

5 March 2024

Blackbird plc
("Blackbird" or the "Company")

Audited full year results for the year ended 31 December 2023

Blackbird plc (AIM: BIRD), the technology licensor, developer and seller of the multi award-winning cloud-native video editing platform, [Blackbird](#), announces its audited full year results for the year ended 31 December 2023.

Ian McDonough, CEO of Blackbird, commented:

"2023 was a year of great progress on our direct to creator platform, [elevate.io](#). During the year we conducted both qualitative and quantitative market research which reinforced our belief that there are three key problems that creators face in content creation, namely: i) they currently have to use complex locally installed products; ii) third-party collaboration is clunky; and iii) existing tools have limited extensibility. Our vision for [elevate.io](#) is to address these problems via a powerful web-based platform. We are early to market in this area and have the opportunity to capitalise on the paradigm shift to web-based video tools for the huge and fast-growing Creator Economy. Good progress is being made on the development of [elevate.io](#) which went into its early access phase in November 2023 and will move to general release at the end of March 2024. The Board are very excited about the prospects for [elevate.io](#)."

"2023 was a challenging year for our existing Blackbird platform. Revenue fell by 32% to £1.94 million. Whilst the majority of the fall is attributable to non-recurring items in 2022, such as the EVS technology licensing development fees and the fees for the global winter games, we also experienced some deal losses, most notably A+E Networks, which as we announced in May 2023 concluded at the end of June 2023. Flat advertising revenues and structural changes are affecting the industry with layoffs being made across the Media and Entertainment and technology sectors. Despite this, Blackbird continues to be used at the pinnacle of Sports and News video creation. During the year our platform was used at a number of major global sporting events, including the Women's World Cup, the Rugby World Cup, the Ryder Cup, the Superbowl and at all of the tennis majors. Through one of our OEM partners, we also closed a deal for the 2024 summer games where the platform will be used on up to 70 concurrent feeds granting access to our full suite of tools to global broadcasters. In News, through our partnership with Blox Digital, Blackbird continues to provide fast-turnaround content for local US news stations and in early 2024 we had a further expansion of an additional 2 stations to leave us with 69 in total. Through our deal with the US Department of State, the US Secretary of State's press conferences continue to be edited and pushed at speed to social media through our platform."

"Additionally, as general access of [elevate.io](#) approaches we have had a number of High Net Worth individuals show interest in investing directly in our story. As a result, last week we raised additional funds to assist in the early months of [elevate.io](#)'s growth. We were delighted to get the support of the individuals and institutions and did this at only a minimal discount. As announced on 29 February 2024 I and other members of the management team intend to subscribe for £70,000 of new shares following the announcement of these results."

"I am very excited about 2024 and progressing [elevate.io](#) to general release. The Creator Economy represents a massive opportunity for the Company to open up our addressable market and, through [elevate.io](#)'s self-service model, we anticipate this significantly accelerating our revenue growth".

Operational highlights (post year end)

- [elevate.io](#) on track to move to general release at the end of Q1 2024
- Placing announced on 29 February 2024:
 - to raise approximately £1.05 million before expenses

- o to raise approximately £1.65 million before expenses,
 - o bring onboard some engaged High Net Worth individuals who showed interest in investing directly in our story; and
 - o proceeds will be used to bolster our investment in and grow elevate.io
- Certain members of the Board, associated family members and management are intending to subscribe for an aggregate of approximately £70k following the release of this announcement
- Anne de Kerckhove to join the Board on 6 March 2024 as Senior Independent Non-Executive Director and Audit Chair. John Honeycutt, Independent Non-Executive Director will step down on the same date
- Deals signed, through our partner Blox Digital, for an additional 2 local US news stations taking the total serviced to 69
- £1,167k* revenue secured for 2024, at end of February 2024, which is down 28% year on year (2023 comparative at end of February 2023: £1,618k)
- Contracted but unrecognised revenue of £1,514k* at end of February 2024. Of this, £913k* is to be recognised in 2024, a further £311k* in 2025, with the remainder in 2026

*Unaudited and subject to exchange rate fluctuations

Operational highlights (during the year)

