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Zenova Group PLC
31 May 2023

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31 May 2023

Zenova Group PLC

("Zenova", the "Company" or the "Group")

Annual Results for the period ended 30 November 2022

Zenova Group PLC (AIM: ZED), a provider of innovative fire safety and heat management technology and products, today announces its results for the year ended 30 November 2022.

Highlights for the year ended 2022

- Successful launch of 4 key products (all independently certified and validated) into the market: FP (Fire Protection Paint), IP (Thermal Insulation Paint), IR (Insulation Render) and WB (Wildfire Barrier).
- Sales of £175k for the year ended 30 November 2022 (2021 - £6k). Whilst, as previously announced on 30 November 2022, revenue is lower than expected, Zenova has achieved sales of all its launched products and made entry to a wide range of territories and markets, which the company anticipates will lead to further orders and significant revenue growth in the near term.
- Loss for the year of £2,032k (2021 - £1,156k). mainly arising from costs of research and development, testing and certification, staff cost, and professional fees as Zenova Group Plc establishes its position in the market.
- Multiple sub-distributor agreements signed to sell Zenova products, including with Omnis Panels LLC a construction sector wholesaler in the United Stated of America.
- Scalable manufacturing partners put in place to ensure the supply of all Zenova products can satisfy the expected growth in demand for products across multiple geographies.
- Additional validation of WB and FP by Professor Claire Belcher and her team from the University of Exeter wildFIRE Lab, with further successful tests of FP and WB conducted by the Dorset and Wiltshire Fire Service under the supervision of Professor Belcher and her team.
- Products showcased at the Robert Price Sustainable Energy Centre.
- Zenova WB, FP and FX 500 also assessed by Gardiner Associates Training and Research (GATR) is Europe's largest provider of inter-agency fire investigation training providing services to police and fire authorities.
- Implementation of trials of IP and IR for Southdown Housing Association in East Sussex with successful results which have been independently verified by a third-party using infrared imagery testing.
- Successful trial conducted by the NHS Surrey & Epsom trust hospital of Zenova's IP. Zenova FP Paint was also specified by BDP Architects and Laing O'Rourke, to supply Zenova FP Paint within the main entrance facade as part of the NHS's 3Ts redevelopment project at the Royal Sussex County site, Brighton.
- Zenova fire safety solutions displayed at the Natural Disaster Expo in Anaheim in November 2022 and the Emergency Services The Natural Disaster Expo is one of the largest natural disaster expos in the USA.
- Successful demonstration of the FX500, WB and FP within the film and TV industry which took place at Pinewood Studios in the UK.

Post year end highlights

- Appointment of Don Nicolson as Executive Chairman of the Company, with a near term focus on sales and rigorous cost control.
- Launch of Zenova FX 500 a handheld aerosol fire extinguisher effective on all fires. Initial pre-orders have been received from the Ukrainian military as well as from a large-scale Lithium battery manufactured in the United States, Big Battery LLC as well as a first large order from a newly appointed sub-distributor in the UK (Zensafe Ltd) for 10,000 units of which the first 500 have been delivered for sale through its Amazon platform.
- Appointment of Viridis Group Sp z.o.o as sub-distributor of Zenova products in Poland with an immediate order for £21k of products.
- The passing of testing results for the 6L & 9L FX fire extinguishers by MPA Dresden Fire in Germany confirming Class A,B, E and F classification to the latest EN3 standard.
- The passing of certification test results for the FX500 aerosol fire extinguisher by CNBOP an international testing house confirming Class A,B, E and F classification to the BS 6515 standard.
- Zenova completed successful pilot project with Together Housing to assess Zenova IP thermal insulation paint's ability to insulate properties that are difficult to insulate using traditional methods of insulation.
- Zenova IP Project With Liverpool John Moores University Resulting In Lowering Fuel Bills, Lower Cost Of Refurbishments, Improved Environmental Benefits and EPC improvements.
- Zenova's Sub-Distributor Clastrom Places Its First Order For 40,000 FX500 Aerosol extinguisher units for Germany with a retail value of £800,000.
- Don Nicolson, Thomas Melchior, Etrur Albani and Fiona Rodford, all being Directors of the Company, have today entered into a working capital loan with the Company to make available up to £350,000 of cash resources should it be required (the "Working Capital Loan"). None of the Working Capital Loan has been drawn down. The directors' participation in the Working Capital Loan constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Consequently, the Independent Directors, being Tony Crawley and Alain Gottesman consider, having consulted with the Company's nominated adviser, SPARK Advisory Partners Limited, that the terms of the Working

Capital Loan are fair and reasonable insofar as the Company's shareholders are concerned.
- Including the Working Capital Loan referred to above, the Company has cash resources of approximately £ 0.5m.

Outlook

We anticipate that the next twelve months will be focussed on sales growth. Zenova expects that its order book will grow at an increasing pace as its distribution channels gear up. In the meantime, the Group has implemented strict cost controls to ensure it has the working capital to navigate this period of growth. With recent validation of the improvement to a properties EPC using Zenova insulation paint by Liverpools John Moores University, this will hopefully permit Government grant schemes to enable an increase in volume of sales, due to legislation driven demands on the insulation of buildings not only in the UK but now in many parts of the world. The launch of the 6l and 9l extinguishers in the coming months will also add further revenue streams to the sales.

Tony Crawley, Chief Executive of Zenova Group PLC commented: *It has been a challenging year with a number of issues impacting on the pace of sales, primarily testing and verification taking longer than expected, as well as in some sectors sales cycle in specification taking longer. With testing and certification of the products now coming to its final conclusion, the sales cycle is now improving with the relevant validation and certification in place to allow the products to scale into the commercial sectors within Europe. Production of the FX500 is now underway in Canada as well, and with the level of interest from the USA and Canada markets we see encouraging sales. Further interest of Zenova IP paint in the USA as well as in the UK and Europe is also gaining traction following the very positive recently published Liverpool John Moores University trial results.*

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Chairman's Statement

Dear Shareholders,

Zenova was established to develop innovations within the fire safety and heat management industry. Since our IPO in 2021 Zenova has launched five new products and made in-roads into a broad range of markets and industries.

