

Primorus Investments plc

("Primorus" or the "Company")

Final Results

Primorus Investments plc (AIM: PRIM) is pleased to report its final results for the year ended 31 December 2023. The Annual Report & Accounts for the year ended 31 December 2023 ("Annual Report") are available on the Company's website, www.primorusinvestments.com.

Caution regarding forward looking statements

Certain statements in this announcement, are or may be deemed to be, forward-looking statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting the Company will be those that it anticipates.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Chairman's statement incorporating the strategic report

For the year ended 31 December 2023

Overview

I am pleased to present the Chairman's Statement and Strategic Report for the financial results of Primorus Investments plc ("Primorus" or the "Company") for the year ended 31 December 2023.

Introduction

As we reflect on the investment landscape of 2023, there have been a myriad of challenges that investors faced throughout the year. These challenges stemmed from both global and domestic factors which have significantly influenced market dynamics and investment strategies. Conflict continued in Ukraine and the Middle East. Investment sentiment was hit by supply chain disruptions, inflationary pressures, and labour shortages contributed to the economic challenges faced by businesses and investors alike. Central banks took a more hawkish stance in response to these inflationary pressures, affecting asset valuations, borrowing costs, and market liquidity. Small caps bore the brunt and

inflationary pressures, increasing asset valuations, borrowing costs, and market liquidity. Such caps bore the brunt and funding became extremely difficult in the final quarters of 2023. Primorus has remained in a favourable position with conservative cash management meaning there has been no need to raise funds.

These events have provided both challenges and opportunities for Primorus' investee companies, with certain investee companies using the situation as an opportunity and are outperforming expectations.

We continue to look for opportunities to divest from our non-core holdings. This year it included disposing of TruSpine Technologies plc, Landore Resources Limited, Rogue Baron Plc and the remaining holding in Supernatural Foods, the latter which was sold on the secondary market at book cost. Any non-material divestments will be updated on the website.

Concurrent with reviewing the Company's existing investments, the management team was also presented with many new proposals and opportunities during the period. The management team carefully reviewed each opportunity in accordance with the strategy highlighted previously.

The Directors continue to align themselves with shareholders as demonstrated by numerous share purchases by Directors on the market culminating in a current combined director holding approximately 27% of shares in issue.

Investment highlights

- The Company made a further investment of £75,000 into Interpac Ltd ("Interpac"). Interpac was founded in 2013 to create a new corrugation process for the manufacture of cardboard which is more cost-efficient and environmentally friendly than current manufacturing processes. Interpac has already secured initial customer sales, and with the additional investment it now has the balance sheet to fulfil its early orders and continue its growth strategy.
- Primorus was repaid all monies owed from Bushveld Minerals Limited (BMN). The final balance was received in November 2023 and totalled approximately £925,000 (comprising the total principal amount owed and accrued interest of 10%).
- Alteration Earth PLC ("ALTE") entered into a binding heads of terms agreement to acquire the entire issued share capital of Verdant Earth Technologies Limited. We look forward to ALTE fulfilling its strategy and delivering value enhancing outcome for its shareholders.
- Fresho Pty Ltd ("Fresho") had another successful year and continued to progress throughout 2023. Engagement continues to increase year on year, and this resulted in an annualised gross merchandise volume of \$2.4bn. Orders increased 30% to 480,000 per month with 38% more venues. This resulted in revenue increasing by 55%. With continued planned investment further significant growth is forecasted.
- The Payapps group ("Payapps") continued to perform well during 2023 with both sales and revenue growth increasing over the comparative period for 2022. This growth reflects the investments made in the business in 2022 and has been supported by largely positive macroeconomic conditions in Australia and the UK post COVID lockdowns in 2022. Sales results have been very strong within all regions achieving a record sales year. Following the year end Payapps was purchased by Autodesk Inc. See Note 4 below for further information.
- Engage Technology Partners Limited ("Engage"), the end-to end workforce management platform provider, had a difficult year and were seeking new funding to take them through to breakeven. Subsequent to the year end, Engage undertook a significant restructure which resulted in the Company's shareholding in Engage being reduced from 4.49% to 1.97%. We have reflected the impairment in value of this investment in the financial statements for this year. See Note 4 below for further information.
- Clean Power Hydrogen ("CPH2") encountered a number of issues. Supply chain problems meant commissioning and delivery of its first MF220 units experienced delays and therefore impacted planned commissioning schedules. A further issue was identified in the design and operation of the cryostat unit. The appointment of a CTO and the manufacturing agreement with Fabrum Solutions Ltd will hopefully lead to a resolution and accelerate the delivery of the technology to an ever-growing market.