- Direct to Creator platform named elevate.io at the Company's investor day in September 2023. Subsequently, elevate.io went into early access in November 2023
- Contract win with an OEM partner for use at global summer games in 2024. The deployment will involve Blackbird's platform being used to edit and publish content from up to 70 concurrent live streams and provide rights holders all over the world with the full editing suite
- Deal signed with CBS19 reinforcing Blackbird's applicability for fast turnaround news content
- Restructuring leading to annual cost savings £0.6m from reduction of UK based roles mainly in sales and marketing. Reinvestment of funds in software development team and product specialists
- Deal signed with Argentinian station Telefe, part of the Paramount Global group and introduced by the CBS sports team, for football highlights
- One year deal signed with a large Mexican broadcaster via our partner, Simplemente
- Deals signed with Australian OTT provider and subsequently used at Roland Garros and all subsequent tennis majors
- Further successful renewals including with US Department of State, Sky News Arabia, BT and Arsenal
- Protected our core technology increasing our IP portfolio to 27 patents, with a further two pending
- Guest exhibitor on Microsoft's stand at the NAB show in April 2023

Financial highlights

- Revenues of £1,937k for the 12 months to 31 December 2023, down 32% year-on-year (12 months to 31 December 2022: £2,847k) with the main reasons being no development fees on technology licensing in 2023 (2022: £452k), one-off fees on the winter games in 2022 and the loss of the A+E Network and NHL deals
- Contracted but unrecognised revenue of £1,770k down 48% year-on-year (as at 31 December 2022: £3,426k). The main reasons behind the fall were the loss of the A+E Networks deal and one year less of some of our larger deals
 - o £1,151k of this balance is to be recognised in 2024 (as at 31 December 2022: £1,597k to be recognised in 2023),
 - o £325k in 2025 (as at 31 December 2022: £1,045k to be recognised in 2024),
 - o £294k in 2026 (as at 31 December 2022: £480k to be recognised in 2025)
- Operating costs, excluding LTIP provision, during the year to 31 December 2023 were £4,114k compared to £4,510k in the corresponding period in 2022. Operating costs pre-capitalisation and LTIP provision increased to £5,744k from £4,975k. Capitalisation costs increased to £1,631k from £458k mainly due to the increased development work on the elevate.io platform
- Adjusted EBITDA loss (pre LTIP and share option costs), increased to a loss of £2,301k (2022: a loss of £1,806k). This was due to lower revenues partially offset by lower operating costs
- The net loss for the year was £2,493k compared to a net loss of £1,917k in 2022 due to a lower Adjusted EBITDA pre LTIP provision, as explained above, no amount relating to the LTIP in the income statement in 2023 (2022: £350k credit), partially offset by higher net financial income as a result of higher interest rates
- Net cash outflow, ignoring proceeds from share issues and transfers into short-term deposits, increased to £3,786k (12 months to 31 December 2022: £2,746k), primarily as a result of £1,248k additional costs incurred on developing the elevate.io platform
- At 31 December 2023 the Company had cash and short-term deposits of £6,468k (2022: £10,099k) and no debt.

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About Blackbird plc

Blackbird plc operates in the fast-growing SaaS and cloud video market. It has created Blackbird[®], the world's most advanced suite of cloud-native computing applications for video all underpinned by its lightning fast codec. Blackbird plc's patented technology allows for frame accurate navigation, playback, viewing and editing in the cloud. Blackbird[®] enables multiple applications, which are used by rights holders, broadcasters, sports and news video specialists, live events and content owners, post production houses, other mass market digital video channels and corporations.

Since it is cloud-native, Blackbird[®] removes the need for costly, high-end workstations and can be used from almost anywhere on almost any device. It also allows full visibility on multilocation digital content, improves time to market for live content such as video clips and highlights for digital distribution, and ultimately results in much more effective monetisation. Blackbird plc is a licensor of its core video technology under its 'Powered by Blackbird' licensing model. Enabling video companies to accelerate their path to true cloud business models, licensees benefit from power and carbon reductions, cost and time savings, less hardware and bandwidth requirements and easy scalability. *elevate.io*, built using Blackbird core technology, is the company's new creator SaaS product, a browser based end-to-end content creation tool aimed at the Creator Economy.

www.blackbird.video

www.linkedin.com/company/blackbird-cloud

www.twitter.com/blackbirdcloud

www.facebook.com/blackbirdplc

www.youtube.com/c/Blackbirdcloud

Chairman's statement

2023 has been a significant year of investment and transformation for Blackbird:

In last year's Annual Report (and in our public statements prior and subsequently), we stated our plans ... to focus on creating a self-service SaaS platform provided on a public cloud ("Blackbird SaaS") to "...bring on board, product, engineering and marketing talent to enable us to initially address the Prosumer and Pro Teams markets" and to "continue to drive innovation, creating valuable IP in the process".

