

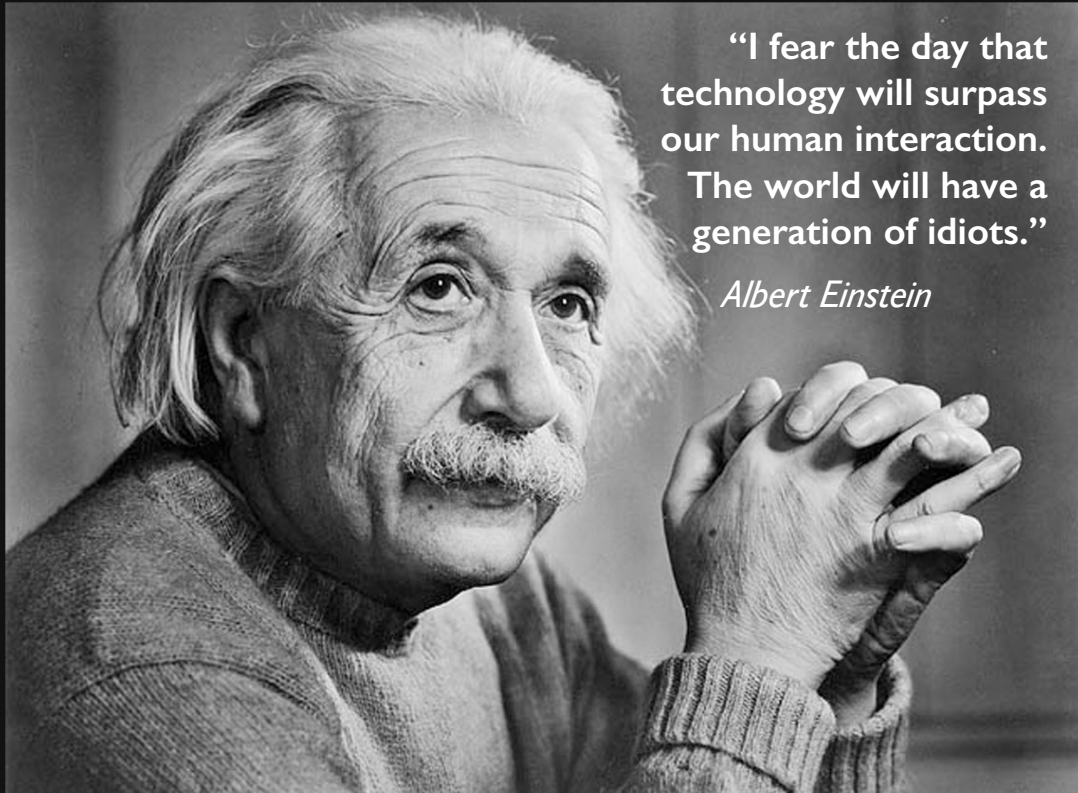


*The Bulls and Bears in the Market, 1879 by William Holbrook Beard*

"Bulls Make Money, Bears Make Money, Pigs Get Slaughtered:  
Wall Street Truisms that Stand the Test of Time: Anthony M. Gallea"

# Annual Report and Accounts

Year to 31 December 2020



"I fear the day that  
technology will surpass  
our human interaction.  
The world will have a  
generation of idiots."

*Albert Einstein*

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# 2020 HIGHLIGHTS

## Group Results 2020 versus 2019

- Group Profit /(loss) after tax for the year

US\$

\$0.9m vs. \$(3.0)m

## CONTINUING OPERATIONS

- Operating Loss before exceptional costs & depreciation
- Operating Loss before depreciation (EBITDA)
- Group Profit/(Loss) from continuing operations

\$(3.1)m vs. \$(3.4)m

\$(3.2)m vs. \$(4.3)m

\$1.7m vs. \$(3.5)m

## Discontinued Operations

- Group Profit/(Loss) from discontinued operations

\$(0.87)m vs. \$0.5m

- Group Earnings Per Share (basic and diluted)\*1

\$0.06/£0.05 vs. \$(0.18)/£(0.14)

- Book value per share\*2

\$1.97/£1.51 vs. \$1.69/£1.28

- Investment Holdings

\$7.6m vs. \$1.7m

- Net Cash

\$5.0m vs. \$18.2m\*3

- Shares repurchased (Number & Value)

3.6m (\$2.1m) vs. 1.6m (\$1.1m)

\*1 based on weighted average number of shares in issue of 14,139,629 (2019: 17,143,300) and £1 = \$1.29 (2019: £1 = \$1.28)

\*2 based on actual number of shares in issue as at 31 December 2020 of 7,945,838 (2019: 16,242,283) and £1 = \$1.36 (2019: £1 = \$1.32)

\*3 Cash reduced as a result of Capital Distribution

## 2020 HIGHLIGHTS

### LSR

Capital distribution to THAL shareholders of the Company's position in Alina Holdings PLC (formerly The Local Shopping Reit PLC ("LSR"))

### ARL

Won a grant funded award from the Oil & Gas Technology Centre ("OGTC") to progress the development of the Company's Flying Node. The project is sponsored by two global energy companies from France and Norway.

Recruited three robotics software engineers to accelerate the development of the node software

Member of a consortium which was accepted onto a new MOD multi supplier framework agreement. Partners are two multi-billion-dollar defence contractors, one US, the other Israeli.

### id4

id4 awarded Winner of Best Compliance Solution Award at the prestigious "WealthBriefing Swiss Awards 2020". Commercial software solution now being rolled out with successful contract announcements

### Tappit Technologies (UK) Limited

A £3m investment completed in Tappit Technologies (UK) Ltd, an events-based cashless payment system.

# CHAIRMAN'S STATEMENT

## 2020 an Annus Horribilis.

2020 was a serious reminder, especially for any advocates of big Government, why less is more. From China through India to Europe and the USA the recurring stories of failed Politically-led medical response to the COVID-19 virus and the resultant spend "whatever it takes" monetary policy response is a glaringly stark reminder why the World is better off with less not more Government intervention.

To make matters worse, if that was possible, 2020 also reminded us why Political leaders shouldn't actually be running soup kitchens. How arrogant does someone have to be to convince themselves, with disastrous consequences, that they knew more about medicine than the medical practitioners advising them. Global lockdowns and re-openings followed by further lockdowns brought travel chaos; mass business failures were only avoided due to Central Bank intervention as Interest rates were driven down to 0% and, in some cases, into negative territory, whilst money printing became the preferred drug of every Central Banker. And now, a year later Europe is only slowly progressing towards mass vaccination and economic recovery.

The consequences of unprecedented monetary intervention are still unknown, but as is already becoming clear from indicated changes to US and UK Fiscal policies, taxes will have to increase to pay the Piper. Whilst the USA appears to be 'normalising', Europe is still struggling to formulate either a unified medical or economic response to the COVID Pandemic.

Notwithstanding the above, somewhat critical assessment of the World's response to the COVID Pandemic, Stock markets are at or around all-time highs, driven by a limited number of "story stocks", long on rhetoric but short or devoid of earnings!

And to cap it all, market commentary would have us believe that it really is different this time and that infinite multiples, on stocks with minimal-, or in some cases, no earnings, are justified when interest rates are at or around 0%. I fear that US tech investors in the "it's different this time" camp will soon be subjected to a very rude lesson and reminder that what Mr Market giveth, he can also take away, in the blink of an eye, as interest rates rise in response to increasing inflation.

## Operational update

Whilst 2019, was, from Thalassa's point of view, a period of immense hard work with very little reportable news. 2020 was not only busy but constructive in that we were able to capitalise on the collapse in stock prices between January and April 2020 which resulted in booking substantial gains on our hedge positions for the year. Whilst we were actively hedging, to protect the Company from the fallout from COVID-19, we were busy managing our current holdings and investing in a number of new situations:

**Autonomous Robotics Ltd (ARL)** Proof of Concept completed. Discussions with potential commercial development partners at advanced stage but with no guaranty of successful completion. Focus on commercialisation of Node system and fundraising for production of shallow water system.

**Apeiron** The Company's subsidiary id4, a Swiss RegTech Software developer has now completed Phase 2 development of its SAAS software and has begun securing initial contracts whilst simultaneously expanding current relationships with initial clients.

**Anemol ("AMO")** London listing (on the Standard List) completed and now actively looking for an RTO target.

**WGP** The Company stands to earn a further \$4 million if a second specific contract is awarded before 1 January 2023. Unfortunately, the project has been delayed due to welding failures during construction of the client's new Floating Production Storage and Offloading vessel ("FPSO") currently being built in Singapore. The new oil field should have commenced production in 2022; this has now been pushed out to 2023. Our contract expires in January 2023. It is still likely that seismic work will commence before production is due to commence in Q3 2023, however it is too early to get a feel for the revised timetable.

**Alina Holdings Plc ("ALNA") (formerly, Local Shopping REIT Plc.)** In November 2020 ALNA successfully relisted on the London Stock Exchange as an operating company in the Leisure sector. Management are reviewing a number of opportunities in the European market, however, given the resurgence in COVID-19 related cases and renewed lockdowns in France and Germany may well have a significant negative impact on summer tourism this year, it is unlikely that Management of Alina will be in a big hurry to complete an early transaction given the overhang of opportunities currently available in the market.

**Miscellaneous Holdings** As previously reported, Thalassa went into the January/March 2020 market collapse well positioned and benefited substantially from the ~30% fall in Global stock prices and were able to extend those gains through the second half of the year.

**2021 Outlook** Continued Central Bank intervention, coupled with President Biden's recently announced \$2.25 Trillion infrastructure spending plan have substantially changed our view on Stock Market Risk, particularly in the USA. If, and in our view, it is a big if, the infrastructure spending plan is approved by both Congress and the Senate, it is likely to only do so after significant horse trading and compromise. In our opinion, the euphoric response to the President's spending plan leaves little or no room for disappointment and leaves the US (Tech) Market wide open to disappointment.

**Share buy-back.** As previously announced, the Company's share buy-back programme has been suspended in order to conserve cash.

I would like to thank the Company's staff who continue to work tirelessly in these difficult times.

**Duncan Soukup**  
Chairman

**8 June 2021**



# FINANCIAL REVIEW

## GROUP RESULTS

### Continuing Operations

**Total revenue** from continuing operations for the year to 31 December 2020 was \$0.06m (2019: \$0.17m) following the return of capital and divestment of Alina Holdings PLC (formally The Local Shopping REIT ("LSR")) and Anemoi International Ltd on 21 October 2020.

**Cost of Sales** on continuing operations were \$(0.001)m (2019: \$0.3m), resulting in a **Gross Profit** of \$0.06m (2019: Gross Loss \$0.01m).