Primorus holds several legacy investments which do not form part of its long-term strategy and strategic future goals. Consequently, the Company intends to dispose of these investments when there is a suitable liquidity event, or a fair value offer is available.

The legacy investments include Sport80, WeShop, Stream TV and MEVIE. These investments are classified on the website under non-core investments. In 2023 we completed the sale of our holding in Supernatural Foods.

Primorus will continue to actively manage its investments and liquidity which may involve holding certain market tradeable investments. Where active management involves non-material transactions, it will not be reported via an RNS, but instead, the Company's website shall be updated periodically to reflect any changes to the investments held by the Company. These changes may include the purchase of additional shares or the disposal in part or in whole of any individual investment.

Financial highlights

The operating loss for the year was £2.349 million (2022: loss of £1.513 million). The net loss after tax was £2.349 million (2022: loss of £1.484 million). Total assets including cash at 31 December 2023 amounted to £5.341 million (2022: £7.656 million).

The cash balance was £0.775 million as at 31 December 2023 (2022: £0.114 million)

Investee companies

The majority of the Company's investments in underlying investee companies are minority investments. Whilst we may offer advice to the management of the investee companies, specifically about their business objectives and goals, they can and sometimes do ignore such advice. Similarly, those investee companies which are privately held do not have similar disclosure obligations to publicly quoted companies and therefore, any updates they provide about their businesses can be piecemeal and, in certain cases, non-existent save where the Board specifically requests an update. The Company does maintain an open dialog with its investee companies in order to monitor performance.

Primorus has no operational capacity insofar as it pertains to any of its investee companies, and whilst the Board will look to structure investments in a format where Primorus can have a high degree of oversight, this was not done with the Company's historic investments and, as such, there are inherent risks in that investee companies are not as accountable to the Company as the Board would prefer them to be. The Board intends, wherever possible, to seek more oversight in any significant new investments which the Company makes into private companies or unquoted public companies. It is unlikely the Company will make investments into either such companies unless there is a clear route to a relatively near-term liquidity event such as a trade sale or an IPO.

In relation to its investment in ALTE, the Company has a nominated director on the board to ensure there is oversight on behalf of Primorus. This has been a significant step for the Company because it is the first investment where the Company will get an insight into the operation of the investee company and be able to actively voice its opinions, concerns and constructive advice instead of being informed of decisions after the event. Hedley Clark was also appointed as a Non-Executive director on the board of Interpac.

Summary and Outlook

The year under review saw the Company start to gain some meaningful traction. Although there have been several headwinds for Primorus and the markets in general, the Board feels the Company is in a strong position to take advantage of opportunities as they present themselves. The drive to net zero carbon is clearly necessary for the benefit of the wider community and the Board feels that it can position Primorus in this investment space for the benefit of the Company and its shareholders.

The Company did not need to raise any capital in 2023 and the Board sees no immediate need to do so due to the Company's holdings of liquid instruments and cash. The Board is not ruling out the possibility of raising capital if the right opportunity presents itself, but at the time of writing the Company is not considering any potential investments which would necessitate a capital raising to be undertaken.

The Board will continue to look at innovative ways to enhance the Company's value which may involve looking at various alternative company structures.

It is also important to enhance clarity of those investments which the Company holds. In the past, it has been hard to get an accurate valuation of some of our investments but as we move towards investments with greater liquidity this should enable the Company to be valued at a value closer to its net asset value ("NAV"). Whilst it is usual for investment

enable the Company to be valued at a value closer to its net asset value (NAV). Whilst it is easier for investment companies to trade at a discount to their NAV, the Board believes the Company to be undervalued given its share price and resultant market capitalisation.

We remain highly focused on costs, especially in these inflationary times and will always focus on efficiency whilst working to achieve shareholder value.

The Board would like to thank all shareholders for their continued support and understanding in this period of unsettling and exceptional circumstances and wish them well during this time.

2024

The Board remains committed to its strategic criteria for each new investment and has reiterated the core requirements below:

- It must enable Primorus the opportunity to acquire a meaningful stake in the investee company.
- A clear and realistic exit route must be in place.
- There should be an opportunity for the Board to play an active role in the investee company's development.
- The Board and the investee company's management team must share a common vision and strategic alignment.
- The investment committed by the Company will be proportionate to the risk/reward opportunity.
- There should be a greater opportunity for the Company's shareholders to benefit directly from the increase in capital values from each investment.

