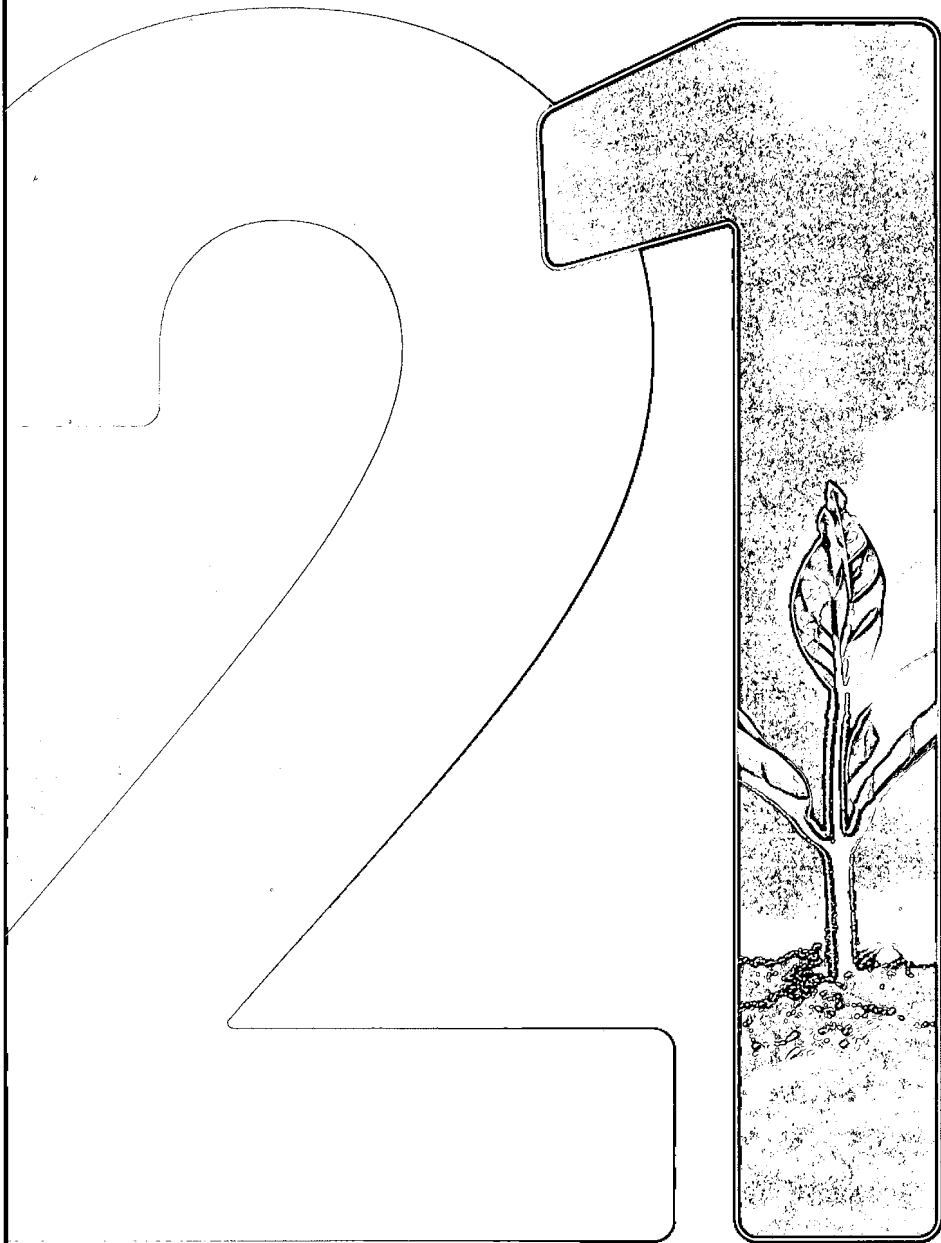
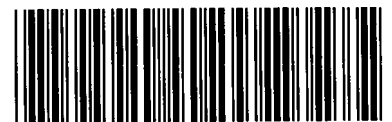