**Administrative expenses** on continuing operations before exceptional costs were \$3.13m (2019: \$3.33m) and **depreciation** \$0.05m compared to \$0.03m in 2019.

**Exceptional costs** of \$0.08m (2019: \$0.9m) were incurred relating to Alina Holdings & Anemoi International divestment.

**Operating Loss** was therefore \$3.2m (2019: loss \$4.5m).

**Net financial income/(expense)** of \$4.8m included net foreign exchange income, net interest expense and net income from financial investments including fair value adjustments (2019: expense \$0.6m).

**Share of profits less losses of associated entities** was a profit of nil (2019: profit \$0.6m).

**Profit/(loss) before tax** on continuing operations was \$1.6m (2019: loss \$3.8m).

**Tax** on continuing operations for the period was a credit of \$0.1m relating to a R&D tax credit (2019: credit \$0.3m).

**Profit for the year from continuing operations** was therefore \$1.7m (2019: loss \$3.5m).

### Discontinued Operations

There was a divestment of 99.9% of Alina Holdings PLC (formally The Local Shopping REIT ("LSR")) and 93.4% Anemoi International Ltd on 21 October 2020. A loss for the year from discontinued operations relating to the divestment was \$0.9m (2019: \$0.5m).

### Profit for the year

This resulted in a Group profit for the year of \$0.9m (2019: Loss \$3.0m).

**Net assets** at 31 December 2020 amounted to \$15.7m (2019: \$27.4m) resulting in net assets per share of \$1.98 (£1.44) based on 7,945,838 shares in issue versus \$1.69 (£1.28) in 2019 including cash of \$9.7m equivalent to \$0.63 (£0.46) per share (2019: \$24.2m and \$1.43 (£1.08) per share).

**Net cash flow** from operations amounted to an inflow of \$0.93m as compared to \$0.05m outflow in 2019.

**Net cash from investing activities**, amounted to an outflow of \$8.2m (2019 inflow \$0.3m) relating to continuing operations in the purchase of available for sale investments and reduction in capital relating to the divestment of subsidiaries (\$8.8m) plus unrealised losses on revaluation of subsidiaries.

**Net cash outflow from financing activities** amounted to \$5.5m relating to the buy back of Thalassa ordinary shares into Treasury and repayment of borrowings.

**Net decrease in cash and cash equivalents** was \$13.5m resulting in Cash and Cash Equivalents at 31 December 2020 of \$9.7m (2019: \$24.2m).

# DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

## BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company is a holding company with interests in property, and marine seismic/defence R&D.

**Autonomous Robotics Ltd** (formerly GO Science 2013 Ltd) is a wholly owned subsidiary of Thalassa.

**Apeiron Holdings (BVI) Ltd** (formerly Autonomous Holdings Ltd) is a wholly owned subsidiary of Thalassa. At the year end it held 84% of Apeiron Holdings AG, a company registered in Switzerland who in turn had one wholly owned subsidiary, Id4 AG. Id4 is a fintech company specialising in Client Life Cycle Management systems.

**WGP Geosolutions Limited** is a wholly owned subsidiary of Thalassa with a single subsidiary, WGP Group AT GmbH, both currently non-operational.

**Alina Holdings PLC (formally The Local Shopping REIT Plc ("LSR"))** was 92.62% owned by Thalassa. LSR holds a small portfolio of primarily commercial property. A 99.9% divestment of the holding in Alina occurred on 21 October 2020.

**Anemol International** was 100% owned subsidiary of Thalassa and incorporated in May 2020. A 93.4% divestment of the holding in Anemol occurred on 21 October 2020.

## RESULTS AND DIVIDENDS

The Group made a profit attributable to shareholders of the parent for the year ended 31 December 2020 of \$0.63m (2019: loss \$3m). The Directors do not recommend the payment of a dividend.

## DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company who held office during the year and to date, including details of their interest in the share capital of the Company, are as follows:

Name	Date Appointed	Date Resigned	Shares held	Share options
<b>Executive Director</b>				
C Duncan Soukup	26 September 2007		2,396,970	-
<b>Non-Executive Directors</b>				
Graham Cole	2 April 2008		39,870	-
David M Thomas	2 April 2008		-	-
Martyn Porter	20 May 2020	2 Aug 2020	-	-

## DIRECTORS' REMUNERATION

	2020		2019	
	Director Fees \$	Consultancy Fees \$	Director Fees \$	Consultancy Fees \$
<b>Executive Directors</b>				
Duncan Soukup	380,000	300,000	748,000	300,000
<b>Non-Executive Directors</b>				
Graham Cole	40,000	-	75,747	-
David Thomas	40,000	-	75,747	-
Francis Smulders	-	-	125,000	-
<b>Total remuneration</b>	<b>460,000</b>	<b>300,000</b>	<b>1,024,494</b>	<b>300,000</b>

# DIRECTORS' REPORT CONTINUED

## SUBSTANTIAL SHAREHOLDINGS

As of 31 December 2020, the Company had been advised of the following substantial shareholders:

Name	Holding Ordinary Shares	%
Duncan Soukup	2,396,970	30.2
THAL Discretionary Trust*	2,042,720	25.7
Mark Costar	530,807	6.7
Interactive Investor Services Nominees Limited	311,988	3.9
Lynchwood Nominees Limited	263,353	3.3
Other	2,400,000	30.2
<b>Total number of voting shares in issue</b>	<b>7,945,838</b>	<b>100.0</b>

<sup>1</sup> Excluding 12,906,521 shares held in treasury

\* C.Duncan Soukup is a trustee of THAL Discretionary Trust

## SHARE BUY-BACK

The Company has repurchased a total of 12.9 million shares at an average price of 67 pence per share for an aggregate amount of ca. £8.6 million. Under the current buy-back authority of 5 March 2019 the Company has £2.94 million of facility left.

\* C.Duncan Soukup is a trustee of THAL Discretionary Trust

## SHARE REDEMPTIONS

The Company amended its Articles of Association in October 2019 to allow the Board maximum flexibility in the manner in which it may seek to return capital to shareholders. Full details of the amendments are outlined on the Company's website in a letter from the Chairman dated 17 September 2019 together with a full copy of the new Memorandum of Association and Articles of Association dated 19 October 2019.

## RELATED PARTY TRANSACTIONS

Details of all related party transactions are set out in note 25 to the financial statements.

## OPERATIONAL RISKS

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, an investment target, which may limit its operational strategies.

The Company is dependent upon the Directors, and in particular, Mr C. Duncan Soukup, who serves as the Executive Chairman, to identify potential acquisition opportunities and to execute any acquisition. The unexpected loss of the

services of Mr Soukup or other Directors could have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute an acquisition.

The Company may invest in or acquire unquoted companies, joint ventures or projects which, amongst other things, may be leveraged, have limited operating histories, have limited financial resources or may require additional capital.

## FINANCIAL RISKS

Details of the financial instrument risks and strategy of the Group are set out in note 26.

## BREXIT RISK

The impact of Brexit is currently uncertain and may have an impact on the Company's investments. The Board continues to evaluate the effects of Brexit on the investments and will act accordingly to mitigate any potential loss.

## COVID-19

COVID-19 has had a major impact on the trading of businesses both in the UK and overseas. The Company has taken steps to reduce some of its financial commitments during the current lockdown period and will continue to review and make further savings where possible. The COVID-19 virus has had an impact on the tenants of Alina Holdings (formally "LSR") and during the period to divestment we worked closely with them with a view to assisting them to apply for grants & business rate exemptions where applicable.



## RISKS AND UNCERTAINTIES

A summary of the key risks and mitigation strategies is below:

	Risk	Mitigation
1.	Insufficient cash resources to meet liabilities, continue as a going concern and finance key projects.	Short term and annual business plans are prepared and are reviewed on an ongoing basis. Use of various hedging instruments in order to mitigate major financial risks.
2.	Loss of key management/staff resulting in failure to identify and secure potential investment opportunities and meet contractual requirements.	Regular review of both the Board's and key management's abilities. Review of salaries and benefits including long term incentives and ongoing communication with key individuals.
3.	Failure to maintain strong and effective relations with key stakeholders in investments resulting in loss of contracts or value.	The Board and senior management seek to establish and maintain an open and transparent dialogue with key stakeholders.
4.	Failure to comply with law and regulations in the jurisdictions in which we operate.	Key management are professionally qualified. In addition the Company appoints relevant professional advisers (legal, tax, accounting etc) in the jurisdictions in which we operate.
5.	Significant changes in the political environment, including the impact of Brexit, results in loss of resources/market and/or business failure.	The Company's current investments are not expected to be adversely impacted by a no deal Brexit and Management is continuing to monitor the wider political environment to ensure that steps are taken to mitigate political risk.
6.	Death, illness or serious business disruption due to COVID-19 or other pandemics.	The Company seeks to comply with all legal requirements and guidance within the various territories in which it operates. The Board aims to take all reasonable steps to protect its employees, suppliers and customers, whilst safeguarding its business interests.

## DIRECTORS' RESPONSIBILITIES

The Directors have elected to prepare the financial statements for the Group in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial

Reporting Standards as adopted by the European Union. A fair presentation also requires the Directors to:

- select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs as applied by the E.U. is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of

# DIRECTORS' REPORT CONTINUED

that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

The financial statements are published on the Group's website. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## AGM

The Annual General Meeting will be held at Anjuna, 28 Avenue de la Liberté, 06360 Eze, Franceon, 7 September 2021 at 11:00 am. A notice of the meeting is attached to this Annual Report.

## AUDITORS

A resolution to confirm the appointment Jeffreys Henry LLP as the Company's auditors will be submitted to the shareholders at the Annual General Meeting.

**Approved by the Board and signed on its behalf by**

**C.Duncan Soukup**

Chairman

**8 June 2021**

# CORPORATE GOVERNANCE STATEMENT

The Company's shares are admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market. The Board recognises the importance and value for the Company and its shareholders of good corporate governance. The Company Statement on Corporate Governance is available at <https://thalassaholdingsltd.com/investor-relations/corporate-governance/> and repeated in full below.

## BOARD OVERVIEW

In formulating the Company's corporate governance framework, the Board of Directors have reviewed the principles of good governance set out in the QCA code (the Corporate Governance Code for Small and Mid-Sized Quoted Companies 2018 published by the Quoted Companies Alliance) so far as is practicable and to the extent they consider appropriate with regards to the Company's size, stage of development and resources. However, given the modest size and simplicity of the Company, at present the Board of Directors do not consider it necessary to adopt the QCA code in its entirety.