Our operational targets for the remainder of 2024, in line with our investing policy, are:

- To continue to focus on applying financial resources diligently, with controlled corporate costs and focused investment.
- To continue to build working capital, preferably through organic means, by exiting investments which have generated significant returns on investment.
- To continue to build our external network and to develop our managerial team to provide confidence in the market of our abilities to achieve our strategic business objective of identifying significant value-enhancing investment opportunities.
- To proactively continue the work the Board has already started to achieve with the crystallisation of value from certain investment opportunities which it has identified.
- To continue to review new opportunities and where financially and operationally practical to make investments in such opportunities which present the most upside to the Company.
- To retain sufficient capital resources through cash or liquid investments to enable the Company to have access to immediate capital for the purposes of deploying into larger positions that are the most strategically aligned opportunities.
- To divest the non-core investments when suitable liquidity events arise, or fair value can be achieved by alternative means.

Rupert Labrum

Date 31 May 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 £000	2022 £000
Income			
Investment income		64	93
Realised loss on financial investments		(684)	(288)
Unrealised gain/(loss) on financial investments		465	(542)
Gross Loss		(155)	(737)
Operating expenses			

Administrative expenses		(504)	(401)
Impairment of financial investments	2	(1,690)	(375)
Loss before tax		(2,349)	(1,513)
Taxation		-	29
Loss for the year		(2,349)	(1,484)
Other comprehensive income for the year net of tax		-	-
Total comprehensive income		(2,349)	(1,484)
Earnings per share attributable to the ordinary equity holders of the parent			
		2023	2022
		Pence	Pence
Basic and diluted (loss) per share	3	(1.680)	(1.061)

The notes form part of these financial statements.

The Financial Statements were approved and authorised for issue by the board of directors on 31 May 2024.

R Labrum

Rupert Labrum

H Clark

Hedley Clark

Statement of Financial Position

Company Registration Number 3740688

As at 31 December 2023

		2023		2022
ASSETS	Notes	£000		£000
Non-Current Assets				
Financial Investments	2	2,052	5	5,444
		2,052		5,444
Current Assets				
Financial Investments	2	2,502		2,064
Trade and other receivables		12		34
Bank and cash balances		775		114
		3,289		2,212
Total Assets		5,341		7,656
LIABILITIES				
Current Liabilities				
Trade and other payables		144		110
Total Liabilities		144		110
Net Assets		5,197		7,546
EQUITY				
Issued capital and reserves				
Share capital		280		280
Retained earnings		4,917		7,266
Total Equity		5,197		7,546

Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £000	Share premium £000	Share based payment reserve £000	Retained earnings £000	Total attributable to owners of the company £000
Balance at 1 January 2022	280	-	13	8,616	8,909
Loss for the year	-	-	-	(1,484)	(1,484)
Total comprehensive income for the year	-	-	-	(1,484)	(1,484)
Share based payment expense	-	-	121	-	121
Reclassification upon cancellation of share options	-	-	(134)	134	-
Balance at 31 December 2022	280	-	-	7,266	7,546
Balance at 1 January 2023	280	-	-	7,266	7,546
Loss for the year	-	-	-	(2,349)	(2,349)
Total comprehensive income for the year	-	-	-	(2,349)	(2,349)
Balance at 31 December 2023	280	-	-	4,917	5,197

The notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2023

	2023 £000	2022 £000
Cash Flows from Operating Activities		
Operating loss before tax	(2,349)	(1,484)
Adjustments for:		
Loss on disposal of financial investments	684	288
Fair value movements on financial investments	(465)	542
Impairment provision on unlisted investments	1,690	375
Interest income on investments	(64)	(93)
Net foreign exchange loss/ (gain)	133	(112)
Share based payment expense	-	121
Income tax credit	-	(29)
	(371)	(392)
Movement in working capital:		
Decrease in trade and other receivables	22	-
Increase in trade and other payables	34	66
Cash used in operations	(315)	(326)
Income taxes paid	-	(36)
Net cash used in operating activities	(315)	(362)
Cash flows from investing activities		
Proceeds from sale of financial investments	1,051	1,937
Purchase of financial investments	(75)	(2,402)
	976	(465)
Net cash increase/(decrease) in cash and cash equivalents	661	(827)
Cash and Cash Equivalents at beginning of year	114	941
Cash and Cash Equivalents at end of year	775	114

The notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2023

1. Accounting Policies

Basis of Preparation

Primorus Investments plc is a public company incorporated and domiciled in the United Kingdom. The Company's registered office is 48 Chancery Lane, London, WC2A 1JF. The Company's shares are listed on the AIM market of the London Stock Exchange.

