences	73	-	-	-	73
Charge for the period	759	-	30	100	889
At 31 December 2022	**10,543**	**4,759**	**75**	**250**	**15,627**
Net book value					
At 31 December 2022	**5,141**	**3,953**	**225**	**750**	**10,069**
At 31 December 2021	**3,675**	**3,953**	**255**	**850**	**8,733**

Goodwill arising prior to 1 January 2020 relates to acquisition prior to the date of transition to IFRS of 1 January 2015 and therefore the exemption for business combinations completed before that date has been applied and the amounts not restated.

The Board consider that there is only one Cash Generating Unit. In accordance with the accounting policy, goodwill is tested annually for impairment, Management have used a fair value less cost of sales methodology supported by offers for the Group and consider that the value supports the carrying value of goodwill at each period end.

Company

	Development costs	Total
	£'000	**£'000**

Cost		
At 1 January 2022 and at 31 December 2022	13	13
Amortisation		
At 1 January 2022 and at 31 December 2022	13	13
Net book value		
At 31 December 2022	-	-
At 31 December 2021	-	-

Development costs for The Retail Suite have been capitalised in accordance with IAS 38 "Intangible assets". Production commenced in 2008, from which date the related costs were written off over 7 years.

14. Plant and equipment

Group

	Fixtures and equipment £'000	Total £'000
Cost		
At 1 January 2022	1,235	1,235
Foreign exchange differences	6	6
Additions	49	49
Additions leased assets	604	604
Disposals	(32)	(32)
At 31 December 2022	**1,862**	**1,862**
Depreciation		
At 1 January 2022	955	955
Foreign exchange differences	6	6
Charge for the period owned assets	42	42
Charge for the period leased assets	170	170
Disposals	(32)	(32)
At 31 December 2022	**1,141**	**1,141**
Net book value		
At 31 December 2022	**721**	**721**
At 31 December 2021	**280**	**280**

Company

	Fixtures and equipment £'000	Total £'000
Cost		
At 1 January 2022	233	233
Additions	604	604
At 31 December 2022	**837**	**837**
Depreciation		
At 1 January 2022	20	20
Charge for the period	170	170
At 31 December 2022	**190**	**190**

Net book value		
At 31 December 2022	**647**	**647**
At 31 December 2021	**213**	**213**

15. Investments

The principal subsidiaries of itim Group plc, all of which have been included in these consolidated financial statements, are as follows:

Company

	Shares in group undertaking	Other investments	Total
	£'000	£'000	£'000
Cost			
At 1 January 2022 and at 31 December 2022	8,005	46	8,051
Provision for impairment			
At 1 January 2022 and at 31 December 2022	2,934	46	2,980
Net book value			
At 31 December 2021	**5,071**	**-**	**5,071**
At 31 December 2020	**5,071**	**-**	**5,071**

The company holds more than 20% of the share capital of the following companies:

Subsidiary undertakings	Country of Incorporation	Percentage holding	Class of share	Principal activity	Profit/ (loss) £'000	Net assets/ (liabilities) £'000
ITIM Limited	England and Wales	100%	Ordinary 'A' Ordinary Deferred	Software consultancy and supply	(1,762)	(8,714)
EDI Plus Limited	England and Wales	100%	Ordinary	Data exchange services	91	1,012
Profimetrics Software Solutions S.A	Portugal	100%	Ordinary Preferred	Development and distribution of software	498	2,202

The registered address of ITIM limited and EDI Plus Limited are same as ITIM Group Plc.

The registered address of Profimetrics Software Solutions S.A. is R. Lionesa 446, Edifício C Loja L, 4465-671 Leça do Balio, Portugal.

16. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000

Trade receivables	2,925	2,133	-	-
Corporation tax	648	324		
Amounts owed by group undertakings due within one year	-	-	11,485	8,359
Amounts owed by group undertakings due in greater than one year	-	-	1,881	1,908
Other receivables	134	333	-	235
Loan receivables	350	210	350	210
Prepayments and accrued income	546	702	58	26
	4,603	3,702	13,774	10,738

17. Trade and other payables

	Group		Company	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Trade payables	818	687	32	21
Corporation tax	23	40	-	-
Other taxation and social security	796	650	68	55
Other payables	225	96	188	41
Loans and borrowings (see note 19 below)	318	318	318	318
Accruals	991	929	41	63
Deferred income	2,605	2,498	-	-
	5,776	5,218	647	498

18. Trade and other payables due in more than one year

	Group		Company	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Other payables	540	176	540	176
	540	176	540	176

19. Loans and borrowings

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Accrued interest	318	318	318	318
	318	318	318	318

Analysis of maturity of loans and borrowings

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Amounts payable				

Within one year	318	318	318	318
	318	318	318	318

Net obligations under finance leases are secured by fixed charges on the assets concerned.

20. Leases

The Group leases five units within properties from which it operates and also leases computer equipment for the hosting centre. Lease payments are fixed throughout the contract period.

	Right-of-use - Property £'000	Right-of-use - Equipment £'000	Total £'000
Cost			
At 1 January 2022	1,178	234	1,412
Foreign exchange differences	14	-	14
Additions	71	-	71
Disposals	(66)	-	(66)
At 31 December 2022	**1,197**	**234**	**1,431**
Depreciation			
At 1 January 2022	674	89	763
Foreign exchange differences	10	-	10
Charge for the year	235	47	282
Disposals	(66)	-	(66)
At 31 December 2022	**853**	**136**	**989**
Net book value			
At 31 December 2022	344	98	442
At 31 December 2021	504	145	649

Lease liabilities:

	2022 £'000	2021 £'000
At 1 January	724	977
Foreign exchange movement	4	(11)
Interest expense	30	42
Lease payments	(331)	(335)
Additions	71	51
At 31 December	**498**	**724**

Amounts payable are as follows:

	2022 £'000	2021 £'000
Due within 1 year	297	290
Due 2-5 years	171	404
Due over 5 years	30	30

Total	**498**	**724**

The Company's right of use assets consist of the Company's premises, data centres' and sundry office equipment. The expiry of the leases varies between 1 and 8 years.

21. Financial instruments

Financial risk factors
The Group's financial assets comprise cash and cash equivalents, trade receivables and accrued income. These are all measured at amortised cost. The financial liabilities comprise loans and borrowings, trade payables and accruals, lease liabilities and deferred consideration payable for acquisitions of subsidiaries. These are measured at amortised cost.

The majority of the financial instruments arise directly from the operations with the exception of loans and borrowings and lease liabilities which have been used to finance the operations.

Fair values of financial instruments
For the following financial assets and liabilities: trade and other payables, trade and other receivables and cash at bank and in hand, the carrying amount approximates the fair value of the instrument due to the short-term nature of the instrument. The Directors consider that there is no material difference between book value and fair value for any of the financial instruments held.

Financial risk management
The Group's activities expose the Group to a number of risks including capital management risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk.

It is the Group's policy that no trading in financial instruments should be undertaken.
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.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has 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 receives monthly reports from the Finance Department through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Interest rate risk
There is no interest rate risk as there are no borrowings in the Group.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's largest financial assets are the cash balances held in banks and it is exposed to credit risk on those balances. It is the Group's policy only to make deposits with banks with an acceptable credit rating.

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 are taken into account by local business practices. An ageing analysis of trade receivables is detailed below:

2022	**Total £'000**	**Current £'000**	**30-60 days £'000**	**> 60 days £'000**
Trade and other receivables	2,925	1,299	967	659
Contract assets	90	90		

Contract assets	90	90	-	-
	3,015	1,389	967	659

2021	**Total £'000**	**Current £'000**	**30-60 days £'000**	**> 60 days £'000**
Trade and other receivables	2,133	1,642	117	374
Contract assets	418	418	-	-
	2,551	2,060	117	374

Trade receivables are recognised initially at the transaction price. They are subsequently measured less any provision for impairment in relation to expected credit losses. At each reporting date the Group assesses the expected credit losses and changes in credit risk since initial recognition of the receivable and a provision for impairment is recognised when considered necessary. The Group considers the ageing to be reasonable and has no history of significant bad debts. No provisions have been made in in these financial statements. The Board do not consider the credit risk to be significant for the financial assets currently held.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional (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.