The purpose of corporate governance is to create value and long-term success of the Group through entrepreneurship, innovation, development and exploration as well as provide accountability and control systems to mitigate risks involved.

## COMPOSITION OF THE BOARD AND BOARD COMMITTEES

As at the date of this report, the Board of Thalassa Holdings Ltd comprises of one Executive Director and two Non-Executive Directors, which complies with the QCA Code.

## BOARD BALANCE

The current Board membership provides a balance of industry and financial expertise which is well suited to the Group's activities. This will be monitored and adjusted to meet the Group's requirements. The Board is supported by the Audit Committee, Remuneration Committee and Regulatory Compliance Committee, all of which have the necessary character, skills and knowledge to discharge their duties and responsibilities effectively.

Further information about each Director may be found on the Company's website at <https://thalassaholdingsltd.com/investor-relations/board-directors/>. The Board seeks to ensure that its membership has the skills and experience that it requires for its present and future business needs.

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed. The Board has a procedure allowing Directors to seek independent professional advice in furtherance of their duties, at the Company's expense.

## RE-ELECTION OF DIRECTORS

In line with the UK Corporate Governance Code, all Directors are subject to re-election each year, subject to satisfactory performance.

## BOARD AND COMMITTEE MEETINGS

The Board meets sufficiently regularly to discharge its duties effectively with a formal schedule of matters specifically reserved for its decision.

The Board held two full meetings for regular business during 2020, in addition to a number of informal ones. These included meetings of the Audit Committee, the Remuneration Committee and the Regulatory Compliance Committee as required. Due to the COVID-19 pandemic the board convened on conference phone calls during the year.

## AUDIT COMMITTEE

During the financial period to 31 December 2020, the Audit Committee consisted of Graham Cole and any other one director.

The key functions of the audit committee are for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Committee has formal terms of reference.

The external auditor, Jeffreys Henry, was appointed on 16 January 2019 and has indicated its independence to the Board.

## REMUNERATION COMMITTEE

During the financial period to 31 December 2020, the Remuneration Committee consisted of David Thomas and any other one director. It is responsible for determining the remuneration and other benefits, including bonuses and share based payments, of the Executive Directors, and for reviewing and making recommendations on the Company's framework of executive remuneration. The Committee has formal terms of reference.

The remuneration committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on the terms and conditions of service of the executive Directors, including their remuneration and grant of options.

## REGULATORY COMPLIANCE COMMITTEE

During the financial period to 31 December 2020, the Regulatory Compliance Committee consisted of Graham Cole and any other one director. The committee is responsible for ensuring that the Company's obligations under the Listing Rules are discharged by the Board. The Committee has formal terms of reference.

# CORPORATE GOVERNANCE STATEMENT CONTINUED

## STATEMENT ON CORPORATE GOVERNANCE

The corporate governance framework which Thalassa has implemented, including in relation to board leadership and effectiveness, remuneration and internal control, is based upon practices which the board believes are proportionate to the risks inherent to the size and complexity of Thalassa's operations.

The Board considers it appropriate to adopt the principles of the Quoted Companies Alliance Corporate Governance Code ("the QCA Code") published in April 2018. The extent of compliance with the ten principles that comprise the QCA Code, together with an explanation of any areas of non-compliance, and any steps taken or intended to move towards full compliance, are set out below:

### 1. Establish a strategy and business model which promote long-term value for shareholders

The Company is a Holding Company which has in the past and will in the future seek to acquire assets which in the opinion of the Board should generate long term gains for its shareholders. The current strategy and business operations of the Company are set out in the Chairman's Statement on page 3. Shareholders and potential investors must realise that the objectives set out in that document are simply that; "objectives" and that the Company may without prior notification change these objectives based upon opportunities presented to the Board or market conditions.

The Group's strategy and business model and amendments thereto, are developed by the Executive Chairman and his senior management team, and approved by the Board. The management team, led by the Executive Chairman, is responsible for implementing the strategy and overseeing management of the business at an operational level.

The Board is actively considering a number of opportunities and, ultimately, the Directors believe that this approach will deliver long-term value for shareholders. In executing the Group's strategy, management will seek to mitigate/hedge risk whenever possible.

As a result of the Board's view of the market, the Board has adopted a five-pronged approach to future investments:

1. Opportunistic: where an acquisition or investment exists because of price dislocation (the price of a stock collapses but fundamentals are unaffected) or where the Board identifies a special "off market" opportunity;
2. Finance: The Board is currently investigating opportunities in the FinTech sector;
3. Property: The Company held a strategic stake in Alina Holdings Plc (formerly The Local Shopping REIT plc). The

Company's divestment is more comprehensively described in the Letter to Shareholders dated 28 September 2020 published in the Reports and Documents section of the Company's website;

4. Education: There are few businesses that offer the same longevity and predictability of earnings as Education; and
5. R&D: Development situations such as ARL where the Board sees an opportunity to participate in disruptive, early stage technology.

The above outlined strategy is subject to change depending on the Board's findings and prevailing market conditions.

### 2. Seek to understand and meet shareholder needs and expectations

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. All reports and press releases are published in the Investor Relations section of the Company's website.

### 3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Group's consultants, employees, partners, suppliers, regulatory authorities and entities with whom it has contracted. The Group's operations and working methodologies take account of the need to balance the needs of all of these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Group for the benefit of its members as a whole. The Group endeavours to take account of feedback received from stakeholders, making amendments where appropriate and where such amendments are consistent with the Group's longer term strategy.

The Group takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. Through the various procedures and systems it operates, the Group ensures full compliance with health and safety and environmental legislation relevant to its activities. The Group's corporate social responsibility approach continues to meet these expectations.

### 4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness.

The internal controls are designed to manage and whenever possible minimise or eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Audit Committee, the effectiveness of these internal controls is reviewed annually.

A budgeting process is completed once a year and is reviewed and approved by the Board. The Group's results, compared with the budget, are reported to the Board on a regular basis.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meet regularly to consider new risks and opportunities presented to the Group, making recommendations to the Board and/or Audit Committee as appropriate.

The Board has an established Audit Committee, a summary of which is set out in the Board of Directors section of the Company's website.

The Company receives comments from its external auditors on the state of its internal controls.

The more significant risks to the Group's operations and the management of these have been disclosed in the Chairman's statement on page 3.

## 5. Maintain the Board as a well-functioning, balanced team led by the Chair

The Board currently comprises two non-executive Directors and an Executive Chairman. Directors' biographies are set out in the Board of Directors section of the Company's website.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and will continue to seek re-election every year.

The Board is responsible to the shareholders for the proper management of the Group and, in normal circumstances, meets at least four times a year to set the overall direction and strategy of the Group, to review operational and financial performance and to advise on management appointments.

A summary of Board and Committee meetings held in the year ended 31 December 2020 is set out above.

The Board considers itself to be sufficiently independent. The QCA Code suggests that a board should have at least two independent Non-executive Directors. Both of the Non-executive Directors who currently sit on the Board of the Company are regarded as independent under the QCA Code's guidance for determining such independence.

Non-executive Directors receive their fees in the form of a basic cash fee based on attendance at board calls and board meetings. Directors are eligible for bonuses. The current remuneration structure for the Board's Non-executive Directors is deemed to be proportionate.

## 6. Ensure that between them, the directors have the necessary up-to-date experience, skills and capabilities

The Board considers that the Non-executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities, and bring considerable experience in technical, operational and financial matters.

The Company has put in place an Audit Committee as well as Remuneration and Listing Compliance Committees. The responsibilities of each of these committees are described in the Board of Directors section of the Company's website.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the on-going development of the Group.

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Company Secretary and various external advisers on a number of regulatory and corporate governance matters.

Directors' service contracts or appointment letters make provision for a Director to seek personal advice in furtherance of his or her duties and responsibilities, normally via the Company Secretary.

## 7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board's performance is measured by the success of the Company's acquisitions and investments and the returns that they generate for shareholders and in comparison to peer group companies. This performance is presented in the Group's monthly management accounts and reported, discussed and reviewed with the Board regularly.

## 8. Promote a corporate culture that is based on ethical values and behaviours

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees in the Group. An open



# CORPORATE GOVERNANCE STATEMENT

## CONTINUED

culture is encouraged within the Group. The management team regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area.

Thalassa has a strong ethical culture, which is promoted by the actions of the Board and management team. The Group has an anti-bribery policy and would report any instances of non-compliance to the Board. The Group has undertaken a review of its requirements under the General Data Protection Regulation, implementing appropriate policies, procedures and training to ensure it is compliant.

### 9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board has overall responsibility for promoting the success of the Group. The Chairman has day-to-day responsibility for the operational management of the Group's activities. The non-executive Directors are responsible for bringing independent and objective judgment to Board decisions. Matters reserved for the Board include strategy, investment decisions, corporate acquisitions and disposals.

There is a clear separation of the roles of Executive Chairman and Non-executive Directors. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-executive Directors are properly briefed on matters. Due to its current size, the Group does not require nor bear the cost of a chief executive. The Company's subsidiary ARL is led by a chief executive.

The Chairman has overall responsibility for corporate governance matters in the Group but does not chair any of the Committees. The Chairman also has the responsibility for implementing strategy and managing the day-to-day business activities of the Group. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Audit Committee normally meets twice at least once a year and has responsibility for, amongst other things, planning and reviewing the annual report and accounts and interim statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for

reviewing and approving the annual financial statements and interim statements remains with the Board.

A summary of the work of the Audit Committee undertaken in the year ended 31 December 2020 is set out above. The Committee has formal terms of reference, which are set out in the Board of Directors section of the Company's website.

The Remuneration Committee, which meets as required, but at least once a year, has responsibility for making recommendations to the Board on the compensation of senior executives and determining, within agreed terms of reference, the specific remuneration packages for each of the Directors. It also supervises the Company's share incentive schemes and sets performance conditions for share options granted under the schemes.

A summary of the work of the Remuneration Committee undertaken in the year ended 31 December 2020 is set out above. The Committee has formal terms of reference.

The Directors believe that the above disclosures constitute sufficient disclosure to meet the QCA Code's requirement for a Remuneration Committee Report. Consequently, a separate Remuneration Committee Report is not presented in the Group's Annual Report.

The Listing Compliance Committee, which meets as required, is responsible for ensuring that the Company's obligations under the Listing Rules are discharged by the Board. The Committee has formal terms of reference set out in the Board of Directors section of the Company's website.

### 10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. The Annual Report includes a Corporate Governance Statement which refers to the activities of both the Audit Committee and Remuneration Committee. All reports and press releases are published in the Investor Relations section of the Group's website.