This we have done in 2023. Our new *elevate.io* SaaS platform commenced early access Q4 of 2023 and will begin general release towards the end of Q1 2024.

Background

Long term followers of Blackbird will already appreciate that our award-winning technology is well recognized within the professional broadcast market for media and entertainment ("M&E"), which has previously been the main focus and drive of our go to market strategy. However, each of our major accounts have often required bespoke integrations which are both time consuming and costly. Combined with the pressures that major broadcasters face with diminishing audience share and reduced advertising or subscription revenues, it has proved a challenging task to grow our share of the M&E services market. As a consequence, we took steps to ensure that, without turning our backs on the M&E market where we still have role to play, we expanded our focus into the significant prosumer/creator market with a standalone product that builds upon the core technology that underpins the Blackbird platform.

The market potential for *elevate.io* is significant. The total addressable market ("TAM") is enormous and, after almost two years of team building and product development, we start 2024 in a position to capitalise on our capabilities. We will provide unique and much needed solutions to this major market. Ian outlines our approach and this opportunity in more detail in his *Chief Executive's review*.

Governance

Over the last year we have made changes to the composition and skill mix of the board to better reflect the requirements of our wider market focus and SaaS product model. To this end, David Main one of our most long serving nonexecutive directors (and former Chairman) stepped down during the year and we undertook an extensive search to secure a suitable replacement. We would like to use this opportunity to thank David for his contribution and diligence over the years and for the unwavering support and constructive input that he has always provided. We will also shortly be saying goodbye to John Honeycutt who has stepped down to concentrate on his growing International client portfolio. We would like to thank him for his sound technical advice and M&E sector knowledge. Yesterday we were pleased to announce the appointment of Anne de Kerckhove as a non-executive director. Anne is an experienced international executive with a background in technology, B2B and B2C SaaS, Media and Entertainment, e-commerce, marketplaces & digital transformation, and helping businesses scale. Anne has a wealth of relevant and valuable experience which will assist us as we roll out and scale elevate.io.

Regarding governance policies, we have recently updated our corporate governance policies in line with renewed guidance from the Quoted Companies Alliance (QCA) which is our adopted corporate governance code. Our updated policy statement is available to view on www.blackbird.video. We have adopted all the updated recommendations, where applicable, and going forward will seek annual reelection to the board for all directors and putting director's remuneration to an advisory vote. We also follow all QCA recommendations on ESG matters whilst we promote the role that we play in helping other stakeholders in achieving their own ESG targets.

We appreciate that the last couple of years have been a very challenging time for our business and shareholders alike. All of the board are shareholders of Blackbird and we are very mindful of the investment journey that each of us have experienced. On behalf of the board, I would simply like to thank you for your belief and on-going support, particularly as we transition the business in order to realize the full economic potential of our amazing technology which we are working relentlessly to achieve.

Andrew Bentley
Chairman

Chief Executive Officer's statement

2023 was the year of tremendous progress on our direct to creator Blackbird SaaS platform now officially named, elevate.io. During the year we conducted both qualitative and quantitative market research with over 300 people which reinforced our belief that there are three key common problems that creators face in content creation. Namely, that to make a video of quality they currently have to use complex locally installed 'Hollywood' tools, there is clunky third-party collaboration and the existing tools have limited extensibility in terms of third party plug-ins, AI, stock library or effects. Our vision for elevate.io is to address these issues and others via a powerful web-based platform. We believe we are early to market in this area and have the opportunity to capitalise on the paradigm shift to web tools in video for the huge and fast-growing Creator Economy. Strong progress is being made on the development of elevate.io which went into its early access phase in November 2023 and will move to general release at the end of March 2024.

Our strategic vision set out in 2021 to develop a tool set for the creator space has proved prescient as the media and entertainment industries globally suffer badly from both cyclical and structural issues. Flat advertising revenues, industry consolidation and the continuing search for sustainable profits from streaming services are affecting the industry with layoffs rife across the M&E and technology sectors. Meanwhile the creator economy continues to grow strongly with Goldman Sachs predicting a doubling in size from \$250bn to \$500bn by 2027.