Annual Report

& Accounts 2021

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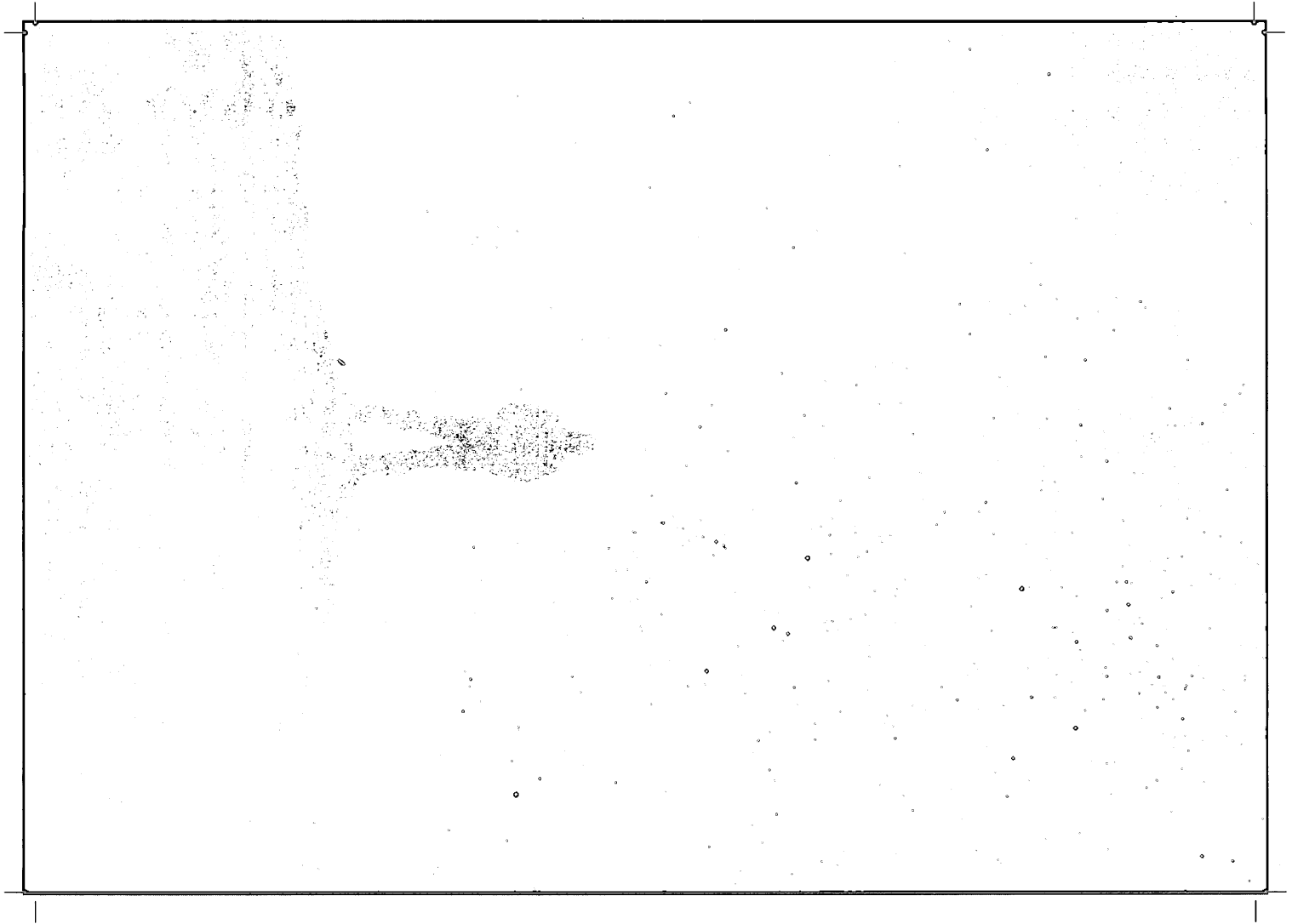
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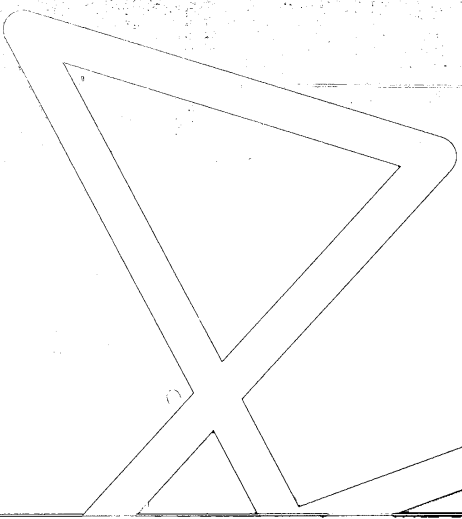
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01

Strategic Report



Highlights

2021 was a formative year. Across the Group, being Supply@ME Capital Plc (the ‘Company’) and its subsidiaries, we have built into our business significant value by way of technological improvements, welcoming new talent, strengthening our internal processes and the acquisition of TradeFlow Capital Management Ltd (TradeFlow Capital Management Plc, Ltd). Achieving these important milestones in succession has laid the foundations for new growth in 2022.

Our proprietary Inventory Monetisation platform has an intrinsic value and has generated significant interest from other operators, from banks to debt funders, to improve or facilitate their own inventory backed

or based facilities. Accordingly, we launched our White-label initiative at the end of August 2021.

Leveraging technology and people developments, we continued to fine-tune our warehouse goods monetisation structure, limiting the number of client companies under analysis. While this initially resulted in a reduction of revenue, over the longer term we believe it has resulted in an improvement of the fundamentals required to scale our unique business model.

We continued to adopt a ‘test and learn’ approach. We are now eager to put these lessons into practice.

Financial KPIs

Total revenue	Gross (loss)/profit	Adjusted operating (loss)
(£20.6m) <i>(£1.7m) at 2020</i>	(£10.3m) <i>(£2.5m) Gross profit at 2020</i>	(£14.4m) <i>(£1.4m) in 2020</i>
(Loss) before tax	Total assets	Net (liabilities)
(£12.2m) <i>(£2.8m) at 2020</i>	10.3m <i>£3.3m at 31 December 2020</i>	(£21.4m) <i>(£2.5m) at 31 December 2020</i>

Operational KPIs

In-transit monetisation	Warehouse Goods monetisation
Net growth in capital under management in 2021	Pipeline
4%	£164.8m
Net growth in capital under management in Q1 2022	
17%	

The increase in the net growth in Q1 2022 is a combined increase from the existing TradeFlow USD and EURO funds. The movement was due to the volatility seen in other asset classes over this period, and the removal of travel restrictions and COVID-19 controls in many parts of the world, both of which resulted in a rise of new investors looking for fixed income alternative investments.

The pipeline KPI represents the current potential value of warehouse goods inventory to be monetised rather than pipeline revenue expected to be earned by the Group. As such, this provides a good indicator of the level of demand for the Group's warehouse goods monetisation services. This pipeline represents the value as at most predicted date possible prior to the issue of this annual report (being 24 May 2022).

Adjusted operating (loss) is the operating (loss)/profit, net of selling, acquisition related costs and impairment charges

Chief Executive Officer's Statement



The need for Supply@ME, and the need for the services which this business offers, is even greater now than when we launched on the London Stock Exchange in 2020. 2021 was a year of global crisis and disruption. Business confidence for many fell to new lows and the focus was on surviving COVID-19. Supply chains have had to be rebuilt stronger: "just in time" has given way to "just in case". This did not happen overnight. Local driver shortages have exacerbated global problems. Supply@ME has learnt considerably from the experiences of the past two years, and as a result we believe the future is very bright.

What We Built

Business confidence in 2021 stymied our progress in some areas. Like many of our shareholders and partners, I expected us to have completed several inventory monetisations by the year end. However, the impact that COVID-19 had on business priorities for our partners, and which multiple lockdowns had on the speed of decision making, was significant. While we could not control this, our business and offering are stronger with the benefit of additional time and the feedback we have been able to incorporate into the Platform.