The Group's financial reports and notices of General Meetings of the Company can be found in the Reports and Documents section of the Company's website. The results of voting on all resolutions in future general meetings will be posted to this website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD

## OPINION

We have audited the consolidated financial statements of Thalassa Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2020 and of the its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements for group financial statements of Article 4 of the IAS Regulation.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included reviews of expected cash flows for a period of 12 months, to determine expected cash burn, which was compared to the liquid assets held in the entity.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## OUR APPROACH TO THE AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

## HOW WE TAILORED THE AUDIT SCOPE

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of eighteen reporting units, comprising the Group's operating businesses and holding companies.

Of the 18 entities, we identified two which were considered to be significant components for the purposes of the Group financial statements, and which, in our view, required a full audit of their complete financial information in order to ensure that sufficient appropriate audit evidence was obtained.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD CONTINUED

Key audit matter	How our audit addressed the key audit matter
<p>Treatment of divestments in the year:</p> <p><i>Divestment of Alina Holdings plc (previously The Local Shopping REIR plc) &amp; Anemoi International Limited</i></p> <p>In October 2020 the Group disposed of subsidiaries Alina Holdings plc and Anemoi International Limited through the means of a divestment.</p> <p>The divestment resulted in a gain on disposal recognised of \$122k.</p> <p>Results of the entities were consolidated up until the point of divestment and net assets derecognised on the divestment date.</p>	<p>The consolidation and gain on disposal calculations were reviewed for arithmetical accuracy and agreed to key supporting documentation to provide assurance that the disposals were treated appropriately.</p>
<p>Capitalisation of development costs</p> <p>During the year the Group capitalised development costs of \$769k (2019: \$173k), in connection with the development of Autonomous Nodes by the subsidiary Autonomous Robotics Limited and software development within subsidiary Id4 AG.</p> <p>Management have considered all criteria for capitalisation to have been met.</p>	<p>We considered whether the costs met the criteria under IAS38 for capitalisation.</p> <p>A sample of costs were vouched, and where allocated on a percentage basis, the policy was assessed for reasonableness.</p>

## OUR APPLICATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements
Overall materiality	\$130,000 (2019: £195,000)
How we determined it	5% of adjusted profit before tax.
Rationale for benchmark applied	We believe that profit before tax is the primary measure used by the shareholders in assessing the performance of the Group and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £4,000 and £182,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £9,150 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company.

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- Obtaining confirmation of compliance from the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD CONTINUED

the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

We were reappointed by the board of directors on 16 January 2019 to audit the financial statements for the period ending 31 December 2018. Our total uninterrupted period of engagement is 3 years, covering the periods ending 31 December 2018 to 31 December 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

## USE OF THIS REPORT

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Jeffreys Henry LLP**

Chartered Accountants

Finsgate

5-7 Cranwood Street

London EC1V 9EE

**11 June 2021**



# CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Continuing Operations</b>			
Revenue	3	55,855	170,357
Cost of sales		900	(276,001)
<b>Gross profit / (loss)</b>		<b>56,755</b>	<b>(105,644)</b>
Administrative expenses excluding exceptional costs		(3,131,073)	(3,332,632)
Exceptional administration costs	5	(77,603)	(898,878)
Total administrative expenses		(3,208,676)	(4,231,510)
<b>Operating loss before depreciation</b>		<b>(3,151,921)</b>	<b>(4,337,154)</b>
Depreciation	14	(47,771)	(26,308)
Impairment		-	(157,185)
<b>Operating loss</b>	<b>4</b>	<b>(3,199,692)</b>	<b>(4,520,647)</b>
Net financial income/(expense)	7	3,591,382	(640,117)
Other gains		1,160,300	-
Share of profits less (losses) of associated entities	24	-	(629,523)
Profits on disposal of associated entities		-	2,000,978
<b>Profit/(loss) before taxation</b>		<b>1,551,990</b>	<b>(3,789,309)</b>
Taxation	8	109,303	253,065
<b>Profit/(loss) for the year from continuing operations</b>		<b>1,661,293</b>	<b>(3,536,244)</b>
<b>Discontinued Operations</b>			
<b>Profit/(loss) for the year from discontinued operations</b>	<b>25</b>	<b>(868,303)</b>	<b>478,046</b>
<b>Gain on disposal of subsidiary</b>	<b>25</b>	<b>121,891</b>	<b>-</b>
<b>Profit/(loss) for the year</b>		<b>914,881</b>	<b>(3,058,198)</b>
<b>Attributable to:</b>			
Equity shareholders of the parent		765,725	(3,028,479)
Non-controlling interest		149,156	(29,719)
		914,881	(3,058,198)
<b>Earnings per share - US\$ (using weighted average number of shares)</b>			
Basic and Diluted - Continuing Operations		0.13	(0.20)
Basic and Diluted - Discontinued Operations		(0.06)	0.03
<b>Basic and Diluted</b>	<b>9</b>	<b>0.06</b>	<b>(0.18)</b>

The notes on pages 22 to 43 form an integral part of this consolidated financial information.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	2020 \$	2019 \$
<b>Profit for the financial year</b>	<b>914,881</b>	<b>(3,058,198)</b>
<b>Other comprehensive income:</b>		
Exchange differences on re-translating foreign operations	(332,954)	578,281
<b>Total comprehensive income</b>	<b>581,927</b>	<b>(2,479,917)</b>
<b>Attributable to:</b>		
Equity shareholders of the parent	432,771	(2,450,198)
Non-Controlling interest	149,156	(29,719)
<b>Total Comprehensive income</b>	<b>581,927</b>	<b>(2,479,917)</b>

The notes on pages 22 to 43 form an integral part of this consolidated financial information.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	11	204,724	204,724
Intangible assets	11	948,739	173,466
Investment properties	13	-	4,138,318
Property, plant and equipment	12	418,656	75,455
Available for sale financial assets	14	1,934,068	4,801,450
Loans	15	7,606,077	1,695,302
<b>Total non-current assets</b>		<b>11,112,264</b>	<b>11,088,715</b>
<b>Assets Held for Sale</b>		<b>-</b>	<b>435,383</b>
<b>Current assets</b>			
Trade and other receivables	16	680,443	1,432,031
Cash and cash equivalents		9,712,779	24,198,744
<b>Total current assets</b>		<b>10,393,222</b>	<b>25,630,775</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	1,044,721	1,685,491
Borrowings	18	4,706,981	7,557,243
<b>Total current liabilities</b>		<b>5,751,702</b>	<b>9,242,734</b>
<b>Net current assets</b>		<b>4,641,520</b>	<b>16,388,041</b>
<b>Non-current liabilities</b>			
Long term debt	18	39,331	510,965
<b>Total non-current liabilities</b>		<b>39,331</b>	<b>510,965</b>
<b>Net assets</b>		<b>15,714,453</b>	<b>27,401,174</b>
<b>Shareholders' Equity</b>			
Share capital	21	208,522	255,675
Share premium		36,714,225	45,416,298
Treasury shares	21	(11,414,289)	(8,690,465)
Other reserves		106,245	439,199
Non-Controlling Interest		(166,925)	628,673
Retained earnings		(9,733,325)	(10,648,206)
<b>Total shareholders' equity</b>		<b>15,714,453</b>	<b>27,401,174</b>
<b>Total equity</b>		<b>15,714,453</b>	<b>27,401,174</b>

The notes on pages 22 to 43 form an integral part of this consolidated financial information.

These financial statements were approved and authorised by the board on 8 June 2021.

**Signed on behalf of the board by:**

**C. Duncan Soukup**

Chairman

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
<b>Profit/(Loss) for the year before taxation</b>		<b>(3,199,699)</b>	<b>(3,789,309)</b>
Impairment losses on goodwill		-	157,185
(Increase)/decrease in trade and other receivables		123,388	5,956,290
(Decrease)/increase in trade and other payables		78,171	(896,649)
Loss/(gain) on disposal of PPE		-	2,686
Gain/(loss) on disposal of AFS investments		1,907,391	(23,484)
Net exchange differences		1,379,321	(287,533)
Accrued interest income		-	(50,042)
Depreciation	12	47,771	26,308
Share of losses of associate/gain on disposal		(701,165)	(1,371,455)
Fair value movement on AFS financial assets		1,290,219	224,307
<b>Cash generated by operations</b>		<b>925,397</b>	<b>(51,696)</b>
Taxation		109,303	132,663
<b>Net cash flow from operating activities</b>		<b>1,034,700</b>	<b>80,967</b>
<b>Net cash flow from discontinued operations</b>		<b>(563,302)</b>	<b>-</b>
Sale/(purchase) of property, plant and equipment		(390,971)	(15,181)
Sale/(purchase) of intangible assets		(775,273)	(173,466)
Sale/(purchase) of investment property		3,725,261	293,521
Net (purchase)/sale of AFS financial assets		(2,608,009)	(4,214,755)
Investments in subsidiaries		(8,150,392)	4,450,049
<b>Net cash flow in investing activities - continuing operations</b>		<b>(8,199,384)</b>	<b>340,168</b>
Payment/proceeds from the Norwegian tax settlement of WGP group		-	(346,296)
Proceeds from disposal of Alina Holdings PLC		121,891	-
<b>Net cash flow from / (used) in investing activities - discontinued operations</b>		<b>121,891</b>	<b>(346,296)</b>
<b>Cash flows from financing activities</b>			
Purchase of treasury shares		(2,723,824)	(1,352,506)
Leasing Liabilities		39,331	-
Proceeds from borrowings		212,344	23,649,036
Repayment of borrowings		(3,007,076)	(16,128,792)
<b>Net cash flow from financing activities - continuing operations</b>		<b>(5,479,225)</b>	<b>6,167,738</b>
<b>Net cash flow from financing activities - discontinued operations</b>		<b>(468,856)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>(13,554,176)</b>	<b>6,242,577</b>
Cash and cash equivalents at the start of the year		24,198,744	17,370,372
Effects of exchange rate changes on cash and cash equivalents		(931,790)	585,795
<b>Cash and cash equivalents at the end of the year</b>		<b>9,712,778</b>	<b>24,198,744</b>

