RNS Number : 6051I
Iconic Labs PLC
28 March 2024

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Iconic Labs PLC

("Iconic" or the "Company")

Interim results for the six months ended 31 December 2023

Iconic Labs PLC (LSE: ICON), today announces its unaudited financial results for the six-month period ended 31 December 2023.

Period Highlights:

- August 2023, Prospectus published to provide the Company with the ability to issue further Ordinary Shares under the Prospectus Regulation Rules
- September 2023, 83,256 Ordinary Shares issued to all creditors under the CVA
- October 2023, Iconic successfully completed and satisfied all conditions of, and consequently exited, the CVA

Post-Period Highlights:

- January 2024, Appointment of Victor Humberdot and Bela Lendvai-Lintner as Non-executive Directors
- March 2024, Signed non-binding heads of terms with ITS Holdings 2023 Ltd ("ITS"), the holder of the entire issued share capital of In the Style Fashion Ltd, in connection with potential purchase of ITS

Brad Taylor, Chief Executive Officer of Iconic Labs, commented:

"The Company has made promising progress during the first half of this financial year. Since we successfully undertook our financial restructuring at the end of 2023, we have satisfied the final condition to conclude the CVA and we pivoted our strategy to focus on acquiring a suitable company through a reverse takeover.

"Post-period end, we were pleased to announce the Company had entered into a non-binding head of terms with the owners of ITS Holdings 2023 Ltd, an online fashion retailer, which the Board and I believe meets our strategic objectives of long-term growth and value for our shareholders."

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CHIEF EXECUTIVE OFFICER'S STATEMENT

I am pleased to present the interim unaudited accounts for the six-month period ended 31 December 2023 for Iconic Labs PLC and its subsidiaries (together, "Iconic" or the "Company").

Over the six-month period ended 31 December 2023 and as part of the requirements for the Company's successful exit from administration and renewed trading on the London Stock Exchange, the Company published a Prospectus on 8 August 2023 to provide the Company with the ability to issue further Ordinary Shares under the Prospectus Regulation Rules as follows:

(i) Up to 1,674,130,609 Ordinary Shares to be issued to unsecured creditors under the CVA;
(ii) Up to 45,045,045,045 Ordinary Shares to be issued to EHGOSF to convert £750,000 in convertible notes, and to Linton Capital to convert £750,000 in convertible notes under the Settlement Deed;
(iii) Up to 80,180,180,180 Ordinary Shares to be issued to EHGOSF to satisfy £2,670,000 in unconverted drawdowns and certain fees pursuant to the Financing Facility;
(iv) Up to 36,038,525,658 Ordinary Shares to be issued to EHGOSF to satisfy the exercise of its Warrants under the Financing Facility; and up to 22,027,027,027 Ordinary Shares to be issued to Ott Ventures s.r.o and/or Ott Ventures USA, Inc. under the Management Services Agreement for outstanding fees as of the date of the prospectus totalling £665,000. As of 31 December 2023, an additional £37,500 was outstanding for Chief Executive Officer and executive compensation for the months of September through December 2023.

Since 30 June 2023, EHGOSF has converted £580,000 of convertibles notes under the Financing Facility resulting in the Company issuing a total of 689,655,172 Ordinary Shares of £0.00001 each and 5,609,526 Ordinary Shares of £0.1 each, post consolidation, to EHGOSF.

The Company held its Annual General Meeting ("AGM") on 25 August 2023 at which all resolutions were duly passed, including a resolution for the consolidation of the Company's Ordinary Shares on a 10,000 for 1 basis, such that every 10,000 Ordinary Shares of £0.00001 each were consolidated into 1 Ordinary Share of £0.1 each in nominal value.

Since the publication of the Prospectus and the AGM, the Company was pleased to announce that it had satisfied the final condition to bring the CVA to a successful conclusion when it issued 83,256 Ordinary Shares of £0.1 each to the creditors under the CVA. As of 21 September 2023, all documents concluding the CVA had been filed with, and accepted by, Companies House.

A further AGM was held on 13 February 2024 at which all the resolutions were duly passed, including a resolution for the sub-division and conversion of each existing Ordinary Share into one new ordinary share of £0.0001 in the capital of the Company (a "New Ordinary Share") and one deferred share of £0.0999 in the capital of the Company (a "Deferred Share") (each such Deferred Share having no voting or dividend rights and effectively being worthless) so that the nominal value of a New Ordinary Share would be less than the price of a share in the market, therefore allowing the Company to raise funds going forward by issuing further shares, should the Directors elect to do so.