For Supply@ME, 2021 was a formative year.

We Secured Funding and Additional Investment

The proceeds from the two funding arrangements entered into during 2021 allowed the Company to complete the acquisition of TradeFlow (our first M&A deal), as well as to continue the important investment into the assets of the Group, including the intellectual property rights over the platform, and to invest in recruiting our new leadership team. The recent Capital Enhancement Plan, announced in April 2022, was fully subscribed by the long-term investor Venus Capital SA ("Venus Capital"), which proved that professional investors believe in the inventory monetisation business model. We also intend to enable existing shareholders of the Company to acquire new ordinary shares on the same terms as Venus Capital. This combination of retail and institutional investment will provide the

Group with both commercial and financial support for the next phase of the Group's development.

We Built Our Leadership Team

The Group's unwavering approach is to build a scalable business which exemplifies the strong regulatory requirements required of a listed company. In this regard, we believe shareholders are in good hands thanks to the experience and dedication of our Executive Directors, Alessandro Zamboni, John Collis and Thomas (Tom) James and our leadership team comprising our Chief Financial Officer, our Chief People Officer, our Group Head of Enterprise Risk Management, our Group Head of Operations and Transformation and our Group Head of Origination. Further information on our executive directors and members of our leadership team can be found on page 51 and 23, respectively. Additionally, the Company learned from, and leveraged, the deep corporate governance experience of our previous Chairman, James (Jim) Coyle. The Board and the Nomination committee are now focused on evaluating potential candidates for the Chair and Non-Executive Director positions with capabilities and experience that will complement those of the existing executive and Non-Executive Directors in order to future proof the Board as the Group enters its next stage of development.

We Completed the Acquisition of TradeFlow

The addition of TradeFlow to our Group provides the ability to offer an unrivalled inventory monetisation journey, allowing us to offer a unique, and end-to-end, inventory monetisation journey from exporters to importers, followed by a unique warehouse goods monetisation service.

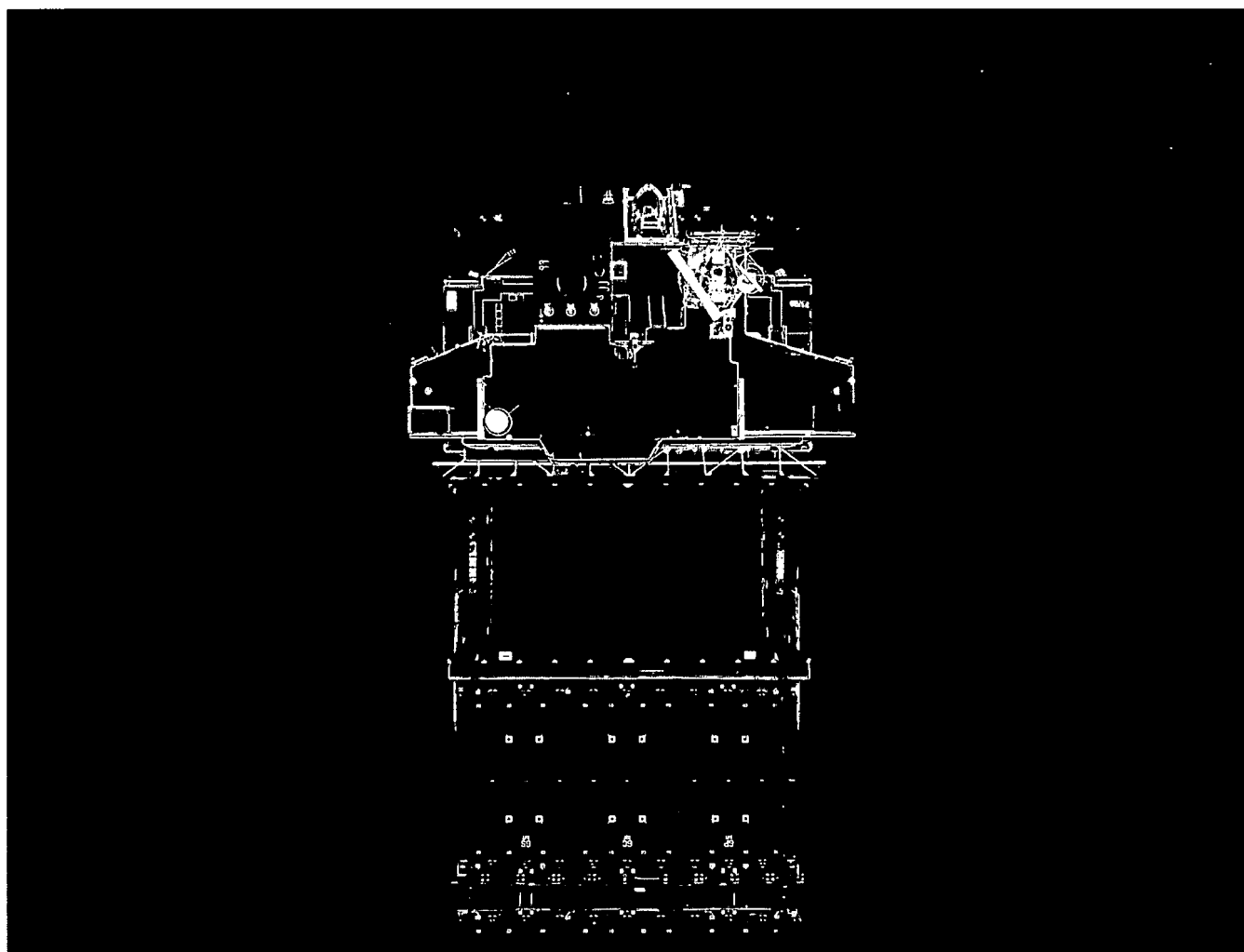
With a broader footprint and customer base in Singapore, TradeFlow gives us a clear launch pad for the Asian marketplace and links to key trading hubs globally.