It's probably no surprise therefore that 2023 was a challenging year for our existing Blackbird platform as the market stagnated and our internal resources were focused on elevate.io. As a result revenue fell by 32% to £1.94 million. Whilst most of the fall is attributable to non-recurring items in 2022, the EVS technology licensing development fees and the fees for the global winter games, we also experienced some deal losses, most notably A+E Networks, which as we announced in May 2023 concluded at the end of June 2023.

This is a highly competitive and exacting space, and some internal decisions were taken about where to deploy developer resource to achieve the highest ROI for the Company. Despite this, Blackbird continues to be used on the pinnacle of Sports and News and was used on the largest sporting tournaments in 2023. During the year the platform was used for the Women's World Cup, the Rugby World Cup, the Ryder Cup, the Superbowl and at all of the tennis majors. Through one of our OEM partners, we also closed a deal for the 2024 summer games where the platform will be used on up to 70 concurrent feeds granting access to our full suite of tools to global broadcasters. In News, through our partnership with Blox Digital, Blackbird continues to provide fast-turnaround content for local US news stations and in early 2024 we had a further expansion of an additional 2 stations to leave us with 69 in total. Through our deal with the US Department of State, the US Secretary of State's press conferences continue to be edited and pushed at speed to social media through our platform. Although challenged in achieving scale, Blackbird's prestigious client base and technological pedigree in global news and sport sets us up very well for scaling elevate.io.

The ongoing challenges to the media and entertainment sector are most evident in our losses of the Gfinity and ODK services which have been pulled from the market. In addition, Deltatre lost key sports contracts and A+E discontinued its close to live action show which both contributed to the reduction in revenues on the Blackbird platform. The post covid return to on premise strategy for the NHL also led to the termination of their contract. None of this is desirable but together with long sales cycles and idiosyncratic workflows and complexity, it is symptomatic of the sector.

As has been seen in the last year the Company will keep a careful eye on the cost base as compared to the opportunity and take action where and when necessary.

With regards to tools for Creators there have been some very exciting developments in recent years where companies like Figma and Canva have unlocked huge amounts of value by a combination of simplifying toolsets and taking them natively to the web. It would be easy to think that simple, powerful web video creation tools already exist. However, for videographers using standard Non-linear Editor ("NLE") suites then there are lots of pain points still to iron out.

Currently video production tools are powerful but inflexible such as traditional 'Hollywood' NLE's. Or they are semi-flexible web tools that lack power, usability, and functionality and only suitable for short form video.

The vision behind elevate.io is to bring power and flexibility together. No company has truly cracked video production at scale in the cloud as video has been traditionally very clunky, expensive, and slow to manipulate on the web. The prize on offer for the largest public clouds if this happens is huge amounts of future storage, bandwidth and compute as production moves off premise to cloud workflows.

elevate.io has been architected and built natively in the AWS public cloud as was our vision when I joined the Company. This allows both effectively infinite storage for our customers and most importantly effectively infinite power for complex or compute hungry video creation workflows should this be required in bursts. The fact that we are architected on AWS does not mean we are in any way restricted from working with customers and creators who have content stored in other places or clouds. We will continue to be completely agnostic in this area.

After extensive research, involving more than 300 future prospects, our vision for elevate.io is to make an extensible platform by combining disparate strands of what is currently a 'broken workflow' for videographers in a seamless and slick user experience. Examples of this vision for future functionality would include storage, media management, editing, stock video, third party effects and AI and many others. As investors will be aware this is a dynamic and competitive space and so we will not go too deeply into future product plans.

In addition to making the platform extensible, a key selling point for creators from the outset will be the live multi-player ability. Use cases for this will range from creators being able to work in pairs or teams, supervising producers working with editors remotely, those pro-teams in client-agency relationships getting feedback on changes in real time.

We envisage that a combination of these features will result in both improved efficiency and improved video and storytelling quality which is a virtuous circle for creators and viewers alike.

Additionally, as general access of elevate.io approaches, we have had a number of engaged High Net Worth individuals show interest in investing directly in our story. Together with some existing shareholders we have raised additional funds to assist in the early months of elevate.io's growth. We were delighted to get the support of these individuals and institutions and did this at only a minimal discount.

I am very excited about 2024 and moving elevate.io to general release at the end of Q1. The Creator Economy represents a massive opportunity for the Company to open up our addressable market and, through elevate.io's unique proposition, product

massive opportunity for the company to open up our addressable market and, through sustained unique proposition, product market fit and self-service model, we anticipate this accelerating our revenue growth.