As set in the August 2023 Prospectus, the Company intended to resume its historical revenue generating offering by identifying companies in the online media, artificial intelligence, and big data gathering, processing and analysis sectors with which it could enter into advisory services contracts. At the time, it was thought that such advisory services could provide the Company with short-term revenues and news flow while it continued to search for a suitable acquisition target.

However, given the limited number of personnel working with the Company, the time commitment needed to properly provide advisory services to prospective clients, and current market conditions, the Company decided that this short-term strategy was no longer viable. As such it decided to cease this strategy in favour of focusing all of its time, resources, and energy on acquiring a suitable company through a reverse takeover ("RTO") to generate long term growth and value for its shareholders.

On 29 February 2024, due to a significant share price movement on 28 February 2024 and the suspension of trading in the shares by the FCA, the Company confirmed that it was in discussions regarding a potential acquisition which, should it proceed would constitute an RTO under Listing Rule 5.6.

On 11 March 2024, the Company confirmed that it had entered into non-binding heads of terms with the owners of ITS Holdings 2023 Ltd, the holder of the entire issued share capital of In the Style Fashion Ltd (the "Target"), an online fashion retailer, in connection with the potential purchase of the entire issued share capital of the Target (the "Transaction"). The proposed Transaction is, inter alia, conditional on the completion of legal and financial due diligence on the Target. If completed, the Transaction would constitute an RTO under the Listing Rules. As the Company was currently unable to provide full disclosure under Listing Rule 5.6 in relation to the Target, suspension of trading would continue until such time as a prospectus was published in relation to the proposed acquisition or the Company announces that the discussions have been terminated.

No binding agreement had been reached at the time of publication of these accounts and, accordingly, the Directors of Iconic cannot guarantee that the proposed Transaction would complete or provide any indication of a likely completion date.

At present, the Company only has one asset, GSN, a platform dedicated to providing media curated for the LGBTQ+ community. The Company's strategic objective regarding GSN is to relaunch it with the aim that it becomes the premier LGBTQ+ platform for news, social media, events, restaurants, travel, and technology information.

GOING CONCERN ASSESSMENT

The Board of Directors has carefully considered the financial position of Iconic regarding the events during the six months ended 31 December 2023, with particular focus on the new Financing Facility with EHGOSF and its obligations under the Settlement Deed. We have concluded that Iconic remains a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

The following risks are considered by the Board to be the most significant to the business:

RTO Target Risk
Iconic has identified and announced a target for a proposed RTO, however there is a risk that the RTO will not complete.

Revenue, Profitability and Funding Risk
Iconic currently is not cash-generative and is therefore reliant upon the Financing Facility with EHGOSF for its sole source of working capital.

The Financing Facility is subject to a number of conditions ("Conditions") including in particular:

(a) The shares of Iconic trade on the Main Market of the London Stock Exchange;

(b) The closing market price of the Shares for each of the ten consecutive trading days falling immediately prior to the relevant closing date must be at least higher than 150% of the nominal value of Iconic's shares;

(c) The average daily value traded of Iconic's shares (excluding 5% of the data points from the top and excluding 5% of the data points from the bottom of the data set) for the 20 trading days immediately prior to the applicable closing date must be at least £10,000;

(d) From the fifth drawdown tranche onwards, Iconic having published a Prospectus;

(e) No binding commitment has been entered into by Iconic pursuant to which a change of control in Iconic would occur;

(f) No occurrence that constitutes an event of default having occurred and is continuing;

(g) The Board having the required authority;

(1) For the allotment and issue of at least 200% of such number of Shares as would be required upon conversion of all outstanding Notes together with the Notes to be issued pursuant to the relevant drawdown notice calculated by dividing the aggregate principal amount of all such Notes by the Closing VWAP as of the date of such drawdown

notice; and

(2) To deviate from the Shareholders' pre-emption and/or preferential subscription right (as applicable) with respect to such number of Shares; and

No payment is due by the Company to EHGOSF (or any of its Affiliates) and no delivery of Shares (or certificates evidencing such Shares) resulting from a conversion of Notes or exercise of any Warrants by EHGOSF (or any of its Affiliates) is outstanding.

Iconic maintains a limited amount of cash on its account as it relies entirely at this time on the EHGOSF financing facility to meet its operational expenditures. There currently remains approximately £1.75 million available for drawdown under the Financing Facility. The expected ordinary course cash burn of the business is approximately £125,000 per month for the next 12 months, the substantial majority of which will be spent on RTO expenses.