We Clarified the Business Model

We distinguished the pure FinTech business from the inventory funding structure as the provider of each inventory monetisation transaction. Details of the current business model can be found on page 14 including those activities that are expected to be delivered by the Group in their capacity as inventory servicer, and those that are expected to be delivered by segregated stock (trading) companies

which will be owned by the Global Inventory Fund (the "Fund").

While the TradeFlow acquisition complemented the existing business model, the value of what Supply@ME has built, in terms of the technology and talent, also became apparent. Our proprietary Platform has an intrinsic value and has generated significant interest from other operators, from banks to debt funders, to improve or facilitate their own inventory-backed or based facilities. Accordingly, we launched our White-label initiative at the end of August 2021. We have also invested heavily, both in terms of time and resources, upgrading the underpinning architecture and how it can avail of TradeFlow's technology within its TradeFlow+ system. Our discussions with potential inventory funders regarding the introduction of an equity line into the capital structure of each inventory monetisation led to, and was addressed by, the launch of the Fund as announced in August 2021. This Fund can serve as an equity partner as well as on a standalone basis. The Fund also leverages the funding structure of TradeFlow Capital, a further benefit to, and justification for, the acquisition.



What We Learned

As the impact of COVID-19 crystallised for many businesses, the minds of Chief Financial Officers (CFOs) at companies of every size have increasingly turned to how to survive and thrive in the 'new normal'. There is a universal need to find alternative solutions to manage the risks which the pandemic has brought about. Some of these are obvious and indeed are the same which Supply@ME was created to address. Businesses in every country in which we operate, or may wish to operate, are retaining more inventory for longer. Monetising this inventory and alleviating the increased cost holds an obvious and growing appeal.

However, there are also new risks which have arisen and gained prominence. Supply@ME is well placed to support businesses to find solutions to many of these. From working on the digitisation of operations to inventory cost optimisation and understanding client and supplier risk, the experience of the past two years has emphasised the depth of services which our platform can offer. Monetisation at the core will be combined with other services to bring us closer to our clients. There is clear evidence that the service developed by Supply@ME offers not only a means to allow corporates to sell goods but also a real commercial partnership which allows our clients to better manage their data, using this to monetise their inventory, optimise their supply chain, and so further receive value from the same information generated.

There is much more to come, and we will continue to adopt a 'test and learn' approach. We are now eager to put these lessons into practice.

Future Plans – Looking Ahead

There is now a new era of digitalisation and digitisation of supply chains. The speed at which we have reached this point has been accelerated by the recent geo-political crisis and the rise of new technology and business paradigms (such as Web 3.0).

It is clear that corporates need to improve their processes. They are having to set new objectives for their supply chains with greater focus on resiliency, risk management and efficiency – optimising inventory management and, enhancing the cash position as a key indicator for credit evaluation. In our experience, corporate treasurers are moving from a reactive approach to a more proactive and dynamic view.

For in-transit transactions, we are observing progress towards a new vision of a modernised global trade finance ecosystem, with networks and players focussed on digitalising parts of the trade and finance processes, providing a framework for digitally connecting and facilitating interoperation among these networks through sets of shared standards, processes, protocols, and guiding principles. An integral part of this new vision is the "interoperability layer", a global framework of standards and policies that enables participants in the trade ecosystem to seamlessly connect to both present and future networks.

Our Group wants to play the key role in this huge target addressable market promoting its unique business proposition:

- Through our Platform, as an enabler of an innovative commercial model which allows each Corporate to manage new strategic objectives for their supply chain management (resiliency, cash optimisation, inventory efficiency and digitisation of the trade process regarding both international and domestic trade deals); and
- For investors, generating a unique opportunity in the alternative capital markets, presenting an attractive risk/reward proposition within an innovative asset class aimed at supporting the real economy.

We believe this can be achieved along global supply chains, both during the export-to-import in-transit journey and during the warehoused goods days-in-inventory phase, when goods are stored and enabling CFOs to more efficiently manage the core assets of their business.

This can be realised and scaled, by leveraging our unique business model, underpinned by the technology and the market expertise that our team has. The positive results achieved regarding client companies' origination activities and inventory funding routes expansion are further evidence of this.

It is fair to say the financial results for the year ended 31 December 2021 do not provide the full picture of the vast amount of work that the Supply@ME team have undertaken to continue to develop the Group and the Platform for future success.

Alessandro Zamboni

Chief Executive Officer and Executive Director

The Market

The traditional supply chain funding model came under acute and intense pressure during the global pandemic. But the last two years has reinforced the viability of Supply@ME's innovative fintech solutions as COVID-19 and recent geo-political unrest expedited technological advancement in areas such as treasury, risk management and demand planning, in the face of unprecedented supply chain disruption.

Additionally, the era of companies acting as conventional creditors to meet the needs of the market is over. At Supply@ME, we are building a new inventory monetisation model that gives firms the opportunity to adopt non-credit approaches to free up digitally value from their inventories.

Our market analysis can therefore be viewed through a number of prisms: how CFOs will leverage digitalisation, new methods being used by corporates to manage their resiliency, the future global trade finance ecosystem and the alternative asset investment industry.

The Changing Market

Large Enterprises

The role of today's CFO or treasurer has been re-thought in recent times and now encompasses a comprehensive approach to managing enterprise liquidity. CFOs and Treasurers now place a premium on speed and flexibility for evaluating liquidity financing alternatives. Bank-independent technology solutions are becoming the preferred model. Further, seamless integration with enterprise resource planning (ERP) systems and the ability to make swift decisions (for instance, access to financing short-term investments) based on underlying cash positions, are now priorities for large enterprises.

Building a new trusted data environment, which includes a Clients ERP data transfers, the Inventory Monetisation model invented by Supply@ME aims to create a new commercial approach to allow CFOs and treasurers to unlock value from their inventory.