Ian McDonough
Chief Executive Officer

Financial review

Revenue

In the year ended 31 December 2023, the Company recorded revenues of £1,937k (2022: £2,847k), which represented a decrease of 32% year on year. The majority of the fall relates to two non-recurring items in 2022; firstly, the development fee for the technology licensing fee and secondly revenues earned from the global winter games. However, the Company also lost deals from A+E Networks, Deltatre and NHL during the year, and smaller ones from ODK and Gfinity who shut their services due to them being uneconomical in the tough market conditions.

Operating costs

Operating costs, excluding LTIP provision, during the year to 31 December 2023 were £4,114k compared to £4,510k in the corresponding period in 2022. Operating costs pre-capitalisation and LTIP provision increased to £5,744k from £4,975k. Capitalisation costs increased to £1,631k from £458k mainly due to the increased development work on the elevate.io platform. Restructuring of the Blackbird platform team led to a number of roles leaving the business and resulted in one-off costs of £131k. Going forward this action will lead to annual savings of c.£600k.

Performance measures

The Company has identified certain metrics such as i) Adjusted EBITDA pre LTIP provision and share option costs and ii) cash burn excluding proceeds from share issues and transfers into short-term deposits, which whilst they are non-GAAP metrics, assist in the understanding of business performance. These alternative performance measurements may not be directly comparable with other companies' measures and are not intended to be a substitute for any International Accounting Standards performance measures. The Company believes that Adjusted EBITDA pre LTIP provision and share option costs is the best measure to reflect core operational performance and that cash burn, excluding proceeds from share issues and transfers into short-term deposits, provides the best measure of the cash being utilised by the business until it can be self-generating.

Adjusted EBITDA pre LTIP provision and share option costs

The Adjusted EBITDA pre LTIP provision and share option costs loss increased to a loss of £2,301k (2022: a loss of £1,806k). This was due to lower revenues partially offset by lower operating costs as explained above.

LTIP

There were no LTIP units issued during the year and consequently there was no charge to the Income Statement in 2023 (2022: £350k credit) and no LTIP provision on the Statement of Financial Position at 31 December 2023 (At 31 December 2022 £nil).

Net loss

The net loss for the year was £2,493k compared to a net loss of £1,917k in 2022 due to a worse Adjusted EBITDA pre LTIP provision as explained above, a £350k LTIP credit to the income statement in 2022 (2023: £nil), partially offset by higher net financial income as a result of higher interest rates.

Cash burn excluding proceeds from share issues and transfers into short-term deposits

During the year the Company's cash burn, excluding proceeds from share issues and transfers into short-term deposits, increased to £3,786k from £2,746k in 2022, primarily as a result of £1,248k additional costs incurred on developing the elevate.io platform.

The Company ended the year with a balance sheet including £6,468k of cash and short-term deposits (31 December 2022: £10,099k) and no debt.

Outlook

The Company started the year with a contracted but unrecognised revenue balance of £1,770k (2022: £3,426k) down 48% on prior year. The main reasons behind the fall were the loss of the A+E Networks deal and one year less of some of our larger

deals. £1,150k of the year-end balance relates to revenue to be recognised in 2024 (2022 comparative: £1,597k revenue to be recognised in 2023). The Company will be showcasing its platform, via its OEM partner, EVS, to multiple Broadcasters at the 2024 global summer games.

We anticipate that elevate.io will be made available for general release at the end of Q1 2024. The intention is to open up our addressable market and accelerate sales growth through elevate.io's self-service model. The board are excited about the prospects for elevate.io and are greatly encouraged by the feedback from early users.

In February 2024 the Company announced a placing to raise £1.05 million (before expenses) to bring onboard some valuable High Net Worth individuals who wanted to invest directly in our story. The proceeds will be used to bolster our investment in and grow elevate.io.