Over the last year Zenova's products have been tested by experts in their field, with very positive feedback. The company has made initial sales across all the products it has launched and signed agreements with sub-distributors in United Kingdom, Australia, USA, Spain, and Germany.

Zenova products have been specified for use in construction projects, renovations, film productions and production site safety, by both local government bodies, commercial entities and social housing projects.

The Group has achieved much in 2022, however sales growth has been lower than expected with £175k of revenues recorded in the year ended 30 November 2022. Sales during the last year have been impacted as sales cycles for innovative safety products have lengthened as a result of the broader trading environment. Sales associated with the agreements signed in Germany and in Australia in 2022 have been slower than expected due to delays in receiving regional certifications. The board therefore expects revenues it previously anticipated to be recorded in 2022 to be achieved the following financial year. The Company is also focusing its efforts increasing brand awareness of Zenova products within key sectors.

The Board believes that Zenova is well positioned for a period of turnover growth as the Company benefits from the hard-work and achievements during the last year.

In the meantime, the Company is committed to a programme of rigorous cost management and is currently managing its budgets on a monthly basis at Board level to ensure it has sufficient working capital to navigate this period of growth. This is coupled with a lower than budgeted manufacturing cost due to its outsourced just in time manufacturing arrangements giving it flexibility, speed and scalability which assists cashflow management. Further the Company expects Research and Development costs to fall as it moves into next phase of its operations.

The last year has not been without its challenges, but as the recently appointed Executive Chairman of the Group, I look forward to meeting any new challenges head on and striving to realise the potential inherent in this Group.

Our long-term goal is to establish Zenova as a trusted brand for fire safety across multiple sectors and geographies. We are confident in the effectiveness of our products, which has now been established through rigorous testing, trials, and customer experience. To drive sales growth, and returns to our investors, we will focus on increasing brand awareness, engaging further with our customers and leveraging key partnerships. We believe Zenova and its products have a bright future and look forward to updating the market with further developments.

Thank you for your ongoing support.

Don Nicolson

Executive Chairman

Strategic Report by the Chief Executive

History

The founders of the Group, using their years of experience in the fire safety and insulation industry, started research and development in 2017. A significant driver behind the Group's formation was a perceived lack of technological advancements in the fire safety industry. The landscape of fire safety had seen little significant developments for more than fifty years, resulting in fire-fighters across the world using archaic technology, that is not only resource exhaustive but can also produce harmful by-products.

Realising an inherent gap in the market, the team, led by Tony Crawley, the Company's Chief Executive Officer, developed effective methods of deterrence, focusing first on fire extinguishing fluid and associated hardware systems. Following encouraging test results, the founders increased the range of products in development to include paints and renders. By using innovative mixes, and refining the formulation and development process, the team were able to produce industry leading solutions to a number of fire protection and temperature management problems. This was achieved without compromising the sustainability of natural and economical resources, including personal health and safety.

Zenova Ltd was formed on 20 January 2020 as a vehicle to commercialise the intellectual property created by the founders.

On 22 July 2021 Zenova Group Plc was admitted to AIM, in conjunction with raising £4.5 million before costs. In September 2021 Keswick Enterprises Group Ltd was appointed to distribute, warehouse, and provide logistics support for our innovative insulation products globally, and to provide a complete supply chain where required.

During this period significant progress was made in the testing, certification, and accreditation of the products brought to market and available after July 2021. These included Zenova FP fire protection paint, Zenova IP thermal insulation paint and Zenova IR thermal insulation render. Further pilots, trials, and further industry standard tests where continuing to improve the products IP market edge until early 2023.

The innovative and effective properties of these products resulted in significant interest globally and Zenova adopted a strategy of appointing sub-distributers in several key territories where it believes the products can successfully penetrate these markets.

Research and Development

The Group is committed to continuously developing and improving its products in order to maintain its competitive advantage. The Group has a small research and development team, engaged under consulting agreements, that is involved in product testing, development and refining the formulas and processes used for production. In addition to the development of new products, the Group's R&D efforts also focus on rigorous and continuous testing and trials. These trials also demonstrate the effectiveness of Zenova products to potential clients, whilst allowing our team to explore further uses and markets.

As an example - during 2022 Zenova completed testing on its WB and FP products as part of a live burn set on a big budget production at Pinewood Studios. Bells and Two Tones Fire and Rescue Limited ("B&TT"), the leading fire safety provider within the UK TV and film industry, carried out a real-world test of the Zenova WB and FP products. 2 identical scaled sets were built, the sets were constructed out of 3mm ply and 2×1 batten. They both had a pitched roof with straw acting as a thatch.

One was treated with the Zenova FP 1 coat of primer and 2 topcoats on the inside and Zenova WB was applied via a spray on the outside and the straw roof was also treated with the WB, this was felt to offer the set maximum protection. The second set was left untreated.

Each set then had a fire set inside them and left to propagate, after 8 minutes the untreated set was reduced to a pile of ash, the set treated with Zenova products looked untouched.

In late 2022 the Group announced the start of production of Zenova FX500 in the UK and USA. The FX500 is a high-performance handheld fire extinguisher that has been tested by independent experts and adheres to the highest industry standards. The fire extinguisher is safe to use on any type of fire, reduces the risk of reignition once the fire has been extinguished and has been tested to the BS 6165 standard. It boasts an efficient and compact design, allowing for it to be dispersed from any 360° orientation, which ensures that the Zenova FX500 is convenient to handle and simple to operate while providing the user with a highly effective and fast working fire extinguisher.