Small and Medium Enterprises (SMEs)

At the same time as Supply@ME first listed on the London Stock Exchange, in March 2020, SMEs began to be negatively impacted by the outbreak of the COVID-19 pandemic. According to the OECD report Financing SMEs and Entrepreneurs 2022, over 50% of SMEs reported a significant drop in revenue and risked being put out of business in

less than three months. However, the SME sector has rebounded, as we emerge from the global pandemic with new lending sources emerging as a result of government monetary policy and a renewal in business confidence.

But it is no secret that traditional banks could be doing more to serve the SME sector. There is a perceived lack of appetite to lend to these businesses, with the complexity of this lending outweighing the potential returns. Many business owners have been pushed to dip into their personal finances or forgo debt altogether. However, as businesses begin to bounce back from the impact of Covid-19 and the supply chain crisis, many are looking to invest in their operations to expedite recovery. The alternative finance sector is growing to meet this demand. Supply@ME's Inventory Monetisation service offers an improved alternative to traditional financing. Supply@ME has created a new way to support SME needs, through a unique non-credit approach.

Digital Evolution

In retrospect, the recent supply chain crisis may not have been a matter of if, but when. The "just in time" logistics model was always vulnerable to shock, but previous models relied on such a shock being easily correctable or highly unlikely. Companies' ability to forecast demand and determine how to meet it has been further challenged by the increasingly global scope of supply chains.

As companies begin to shift from this previous system to a more high-tech, digitised supply chain, companies like Supply@ME have a role to play. The unprecedented shift to new technologies forms a cornerstone of our business model - as the digital maturity of more companies increases, our system will slot in alongside them.

Resilience - The New Risk Management

Following the shocks to the existing supply chain structure, the business world has begun to pivot from risk management to resilience. McKinsey found in a 2020 survey that "just over three-quarters of respondents said they planned to improve resilience through physical changes to their supply chain footprints". Repeating the survey in 2021, McKinsey found "an overwhelming majority (92 percent) said that they had done so".

The survey also revealed a shift in strategy. Many of the companies surveyed were planning a multi-branch approach to improve supply chain resilience. These steps included increases in the inventory of critical products, components, and materials, diversifying supply bases by relocating supply and production networks. As companies shift their supply chains to this new focus on resilience, they will need access to capital and to improve their inventory data analytics capabilities. Supply@ME's Inventory Monetisation service can facilitate this shift.

In-Transit Risks

The 2021 Suez Canal obstruction now seems like a minor footnote in the issues that supply chains have faced over the last few years, yet it highlights to the world the wider issue of in-transit risk. The last 12 months have reminded shippers that relying on just-in-time supply from container shipping can be risky.

Companies might begin to increase inventories and safety buffers, both at departure and arrival ports. With this added cost, many businesses might also realise that the funds locked up in their inventory could be put to better use elsewhere in their business. While the outlook for containerised logistics and global supply chains remains uncertain, businesses can turn to in-transit inventory monetisation to unlock the liquidity tied up with increased stock levels.

Risk Response Strategies

The frequency and magnitude of supply chain disruptions have been increasing dramatically in the decade preceding the war in Ukraine.

Executive teams have placed a new weight on key supply chain actions, to protect their businesses in the short term and transform their resilience over the next decade.

With the winding down of government support, companies are more aware than ever of the need to keep track of accessible liquidity. Financial institutions oil the wheels of trade, for example around 40 percent of global goods traded is supported by bank-intermediated trade finance. Despite trade finance's critical role, however, gaps in coverage have been recognized for some time, particularly for the SMEs that serve an increasingly important role in global trade.

This process has been exacerbated by the impact of the COVID-19 pandemic and is expected to continue without high-level intervention. As trade

and supply chains grow more complex, SMEs face greater challenges in accessing liquidity.

In this regard, we think that the alternative investments market combined with state-of-the art fintech providers can be the solution. Supply@ME will play a key role in this space in the coming years.

The Growth of Alternate Asset Classes

Hedge Funds

The robust growth of the hedge fund sector has continued in 2022. So far this year, taking advantage of increased economic volatility and risk management, the hedge fund industry comfortably outperformed the S&P Total Return Index. In 2021, according to HFR, hedge funds delivered global annual returns of 10.3%, the second year in succession a double-digit return was recorded. Furthermore, total hedge fund assets now exceed \$4 trillion.

Accordingly, Supply@ME's business model and inventory monetisation services are well-suited to the hedge fund asset class, reinforced by the opportunity to leverage TradeFlow's experience in structuring and advising hedge funds.

Private Debt

The private debt market has also emerged from the global pandemic in a stronger condition.

Private debt funds raised a record amount of capital with fewer, yet larger, funds closing. Aggregate capital increased 14% in 2021 to \$193.4 billion across 202 funds, down from 2020's 255 funds closed. Indeed, there has been a notable increase in the number of funds gathering commitments of more than \$1 billion – and even as much as \$10 billion – by some of private capital's largest managers.

Among investors surveyed by Preqin in November 2021, 36% said they looked to private debt for a reliable income stream, while 37% were attracted to its high risk-adjusted returns, a unique combination across private capital.

The upsurge in private debt capital and the attractive risk/returns projected by the funds advised by TradeFlow bode well for Supply@ME's future performance.

Digital assets

As an investable asset, trade finance has desirable attributes, including typically low default rates, attractive yields (compared with traditional instruments), short-term durations and self liquidating disposition. However, institutional investors, to date, have not embraced at-scale trade finance as an investable asset. Indeed, the trade finance market tends to be illiquid and non-transparent for reasons including technology limitations - resulting in the lack of a transparent electronic market - and limited risk assessment expertise among institutional investors. A key first step toward bringing liquidity to the trade finance market has been the recent expansion of the "trade as an asset" concept - the notion of transforming trade finance transactions into instruments readily exchangeable on securities markets. The model of the creation of a digital representation of assets (such as "tokenisation") could expand the market considerably and the Supply@ME Platform is ready to take advantage of this opportunity.