The Group's main exposure to foreign currency risk is on the trade receivables in the Portuguese subsidiary which are not held in Euros. The Directors have considered the balances at year end and based on the level of foreign currency balances and the expected timing of settlement of those amounts that the foreign exchange risk is not material.

Liquidity risk

Liquidity risk is the risk that ITIM Group may encounter difficulty in meeting its obligations associated with the financial liabilities that are settled by delivering cash or other financial assets. The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

The Group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows through effective cash management. The maturity analysis of the financial liabilities are included below:

As at 31 December 2022	**Carrying amount £'000**	**1 year or less £'000**	**1<2 years £'000**	**2-5years £'000**	**5 years £'000**
Trade and other payables	2,574	2,034	540	-	-
Right of use liability	498	297	85	86	30
Other loans and borrowings	318	318	-	-	-
	3,390	2,649	625	86	30

As at 31 December 2021	**Carrying amount £'000**	**1 year or less £'000**	**1<2 years £'000**	**2-5years £'000**	**5 years £'000**
Trade and other payables	1,888	1,712	176	-	-
Right of use liability	724	290	269	135	30
Other loans and borrowings	318	318	-	-	-
	2,930	2.320	445	135	30

Capital management risk

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade for the foreseeable future. The Group also aims to optimise its capital structure of debt and equity so as to minimise its cost of capital. The Group in particular reviews its levels of borrowing and the repayment dates, setting these out against forecast cash flows and reviewing the level of available funds.

22. Share Capital

	2022 £'000	2021 £'000
Authorised:		
37,949,651 Ordinary shares of 5p each	1,898	1,898
	1,898	1,898

	2022 £'000	2021 £'000
Allotted, called up and fully paid:		
31,210,607 Ordinary shares of 5p each	1,561	1,561
	1,561	1,561

In May 2021, the Company bought back 110,251,743 deferred shares of £0.01 each for £0.01 which were then subsequently cancelled. This reduced share capital by £1,102,517 and created a capital redemption reserve of the same value. At the same time, the share premium account was reduced by £10,469,000 and this was credited to the Company's profit and loss reserve.

On 18th June 2021 250,000 £0.05 Ordinary shares were issued for consideration of £19,938. The share premium on the issue was £7,438.

On 28th June 2021 231,548 £0.05 Ordinary shares were issued for consideration of £160,000. The share premium on the issue was £148,422.

On 28th June 2021 5,194,806 £0.05 Ordinary shares were issued for consideration of £8,000,001. The share premium on the issue was £7,740,261.

IPO expenses on the new share issue of £497,641 were written off against the share premium account. A summary of the rights of the different classes of share is given below:

Voting

All Ordinary shares are entitled to one vote each. The holders of deferred shares are not entitled to receive notice of, to attend, to speak or to vote at any general meeting of the Company.

Dividends

The profits of the Company available for distribution shall be used to pay dividends to the holders of Ordinary Shares a dividend equivalent to such amounts as the Directors may determine and as is approved by the Ordinary Shareholders in general meeting.

23. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Share options reserve

The share options reserves represent the fair value of equity-settled share options granted using the Black Scholes model.

Capital redemption reserve

This reserve arises on the purchase of the company's own shares.

Foreign exchange reserve

This reserve includes any exchange differences arising on the retranslation of foreign subsidiaries on consolidation.

Retained earnings

This balance represents the cumulative profit and loss made by the Group net of distributions to owners.

24. Share-based payments

Share options

The Company has a share option scheme for certain employees of the Group. Options are granted with a fixed exercise price. The vesting period varies from vesting immediately to vesting over 2 years from the date of grant. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of equity settled share options outstanding during the year are as follows:

Year ended 31 December 2022

Grant date	Outstanding at 1 January 2022	Granted	Exercised	Lapsed	Outstanding at 31 December 2022	Exercise period	Exercise price
14/04/2015	150,000	-	-	-	150,000	10 years	1.595p
10/04/2017	2,615,000	-	-	-	2,615,000	10 years	3.000p
31/03/2021	400,000	-	-	-	400,000	10 years	14.000p
19/04/2021	492,041	-	-	-	492,041	10 years	70.000p
	3,657,041	-	-	-	3,657,041		