At present, conditions (b) (c) and (f) have not been met, and it is possible that in the future certain other such conditions may not be met, some of which are outside the control of the Company. It is therefore not currently known when this may happen. To date, EHGOSF has agreed to waive breaches of these conditions, on certain agreed terms. As a result, in the event any such condition is not met, the Company may not be in a position to further drawdown on the Financing Facility. Although the Directors would endeavour to pursue certain options to mitigate the consequence of such breach there is no certainty that any such options could be achieved either in part or at all. In such an event the Company would need to wind down its operations, realise any assets and may enter administration, if and to the extent there are creditors of the Company who cannot be paid. In such an event, the Company would no longer manage the affairs of the Company or the realisation of its assets. As a result of either winding down the business or entering into administration, the Ordinary Shares would be cancelled from the Official List and Shareholders may receive little or no value for their Ordinary Shares.

Dilution and Pricing Risk
If EHGOSF exercises its full rights under the Financing Facility for conversion of Loan Notes and Warrants into Shares, this could result in a significant holding in the Company by EHGOSF. However, EHGOSF's strategy is generally to sell shares in the market as soon as practicable following the exercise of such rights and in any event under the Financing Facility, inter alia, EHGOSF cannot hold more than 29.9% of the Company. Accordingly, there is a risk that should the Company seek to drawdown under the Loan Notes and EHGOSF thereafter exercise and sell Shares in significant amounts over a lengthy period, this could have a material negative impact on the price of the Shares.

Key Executive Risk
Given the wholesale change in the Board of Directors and executive team in January 2024, there is a risk of Iconic not being able to retain key executives, which could adversely affect Iconic's operating and financial performance. Retaining and motivating Bradley Taylor (Chief Executive Officer) is a critical component of the future success of the business.

Global Economic Risk
The online media and publishing, technology, artificial intelligence, and data gathering, processing, and analytics sectors are susceptible to adverse developments in the global economy and particularly the UK economy where Iconic is located. The continual uncertainty over the war in Ukraine, the high inflationary environment and the threat of global recession, for example, may continue to delay spending by potential clients which may have a negative effect on the demand for services which could affect Iconic's revenues.

Potential Unrecorded Legacy Liabilities
As evidenced by the administration and disputes involving various key parties, there were significant legacy issues that predated management's arrival. Following the exit from administration and the entering into of confidential settlement agreements with various parties, the Directors consider that it is unlikely that there are any material unknown liabilities of Iconic, however there is the potential for unknown creditors to emerge which would increase the liabilities of the Company.

Inability to contract with customers on the most favourable terms
The Company enters into contracts with a wide variety of companies, many of whom possess greater negotiating leverage than is currently available to the Company. The Company may be required to tolerate terms which are less favourable than might be anticipated, and which may also be governed by the laws of other jurisdictions, and this could intensify if the number of competitors increases, thereby potentially giving existing or prospective customers more options. Furthermore, if the Company enters into more onerous

existing or prospective customers more options. Furthermore, if the Company enters into more onerous terms than it would ideally enter into, it may risk not being able to satisfy those terms. Breaching onerous terms or failing to secure the best commercial terms possible could have a material impact on the Company's business revenue, financial condition and profitability.

Access to further capital

Part of the Company's growth strategy is to identify and acquire similar businesses that are of a smaller scale and which are well-priced. In the longer term, the Company is intending to grow the business organically and continue to identify and acquire similar businesses, albeit the Company anticipates such future acquisitions to be of a larger scale than those the Company is looking to make in the near term. The Company's longer term growth strategy may require additional funds in order to respond to business challenges, enhance existing services and complete any future acquisitions.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences, and privileges superior to those of current shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability

Financial Risk Management

The Board monitors the internal risk management function across Iconic and advises on all relevant risk issues. There is regular communication with internal departments, external advisors and regulators.

FINANCIAL REVIEW

Iconic made a profit in the 6 month period of £270,131 (2022 - £5,480,355), which is attributable to the reduction in administrative expenses (decreased by £384,503 compared to the same period last year). The decrease is mainly due to the writing back of creditors balances which are no longer due and the creditor settlements under the CVA.

At 31 December 2023, Iconic held total assets of £14,175 (2022 - £92,895). The Group had liabilities of £2,756,504 at the balance sheet date (2022 - £3,551,059), a decrease of £794,555.

Key Performance Indicators

The business is focused on the areas of cash management and operating results.