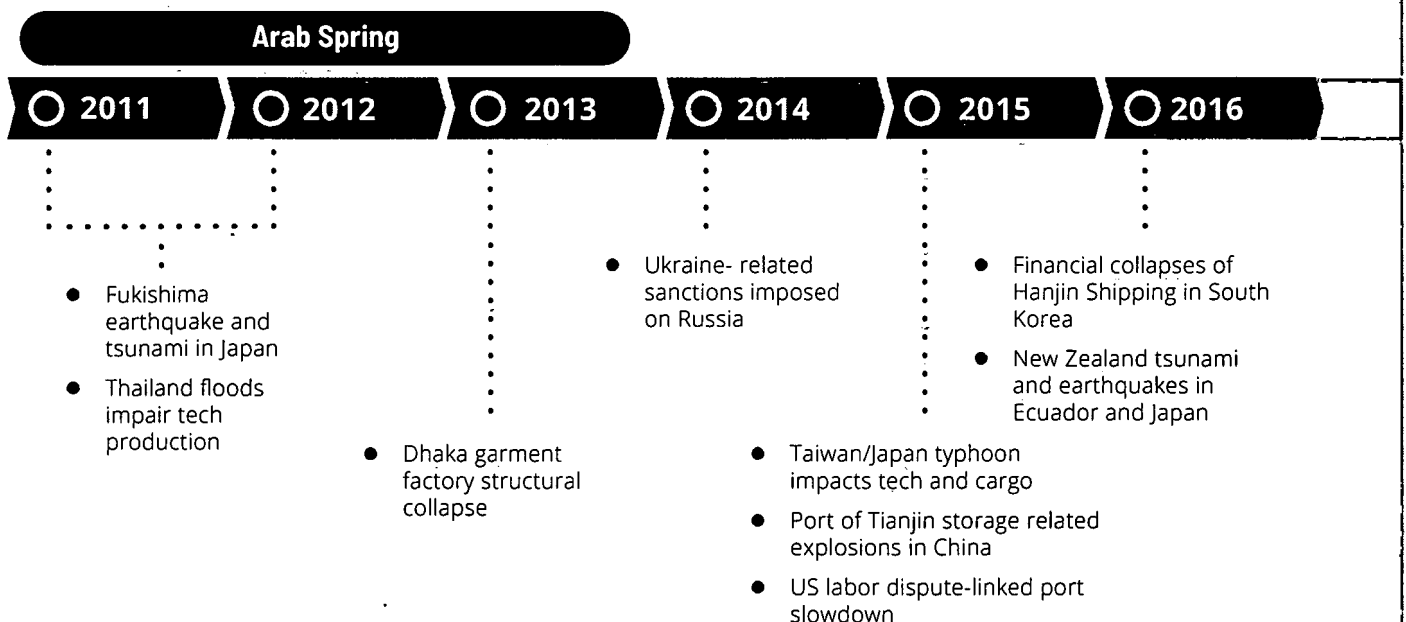
The New Way Of Corporates To Manage Their Resiliency

Resilience: The New Risk-Management Paradigm

The discussion so far has focused on non-financial risk in a continuously changing world. Non-financial risk is found to be deeply embedded in corporate operations. As the 21st-century business environment becomes ever more volatile and disruptive, companies are beginning to question standard risk-management approaches. The thought leaders among them are now calling for new approaches that go beyond risk management, toward corporate resilience. Resilience is still an emerging approach.

In a 2020 McKinsey survey, just over three-quarters of respondents said they planned to improve resilience through physical changes to their supply chain footprints. By 2021, an overwhelming majority (92 percent) said that they had done so. But the survey revealed significant shifts in footprint strategy. Last year, most companies planned to

● Events impacting supply chain for multiple periods
Bain & Company, ISM report, Resilinc



pull multiple levers in their efforts to improve supply chain resilience, combining increases in the inventory of critical products, components, and materials with efforts to diversify supply bases while localising or regionalising supply and production networks. In practice, companies were much more likely than expected to increase inventories, and much less likely either to diversify supply bases (with raw material supply being a notable exception) or to implement nearshoring or regionalization strategies. In this regard, only 2 percent of companies have visibility into their supply base beyond the second tier.

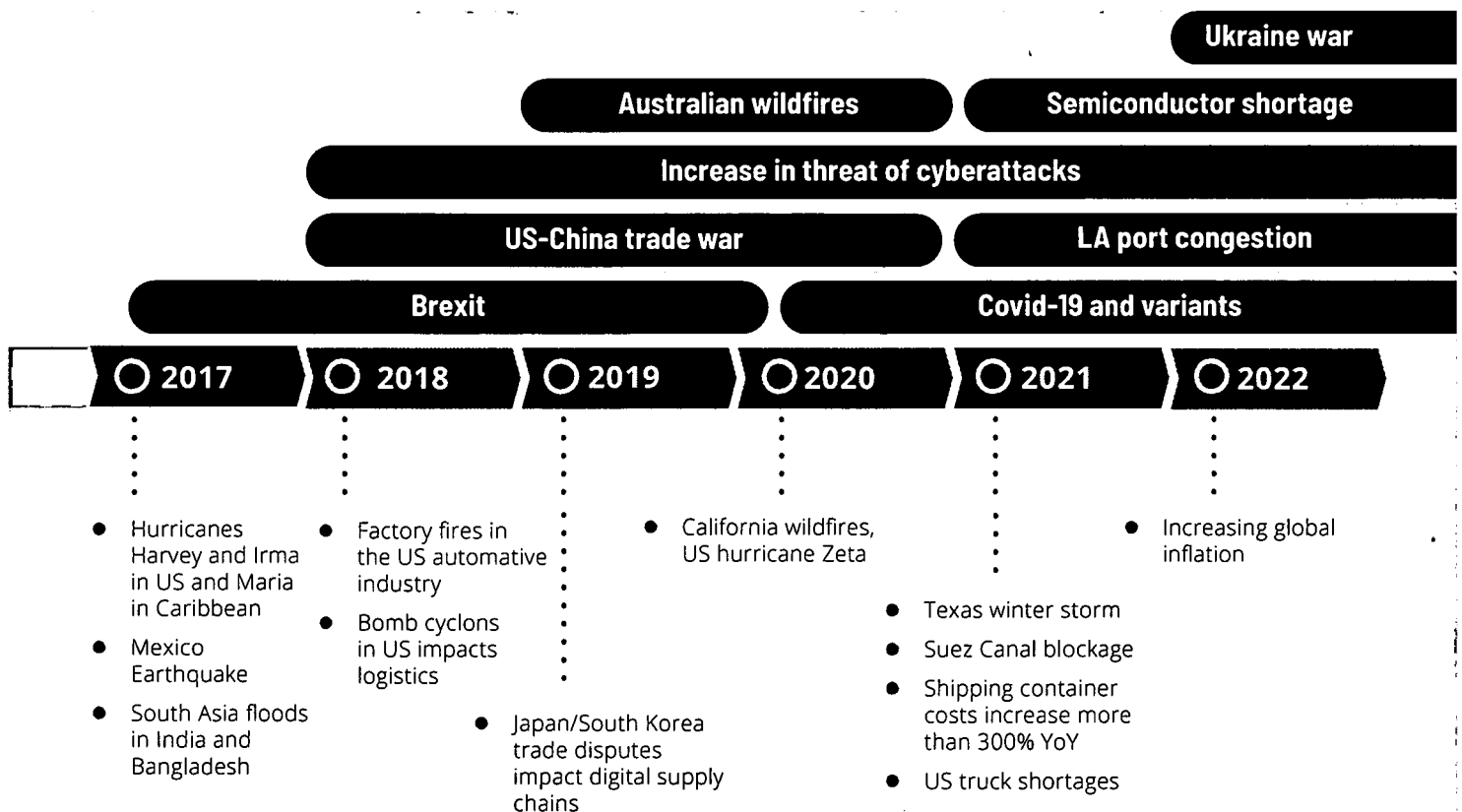
In-Transit Risks: Navigating The Current Disruption In Containerised Logistics