Year ended 31 December 2021

Grant date	Outstanding at 1 January 2021	Share Consolidation	Granted	Exercised	Lapsed	Outstanding at 31 December 2021	Exercise period	Exercise price
08/08/2011	1,250,000	(1,000,000)	-	(250,000)	-	-	10 years	1.595p
14/04/2015	750,000	(600,000)	-	-	-	150,000	10 years	1.595p
10/04/2017	13,075,000	(10,460,000)	-	-	-	2,615,000	10 years	3.000p
31/03/2021	2,000,000	(1,600,000)	-	-	-	400,000	10 years	14.000p
19/04/2021	-	-	723,589	(231,548)	-	492,041	10 years	70.000p
	17,075,000	(13,660,000)	723,589	(481,548)	-	3,657,041		

Details of the share options and weighted average exercise price (WAEP) during the years are as follows:

	31 December 2022		31 December 2021	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	3,657,041	28.13p	17,075,000	4.124p
Share consolidation	-	-	(13,660,000)	0.000p

Granted during the year	-	-	723,589	70.000p
Exercised during the year		-	(481,548)	(37.79)
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
	3,657,041	28.13p	3,657,041	28.13p

The weighted average contractual life of share options outstanding as at 31 December 2022 was 5 years (31 December 2021: 6 years).

ITIM recognises equity settled share-based payment expenses based on the fair value determined by the Black Scholes model. The model is internationally recognised as being appropriate to value employee share options schemes. The inputs into the option issues were as follows:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Share price	78p	78p
Exercise price	69p	69p
Expected volatility	25%	25%
Expected life	10 years	10 years
Risk free rate	0.5%	0.5%

Risk-free rate

The risk-free interest rate is based on the Bank of England's base rate.

Volatility

The measure of volatility is based management's estimate after considering the historical volatility of guideline companies operating within the same industry as ITIM Group, over a 10-year time period.

25. Company statement of changes in equity

	Share capital £'000	Share premium £'000	Share options reserve £'000	Capital Redemption Reserve £'000	Retained losses £'000	Total £'000
At 1 January 2021	2,379	10,469	304	-	(1,873)	11,279
Total comprehensive income for the year					(501)	(501)
Share options exercised	-	-	151	-	-	151
Share buyback of deferred shares	(1,103)	-	-	1,103	-	-
Cancellation of share premium	-	(10,469)	-	-	10,469	-
Shares issued in the period - IPO	260	7,740	-	-	-	8,000
Share option conversion	25	156	-	-	-	181
IPO expenses	-	(498)	-	-	-	(498)
At 1 January 2022	1,561	7,398	455	1,103	8,095	18,612
Total comprehensive income for the year	-	-	-	-	592	592
Share options exercised	-	-	58	-		58

Share options exercised	-	-	58	-	-	58
At 31 December 2022	**1,561**	**7,398**	**513**	**1,103**	**8,687**	**19,262**

The profit for the year dealt with in the financial statements of the parent company is shown above. As permitted by section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent company.

26. Pension commitments

The group makes contributions to individual pension schemes (money purchase). The amount paid during the year was £269,779 (2021: £209,553). Outstanding contributions at the balance sheet date amounted to £36,042 (2021: £26,042).

27. Contingent liabilities

itim Group plc and its subsidiary undertakings have given cross guarantees and been granted rights to set-off in respect of group undertaking overdrafts and loans.

28. Related party transactions

The Group has taken advantage of the exemption available under IAS 2 Related Party Disclosures not to disclose details of transactions between Group undertakings which are eliminated on consolidation.

29. Supporting statement for cash flows

	Brought forward	Cash flow	Non cash	Carried forward
Year ended 31 December 2022	**£'000**	**£'000**	**£'000**	**£'000**
Loans and borrowings	(318)	-	-	(318)
Leases	(724)	331	(105)	(498)

	Brought forward	Cash flow	Non cash	Carried forward
Year ended 31 December 2021	**£'000**	**£'000**	**£'000**	**£'000**
Loans and borrowings	(4,011)	3,757	(64)	(318)
Leases	(977)	355	(102)	(724)

30. Controlling party

There is no single ultimate controlling party.