An initial order for 7,500 units of Zenova FX500 has been placed via Omnis LLC (Zenova's sub-distributor in the USA) from Big Battery LLC based in California. Big Battery is the largest lithium battery supplier in the USA and has purchased 500 units of FX500 following a trial in which the mini extinguisher successfully extinguished a lithium battery fire. Such fires have proved very difficult if not impossible to put out using conventional methods. Management expects the initial order to lead to further significant orders in the near future.

Zenova manages the demand for its products as a result of it outsourcing the manufacture of these products to a small number of trusted independent global manufacturers, that have the capacity to increase production accordingly.

Products

Zenova has developed a range of products providing fire safety and heat management solutions for a wide range of sectors and environments.

ZENOVA FX - Fire Extinguisher
Zenova FX is a fire extinguisher like no other. It puts out class A, B, E, F fires.

ZENOVA CS - Ceiling Sprinkler
Zenova CS blends the best features of both detectors and extinguishers while avoiding the drawbacks of each. It senses heat rather than smoke, resulting in less false alarms, and it's an automatic system that doesn't require a battery or a person to operate it.

The modular Zenova CS unit expels 2.4 - 4.8 L of proprietary Zenova FX suppression fluid at high-pressure to suppress the source of a fire, yet maintains visibility that allows occupants to evacuate quickly.

ZENOVA FP - Fire Protection Paint
Zenova FP is a water based, fire protection paint (also known as a 'thermofoaming' or 'intumescent' paint), which can be used on any surface.

When exposed to heat or flames, the paint expands and creates a solid foam-like crust which will not burn and insulates the surface it is painted on. This prevents surfaces from catching fire and stops fire spreading

It has been tested by global fire industry experts and complies with UK building regulations and the latest UK and European fire safety standards.

ZENOVA IP - Thermal Insulation Paint
Zenova IP thermal insulation paint embeds the most modern insulating technology in a thermos-like ultra-thin layer. Zenova IP saves energy by increasing the thermal insulation level in commercial and residential buildings. Solar heat can increase the temperature within a building by 75% to 90%.

Zenova IP has been independently tested and validated to deflect, absorb and dissipate up to 75% of this heat, thereby reducing the inside temperature by up to 45%. Suitable for both exterior and interior, on any type of surface.

ZENOVA IR - Thermal Insulation Render
Zenova IR is an insulation render that can be applied to internal and external walls in commercial and residential buildings to provide immediate insulation benefits, and can be colour matched to any colour.

ZENOVA WB - Wildfire Barrier Fluid
Zenova WB is a wildfire barrier fluid (applied via spray wands or aerial drops), which provides a virtual barrier where fire

simply will not burn. Repeated tests on a variety of extremely dry wildfire fuels (grasses, hays, brush) demonstrates the incredible fire resistance Zenova WB provides, while remaining viable after application for 30+ days in dry conditions.

By creating an effective fire stop, Zenova WB provides essential property and personal protection for dwellings, buildings, people or wildlife that find themselves in harm's way when these devastating fires happen.

ZENOVA FX 500

The Zenova FX500 is a high performance handheld fire extinguisher that is tested by independent experts and adheres to the highest industry standards. Safe for use on any type of fire the Zenova Fx500 reduces the risk of reignition.
The Zenova Fx 500 is quick, easy and safe to operate and has been tested to BS6165 standard.

As more of Zenova's products reach the market, the Directors believe there will be significant opportunities for cross-selling amongst its existing customer bases.

Operations

Manufacturing is subcontracted to specialist manufacturers in each category of product. The Group sources and approves the manufacturing components and processes used by the manufacturers in advance of first production. Zenova maintains responsibility for ongoing manufacturing oversight and implementation of manufacturing strategy based on forecasts and evident product supply and demand levels. The manufacturing process for all products and the time scale to produce finished goods is short. The Group has entered into manufacturing contracts with manufacturers to produce the initial volumes of its paints, primers, render, firefighting fluid and fire extinguishers.

The Group is in discussions with other manufacturers regarding agreements to produce its ceiling sprinklers.

Under the terms of the manufacturing contracts, all paints, primers, and rendering solutions are manufactured and packaged in appropriately sized tins and canisters in the UK, Canada, and Europe by the manufacturer.

Zenova brand labelling and packaging is also carried out by the manufacturer under Zenova's guidance. The manufacturers will also produce Zenova FX fluid which will be supplied in a range of container sizes dependant on the end use. The Company is in negotiations with additional manufacturers to support the Group's growth in the short to medium term.

Zenova Group PLC has appointed The Keswick Enterprises Group Ltd to distribute, warehouse and provide logistics support for its insulation products globally, and to provide a complete supply chain where required.

The Keswick Enterprises Group is a privately owned UK-based business, with subsidiaries in the UK, Ireland, and Central Europe, and offers extensive global experience in sourcing, supply chain, forwarding and fulfilment related activities. Led by John Harvey and a group of former Tibbett and Britten Group PLC executives, Keswick was set up in 2004, and brings a wealth of international contacts and experience to Zenova.

Zenova has entered into a number of international sub-distributor agreements in various territories globally including Australia, Spain, Germany, Poland, Austria and Switzerland as well as Saudi Arabia and the USA. These contracts include an annual commitment to purchase a minimum quantity by value of Zenova products, as previously announced. This has grown more slowly than expected and resulted in a low level of orders being placed to date. The Company expects that this will increase in pace as the penetration of markets and brand awareness takes place over time and anticipates that this international network will deliver the revenues committed to as anticipated, albeit at a slower pace until external market conditions improve.