Iconic has identified the following key performance indicators which the Directors will use to measure success against the business plan:

- Gross revenue growth
- EBITDA growth
- Market value

RESPONSIBILITY STATEMENT

The directors confirm to the best of our knowledge:

- the interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union

- the Chairman's statement and interim financial statements include a fair review of the information required by the Financial Statements Disclosure and Transparency Rules (DTR) 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the year; and

- the Chairman's statement includes a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period and also any changes in the related party transactions described in the last annual report that could do so.

At the date of this statement, the Directors are those listed on the Company information page of these interim financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (unaudited)

	Six months ended 31 December 2023 £	Six months ended 31 December 2022 £	Year ended 30 June 2023 (audited) £
Revenue	**-**	-	-
Gross profit	**-**	-	-
Administrative expenses	**(274,466)**	(658,969)	(1,348,903)
Direct costs incurred in connection with EHGOSF financing facility	**(194,536)**	-	-
Creditors written off	**739,133**	6,139,324	6,117,482
Other operating income	**-**	-	44
Operating profit	**270,131**	5,480,355	4,768,623
Finance costs	**-**	-	-
Profit before taxation	**270,131**	5,480,355	4,768,623
Taxation	**-**	-	-
Profit for the period	**270,131**	5,480,355	4,768,623
Total comprehensive income for the period	**270,131**	5,480,355	4,768,623
Basic and diluted profit per ordinary share (pence)			
- **from continuing operations**	**(0.00)**	(0.00)	(0.00)
- **from discontinued operations**	**(0.00)**	(0.00)	(0.00)

The profit for the period is wholly attributable to the equity holders of the parent company.

All operations of the group are continuing.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023 (unaudited)

	Notes	**Six months ended 31 December 2023 £**	Six months ended 31 December 2022 £	Year ended 30 June 2023 (audited) £
Non-current assets				
Intangible assets		**1**	1	1
		1	1	1
Current assets				
Trade and other receivables		**13,067**	-	-

Cash and cash equivalents		**1,107**	92,894	50,243
		14,174	92,894	50,243
Total assets		**14,175**	92,895	50,244
Equity				
Shareholders' equity				
Share capital	**3**	**5,107,132**	4,450,506	4,539,523
Share premium		**8,401,589**	7,900,778	8,341,761
Retained deficit		**(16,251,050)**	(15,809,449)	(16,521,181)
Total equity		**(2,742,329)**	(3,458,165)	(3,639,897)
Current liabilities				
Trade and other payables	**4**	**929,104**	2,051,060	1,750,141
Loans and borrowings		**1,827,400**	1,500,000	1,940,000
		2,756,504	3,551,060	3,690,141
Total liabilities		**2,756,504**	3,551,060	3,690,141
Total equity and liabilities		**14,175**	92,895	50,244
Net asset value per share (pence)		**(26.61)**	(0.01)	(0.01)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (unaudited)

	Share capital £	**Share premium £**	**Retained deficit £**	**Total equity £**
Balance at 1 July 2022	4,450,506	7,900,778	(21,289,804)	**(8,938,520)**
Total comprehensive income	-	-	5,480,355	**5,480,355**
Balance at 31 December 2022	4,450,506	7,900,778	(15,809,449)	**(3,458,165)**
Changes in equity				
Transactions with owners:				
Issue of shares	89,017	440,983	-	**530,000**
Total transactions with owners:	89,017	440,983	-	**530,000**
Total comprehensive expense	-	-	(711,732)	**(711,732)**
Balance at 30 June 2023	4,539,523	8,341,761	(16,521,181)	**(3,639,897)**
Changes in equity				
Transactions with owners:				
Issue of shares	567,609	59,828	-	**627,437**
Costs of issuing shares	-	-	-	-
Total transactions with owners:	567,609	59,828	-	**627,437**
Total comprehensive income	-	-	270,131	**270,131**
Balance at 31 December 2023	**5,107,132**	**8,401,589**	**(16,251,050)**	**(2,742,329)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (unaudited)

	Six months ended 31 December 2023 £	Six months ended 31 December 2022 £	Year ended 30 June 2023 (audited) £
Cash flows from operating activities			
Total comprehensive income for the period	**270,131**	5,480,355	4,768,623
Net write back of loan notes	**-**	-	(915,000)
Adjustments for			
Increase in trade and other receivables	**(13,067)**	-	-
Decrease in trade and other payables	**(821,037)**	(4,992,466)	(4,773,385)