Stephen White
Chief Operating and Financial Officer

Income statement and statement of comprehensive income for the year ended 31 December 2023

	2023 £	2022 £
CONTINUING OPERATIONS		
Revenue	1,937,481	2,847,202
Cost of Sales	(124,918)	(143,149)
GROSS PROFIT	1,812,563	2,704,053
Operating costs excluding LTIP provision	(4,113,851)	(4,509,938)
ADJUSTED EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION, EMPLOYEE SHARE OPTION COSTS AND LTIP PROVISION (ADJUSTED EBITDA Pre LTIP and Share Option Costs)	(2,301,288)	(1,805,885)
LTIP provision decrease	-	350,431
Employee share option costs	(41,309)	(168,981)
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION (EBITDA)	(2,342,597)	(1,624,435)
Depreciation	(168,111)	(144,677)
Amortisation	(416,691)	(383,330)
	(584,802)	(528,007)
OPERATING LOSS	(2,927,399)	(2,152,442)
Net Finance income	325,409	141,414
LOSS BEFORE INCOME TAX	(2,601,990)	(2,011,028)
Income tax	108,704	94,178
LOSS FOR THE YEAR	(2,493,286)	(1,916,850)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(2,493,286)	(1,916,850)

Earnings per share expressed in pence per share:

Basic - continuing and total operations

(0.68p)

(0.52p)

Statements of financial position as at 31 December 2023

	2023	2022
	£	£
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	2,547,305	1,270,231
Property, plant and equipment	78,192	202,204
	2,625,497	1,472,435
CURRENT ASSETS		
Trade and other receivables	699,829	862,549
Stock	-	662
Current tax assets	108,704	94,178
Short-term investments	2,489,009	4,366,342
Cash and bank balances	3,979,265	5,732,350
	7,276,807	11,056,081
TOTAL ASSETS	9,902,304	12,528,516
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued share capital	2,947,284	2,941,044
Share premium	34,079,856	34,038,746
Capital contribution reserve	125,000	125,000
Retained earnings	(28,356,751)	(25,904,774)
TOTAL EQUITY	8,795,389	11,200,016
NON-CURRENT LIABILITIES		
Lease and other payables	-	29,783
CURRENT LIABILITIES		
Trade and other payables	1,106,915	1,298,717
TOTAL LIABILITIES	1,106,915	1,328,500
TOTAL EQUITY AND LIABILITIES	9,902,304	12,528,516

Statement of changes in equity for the year ended 31 December 2023

	Issued share capital £	Retained earnings £	Share premium £	Capital contribution reserve £	Total equity £
Balance at 1 January 2022	2,940,524	(24,156,905)	34,034,228	125,000	12,942,847
Changes in equity					

Issue of share capital	520	-	4,518	-	5,038
Share issue expenses	-	-	-	-	-
Share based payment	-	168,981	-	-	168,981
Total comprehensive loss for the year	-	(1,916,850)	-	-	(1,916,850)
Balance at 31 December 2022	2,941,044	(25,904,774)	34,038,746	125,000	11,200,016
Changes in equity					
Issue of share capital	6,240	-	41,110	-	47,350
Share based payment	-	41,309	-	-	41,309
Total comprehensive loss for the year	-	(2,493,286)	-	-	(2,493,286)
Balance at 31 December 2023	2,947,284	(28,356,751)	34,079,856	125,000	8,795,389

Statement of cash flows for the year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash used in operations	A	(2,157,629)	(2,194,724)
Interest paid on lease liabilities		(3,185)	(7,692)
Tax received		94,178	32,166
Net cash from operating activities		(2,066,636)	(2,170,250)
Cash flows from investing activities			
Payments for intangible fixed assets		(1,706,141)	(470,200)
Payments for property, plant and equipment		(44,096)	(90,226)
Transfer into short-term investments		1,877,333	(197,156)
Interest received		236,634	82,041
Net cash from investing activities		363,730	(675,541)
Cash flows from financing activities			
Share issues (net of expenses)		47,350	5,038
Payment of lease liabilities		(97,529)	(97,169)
Net cash from financing activities		(50,179)	(92,131)
Decrease in cash and cash equivalents		(1,753,085)	(2,937,924)
Cash and cash equivalents at			

Cash and cash equivalents at beginning of year	5,732,350	8,670,274
Cash and cash equivalents at end of year	3,979,265	5,732,350

A. **Reconciliation of loss before income tax to cash used in operations**

	2023 £	2022 £
Loss before income tax	(2,601,990)	(2,011,028)
Depreciation	168,111	144,677
Amortisation charges	416,691	383,330
Finance income	(325,409)	(141,414)
Earnings before interest, taxation, depreciation and amortisation	(2,342,597)	(1,624,435)
Adjustment for LTIP	-	(350,431)
Adjustment for Employee share option costs	41,309	168,981
Movements in working capital:		
Decrease /(Increase) in trade and other receivables	165,300	(372,821)
(Decrease) in trade and other payables	(21,641)	(16,018)
Cash used in operations	(2,157,629)	(2,194,724)

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