The notes on pages 22 to 43 form an integral part of this consolidated financial information.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Attributable to owners of the Company						Non-	Total
	Share	Share	Treasury	Other	Retained	Total	controlling	Shareholders
	Capital	Premium	Shares	Reserves	Earnings		Interest	Equity
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at</b>								
<b>31 December 2018</b>	<b>255,675</b>	<b>45,416,298</b>	<b>(7,337,959)</b>	<b>(139,082)</b>	<b>(7,708,799)</b>	<b>30,486,133</b>	<b>-</b>	<b>30,486,133</b>
Purchase of treasury shares	-	-	(1,352,506)	-	-	(1,352,506)	-	(1,352,506)
Acquisition of subsidiary with NCI				-	89,072	89,072	658,392	747,464
Total comprehensive income for the period	-	-	-	578,281	(3,028,479)	(2,450,198)	(29,719)	(2,479,917)
<b>Balance as at</b>								
<b>31 December 2019</b>	<b>255,675</b>	<b>45,416,298</b>	<b>(8,690,465)</b>	<b>439,199</b>	<b>(10,648,206)</b>	<b>26,772,501</b>	<b>628,673</b>	<b>27,401,174</b>
Redemption of Capital	(47,153)	(8,702,073)	-	-	-	(8,749,226)	-	(8,749,226)
Purchase of treasury shares	-	-	(2,723,824)	-	-	(2,723,824)	-	(2,723,824)
Disposal of subsidiary with NCI					149,156	149,156	(944,754)	(795,598)
Total comprehensive income for the period	-	-	-	(332,954)	765,725	432,771	149,156	581,927
<b>Balance as at</b>								
<b>31 December 2020</b>	<b>208,522</b>	<b>36,714,225</b>	<b>(11,414,289)</b>	<b>106,245</b>	<b>(9,733,325)</b>	<b>15,881,378</b>	<b>(166,925)</b>	<b>15,714,453</b>

The notes on pages 22 to 43 form an integral part of this consolidated financial information.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 1. GENERAL INFORMATION

Thalassa Holdings Ltd (the “Company”) is a British Virgin Island (“BVI”) International business company (“IBC”), incorporated and registered in the BVI on 26 September 2007. The Company is a holding company with various interests across a number of industries.

Autonomous Robotics Limited (“ARL” – formerly GO Science 2013 Ltd) is a wholly owned subsidiary of Thalassa and is an Autonomous Underwater Vehicle (“AUV”) research and development company.

Apeiron Holdings is a BVI registered business and is a wholly owned by Thalassa. It owns 84% of Apeiron AG which is a company registered in Switzerland. Apeiron AG completed on the acquisition of iD4, a fintech company, also registered in Switzerland.

Alina Holdings PLC (formally The Local Shopping REIT Plc (“LSR”)) was 92.62% owned by Thalassa. LSR holds a small portfolio of primarily commercial property. A 99.9% divestment of the holding in Alina occurred on 21 October 2020.

WGP Geosolutions Limited is a wholly owned subsidiary of Thalassa which has an additional subsidiary, WGP Group AT GmbH, both currently non-operational.

## 2. ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

The financial statements are expressed in US dollars, being the functional currency of the company and its subsidiaries other than DOA Exploration Ltd, Alina Group and Autonomous Robotics Limited which have a functional currency of pound sterling, WGP Group AT GmbH, WGP Geosolutions Ltd and Anemoi SA of Euro and Apeiron AG and id4 of Swiss francs.

The principal accounting policies are summarised below. They have been applied consistently throughout the period covered by these financial statements.

### 2.1. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

#### (a) New and amended standards adopted by the Group

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Group.

#### (b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 31 December 2020 financial statements.

Reference	Title	Summary	Application date of standard (Periods commencing on or after)
IFRS17	Insurance contracts	Principles for the recognition, measurement, presentation and disclosure of insurance	1 January 2021
Amendment to IAS 1	Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).	1 January 2022

Amendments to IAS 37	Provisions, Liabilities and Assets' on Onerous Contracts—Cost of Fulfilling a Contract	Contingent	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.	1 January 2022
Annual improvements cycle 2018-2020			These amendments include minor changes to: IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.  IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.	1 January 2022

The Directors anticipate that the adoption of these standard and the interpretations in future period will have no material impact on the financial statements of the company.

## 2.2. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

## 2.3. JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

The key judgement areas relate to the carrying value of provisions for doubtful debts and loans receivable. Plant and Equipment is reviewed annually for indication of impairment. Goodwill is reviewed annually for indication of impairment. Intellectual property is amortised and also reviewed annually for indication of impairment. Outstanding trade receivables are reviewed for potential recovery and provisions for bad and doubtful debts included where necessary. Loans receivable are reviewed for potential recovery and impairments included where necessary. Capitalised research and development costs are reviewed annually for indication of impairment.

Judgement is also made in respect of the accounting treatment of the THAL Discretionary Trust. Management's assessment is based on various indicators including activities, decision-making, benefits and risks of the Trust. Based on this assessment, management consider that the THAL Discretionary Trust should not be consolidated.

## 2.4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight line basis between 3 and 15 years from the point at which the asset is put into use.

## 2.5. INTANGIBLE ASSETS

### GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.16) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### DEVELOPMENT COSTS

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. Such intangible assets are carried at cost less amortisation. Amortisation is charged to 'Administrative expenses' in the Statement of Comprehensive Income on a straight-line basis over the intangible assets' useful economic life. The amortisation is based on a straight-line method typically over a period of 1-10 years depending on the life of the related asset.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development costs are capitalised as an intangible asset only if the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefit;
- the development cost of the asset can be measured reliably;
- it meets the Group's criteria for technical and commercial feasibility; and
- sufficient resources are available to meet the development costs to either sell or use as an asset.

## OTHER INTANGIBLE ASSETS

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

### 2.6. IMPAIRMENT OF ASSETS

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

### 2.7. INVESTMENT PROPERTY

Investment properties are those properties owned by the Group that are held to earn rental income or for capital appreciation or both and are not occupied by the Company or any of its subsidiaries. Due to the divestment of Alina Holdings PLC, the investment properties no longer form part of the group.

Investment properties are treated as acquired at the point the Group assumes the significant risks and returns of ownership. Subsequent expenditure is charged to the asset's carrying value only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of each item can be reliably measured. All other repairs and maintenance costs are charged to the Income Statement during the period in which they are incurred.

Rental income from investment properties is accounted for as described below. All revenues and direct operating expenses are relating to investment properties.

### 2.8. INVESTMENTS

Available for sale investments are initially measured at cost, including transaction costs. Gains and losses arising from changes in fair value of available for sale investments are recognised at fair value through profit or loss.

The convertible loan notes held have been revalued on a discounted cashflow basis at a market rate of 10%. The final value of the convertible element has been calculated using the Black-Sholes model to provide a fair value adjustment through the income statement.

### 2.9. REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, is recognised according to the value of work performed in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the costs recognised that are recoverable.

Where payments are received in advance in excess of revenue recognised in the period, this is reflected as a liability on the statement of financial position as deferred revenue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## Rental Income

Rental income from investment properties leased out under operating leases is recognised net of VAT, returns, rebates and discounts in the Income Statement on a straight-line basis over the term of the lease. The directors consider this is in line with when the Company's performance obligations are satisfied. Standard payments terms are that services are paid in advance. When the Group provides lease incentives to its tenants the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction to income.

## 2.10. TAXATION

The Company is incorporated in the BVI as an IBC and as such is not subject to tax in the BVI.

DOA Exploration Ltd, Alina Holdings PLC and Autonomous Robotics Ltd are incorporated in the UK and are therefore subject to UK tax regulations.

Apeiron AG and id4 AG are incorporated in Switzerland in the canton of Lucern and are subject to Swiss tax regulations.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

## FOREIGN CURRENCY

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial reporting date. Exchange differences arising are included in the statement of income for the period.

DOA Exploration Ltd, Alina Holdings PLC and Autonomous Robotics Ltd are incorporated in the UK and have a functional currency of GBP. Exchange differences on the retranslation of operations denominated in foreign currencies are included in Other Comprehensive Income.

Year end GBPUSD exchange rate as at 31 Dec 2020: 1.365 (2019:1.319).

Average GBPUSD exchange rate as at 31 Dec 2020: 1.344 (2019:1.277).

Year end EURUSD exchange rate as at 31 Dec 2020: 1.1227 (2019:1.122).

Average EURUSD exchange rate as at 31 Dec 2020: 1.217 (2019:1.120).

Year end CHFUSD exchange rate as at 31 Dec 2020: 1.133 (2019:1.033).

Average CHFUSD exchange rate as at 31 Dec 2020: 1.125 (2019:1.015).

## 2.11. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such a time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit and loss in the period incurred.

## 2.12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

**Loans and receivables** are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest, and are reduced by appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

**Available for sale financial assets** comprise investments which do have a fixed maturity and are classified as non current assets if they are intended to be held for the medium to long term. They are measured at fair value through profit or loss.

**Trade receivables** are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

**Cash and cash equivalents** comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Trade payables** are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

**Equity instruments** are recorded at fair value, being the proceeds received, net of direct issue costs.

**Share Capital** – Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

**Treasury shares** – Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Borrowings** are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest.

## 2.13. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the cquire and the equity interests issued by the Group in exchange for control of the cquire. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the cquire, and the fair value of the acquirer's previously held equity interest in the cquire (if any) over the net of the acquisition- date amounts of the identifiable assets acquired and the liabilities assumed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## 2.14. GOING CONCERN

The financial statements have been prepared on the going concern basis as management consider that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business. The Group has fully assessed its financial commitments and at the year end had net cash reserves of \$5.0m plus a further \$1.8m of available for sale investments. The on-going impact of COVID-19 is still uncertain but the management is fully confident that it will be able to mitigate any potential downside from the virus.

In arriving at this conclusion management have prepared cash flow forecasts considering operating cash flows and capital expenditure requirements over the Group, as well as available working capital.

## 2.15. INVESTMENT IN ASSOCIATED ENTITIES

Investments in associates are those over which the Group has significant influence. These are accounted for using the equity method of accounting. Significant influence is considered to be participation in the financial and operating policy decisions of the investee and is usually evidenced when the Group owns between 20% and 50% of that company's voting rights.

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the associate after acquisition. At the date of acquisition any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate is recognised as goodwill. The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Group's share of losses exceeds its interest in an associate the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Group has an obligation to make further funding contributions to that associate.

The Group's share of associates' post acquisition profits or losses is recognised in profit or loss and the post acquisition movements in other comprehensive income is recognised within other comprehensive income.

## 3. SEGMENT INFORMATION

During the year the Group had two operating segments, continuing operations comprised of the supply of software services through the Aperion Group and discontinued operations being rental income from properties in Alina Holdings PLC. As per the notes the segment relating to properties was discontinued through divestment from the group on 21 October 2020.

Information related to each reportable segment is set out below.