We believe container freight rates will remain elevated throughout most of 2022 while the containerised logistics disruption persists. Container demand is driven by end consumer spending on goods, shippers' desire to continue stocking inventory, and an economic re-opening that may shift spend back to services.

In the short term, manufacturers may have little option when it comes to changing their current suppliers and existing manufacturing footprint, but in the medium term they could cultivate alternative suppliers. Some successful strategies could evaluate near-shoring options, or use suppliers in India and South America that reduce exposure to the main Transpacific trade lane. Manufacturers can also rethink product design, particularly to limit highly customisable components that are complex to source. Assessing products and redesigning packaging is often a quick win and can help to improve efficiency in container space utilisation.

Shippers can also re-evaluate their overall supply chain design and strategy. The last 12 months have reminded shippers that relying on just-in-time supply from container shipping can be risky.

Companies may need to increase inventories and safety buffers, both at departure and at arrival ports. This adds costs to the supply chain, which may lead to broader redesigns in product sourcing and manufacturing. While the outlook for containerised logistics and global supply chains remains uncertain, there are actions that shippers could consider to bolster supply-chain resilience and aid recovery. The future may be uncertain, but shippers' ability to react is controllable and known.



The Business Model Canvas

An unprecedented inventory monetisation business model



Key partners

- Inventory Funders (investors in alternative asset class and Asset based Lenders (ABLS))
- Asset management servicers
- Arrangers
- Commercial Banks
- Insurance Companies
- External Rating Agency
- External technology factories & vertical components providers



Key activities

- Inventory Monetisation servicing
- White-label platform delivered as a service
- Investment Advisory

Key resources

- Our People
- Platform – state of the art technology
- Legal & accounting framework



Cost structure

- People
- Technology - internal team and external partners
- Accounting and Legal - inventory monetisation is a unique service model
- PR and Marketing
- Administrative expenses such as local subsidiaries



Revenue streams

- "Captive" inventory monetisation platform servicing (generated through the use of the Platform to facilitate inventory monetisation transactions and to carry out origination and due diligence services)
- "White-label" inventory monetisation platform servicing (generated through delivery to Banks and Funds of the use of the Platform following a software as a service model)
- Investment Advisory fee (generated by TradeFlow in its capacity as investment advisor to the funds)



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Value proposition

Inventory monetisation
specialists non-credit approach
alternative funding routes end
to end experience - import/
export and warehoused goods

Inventory analysis tech
champions

New asset class to invest



Customer relationships

- Inventory management optimisation
- Improving supply-chain risk management & working capital efficiency

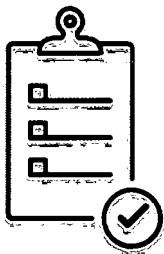


Customer Segments

- Import/export businesses
- SME/Mid-Cap
- Commercial Banks customer base (including Large Corporates)
- International Associations/ Trade finance market places