Net cash (used in)/generated by operating activities	**(563,973)**	487,889	(919,762)
Cash flows from financing activities			
Repayment of loans and borrowings	**(415,000)**	(915,000)	-
Issue of loans	**302,400**	520,000	970,000
Issue of share capital	**627,437**	-	-
Net cash generated by/(used in) financing activities	**514,837**	(395,000)	970,000
(Decrease)/increase in cash and cash equivalents	**(49,136)**	92,889	50,238
Cash and cash equivalents at beginning of period	**50,243**	5	5
Cash and cash equivalents at end of period	**1,107**	92,894	50,243

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023 (unaudited)

	Six months ended 31 December 2023 £	Six months ended 31 December 2022 £	Year ended 30 June 2023 (audited) £
Non-current assets			
Intangible Assets	-	1	-
Investments	**1**	2	1
Non-current assets	**1**	3	1
Current Assets			
Trade and other receivables	13,067	-	-
Cash and cash equivalents	1,107	92,894	50,243
	14,174	92,894	50,243
Total assets	14,175	92,897	50,244
Equity			
Share capital	5,107,132	4,450,506	4,539,523
Share premium	8,401,589	7,900,778	8,341,761
Retained deficit	(16,251,050)	(15,809,449)	(16,521,181)
	(2,742,329)	(3,458,165)	(3,639,897)
Current liabilities			
Trade and other payables	929,104	2,051,062	1,750,141
Loans and borrowings	1,827,400	1,500,000	1,940,000
	2,756,504	3,551,062	3,690,141
Total liabilities	2,756,504	3,551,062	3,690,141
Total equity and liabilities	14,175	92,897	50,244

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (unaudited)

	Share capital £	**Share premium £**	**Retained deficit £**	**Total equity £**
Balance at 1 July 2022	4,450,506	7,900,778	(21,289,344)	**(8,938,060)**
Total comprehensive income	-	-	5,479,895	**5,479,895**
Balance at 31 December 2022	4,450,506	7,900,778	(15,809,449)	**(3,458,165)**
Changes in equity				
Transactions with owners:				
Issue of shares	89,017	440,983	-	**530,000**
Total transactions with owners:	89,017	440,983	-	**530,000**

Total comprehensive expense	-	-	(711,732)	**(711,732)**
Balance at 30 June 2023	4,539,523	8,341,761	(16,521,181)	**(3,639,897)**
Changes in equity				
Transactions with owners:				
Issue of shares	567,609	59,828	-	**627,437**
Costs of issuing shares	-	-	-	-
Total transactions with owners:	567,609	59,828	-	**627,437**
Total comprehensive income	-	-	270,131	**270,131**
Balance at 31 December 2023	**5,107,132**	**8,401,589**	**(16,251,050)**	**(2,742,329)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (unaudited)

1. Basis of preparation

The Company is registered in England and Wales. The consolidated interim financial statements for the six months ended 31 December 2023 comprise those of the Company and subsidiaries.

Statement of compliance

This consolidated interim financial report has been prepared in accordance with the measurement principles of IFRS adopted in the European Union. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial performance and position of the Company since the last annual consolidated financial statements for the period ended 30 June 2023. This consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards. The financial statements are unaudited and do not constitute statutory accounts as defined in section 434(3) of the Companies Act 2006.

A copy of the audited annual report for the period ended 30 June 2023 has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified and did not contain statements under S498(2) or S498(3) of the Companies Act 2006.

This consolidated interim financial report was approved by the Board of Directors on 27 March 2024.

Significant accounting policies

The accounting policies applied by the Company in this consolidated interim financial report are the same as those applied by the Company in its consolidated financial statements for the period ended 30 June 2023.

New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of the adoption of these standards.

Going concern

The Board of Directors has carefully considered the financial position of Iconic Labs regarding the events during the six months ended 31 December 2023, with particular focus on the continuation in management and leadership. We have concluded that as a result of the new financing facility in place with EHGOSF as well as substantial discussions with EHGOSF to secure a long-term financing facility, Iconic Labs remains a going concern.

2. Operating segments

The Company's sole asset is Gay Star News ("GSN"), an online media platform dedicated to the LGBTQ+ community. The Company is continuing to develop GSN with strategic partners.

Iconic operates in the online social media and publishing sectors and to complement its existing asset, is seeking acquisition targets in the technology, artificial intelligence, and big data gathering, processing and analytics sectors.