			<b>Total \$</b>	<b>Sale of Services \$</b>	<b>Sale of Goods \$</b>
Revenue			486,311	486,311	-
	<b>Software services \$</b>	<b>Other non- reportable segments \$</b>	<b>Total Continuing operations \$</b>	<b>Properties - discontinued operations \$</b>	<b>Total \$</b>
<b>Segment income statement</b>					
Revenue	55,855	-	55,855	430,456	486,311
Expenses	(517,199)	2,001,468	1,484,269	(704,173)	780,096
Depreciation	(933)	(46,838)	(47,771)	(413,057)	(460,828)
<b>Profit/loss before tax</b>	<b>(462,277)</b>	<b>1,954,630</b>	<b>1,492,353</b>	<b>(686,774)</b>	<b>805,579</b>
Attributable income tax expense	(1,079)	110,382	109,303	-	109,303
<b>Profit/loss for the period</b>	<b>(463,356)</b>	<b>2,065,012</b>	<b>1,601,656</b>	<b>(686,774)</b>	<b>914,882</b>



	Software services \$	Other non- reportable segments \$	Total Continuing operations \$	Properties - discontinued operations \$	Total \$
<b>Segment statement of financial position</b>					
Non-current assets	525,342	10,586,922	11,112,264	-	11,112,264
Current assets	309,520	10,083,702	10,393,222	-	10,393,222
Assets	834,862	20,670,624	21,505,486	-	21,505,486
Current liabilities	18,085	5,733,617	5,751,702	-	5,751,702
Non-current liabilities	5,147,573	(5,108,242)	39,331	-	39,331
Liabilities	5,165,658	625,375	5,791,033	-	5,791,033
<b>Net assets</b>	<b>(4,330,796)</b>	<b>20,045,249</b>	<b>15,714,453</b>	<b>-</b>	<b>15,714,453</b>
Shareholders' equity	(4,330,796)	20,045,249	15,714,453	-	15,714,453
<b>Total equity</b>	<b>(4,330,796)</b>	<b>20,045,249</b>	<b>15,714,453</b>	<b>-</b>	<b>15,714,453</b>

#### 4. OPERATING LOSS FOR THE YEAR

The operating profit for the year is stated after charging:

	2020 \$	2019 \$
Consultancy fees	1,016,499	1,327,692
Wages and salaries	1,131,144	537,781
Social security costs	116,782	113,148
Pension costs	72,616	52,158
Research and Development	245,097	83,339
Audit fees	145,152	26,966
Legal and professional fees	916,794	220,549

Non audit fees paid to Jeffreys Henry were \$0 (2019: \$71,468).

Included within consultancy fees / wages and salaries is \$8,125 in relation to amounts accrued for directors' remuneration (2019: \$28,858).

#### 5. EXCEPTIONAL COSTS

	2020 \$	2019 \$
<b>Exceptional costs</b>		
Thalassa change of listing costs	-	198,218
LSR acquisition related costs	-	646,035
New Luxembourg listing costs	-	55,038
Other non-recurring costs	-	(413)
Divestment related costs	77,603	-
<b>Total Exceptional costs</b>	<b>77,603</b>	<b>898,878</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## 6. EMPLOYEES

The average number of employees (excluding the Directors) employed by the Group was:-

	2020 \$	2019 \$
Sales	-	-
Development	3	3
Admin	5	4
	8	7

## 7. NET FINANCIAL EXPENSE

	2020 \$	2019 \$
Loan interest receivable	182,102	50,042
Loan interest payable	(72,908)	(9,645)
Bank interest receivable	30,241	61,741
Bank interest payable	(57,720)	(236,717)
Lease liability	(1,397)	(1,670)
(Surplus)/Loss on property	-	(2,146)
Gains/(Losses) on investments	2,131,744	(220,129)
Foreign currency gains/(losses)	1,379,321	(281,593)
	3,591,383	(640,117)

## 8. DISCONTINUED OPERATIONS

	2020 \$	2019 \$
<b>Analysis of profit for the year from discontinued operations</b>		
Revenue	430,456	-
Expenses	(1,298,759)	-
<b>Profit before tax</b>	<b>(868,303)</b>	<b>-</b>
Attributable income tax expense	-	478,046
<b>Profit for the year from discontinued operations</b>	<b>(868,303)</b>	<b>478,046</b>
Proceeds	8,749,226	-
Total Alina Holdings PLC assets	(7,666,227)	-
Total Anemoi International assets	(961,108)	-
<b>Gain on disposal</b>	<b>121,891</b>	<b>-</b>

## 9. INCOME TAX EXPENSE

	2020 \$	2019 \$
Current tax from continuing operations	109,303	(253,065)
Current tax from discontinued operations	-	(478,046)
<b>Total Tax</b>	<b>109,303</b>	<b>(731,111)</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) before tax from continuing operations	1,661,294	(3,789,309)
Tax at applicable rates	315,646	(719,969)
Losses carried forward	(315,646)	719,969
R&D Tax Credits relating to prior year		(255,366)
R&D Tax Credits relating to current year	(112,743)	-
Overseas tax	3,440	2,301
<b>Total Tax on continuing operations</b>	<b>(109,303)</b>	<b>(253,065)</b>
	<b>\$</b>	<b>\$</b>
Profit before tax from discontinued operations	(868,303)	-
Tax at applicable rates	-	-
Tax relating to earlier years	-	(478,046)
<b>Total Tax on discontinued operations</b>	<b>-</b>	<b>(478,046)</b>

The applicable tax rates in relation to the Group's profits are BVI 0%, UK 19%, Swiss 12.3% and Norway 22% (2019: 0%, 19%, 12.3% and 22%).

DOA Group Ltd (formerly WGP Group Ltd) won an appeal on tax paid in Norway and the resulting credit is as a result of tax repayments and the release of earlier provisions in 2019.

Autonomous Robotics Ltd has unprovided trading losses carried forward of approximately £4.4m available for utilisation against future trading profits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## 10. EARNINGS PER SHARE

	2020 \$	2019 \$
The calculation of earnings per share is based on the following loss attributable to ordinary shareholders and number of shares:		
Profit/(loss) for the year from continuing operations	1,783,185	(3,506,524)
Profit/(loss) for the year from discontinued operations	(868,303)	478,046
<b>Profit for the year</b>	<b>914,882</b>	
<b>(3,028,479)</b>		
<b>Weighted average number of shares of the Company</b>	<b>14,139,629</b>	<b>17,143,300</b>
Earnings per share:		
Basic and Diluted (US\$) from continuing operations	0.13	(0.20)
Basic and Diluted (US\$) from discontinued operations	(0.06)	0.03
Basic and Diluted (US\$)	0.06	(0.18)
<b>Number of shares outstanding at the period end:</b>		
<b>Number of shares in issue</b>	<b>16,242,283</b>	<b>17,852,275</b>
Recording error	106	-
Treasury shares	(3,581,282)	(1,609,992)
Capital Redemption	(4,715,269)	
<b>Basic number of shares in issue</b>	<b>7,945,838</b>	<b>16,242,283</b>

## 11. INTANGIBLE ASSETS AND GOODWILL

	Development costs \$	Patents \$	Sub-total \$	Goodwill \$	Total \$
<b>At 31 December 2018</b>					
Cost					
Accumulated amortisation and impairment					
<b>Net book amount</b>	-	-	-	-	-
<b>Full-year ended 31 December 2019</b>					
Additions	135,931	37,535	173,466	-	173,466
Acquisition of subsidiaries	-	-	-	361,909	361,909
Impairment charge	-	-	-	(157,185)	(157,185)
<b>Closing net book amount</b>	<b>135,931</b>	<b>37,535</b>	<b>173,466</b>	<b>204,724</b>	<b>378,190</b>
<b>At 31 December 2019</b>					
Cost	135,931	37,535	173,466	361,909	535,375
Accumulated amortisation and impairment	-	-	-	(157,185)	(157,185)
<b>Net book amount</b>	<b>135,931</b>	<b>37,535</b>	<b>173,466</b>	<b>204,724</b>	<b>378,190</b>
<b>Full-year ended 31 December 2020</b>					
Opening net book amount	135,931	37,535	173,466	204,724	378,190
Additions	697,429	71,735	769,164	-	769,164
Revaluation of c'fwd amount	4,787	1,322	6,109	-	6,109
Acquisition of subsidiaries	-	-	-	-	-
Impairment charge	-	-	-	-	-
<b>Closing net book amount</b>	<b>838,148</b>	<b>110,592</b>	<b>948,739</b>	<b>204,724</b>	<b>1,153,463</b>
<b>At 31 December 2020</b>					
Cost	838,148	110,592	948,739	361,909	1,310,648
Accumulated amortisation and impairment	-	-	-	(157,185)	(157,185)
<b>Net book amount</b>	<b>838,148</b>	<b>110,592</b>	<b>948,739</b>	<b>204,724</b>	<b>1,153,463</b>

The intangible assets held by the group increased as a result of capitalising the development costs and patent fees of Autonomous Robotics Ltd and iD4 Ltd. Goodwill relates to the acquisition of iD4 Ltd in December 2019.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## 12. PROPERTY, PLANT AND EQUIPMENT

<b>Cost</b>	<b>Total \$</b>	<b>Land and buildings \$</b>	<b>Plant and Equipment \$</b>	<b>Motor Vehicles \$</b>
Cost at 1 January 2019	294,428	-	145,577	148,851
FX movement	1,271	-	1,271	-
	295,699	-	146,848	148,851
Adjustment on transition to IFRS 16	73,249	73,249	-	-
Additions	18,910	-	18,910	-
Acquisition of subsidiary	-	-	-	-
<b>Cost at 31 December 2019</b>	<b>387,858</b>	<b>73,249</b>	<b>165,758</b>	<b>148,851</b>
<b>Depreciation</b>				
Depreciation at 1 January	277,625	-	128,774	148,851
FX movement	1,559	384	1,175	-
	279,184	384	129,949	148,851
Charge for the year on continuing operations	26,308	11,824	14,484	-
Reclassification	6,911	-	6,911	-
<b>Depreciation at 31 December 2019</b>	<b>312,403</b>	<b>12,208</b>	<b>151,344</b>	<b>148,851</b>
<b>Closing net book value at 31 December 2019</b>	<b>75,455</b>	<b>61,041</b>	<b>14,414</b>	<b>Nil</b>
Cost at 1 January 2020	387,859	73,249	165,759	148,851
FX movement	5,246	2,580	2,666	-
	393,105	75,829	168,425	148,851
Adjustment on transition to IFRS 16	-	-	-	-
Additions	391,045	-	19,513	371,532
<b>Cost at 31 December 2020</b>	<b>784,150</b>	<b>75,829</b>	<b>187,938</b>	<b>520,383</b>
<b>Depreciation</b>				
Depreciation at 1 January	312,404	12,209	151,344	148,851
FX movement	2,358	430	1,928	-
	314,762	12,639	153,272	148,851
Charge for the year on continuing operations	47,771	11,883	6,776	29,112
Foreign exchange effect on year end translation	2,961	755	357	1,849
<b>Depreciation at 31 December 2020</b>	<b>365,494</b>	<b>25,277</b>	<b>160,405</b>	<b>179,812</b>
<b>Closing net book value at 31 December 2020</b>	<b>418,656</b>	<b>50,552</b>	<b>27,533</b>	<b>340,571</b>

As outlined in note 2.8, an assessment is made at each financial reporting date as to whether there is any indication of impairment of any asset. An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions, value in use and useful economic life. As a result there has been no impairment charge in 2020 (2019: \$nil).