Zenova's sub-distributor in Australia (Spark) has been delayed in penetrating its market as a result of a local covid restrictions and certification requirement in addition to the international standard testing achieved for Zenova products and it is anticipated that once this has been obtained their domestic market will provide a healthy level of sales via their efforts.

Zenova's sub-distributor in Germany has also been delayed in penetrating its market as a result of a local certification requirement in addition to the international standard testing achieved for Zenova products. This has now been satisfied and as a result Hanse Coatings has placed a first order for the Zenova FP, IP and IR. In addition, Hanse has also launched the FX500 aerosol fire extinguisher in the German market and has placed it's first order of 40,000 units of Zenova FX500 and will be placing additional orders of units in the near future.

The Company continues to identify and appoint international sub-distributors:

- Ethmaar Investment Company has been approved as a sub-distributor in Saudi Arabia for Zenova FP, IP, IR and Primer. Ethmaar is completing the certification process required by the government in Saudi Arabia, following which a first order is expected to be placed by the end of the year.
- Omnis Panels LLC has been appointed as a sub-distributor within the construction sector in the USA for Zenova FX500, FP, IP, IR and Primer. Omnis has begun the task of building brand awareness in the USA with a number of trade show events completed, generating significant interest.

Sales and Marketing

Sales is currently concentrated on large business-to-business accounts in sectors such as construction, manufacturing, and industrial and public sector bodies. The Group targets sales directly to the end user, by appointing sub-distributors to make sales on its behalf and engages with fire safety consultants that advise the end user.

In the experience of the Directors, large businesses, and public sector bodies in particular, engage the expertise of accredited industry specific consultants to review their particular requirements and provide recommendations on the most appropriate approach.

The Group's outsourced manufacturers produce the required products and Zenova arranges delivery to either the sub-distributor or directly to the end user in pre-determined quantities. Zenova also targets sales directly to the end user. In this case, the manufacturers produce the necessary products and Zenova arranges collection, warehousing, and delivery to the end user.

Products are marketed via the following channels:

- attending industry trade shows and providing demonstrations; during the year Zenova products were displayed at the Natural Disaster Expo in Anaheim.
- creating and distributing print marketing materials for each product line;
- distributing product samples;
- educational webinars, seminars, and training on a one-to-one basis; and
- developing social media and specific industry focused advertising campaigns.

The Company has secured some cornerstone agreements within key sectors which are expected to develop into large, longer-term sales from these partnerships.

- Beyond Surface Solutions is a specialist within the Marine and Automobile sectors with stock now purchased and in place for Zenova FP, IP, IR and Primer. A number of key trials are now underway with potential customers from the motor industry for both Zenova FP and Zenova IP products to assist with fire protection and insulation respectively.
- SIG Plc is an experienced specialist within the construction sector and one of the largest in the UK with a turnover of £2.2 billion and a significant presence in Europe. SIG has also now placed its first order for Zenova FP, IP, IR and Primer with assisted Zenova product training underway with 24 branches.
- Robert Price, a builder's merchants with 29 branches in South Wales, has placed an order for Zenova products comprising FP, IP, IR and Primer. Robert Price specialises in supplying innovation to the construction industry and in particular offers key assistance in submitting Zenova products for green and safety grant-funded schemes initiated by the Welsh Assembly.
- Bells & Two Tones and Fire Service Group UK are specialist fire service advisers within the Film and TV sector. Orders have now been placed for Zenova FP and Zenova WB and the products have been utilised on film sets with exceptional results and very positive feedback from the film sets' producers and special effect teams. This customer continues to order products from the Company and has indicated that it will order significantly more product in the coming months as a result of the feedback from the film producers themselves.

Zenova has positioned itself to be a solutions provider on a B2B basis, and is initially targeting local authorities, infrastructure providers, warehousing, Health Authorities, social housing providers and commercial real estate developers. Other industries expressing interest in the company's products include shipping companies, oil and gas companies and car manufacturers (with a particular emphasis on electric vehicles with the identified increased risk of battery fires).

Zenova has sold examples of all its products to various key customers such as Pinewood Studios, the NHS, Enfield City Council, Together Housing, Southdown Housing Association and the Ukraine Military.

The Future

We anticipate that the next twelve months will be focussed on sales growth. Zenova expects that its order book will grow at an increasing pace as its distribution channels gear up. In the meantime, the Group has implemented strict cost controls to ensure it has the working capital to navigate this period of growth. With recent validation of the improvement to a properties EPC using Zenova insulation paint by Liverpool's John Moores University, this will hopefully permit Government grant schemes to enable an increase in volume of sales, due to legislation driven demands on the insulation of buildings not only in the UK but now in many parts of the world. The launch of the 6l and 9l extinguishers in the coming months will also add further revenue streams to the sales.

Finally, I would like to thank our staff and our Board colleagues for their unstinting efforts on behalf of Zenova Group Plc.

Tony Crawley
Chief Executive Officer

Dividends

The Company has not declared or paid cash dividends on the Existing Ordinary Shares during the current period or subsequently.

The payment of any future dividends on the ordinary shares will depend on the future earnings of the Company. The Board has no current intention of paying a cash dividend to Shareholders as the Board currently intends to invest the Company's cash reserves and any cash generated into driving business growth but will consider declaring a dividend only when prudent to do so and in the context of the cash generated by the business.