NOTICE OF ANNUAL GENERAL MEETING

Registered number: 03486926
itim Group plc

NOTICE IS HEREBY GIVEN that the annual general meeting of itim Group plc (the "Company") will be held at the offices of DMH Stallard LLP, 6 New Street Square, London EC4A 3BF on 12th May 2023 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions, of which resolutions 1 to 4 (inclusive) will be proposed as ordinary resolutions and resolutions 5 and 6 will be proposed as special resolutions. Resolutions 5 to 6 (inclusive) are items of special business.

ORDINARY RESOLUTIONS

1. To receive the Company's annual accounts for the financial year ended 31 December 2022 together with the directors' report, the directors' remuneration report and the auditors' report on those accounts.

2. To re-appoint RPG Crouch Chapman LLP as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company to be held in 2024 and to authorise the directors to fix their remuneration.

3. To re-elect Damian Hopkins who, having been appointed since the Company's last annual general meeting, retires in accordance with article 77 of the articles of association of the Company and who, being eligible, offers herself for re-election as a director.

4. That, in substitution for any equivalent existing and unexercised authorities and powers, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the "**Act**") to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company up to an aggregate nominal value of £520,177 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company to be held in 2024 or, if earlier, 12 August 2024, save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require such securities to be allotted after the expiry of such period and the directors of the Company may allot such securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

5. That, subject to and conditional upon the passing of resolution 4 and in substitution for any equivalent existing and unexercised authorities and powers, the directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred upon them by resolution 4 and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act, as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £78,027 (representing approximately 5 per cent. of the current issued share capital of the Company) provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company to be held in 2024 or, if earlier, 12 August 2024, save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require such securities to be allotted after the expiry of such period and the directors of the Company may allot such securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

6. That the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares in the capital of the Company ("**Ordinary Shares**") provided that:

   a. the maximum aggregate number of Ordinary Shares which may be purchased is 3,121,060 (representing approximately 10 per cent. of the Company's existing issued share capital);

   b. the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is £0.05 (being its nominal value);

   c. the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the higher of: (i) an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange plc for the 5 business days immediately preceding the day on which the Ordinary Share in question is purchased; and (ii) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System;

   d. unless previously renewed, revoked or varied, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2024 or, if earlier, 12 August 2024; and the next annual general meeting of the Company to be held in 2024 or, if earlier, 12 August 2024; and

e. the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which contract or contracts will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance

BY ORDER OF THE BOARD

Ian Hayes Secretary

Date: 13th April 2023

Registered office: 2nd Floor Atlas House, 173 Victoria Street, London, SW1E 5NH

NOTES:

1. Pursuant to the Company's Articles of Association, a member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf.

2. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.

3. A proxy may only be appointed using the procedures set out in these notes and the notes to the form of proxy. To validly appoint a proxy, a member must complete, sign and date the enclosed form of proxy and deposit it at the office of the Company's registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, by 11.00a.m. on 10th May 2023 (or, in the event that the meeting is adjourned, not less than 48 hours, excluding non-working days, before the time fixed for the holding of the adjourned meeting). Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be enclosed with the form of proxy.

4. In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD prior to commencement of the meeting. If the revocation is received after the time specified, the original proxy appointment will remain valid unless the member attends the meeting and votes in person.

5. Pursuant to the Articles of Association, any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD prior to the commencement of the meeting. If the revocation is received after the time specified, the original corporate representative appointment will remain valid unless the member attends the meeting and votes in person.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy in respect of the same shares, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

7. The right to vote at the meeting shall be determined by reference to the register of members of the Company. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those persons whose names are entered on the register of members of the Company at 6.00 p.m. on 10th May 2023 (or, in the event of any adjournment, at 6.00 p.m. on the date which is two business days prior to the adjourned meeting) shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to vote at the meeting.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST

(available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made by means of the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 7RA11) by the latest time for proxy appointments set out in paragraph 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

11. As at 12th April 2023, the latest practicable date prior to the date of this notice, the Company's issued share capital consisted of 31,210,607 ordinary shares of £0.05 each, carrying one vote each and, therefore, the total number of voting rights in the Company as at 12th April 2023 were 31,210,607.

12. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice or in any related documents (including the form of proxy and the annual report and accounts) to communicate with the Company for any purposes other than those expressly stated.

13. Your personal data includes all data provided by you, or on your behalf, which related to you as a shareholder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

EXPLANATORY NOTES:

Resolutions 1 to 4 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the relevant resolution.

Resolutions 5 and 6 are proposed as special resolutions. For each of these resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution. An explanation of each of the resolutions is set out below:

Resolution 1 - Annual Report and Accounts

The Directors are required to present to the annual general meeting the audited accounts and the Directors' and Auditors' Reports for the financial year ended 31 December 2022.

Resolutions 2 - Auditors

The Company is required to appoint an auditor at every general meeting of the Company at which accounts are presented to shareholders. Accordingly, this resolution proposes the re-appointment of RPG Crouch Chapman LLP as the auditors of the Company. It is normal practice for a company's directors to be authorised to agree how much the auditors should be paid and Resolution 2 grants this authority to the directors.

Resolution 3 - Re-election of Directors

Resolution 3 - Re-election of Directors

Article 77 of the Company's articles of association requires any directors who have been appointed by the Board since the last annual general meeting and any directors who were not appointed or reappointed at one of the preceding two annual general meetings to retire from office. Any such director is entitled to offer himself for re-election.

Resolutions 4 and 5 - Directors' general power to allot relevant securities

Resolution 4 is proposed to renew the directors' power to allot shares.

Resolution 4 seeks to grant the directors authority to allot, pursuant to section 551 of the Act, shares or grant rights to subscribe for or to convert any security into shares in the Company up an aggregate nominal value of £520,177 which is equal to one third of the nominal value of the current issued ordinary share capital of the Company as at 12th April 2023 (being the latest practicable date prior to the publication of this notice). Unless previously renewed, revoked or varied, the authorities sought under this resolution will expire at the conclusion of the next annual general meeting of the Company next annual general meeting of the Company to be held in 2024 or 12 August 2024 (whichever is the earlier). The Directors have no present intention of exercising either of the authorities under this resolution, but the Board wishes to ensure that the Company has maximum flexibility in managing the financial resources of the Company. As at the date of this notice, no shares are held by the Company in treasury.

Resolution 5 is to approve the partial disapplication of pre-emption rights in respect of the allotment of equity securities for cash. The passing of this resolution (together with resolution 4) would allow the directors to allot shares for cash and/or sell treasury shares without first having to offer such shares to existing shareholders in proportion to their existing holdings. The authority would be limited to allotments or sales up to an aggregate nominal amount of £78,027 which represents approximately 5 per cent. of the nominal value of the current issued ordinary share capital of the Company as at 12th April 2023 (being the latest practicable date prior to the publication of this notice). Unless previously renewed, revoked or varied, the authorities sought under this resolution will expire at the conclusion of the next annual general meeting of the Company next annual general meeting of the Company to be held in 2024 or 12 August 2024 (whichever is the earlier).

Resolution 6 - Authority for the market purchase by the Company of its own shares

The authority sought by resolution 6 limits the number of shares that could be purchased to a maximum of 3,121,060 ordinary shares (equivalent to 10 per cent. of the Company's issued ordinary share capital as at 12th April 2023 (being the latest practicable date prior to the publication of this notice)) and sets a minimum and maximum price. Unless previously renewed, revoked or varied, the authority will expire at the conclusion of the annual general meeting of the Company to be held in 2024 or 12 August 2024 (whichever is the earlier). The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The Directors will exercise this authority only when to do so would be in the best interests of the Company and of its shareholders generally, and could be expected to result in an increase in earnings /(loss) per share of the Company. Any purchases of ordinary shares would be by means of market purchase through the London Stock Exchange plc. Any shares the Company buys under this authority may either be cancelled or held in treasury. Treasury shares can be re-sold for cash, cancelled or used for the purposes of employee share schemes. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares. The Directors believe that it is desirable for the Company to have this choice as holding the purchased shares as treasury shares would give the Company the ability to re-sell or transfer them in the future and so provide the Company with additional flexibility in the management of its capital base.

END

FR EAKLDFEDDEFA