### 13. INVESTMENT PROPERTY

	<b>Freehold Investment Properties \$</b>	<b>Leasehold Investment Properties \$</b>	<b>Total \$</b>
<b>At 31 December 2019</b>	<b>52,738</b>	<b>4,085,580</b>	<b>4,138,318</b>
Divestment of property subsidiary	(52,738)	(4,085,580)	(4,138,318)
<b>Movement on Investment properties held for sale</b>	<b>(52,738)</b>	<b>(4,085,580)</b>	<b>(4,138,318)</b>
<b>At 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>

A reconciliation of the portfolio valuation to the total value given in the Statement of Financial Position for investment properties is as follows:

	<b>2020 \$</b>	<b>2019 \$</b>
Portfolio valuation	-	4,087,526
Investment properties held for sale	-	(435,383)
Head leases treated as investment properties held under finance leases per IAS 17	-	486,175
<b>Total per Statement of Financial Position</b>	<b>-</b>	<b>4,138,318</b>

### 14. INVESTMENTS – AVAILABLE FOR SALE FINANCIAL ASSETS

The Group classifies the following financial assets at fair value through profit or loss (FVPL):-

Equity investments that are held for trading.

	<b>2020 \$</b>	<b>2019 \$</b>
Available for sale investments		
At the beginning of the period	4,801,450	787,518
Additions	28,983,183	11,332,697
Unrealised gain/(losses)	214,956	(319,633)
Disposals	(32,065,521)	(6,999,132)
<b>At 31 December</b>	<b>1,934,068</b>	<b>4,801,450</b>

AFS investments have been valued incorporating Level 1 inputs in accordance with IFRS7.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## 15. LOANS AND PORTFOLIO HOLDINGS

	2020 \$	2019 \$
Loans at 1 January	1,695,302	1,645,260
Accrued interest	51,564	50,042
<b>Loans at 31 December</b>	<b>1,746,866</b>	<b>1,695,302</b>
Portfolio Holdings at 1 January	-	-
Issued	10,661,053	-
Interest	90,245	-
Repaid	(6,538,704)	-
Forex	578,810	-
Fair Value Adjustment	1,067,808	-
<b>Portfolio holdings at 31 December</b>	<b>5,859,211</b>	<b>-</b>
<b>Total of loans and holdings</b>	<b>7,606,077</b>	<b>1,695,302</b>

The Loan is to the THAL Discretionary Trust, interest is payable at 3% per annum (reviewed periodically).

The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

In January 2020 a loan was issued to Gitone Beteiligungsverwaltungs GmbH, this was fully repaid in September 2020 and included interest of \$31k.

In September 2020 a loan was issued to Tappit Technologies (UK) Ltd for £75k, this was fully repaid in November 2020 and included interest of \$915.

In September 2020 a loan was issued to Tappit Technologies (UK) Ltd for £3m, security is in the form of a convertible loan note and incurs a non-compounding interest charge of 8% with a maturity date 36 months post agreement date. For the period in question, interest of \$58k was accrued. Upon the earlier of maturity or earlier upon certain qualifying events the outstanding balance plus accrued interest will convert at a discounted rate of 20% from the lowest price paid by qualifying finance for the most senior ranked shares.

Upon formation of Anemoi International Ltd, a 10% fixed rate cumulative convertible loan note was issued for \$350k of which \$221k has been drawn down in the period and remains outstanding. The notes may be converted at the option of the holder at any time at a rate of 1 share for each note converted.

Both the Anemoi International Ltd and Tappit Technologies (UK) Ltd loan notes have been revalued at fair value using a discounted cash flow method at the market rate of 10% on final value. The discount element of the final conversion has been valued using the Black-Scholes method to provide the fair value adjustment noted in the table above.

## 16. TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
Trade receivables	65,024	391,115
Trade receivables	65,024	391,115
Other receivables	336,976	661,093
Corporation tax	118,824	119,676
Prepayments	159,619	260,147
<b>Total trade and other receivables</b>	<b>680,443</b>	<b>1,432,031</b>

The Directors consider that the carrying value of trade and other receivables approximate to their fair value.

## 17. TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Trade payables	504,378	426,311
Other payables	64,787	539,054
Corporation tax	-	-
Accruals	475,556	720,126
<b>Total trade and other payables</b>	<b>1,044,721</b>	<b>1,685,491</b>

## 18. BORROWINGS

	2020 \$	2019 \$
<b>Non-current liabilities</b>		
Credit facility	-	-
Lease liabilities	39,330	510,965
	<b>39,330</b>	<b>510,965</b>
<b>Current liabilities</b>		
Credit facility	4,694,511	7,520,244
Lease liabilities	12,470	36,999
	<b>4,706,981</b>	<b>7,557,243</b>

In December 2020 the group entered into a fixed-term advance GBP currency denominated credit facility.

The total available amount under the facility is GBP£10.3m of which £3.4m was drawn down as at 4 December 2020. The facility carries an interest rate of 0.94129%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets mandatorily measured at FVPL include the following:-

	2020 \$	2019 \$
<b>Non current assets</b>		
Available for sale financial assets	1,934,068	4,801,450
Investments in associated entities	-	-
Portfolio Holdings	5,859,211	-
<b>At 31 December</b>	<b>7,793,279</b>	<b>4,801,450</b>

	2020 \$	2019 \$
<b>Amounts recognised in profit or loss:-</b>		
Available for sale financial assets	2,241,343	(200,823)
Investments in associated entities	-	(629,523)
Portfolio Holdings	1,160,300	-
	<b>3,401,643</b>	<b>(830,346)</b>

## 20. LEASES AS LESSEE

Thalassa's subsidiary, Autonomous Robotics Ltd, entered into a lease for the rent of the top floor of Eastleigh Court near Warminster in January 2018 for £10,000 per annum. However, the rent is being accrued and will only become payable upon successful completion of the fund raising exercise.

Previously, this lease was classified as an operating lease under IAS 17.

### Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 14)

	Land and buildings \$
Balance at 1 January 2020	61,040
Forex movement	2,150
Depreciation charge for the year	(12,637)
<b>Balance at 31 December 2020</b>	<b>50,553</b>

### Amounts recognised in profit or loss

2020 - Leases under IFRS 16	\$
Interest on lease liabilities	(1,397)
Expenses related to short-term leases	(306,694)
Right of use asset	(12,638)
	<b>(320,729)</b>

## 21. SHARE CAPITAL

	As at 31 Dec 2020 \$	As at 31 Dec 2019 \$
Authorised share capital: 100,000,000 ordinary shares of \$0.01 each	1,000,000	1,000,000
Allotted, issued and fully paid: 20,852,359 ordinary shares of \$0.01 each	208,522	255,675

	Number of shares	Number of Treasury shares	Treasury shares \$
Balance at 31 December 2019	16,242,283	9,325,239	8,690,465
Capital Redemption	(4,715,269)	-	-
Recording error	106		
Shares purchased	(3,581,282)	3,581,282	2,723,824
<b>Balance at 31 December 2020</b>	<b>7,945,838</b>	<b>12,906,521</b>	<b>11,414,289</b>

Share capital represents 7,945,838 ordinary shares of \$ 0.01 each.

On 21 October 2020, the Company returned capital to shareholders by means of a mandatory pro-rata redemption of 33.65% of the ordinary shares (excluding shares held in treasury) equivalent to 4,715,269 Ordinary Shares in aggregate. The Return of Capital was made as a capital distribution in specie to Shareholders of shares which the Company held in Alina Holdings PLC (formally "The Local Shopping REIT plc") and Anemoi International Limited.

The recording error by the registrar was noted on 17 December 2020 and corrected across the Company as at 15 January 2021. It was not considered a material difference and therefore a company announcement was not made.

Treasury shares represents the cost of the Company buying back its shares. There were 12,906,521 shares held in Treasury as at 31 December 2020 (2019: 9,325,239 shares) which comprised 61.9% of the total issued share capital (2019: 36.5%). In total 3,581,282 of its shares were purchased in 2020 (2019: 1,609,992 shares).

Under the Company's memorandum of association, the Company is authorised to issue 100,000,000 shares

of one class with a par value of US\$0.01 each. Under the Company's articles of association, the Board is authorised to offer, allot, grant options over or otherwise dispose of any unissued shares. Furthermore, the Directors are authorised to purchase, redeem or otherwise acquire any of the Company's own shares for such consideration as they consider fit, and either cancel or hold such shares as treasury shares. The directors may dispose of any shares held as treasury shares on such terms and conditions as they may from time to time determine. Further, the Company may redeem its own shares for such amount, at such times and on such notice as the directors may determine, provided that any such redemption is pro rata to each shareholders' then percentage holding in the Company.

## 22. CAPITAL MANAGEMENT

The Group's capital comprises ordinary share capital, retained earnings and capital reserves. The Group's objectives when managing capital are to provide an optimum return to shareholders over the short to medium term through capital growth and income whilst ensuring the protection of its assets by minimising risk. The Group seeks to achieve its objectives by having available sufficient cash resources to meet capital expenditure and ongoing commitments.

At 31 December 2020, the Group had capital of \$15,714,453 (2019: \$27,401,173). The Group does not have any externally imposed capital requirements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## 23. INVESTMENT IN SUBSIDIARIES

Details of the Company's subsidiaries at the year end are as follows:

Name of subsidiary	Place of incorporation	Effective Share holding	
		2020	2019
DOA Alpha Ltd (formerly WGP Group Ltd)	British Virgin Islands	100%	100%
DOA Beta Ltd (formerly WGP Energy Services Ltd) struck off 01/05/19	British Virgin Islands	100%	100%
DOA Exploration Ltd (formerly WGP Exploration Ltd)	United Kingdom	100%	100%
DOA Gamma Ltd (formerly WGP Professional Services Ltd)	British Virgin Islands	100%	100%
DOA Delta Ltd (formerly WGP Survey Ltd)	British Virgin Islands	100%	100%
Apeiron Holdings (BVI) Ltd (formerly Autonomous Holdings Ltd)	British Virgin Islands	100%	100%
Autonomous Robotics Ltd	United Kingdom	100%	100%
WGP Geosolutions Limited	Cyprus	100%	100%
WGP Group AT GmbH	Austria	100%	100%
Anemoi S.A.	Luxembourg	100%	100%
LML Acquisition Co Plc	United Kingdom	99%	N/A
Apeiron Holdings A.G.	Switzerland	84%	84%
iD4 AG	Switzerland	84%	84%

The Group prepares its accounts in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union, through application of the appropriate standard the investments in subsidiaries are held at cost within the Group financial statements.