Consolidated Statement of Comprehensive Income for the year ended 30 November

	Note	**Year ended 30 November 2022 £'000**	**Period ended 30 November 2021**
Revenue		175	6
Cost of sales	4	(67)	-
Gross profit		**108**	**6**
Administrative expenses	4&5	(2,130)	(1,147)
Operating loss		**(2,022)**	**(1,141)**
Finance cost		(10)	-
Loss before taxation		**(2,032)**	**(1,141)**
Taxation		-	(15)
Loss after taxation		**(2,032)**	**(1,156)**
Basic loss per share	6	(4.79p)	(2.72p)
Diluted loss per share	6	(4.79p)	(2.72p)

Consolidated Statement of Financial Position

Company Number: 13403221	Note	**30 November 2022 £'000**	**30 November 2021 £'000**

ASSETS

ASSETS			
NON-CURRENT ASSETS			
Goodwill		**2,346**	**2,346**
Property, plant & equipment	7	**9**	**8**
Rights of use asset	8	**119**	**149**
TOTAL NON-CURRENT ASSETS		**2,474**	**2,503**
CURRENT ASSETS			
Inventory		51	-
Trade and other receivables	9	292	173
Cash and cash equivalents		782	2,936
TOTAL CURRENTASSETS		1,125	3,109
TOTAL ASSETS		**3,599**	**5,612**
LIABILITIES			
NON-CURRENT LIABILITIES			
Payables: Amounts falling due after one year	10	39	50
Lease Liability	11	121	148
TOTAL NON-CURRENT LIABILITIES		160	198
CURRENT LIABILTIES			
Payables: Amounts falling due within one year	12	194	135
		194	135
TOTAL LIABILITIES		**354**	**333**
NET ASSETS		**3,245**	**5,279**
EQUITY			
Share capital	13	94	94
Share premium		6,310	6,310
Other reserves		(68)	(68)
Share based payment reserve	14	161	161
Retained earnings		(3,252)	(1,218)
TOTAL EQUITY		**3,245**	**5,279**

Consolidated Statement of Cash Flows

	Year ended 30 November 2022	Period ended 30 November 2021
	£'000	**£'000**
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	(2,032)	(1,156)
Adjustment for :		
Finance costs	10	-
Depreciation	34	-

Adjustments to cash flows from non-cash items		
Income tax expense	-	15
Share based payment charge	-	161
Adjustments for changes in working capital		
Inventory	(51)	-
Trade and other receivables	(119)	(171)
Rights of use asset	30	(149)
Trade and other payables	(51)	106
Lease Liability	27	148
NET CASH FLOW USED IN OPERATING ACTIVITIES	(2,152)	(1,045)
CASH FLOW USED IN INVESTING ACTIVITIES		
Expenditure on property, plant and equipment	(1)	(8)
NET CASH FLOW USED IN INVESTING ACTIVITIES	(1)	(8)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital net of costs	-	3,609
Issue of convertible loan note	-	180
NET CASH FLOW FROM FINANCING ACTIVITIES	-	3,789
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(2,153)	2,735
CASH AND CASH EQUIVALENTS AT THE START OF YEAR/PERIOD	**2,936**	**201**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	**782**	**2,936**

Consolidated Statement of Changes in Equity

	Share Capital	**Share Premium**	**Share Based Payment Reserve**	**Other Reserve**	**Accumulated Losses**	**Total Equity**
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 20th January 2020	-	-	-	-	-	-
Loss and total comprehensive loss for the period	-	-	-	-	(62)	(62)
Balance at 30 November 2020	**-**	**-**	**-**	**-**	**(62)**	**(62)**
Loss and total comprehensive loss for the period	-	-	-	-	(1,156)	(1,156)
Merger reserve arising on acquisition of Zenova Limited	-	-	-	(68)	-	(68)
Share options charge	-	-	161	-	-	161
Share capital issued	94	6,310	-	-	-	6,404
Balance at 30 November 2021	**94**	**6,310**	**161**	**(68)**	**(1,218)**	**5,279**
Loss and total comprehensive loss for the period	-	-	-	-	(2,032)	(2,032)
Balance at 30 November 2022	**94**	**6,310**	**161**	**(68)**	**(3,252)**	**3,245**

1. General Information

The principal activity of Zenova Group plc and its subsidiary and associate companies (collectively "Zenova Group" or "Group") is development, manufacture, and sale of fire-retardant systems.

Zenova Group plc is the Group's ultimate Parent Company ("the parent company"). It is incorporated in England and Wales and domiciled in England. The address of its registered office is 172 Arlington Road London NW1 7HL. Zenova Group plc shares are admitted to trading on the London Stock Exchange's AIM market.

2. Basis of Preparation

The financial information set out herein does not constitute the Group's statutory financial statements for the year ended 30 November 2022, but is derived from the Group's audited full financial statements. The auditors have reported on the 2022 financial statements and their report was unqualified and did not contain statements under s498(2) or (3) Companies Act 2006. The 2022 Annual Report was approved by the Board of Directors on 30th of May and will be mailed to shareholders in due course. The financial information in this statement is audited but does not have the status of statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The Group's consolidated financial statements, which form part of the 2022 Annual Report, have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the requirements of the Companies Act applicable to companies reporting under IFRS. IFRS includes Interpretations issued by the IFRS Interpretations Committee (formerly - IFRIC).

The consolidated financial statements have been prepared under the historical cost convention, apart from financial assets and financial liabilities (including derivative instruments) which are recorded at fair value through the profit and loss. The preparation of consolidated financial statements under IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The functional and presentation currency is the British Pound Sterling.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in applying the Zenova's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements are disclosed in more detail und the critical accounting judgement policies.

3. Significant accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies adopted in preparation of these financial statements are set out below. These policies have been consistently applied to all periods, unless otherwise stated.

Going concern

The Group assesses at each reporting date whether it is a going concern for the foreseeable future. In making this assessment management considers:

(a) the current working capital position and operational requirements;
(b) the timing of expected sales receipts and completion of existing orders;
(c) the sensitivities of forecast sales figures over the next two years;
(d) the timing and magnitude of planned expenditure; and
(e) the level of indebtedness of the company and timing of when such liabilities may fall due, and accordingly the working capital position over the next 18 months.