3. Share capital

	31 December 2023		30 June 2023	
	Number	**£**	**Number**	**£**
Allotted, issued and fully paid:				
Classified as equity				
Ordinary shares of £0.00001 each	**-**	**-**	46,306,916,660	463,069
Ordinary shares of £0.10 each	**10,306,783**	**1,030,678**	-	-
Deferred shares of £0.00249 each	**1,637,129,905**	**4,076,454**	1,637,129,905	4,076,454
Total	**1,647,436,688**	**5,107,132**	47,944,046,565	4,539,523

At 30 June 2023, the Company had 46,306,916,660 Ordinary shares of £0.00001 in issue.

In August 2023, the Company issued 689,655,172 Ordinary shares of £0.00001 for £0.000039 each in respect of a conversion of loan notes by EHGOSF.

Following the share issue above, the Company undertook a share consolidation. For every 10,000 £0.0001 Ordinary shares held, the shareholder received 1 Ordinary share of £0.10. In order to facilitate this consolidation, the Company had to issue 8,168 Ordinary shares of £0.0001 prior to the consolidation.

In September 2023, the Company issued 220,361 Ordinary shares of £0.10 each for £0.23 each, 236,406 were issued for £0.13 each and 271,739 were issued for £0.11 each. These issues were all in respect of the conversion of loan notes by EHGOSF. The Company also issued 83,256 Ordinary shares at par, to creditors as part of the CVA arrangement.

In October 2023, the Company issued 1,508,110 Ordinary shares of £0.10 each at par, in respect of the conversion of £130,000 loan notes by EHGOSF, and related conversion fees.

In November 2023, the Company issued 1,022,490 Ordinary shares of £0.10 each at par, in respect of the conversion of £50,000 loan notes by EHGOSF, and related conversion fees. Also in November 2023, the Company issued 769,043 Ordinary shares of £0.10 each at par, in respect of the conversion of £35,000 loan notes by Linton Capital, and related conversion fees.

In December 2023, the Company issued 1,495,720 Ordinary shares of £0.10 each at par, in respect of the conversion of £70,000 loan notes by EHGOSF, and related conversion fees.

At 31 December 2023, the Company had 10,306,783 Ordinary shares of £0.10 in issue.

4. Trade and other payables

Group

	31 December 2023	31 December 2023	30 June 2023 (audited)
	£	£	£
Trade payables	**868,266**	1,531,059	1,704,142
Other payables	**1,400**	520,000	-
Accruals	**59,438**	-	45,999
	929,104	2,051,059	1,750,141

Company

	31 December 2023	31 December 2023	30 June 2023 (audited)
	£	£	£
Trade payables	**868,266**	1,531,062	1,704,142
Other payables	**1,400**	520,000	-
Accruals	**59,438**	-	45,999
	929,1047	2,051,062	1,750,141

Book values approximate to fair values at 31 December 2023 and 30 June 2023.

Included within liabilities were £1,071,444 of unsecured creditors which were under CVA proceedings at 30 June 2023. These were settled in common shares of Iconic Labs in the ration of 1:0.25. This denoted that 1GBP of liability was settled with 0.25GBP value in shares on 0.00016GBP per share value. These settlements were proceeded when the company paid all of its secured creditors during 2Q 2023.

5. Financial instruments

Reconciliation of movement in net cash

	Loan	Loan notes	Net cash at 31

	Net cash at 1 July 2023	Cash flow	Loan notes issued in the period	notes converted in the period	at 31 December 2023
	£	£	£	£	£
Cash at bank and in hand	50,243	(49,136)	-	-	1,107
Borrowings	(1,940,000)	-	(302,400)	415,000	(1,827,400)
Total financial liabilities	(1,889,757)	(49,136)	(302,400)	415,000	(1,826,293)

6. Profit from Operations

	Period ending 31 December 2023	Period ending 31 December 2022	Year ended 30 June 2023 (audited)
	£	£	£
The (Profit)/loss for the period is stated after charging:			
Auditors remuneration - audit services	**34,200**	58,725	30,000
Expenses by Nature:	**£**	£	£
Legal & audit fees	**163,395**	72,953	772,578
Financial advisory	**-**	7,500	-
Consultancy & professional fees	**54,064**	515,000	433,368
Other supplies and external services	**22,807**	5,251	112,957
Creditor's write off	**(739,133)**	(6,139,324)	(6,117,482)
Total operating expenses	**(464,667)**	(5,479,895)	(4,768,579)
Total administrative expense	**(464,667)**	(5,479,895)	(4,768,579)
Direct costs incurred in connection with financing facilities	**194,536**	-	-
	(270,131)	(5,479,895)	(4,768,579)

END

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