The Company meets the definition of an investment company.

The Financial Statements are for the year ended 31 December 2023 and 2022 and have been prepared under the historical cost convention, except for financial investments measured at fair value.

The financial statements have been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006.

These financial statements have been prepared and approved by the Directors on 31 May 2024 and signed on their behalf by Rupert Labrum and Hedley Clark.

The accounting policies have been applied consistently throughout the preparation of these financial statements and the financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£000) unless otherwise stated.

Going Concern

The Directors noted the operating losses that the Company has made for the year ended 31 December 2023. The Directors have prepared cash flow forecasts for a period of at least twelve months from the date of the approval of these financial statements.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash and liquid funds (i.e. investments in listed companies) available to allow it to continue in business for a period of at least twelve months from the date of the approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Company remains a going concern. At 31 December 2023 the Company had cash and cash equivalents of £775,000. The Company also has listed financial investments of £868,000 as at 31st December 2023. Following the year end the Company disposed on one of its unlisted investments for approximately USD 6.1 million, further enhancing its cash reserves (see Note 4 below for further details). The Company has minimal contractual expenditure commitments and the Board considers the present funds, including those raised from the sales of its unlisted investment, and future disposals of its listed financial investments sufficient to maintain the working capital of the Company for a period of at least 12 months from the date of signing the Annual Report and Financial Statements. For these reasons the Directors adopt the going concern basis in preparation of the Financial Statements.

2. Financial investments

	£000	£000	£000	£000
	Level 1	Level 2	Level 3	Total
Fair Value at 31 December 2021	633	-	7,409	8,042
Additions	2,153	-	1,552	3,705
Transfer	350	-	(350)	-
Fair value changes	(542)	-	-	(542)
Loss on disposals	(288)	-	-	(288)
Disposal	(696)	-	(2,450)	(3,146)
Impairment (provision)/reversal	(407)	-	32	(375)
Foreign Exchange	-	-	112	112
Fair Value at 31 December 2022	1,203	-	6,305	7,508
Additions	-	-	75	75
Interest - Unlisted Convertible Loan	-	-	64	64
Fair value changes	465	-	-	465
Loss on disposals	(684)	-	-	(684)
Disposal	(116)	-	(935)	(1,051)
Impairment provision	-	-	(1,690)	(1,690)
Foreign Exchange	-	-	(133)	(133)
Fair Value at 31 December 2023	868	-	3,686	4,554

The 2023 financial assets are split as follows:

Current assets - listed	868	-	-	868
Current assets - unlisted	-	-	1,634	1,634
Non-current assets - unlisted	-	-	2,052	2,052
Total	868	-	3,686	4,554

The 2022 financial assets are split as follows:

Current assets - listed	1,203	-	-	1,203
Current assets - unlisted convertible loans	-	-	861	861
Non-current assets - unlisted	-	-	5,444	5,444
Total	1,203	-	6,305	7,508

	£000	£000	£000	£000
	Level 1	Level 2	Level 3	Total
Loss on investments held at fair value through profit or loss for 2023				
Fair value gain on investments	465	-	-	465
Realised loss on disposal of investments	(684)	-	-	(684)
Net loss on investments held at fair value through profit or loss	(219)	-	-	(219)

	£000	£000	£000	£000
	Level 1	Level 2	Level 3	Total
Loss on investments held at fair value through profit or loss for 2022				
Fair value gain on investments	(542)	-	-	(542)
Realised loss on disposal of investments	(288)	-	-	(288)
Net loss on investments held at fair value through profit or loss	(830)	-	-	(830)

Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices included in Level 1 that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs, which are not based on observable market data.

Investments are held at fair value through profit and loss using a three-level hierarchy for estimating fair value.

The Directors have reviewed the carrying value of the investments and have determined an impairment is required of £1,689,777 (2022: £374,805). This represents an impairment of £1,617,561 in respect of Engage Technology Partners Limited and £100,000 in respect of SOA Energy UK Limited. The directors have also reversed a previous impairment of £7,984 in respect of the Supernatural Foods Limited shares that were disposed of during the year and £19,800 in respect of Sport80 plc, which is still held by the Company.

Investments comprise both listed and unlisted investments. The listed investments are traded on stock markets throughout the world and are held by the Company as a mix of strategic and short-term investments.