Management considers in detail the going concern assessment, including the underlying assumptions, risks and mitigating actions to support the assessment. The assessment is subject to estimation uncertainty and there is judgement in determining underlying assumptions

There are several scenarios which management have considered that could impact the financial performance of the Group. These include:

(a) Disruption of the supply chain, and any delays in the supply of raw material that may impact the ability of the Group to produce its products.
(b) Delays in testing and certification required for geographical and sector specific expansion.
(c) Failure of the sales contracts to be realised and expected sales growth to fall below expectations.
(d) Changes in legislation that may increase lead times in production or testing.
(e) Intellectual property on which the company may be reliant to keep its competitive advantage could be challenged.
(f) Significant negative market events or changes in investor appetite which could delay or hinder any planned capital raising.

If the cash receipts from sales are lower than anticipated the Group has identified that it has available to it a number of contingent actions, that it can take to mitigate the impact of potential downside scenarios. These include seeking factoring financing, additional financing, leveraging existing sale agreements, reviewing planned expenditure and reducing overheads, and raising additional funding.

In conclusion having regard to the existing and future working capital position and projected sales the Directors are of the opinion that the application of the going concern basis is appropriate.

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions in the preparation of financial statements. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable that best reflects the conditions and circumstances that exist and the reporting date.

The principal estimates are judgements that could have effect upon the Group's financial results are the valuation of share based payments, valuation of investments and the accounting for acquisitions. Further details of these estimates and judgements are set out in the related accounting policies for these items.

Revenue recognition

The Group recognises revenue on the transfer of goods and services in accordance with the contractual terms entered into with clients.

The Group has applied IFRS 15 - Revenue from Contracts with Customers. IFRS 15 establishes the principle that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. Applying IFRS 15, an entity recognises revenue to depict the transfer of promised goods and services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchanges for those goods and/or services.

To recognise revenue under IFRS 15, management have taken the following actions:

- Identify the contracts(s) with a customer.
- Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to customer goods and/or services that are distinct.
- Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods and/or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods and/or services to a customer.
- Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract.
- Recognize revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Having assessed the nature of contracts with customer, it has been established that the standard will have no impact to the Group's results.

Segment reporting

IFRS 8 requires that an entity disclose financial and descriptive information about is reportable segments, which are operating segments or aggregations of operating segments. Operating segments are identified on the basis of international reports that are regularly reviewed by the Board to allocate resources and to assess performance. Using the Group's internal management reporting as a starting point the single reporting segment set out in note 4 has been identified.

Foreign currency transaction and balances

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in statement of total comprehensive income for the period in operation expenses.

Tax

The tax expenses for the period represents the sum of the tax currently payable and the deferred tax charge.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set of current tax assets against current tax liabilities and when the relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

The value of the intangible assets relates to the goodwill recognised on the acquisition of Zenova Distribution Limited

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is evidence that it may be impaired. Goodwill is denominated in the currency of the acquired entity and revalued to the closing exchange rate at each reporting period date. Negative goodwill arising on an acquisition is recognised directly in the profit or loss statement. On Disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the statement of comprehensive income on disposal.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant, and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation of items of property, plant and equipment, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life.

The estimated useful lives of property, plant and equipment are as follows:

- Office equipment - 3-5 years

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Such investments are those with original maturities of three months or less.

Receivables

Trade and other receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is based on the lifetime expected credit loss, based on past and forward-looking information.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade and other payables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Leases

The Group recognises a right-of-use asset and corresponding liability at the date at which a leased asset is made available for use by the Group, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. Lease liabilities also take into account amounts payable under residual value guarantees and payments to exercise options to the extent that it is reasonably certain that such payments will be made.

The payments are discounted at the rate implicit in the lease or, where that cannot be readily determined, at an incremental borrowing rate.

Right-of-use assets are measured initially at cost based on the value of the associate lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease.

The Group presents right-of-use assets in 'non-current assets' in the consolidated statement of financial position. Subsequent to initial recognition, the lease liability is reduced for payments made and increased to reflect interest on the lease liability (using the effective interest method).

The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life of the leased asset. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The Group remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Financial instruments

The Group has adopted IFRS 9 in respect of financial instruments.

Financial assets, including trade and other receivables and cash and bank balances are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for lifetime expected credit losses based on past and forward-looking information. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognized in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Measurement of fair value

The inputs used to measure fair value are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to the entire measurement (based on the application of judgement).

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets quoted prices for identical or similar assets or liabilities in markets that are not active inputs other than quoted prices that are observable for the asset or liability.
- interest rates and yield curves observable at commonly quoted intervals implied volatilities credit spreads.
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Reserves

- ***Share capital***

  Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

- **Share premium**

  Share premium represents the premium over nominal value at which shares are issued less costs associated with the issue of shares.

- ***Other reserves***

  Other reserves represent the reserve created on consolidation of Zenova Limited as part of the share reorganisation. Further information can be found in note 9.

- **Retained earnings**

  Retained earnings represents the company's profits and losses which have accumulated year on year since the Company began trading.

Equity settled transactions

The Group has applied the requirements of IFRS 2 Share-Based Payments for all grants of equity instruments.

The Group has entered into equity settled share-based payments as consideration for services received. Equity settled share-based payments are measured at fair value at the date of issue.

The Group has measured the fair value by reference to the equity instruments issued as it is not possible to measure reliably the fair value of the services received. In the absence of market prices, fair value has been based on the Directors' valuation of the Company as at the issue date.

Accounting for business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Acquisitions costs are included in the profit and loss unless they specifically relate to the issue of shares in connection with a business combination.

Basis of consolidation

The Group financial statements consolidate those of Zenova Group Plc (the "Company") and its subsidiaries. The parent company financial statements present information about the Company as a separate entity and not about its group.