Due to the pre- or early stage revenue producing status, and therefore book value, of Autonomous Robotics Limited and iD4 AG the directors of the Group feel that the IFRS cost basis does not represent a market value of the subsidiaries.

In compiling the below notes the directors have considered the relevant markets and available information, though make no guarantee of such valuations being realised.

Autonomous Robotics Limited (ARL)

ARL is currently in pre-revenue, late stage development with commercialisation forecast to be 2023. As a guide to value the directors have highlighted the recent £10 million funding round of a comparable business in the sector, indicating a total valuation in the region of \$40 million at a pre-revenue stage. The ARL development is understood to be more advanced and with a greater number and quality of patents having been filed.

iD4 AG (iD4)

With 2020 being the first period of revenue production for iD4 and a breakeven forecast expected for 2021, the data for iD4 is comparable within similar fintech companies that have produced open market valuations since 2012.

With a 40% discount applied to the average multiple achieved over the past 8 years the 5 year growth valuation of iD4 is in the region of CHF 14 to 24 million.

## 24. ASSOCIATED ENTITIES

On 21 October 2020, Thalassa Holdings Ltd divested its holdings in Alina Holdings PLC (99.9% divestment) and in Anemoi International (93.4% divestment). The remaining holdings as recognised as Investments Available for Sale in line with the policy on identifying associates.

Movement on interests in associates can be summarised as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cost as at 1 January	-	6,727,670
Additions	-	-
Share of post-acquisition profits less losses	-	(629,523)
Disposal	-	(6,098,147)
	-	-

The following summarises the financial information relating to associates, not adjusted for the proportion of ownership

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Assets - non-current	-	3,139
Assets - current	-	4,621
<b>Total</b>	<b>-</b>	<b>7,760</b>
Liabilities - non-current	-	(350)
Liabilities - current	-	(418)
<b>Total</b>	<b>-</b>	<b>(768)</b>
Revenue	-	764
Expenses	-	(2,638)
<b>Profit/Loss for the period</b>	<b>-</b>	<b>(1,874)</b>

There are no other entities in which the Group holds 20% or more of the equity, or otherwise exercises significant influence over the affairs of the entity. The associated entities have reporting dates of 31 December, though the reporting date for Alina Holdings PLC was extended and therefore the Profit/Loss for the period is over a 15 month period.

## 25. RELATED PARTY TRANSACTIONS

Under the consultancy and administrative services agreement entered into on 3 January 2011 with a company in which the Chairman has a beneficial interest, the Group was invoiced \$680,000 (2019: \$692,000) for consultancy and administrative services provided to the Group. As at 31 December 2020, the amount owed to this company was \$277,970 (2019: \$152,000).

During the period Graham Cole, non-executive director, invoiced the Group \$40,000 of which \$21k was owed as at 31 December 2020 (2019: \$nil).

During the period David Thomas, non-executive director, invoiced the Group \$40,000 of which \$40,000 was owed as at 31 December 2020 (2019: \$nil).

During the period Martyn Porter, non-executive director, was owed by the Group \$10,000 of which \$10,000 was invoiced after the period (2019: \$nil).

Eastleigh Court Limited, a company owned by Thalassa's chairman, Duncan Soukup, invoiced the Group £nil (2019: £nil) in the period. As at 31 December 2020, the amount owed by this company was £nil (2019: £nil).

Eastleigh Stables Ltd, a company also owned by the Company's chairman invoiced the Group £nil (2019: £nil) during the year. As at 31 December 2020, the balance owed by this company was £nil (2019: £nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2020

## 26. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents together with various items such as trade and other receivables and trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

### INTEREST RATE RISK

The Group does not undertake any hedging against interest rate risk. The Group finances its operations from the cash balances on the current and deposit accounts. The Group had total borrowings of \$4.7m as at 31 December 2020 (2019: \$8.1m).

#### Interest rate sensitivity

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term credit facilities.

The impact of changes in interest rates on the cost is as follows:

#### For the year ended December 31, 2020

**Change in  
interest  
rate cost  
\$000**

Interest rate translations of:

+10 basis points	1
-10 basis points	(1)
+100 basis points	7
-100 basis points	(7)

### FOREIGN EXCHANGE RISK

The Group undertakes FOREX and asset risk management activities from time to time to mitigate foreign exchange risk.

An increase in foreign exchange rates of 5% at 31 December 2020 would have increased the profit and net assets by \$79,251 (2019: \$709,525). A decrease of 5% would have had an equal and opposite impact. The majority of the Group's balances are held in USD. As 31 December 2020 approximately 10% (2019: 35%) of amounts owing to suppliers are held in GBP, 22% in EUR (2019: 9%) and 0% in CHF (2019: 21%).

### CREDIT RISK

Group credit risk is predominantly a matter of individual corporate risk. However, Group companies also operate in frontier and challenging regions which has the potential to add risk and uncertainty both from an operational and financial point of view. Whenever and wherever possible the Group attempts to mitigate this risk.

In line with other international companies, the Group is exposed to geopolitical risks and the possibility of sanctions which could adversely affect our ability to perform operations or collect receivables from our clients. This risk is un-insurable and un-hedgeable.

### LIQUIDITY RISK

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. All financial liabilities are generally payable within 30 days and do not attract any other contractual cash flows. Based on current forecasts the Group has sufficient cash to meet future obligations.



## **27. SUBSEQUENT EVENTS**

In January 2021 it was announced that the Company had entered into an agreement with London Medical Laboratory Ltd (LML), a leading clinical testing specialist and provider of pathology diagnostics services, to lend LML up to £2,500,000 (the Financing).

The Financing, which will be used by LML to fund the opening of new phlebotomy clinical facilities and to increase the capacity of its existing facilities, has a term of 3 years and attracts PIK return of 5% per annum.

On the 9th March 2021 the delisting of the Company's shares from the Luxembourg Stock Exchange became effective.

## **28. COPIES OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements are available on the Company's website: [www.thalassaholdingsltd.com](http://www.thalassaholdingsltd.com).

## **29. CONTROLLING PARTIES**

There is no one controlling party.

# NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING (the “Meeting”) of Thalassa Holdings Ltd (the “Company”) will be held at Anjuna, 28 Avenue de la Liberté, 06360 Eze, France on 7 September 2021 at 11:00 am for the purpose of considering and, if thought fit, passing the following simple resolutions:

1. To receive and consider the financial statements for the year to 31 December 2020 together with the reports of the directors and the auditors thereon.
2. To authorise the Directors to appoint auditors of the Company for the year ending 31 December 2021 and to authorise the Directors to determine the auditor’s remuneration.
3. To re-elect Duncan Soukup as a Director of the Company, who is retiring and offering himself for re-election.
4. To re-elect Graham Cole as a Director of the Company, who is retiring and offering himself for re-election.
5. To re-elect David Thomas as a Director of the Company, who is retiring and offering himself for re-election.
6. That article 115 of the articles of association of the Company be replaced with the following:  
“Any notice, information or written statement required to be given to members shall be published on the Company’s website.”

Dated 8 June 2021

By Order of the Board

## Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not also be a Member of the Company
2. To appoint a proxy, you should complete the Form of Proxy available from the Company’s website. To be valid the Form of Proxy together with the power of attorney or other authority (if any) under which it is signed must be completed and returned by post or by hand to the Company’s Registrar, Link Group PXS I, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom, not later than 48 hours before the time fixed for the Meeting or any adjourned meeting.
3. In the case of joint holders, if two or more persons hold shares jointly each of them may be present in person or by proxy at the Meeting and may speak as a shareholder; if only one of the joint owners is present in person or by proxy, he may vote on behalf of all joint owners; and if two or more are present in person or by proxy they must vote as one.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the annual general meeting to be held on the time and date set out at the top of the notice and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with CRESTCo’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent (ID : RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**The Board encourages all shareholders to vote. Shareholders will find a Proxy form, online, in the Investor Relations section under the ‘Reports and Documents’ menu. In the event that you hold your interest in Thalassa Holdings Ltd in CREST and wish to vote, but are not expecting to use the CREST electronic proxy appointment service as set out in notes 4, 5, 6 and 7 above, you will need to contact your custodian or nominee (bank, broker, fund manager for example). Alternatively, for further information or assistance in voting you can contact Link Group on +44 (0)371 664 0300 Monday to Friday between 0900 and 1730. Call charges will vary by provider.**

# DIRECTORS, SECRETARY AND ADVISERS

## Directors

C Duncan Soukup, Chairman  
Graham Cole FCA, FCISI, Director  
David M Thomas, Director

## Registered Office

Folio Chambers  
P.O. Box 800, Road Town, Tortola,  
British Virgin Islands

## Company Secretary

Charles D.R.C. Groves

## Broker

WH Ireland Limited  
24 Martin Lane London EC4R 0DR

## Solicitors to the Company (as to English Law)

Locke Lord (UK) LLP  
201 Bishopsgate, London EC2M 3AB

## Solicitors to the Company (as to BVI Law)

Conyers Dill & Pearman  
Romasco Place, Wickhams Cay I PO Box 3140  
Road Town, Tortola  
British Virgin Islands VG1110

## Auditors

Jeffreys Henry LLP  
Finsgate 5-7 Cranwood Street  
London EC1V 9EE

## Registrars

Link Market Services 12 Castle Street  
St Helier Jersey JE2 3RT

## Company websites

[www.thalassaholdingsltd.com](http://www.thalassaholdingsltd.com)  
[www.autonomousroboticsltd.com](http://www.autonomousroboticsltd.com)  
<https://www.alina-holdings.com>  
[www.id4bank.ch](http://www.id4bank.ch)



The above chart depicts the **GSNon-Profitable Technology Basket**, which in the past few weeks has fallen 26%, from a high of  $\pm 439$  to current level of  $\pm 325$ !

#### Goldman Sachs Non-Profitable Technology Index

The GS Non-Profitable Tech basket consists of non-profitable US listed companies in innovative industries. Tech is defined quite broadly to include new economy companies across GICS industry groupings. The basket is optimized for liquidity with no name initially weighted greater than 4.65%.

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