Significant additions and disposals during the year and subsequent to the year end

Disposal in Bushveld Minerals Limited

During the year the Company was repaid the convertible loan note owed by Bushveld Minerals Limited. The final payment was received in November 2023. During the year the Company received £64,000 of interest on the outstanding loan notes.

Sale of Payapps Limited ("Payapps")

Following the year end Payapps was purchased by Autodesk Inc. This resulted in the Company receiving approximately USD 6.1m. The purchase was for the the Payapps' Construction Payment Management businesses (Payapps, GCPay and Webcontractor) and the acquisition did not include the Facilities Management ("FMI") business, which was separated out of Payapps prior to the closing of the acquisition and retained for the benefit of Payapps' existing shareholders. A separate sale process will be conducted with the net proceeds from the sale of the FMI business to be distributed to Payapps shareholders as additional consideration.

Impairment in value of Engage Technology Partners Limited ("Engage")

In April 2024 Engage undertook a significant restructure which resulted in the Company's shareholding in Engage being reduced from 4.49% to 1.97%. This dilution, along with a reassessment by the directors of the current valuation of Engage, has resulted in a reduction in the carrying value of Engage in the Company's balance sheet to £158,000, approximately an 89% reduction.

Purchase of shares in Virtualstock Holding Limited

In May 2024 the Company purchased 250,000 shares in Virtualstock Holdings Limited for £2.00 per share, a total investment of £500,000.

Significant additions and disposals in 2022

Mustang Energy PLC ("Mustang") and Bushveld Minerals Limited ("Bushveld")

In January 2022 the Company sold \$1.0 million of its US\$2.5 million CLN in Mustang , plus accrued interest, to certain existing Mustang CLN investors. In March 2022 the Company converted the remainder of the CLN plus accrued interest in Mustang to a CLN in Bushveld. In April and May 2022 the Company exercised its rights under the CLN with Bushveld and converted a total of £411,000 of the CLN to shares, of which it subsequently disposed. The CLN is due to be repaid on 14th July 2023, along with accrued interest.

Clean Power Hydrogen PLC

In February 2022 the Company invested £1.0 million in Clean Power Hydrogen PLC, a manufacturer of the membrane-free electrolyser which is used to create hydrogen and medical grade oxygen. The company is listed on the UK Alternative Investment Market.

Rambler Metals & Mining PLC ("Rambler")

During the year 2022 the Company acquired £514,000 of shares and sold £114,000 of shares in Rambler. In 2023 Rambler went into liquidation. As a result, the directors have made an impairment provision for the full value of the remaining shares.

3. Earnings per share

Basic and diluted earnings per share	2023	2022
From continuing operations attributable to the ordinary equity holders of the Company	(1.680)	(1.061)
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Company	(1.680)	(1.061)
The calculation of the loss per share is based on the loss after taxation divided by the weighted average number of shares in issue during the period:		
	2023	2022
	£000	£000
Loss for the year	(2,349)	(1,848)
Weighted average number of shares used as the denominator	2023	2022
Weighted average number of ordinary shares used as the denominator in	139,833,668	139,833,668

calculating basic earnings per share	139,830,968	139,830,968
Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	139,830,968	139,830,968

4. Events after the reporting date

Following the year end Payapps was purchased by Autodesk Inc. This resulted in the Company receiving approximately USD 6.1m. The purchase was for the Payapps' Construction Payment Management businesses (Payapps, GCPay and Webcontractor) and the acquisition did not include the Facilities Management ("FMI") business, which was separated out of Payapps prior to the closing of the acquisition and retained for the benefit of Payapps' existing shareholders. A separate sale process will be conducted with the net proceeds from the sale of the FMI business to be distributed to Payapps shareholders as additional consideration.

In March 2024 the Company announced the payment of a special dividend to shareholders of 1.5p per share, amounting to a distribution of proceeds to shareholders of approximately £2.1m, in aggregate. This dividend was paid to shareholders on 10th April 2024.

Since the year end the Company has acquired an additional 329,808 shares in Fresho Pty Limited at an average price of AUD\$0.862 per share for a total consideration of AUD\$284,301.

In April 2024 Engage undertook a significant restructure which resulted in the Company's shareholding in Engage being reduced from 4.49% to 1.97%. This dilution, along with a reassessment by the directors of the current valuation of Engage, has resulted in a reduction in the carrying value of Engage in the Company's balance sheet to £158,000, approximately an 89% reduction.

In May 2024 the Company purchased 250,000 shares in Virtualstock Holdings Limited for £2.00 per share, a total investment of £500,000.

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