The consolidated financial statements incorporate the financial information of Zenova Group Plc and its subsidiaries Zenova Limited and Zenova Distribution Limited.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Further to this, subsidiaries are entities for which the Group has the power to govern the financial and operating policies and consistent accounting policies have been adopted across the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

New standards and interpretations not yet adopted

(a) New standards, amendments and interpretations

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 December 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 and IAS 8 Definition of material

No other new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 December 2021 have had a material impact on the group or parent company. At the date of authorisation of these financial statements, the following key standards and amendments were in issue but not yet effective. The Group has not applied these standards in the preparation of these financial statements.

- IFRS 10 and IAS 28 amendments

  Sales or Contribution of Assets between an Investor and its Associate or Joint Venture. Effective: Postpone

- IAS 1 amendments

  Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current. Effective: TBC

- IAS 1 amendments

- Classification of Liabilities as Current or Non-Current - Deferral of Effective Date. Effective: TBC

- IAS 1 amendments

  Presentation of Financial Statements and IFRS Practice Statements 2: Disclosure of Accounting Policies. Effective: Annual periods beginning on or after 1 January 2023

- IAS 8 amendments

  Accounting policies Changes in Accounting Estimates and Errors - Definition of Accounting Estimates. Effective: Annual periods beginning on or after 1 January 2023

- IAS 12 amendments

  Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. Effective: Annual periods beginning on or after 1 January 2023

- IFRS 16 amendments

  Lease Liability in a Sale and Leaseback. Effective: Annual periods beginning on or after 1 January 2024

- IAS 1 amendments

  Non-current Liabilities with Covenants. Effective: TBC

The adoption of the above standards and interpretations is not expected to lead to any changes to the Group's accounting policies or have any other material impact on the financial position or performance of the Group.

There are no other IFRSs that are not yet effective that would be expected to have a material impact on the Group.

4. Expenses by nature

	Year ended 30 November 2022 £'000	Period ended 30 November 2021 £'000
Operating loss is stated after charging/(crediting):		
Cost of materials sold	67	-
Fees payable to Company's auditors	59	-
Professional fees	209	292
Admin Expenses	54	7
Other costs	6	6
Consultancy fees	235	204
Travel & entertainment	79	26
Staff Costs	795	228
IT, Telephones and Communication	17	14
Marketing & Material	153	29
Rent & Rates	65	22
R&D	398	142
Depreciation	34	9
Other staff costs	26	7
Share based payment charge	0	161
Finance cost	10	
Cost of sales, administrative and operational expenses	2,207	1,147

The analysis of auditors' remunerations is as follows:

	Year ended 30 November 2022 £'000	Period ended 30 November 2021 £'000
Fees payable to the Company's auditors and its associates for services to the group:		

Audit of parent company	44	9
Audit of consolidated financial statements	-	9
Audit of subsidiaries	-	18
Total audit services	44	36

5. Directors and employees

The employee benefit expenses during the year were as follows:

	Year ended 30 November 2022 £'000	Period ended 30 November 2021 £'000
Wages and salaries	717	212
Social Security costs	78	18
	795	**230**

The monthly average number employed during the year were as follows:

	Year ended 30 November 2022	Period ended30 November 2021
Directors	5	2
Sales	5	-
Administration	3	2
	13	4

Key management personnel, as defined by IAS 24" Related party disclosures" have been identified as the Board of Directors. Detailed disclosures of Directors remuneration, Directors' transactions, and Directors interests and share options for those Directors who served during the year are set out below:

	Year ended 30 November 2022 £'000	Period ended 30 November 2021 £'000
Salary	372	143
Consultancy Fees	40	15
Aggregate emoluments payable to directors	412	158

The highest paid director's emoluments were as follows:

	Year ended 30 November 2022 £'000	Period ended 30 November 2021 £'000
Salary	125	7
Total amount of emoluments payable	125	7

Remuneration in respect of the Directors was as follows:

Period ended 30 November 2022	Salary £`000	Consultancy Fees £`000	Benefits £`000	Share Options £`000	Total £`000
Executive Directors					
Tony Crawley	125	-	-	-	125
Thomas Melchior	-	40	-	-	40
Don Nicolson	80	-	-	-	80
	205	40	-	-	245
Non-Executive Directors					
Alain Gottesman	35				35
Fiona Rodford	35				35
Etrur Albani	97				97
	167	-	-	-	167
Total	**372**	**40**	**-**	**-**	**412**

6. **Earnings per share**

	Year ended 30 November 2022 £'000	Period ended 30 November 2021 £'000
Loss for the year used for the calculation of basic EPS	2,032	1,156
Number of shares		
Weighted average number of ordinary shares for the purpose of basic EPS	42,408,348	42,408,348
Effect of potentially dilutive ordinary shares	-	-
Weighted average number of ordinary shares for the purpose of diluted EPS	42,408,348	42,408,348
Loss per share		
Basic	(4.79p)	(2.72p)
Diluted	(4.79p)	(2.72p)

Basic earnings per share is calculated by dividing the loss attributable to owners of the Group by the weighted average number or ordinary shares in issue during the year.

7. **Property Plant and Equipment**

	Office Equipment £`000	Total Property, Plant and Equipment £`000
Cost		
As at 30 November 2020, 1 December 2020	-	-
Additions	9	9
As at 30 November 2021 and 1 December 2021	9	9
Additions:	4	4
As at 30 November 2022 and 1 December 2022	13	13
Depreciation		
As at 30 November 2020, 1 December 2020	-	-
Charge for the year	1	1
As at 30 November 2021 and 1 December 2021	1	1
Charge for the year	3	3
As at 30 November 2022 and 1 December 2022	4	4
Net book value		
As at 30 November 2020 and 1 December 2020	-	-
As at 30 November 2021 and 1 December 2021	8	8
As at 30 November 2022 and 1 December 2022	9	9

8. **Rights of use asset**

	Rights of use asset £'000
Cost	
As at 30 November 2020 and 1 December 2020	-
Additions	157
As at 30 November 2021 and 30 November 2022	157
Depreciation	
As at 30 November 2020 and 1 December 2020	-
Charge for the year	8
As at 30 November 2021	8
Charge for the year	30
As at 30 November 2022	38
Net book value	
As at 30 November 2020	-
As at 30 November 2021	149
As at 30 November 2022	119

9. **Trade and other receivables**

	As at 30 November 2022 £'000	As at 30 November 2021 £'000
Current assets		
Trade receivable	12	6
Less: provision for impairment on receivables	6	-
Trade receivables (net)	18	6
VAT Recoverable	14	160
Other receivables	261	7
Total current receivables	292	173

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and liquidity risk can be found in note 19.

Trade receivables are disclosed net of a provision for bad and doubtful debts. The provision for bad and doubtful debts is based on specific risk assessment and reference to past default experience. Further details are included in note 19.

10. Trade and other payables

	As at 30 November 2022 £'000	As at 30 November 2021 £'000
Amounts falling due after one year		
Bank Loan	40	50
	40	50
Amounts falling due within one year		
Trade Payables	74	64
Accruals	75	58
Other payables	44	13
	193	135

All trade and other payables are GBP denominated. All foreign currency denominated payables have been translated to GBP at the exchange rate prevailing at 30 November 2022 and 2021.

The directors consider that the carrying amount of trade and other payables approximates their fair value.

11. Leases

Set out below are the carrying amount of the lease liabilities and the movements in the period.

	As at 30 November 2022 £'000	As at 30 November 2021 £'000
At start of the period	148	-
Additions	-	145
Interest expense	9	3
Rent payments made in year	(38)	-
At 30 November	119	148

As at 30 November 2022	Carrying amount £'000	Contractual cash flows £'000	6 months or less £'000	6-12 months £'000	1-2 years £'000	2-5 years £'000
Lease liability	119	152	19	19	38	76

As at 30 November 2021	Carrying amount £'000	Contractual cash flows £'000	6 months or less £'000	6-12 months £'000	1-2 years £'000	2-5 years £'000
Lease liability	148	181	19	19	38	105

12. Payables

Group Payables

Group	Payables £'000
As at 30 November 2021 and 1 December 2021	135
Additions	59
As at 30 November 2022 and 1 December 2022	194

13. Share capital

	2022 Number	2021 Number	Share capital 2022 £'000	Share capital 2021 £'000	Share premium 2022 £'000	Share premium 2021 £'000
Issued called up and fully paid ordinary shares of £0.01 each						
At 1 December	93,384,053	-	94	-	6,310	-
Issued in the year	-	93,384,053	-	94	-	6,310
At 30 November	93,384,053	-,	94	-	6,310	-

14. Share based payment reserve

Group and Company	As at 30 November 2022 £'000	As at 30 November 202 £'000
At 1 December	161	-
Equity settled share-based payment charge	-	161
At 30 November	161	161

Group and Company	As at 30 November 2022		As at 30 November 2021	
	Average exercise price £	Number of options	Average exercise price £	Number of options
At 1 December	£0.001	9,338,405	£0.001	9,338,405
Granted	£0.181	9,756,389	£0.181	9,756,389
At 30 November	£0.093	19,094,794	£0.093	19,094,794

Of the 19,094,794 outstanding options (2021: 9,338,405 options), 11,097,240 options (2021: nil) were exercisable.

No share options were exercised in the period 2022 (2021 - nil). No options lapsed or were cancelled in the year 2022 (2021 - nil).

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Warrant Holder	Total number of warrants	Exercise Price	Date of issue	Expiry date
Rockmasters Ltd	9,338,405	£0.001	18/09/2020	18/09/2027
Donald Nicolson	526,315	£0.19	04/03/2021	04/03/2024
Four Grant Investments Ltd	131,578	£0.19	08/03/2021	30/04/2023
John Harvey	526,315	£0.19	08/03/2021	30/04/2023
Andy Muir	78,947	£0.19	08/03/2021	30/04/2023
Nigel Luckett	263,157	£0.19	08/03/2021	30/04/2023
Spark Advisory Partners Limited	466,920	£0.001	08/03/2021	22/07/2023
Brandon Hill Capital Limited	1,184,210	£0.19	22/07/2021	22/07/2024
Amati Global Investors Ltd	6,578,947	£0.19	22/07/2021	22/03/2022

The weighted average fair value of options granted during the period was determined using the Black-Scholes valuation model. The significant inputs into the model were the share price at the grant date, the exercise price shown above, volatility of 32.93%, dividend yield of nil, option life as set out above, and an annual risk-free interest rate of 1.9%.

15. Related party transactions

The executive directors are also considered key management as defined by IAS 24 'Related Party Disclosures (revised 2009)'. The remuneration of key management is considered in note 6.

The Company's only financial statements of Zenova Group Plc include amounts receivable from its subsidiary undertakings Zenova Limited and Zenova Distribution Limited of £2,029k (2021 - £220k) and amounts payable of £Nil (2021-£23k). Amounts provided to Zenova Limited relate to the provision of funding for operations and capital expenditure.

As at 30 November 2022 the Group had £16k payable to Directors (2021 - £360), representing unpaid corporate expenses.

16. Post Balance Sheet Events

On 31 May 2023 Don Nicolson, Thomas Melchior, Etrur Albani and Fiona Rodford, all being Directors of the Company entered into a working capital loan with the Company to make available up to £350,000. None of the loan has been drawn down.

17. **Information**

Copies of the Annual Report and Financial Statements will be posted to shareholders in due course. Further copies will be available from Zenova Group plc's registered office at 172 Arlington Road High Street, NW1 7HL or on the Company's website at www.zenovagroup.com

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