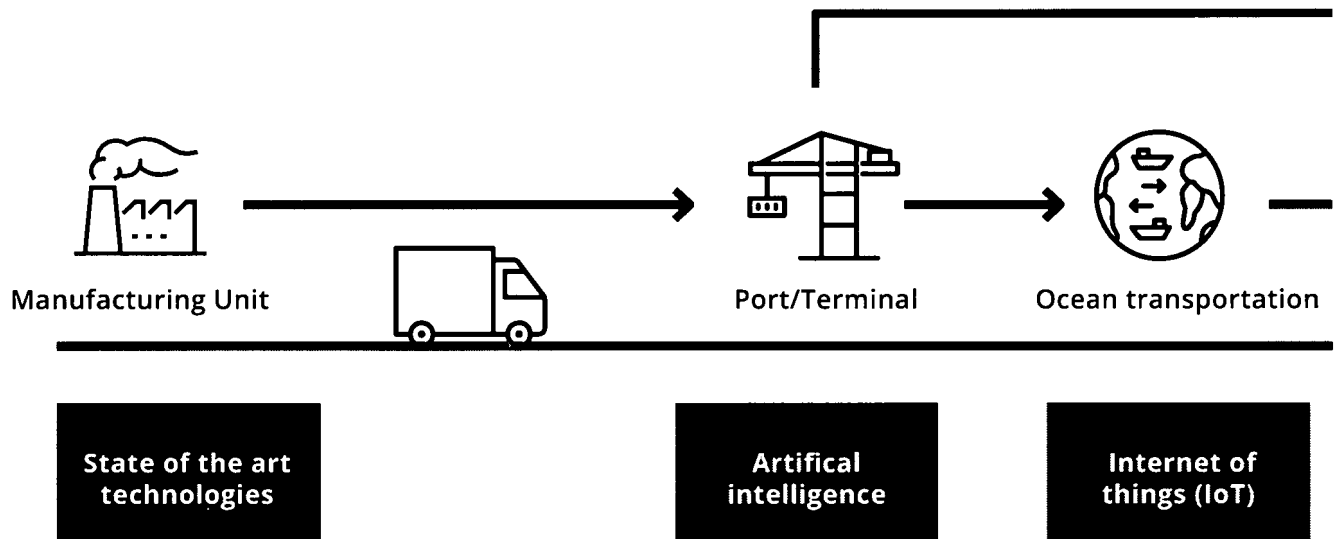
Channels

- Originators (eco-system of external sales force/ introducers)
- Corporate finance advisers
- Commercial Banks



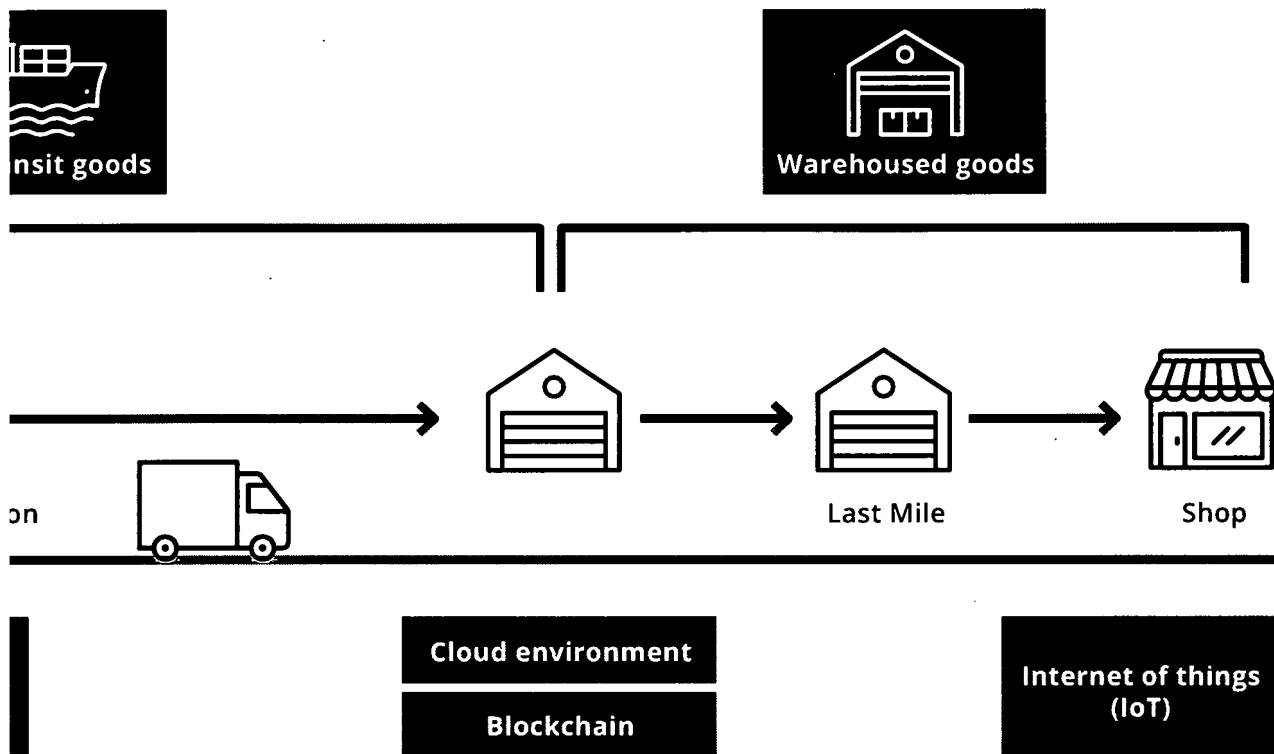
The Business Model Canvas ("BMC") of the Group envisages the unique value proposition to be "inventory monetisation specialists", promoting, via a dedicated structure, an innovative service model which allows corporates (our clients) across the globe to improve their inventory management activities, freeing up extra-value from the goods handled (such as capital locked into the warehouse or referred to an import/export transaction, efficiencies across the supply chain served or new sales channels). Hence, this value proposition includes the objective of the Group to be inventory analyst tech-champions for both the in-transit & warehoused goods and sides.

The diagram below demonstrates how our value proposition satisfies a corporate need. Leveraging product enhancements made in 2021, we were able to foster a global offering aimed at covering a real end-to-end inventory monetisation experience.



The BMC of the Group also considers another key player: the Inventory Funders. By providing, a dedicated, regulated structure aimed at aligning each Inventory Monetisation transaction with corporates, we believe that Inventory Funders are now seeing the investment as a new asset class – complex but investable, considering the risk/reward projected. Our prospective Inventory Funders are typically investors with appetite for a new asset class or alternative investment opportunities, being debt and credit funds, hedge funds or asset-based lenders.

The other key partners are, effectively, the rest of the eco-system supporting the execution of each inventory monetisation transaction (in-transit & warehoused goods). We see an important role for Commercial Banks, considering the potential interest of these type of banks in our White-label proposition (where the bank uses the Platform to deliver inventory-backed financial products – studied and developed by themselves – directly to their clients).



The key activities delivered: inventory monetisation platform providers and asset management experts

Our activities are split between those of Asset Managers and the FinTech service based business, and the activities delivered respectively by the subsidiaries of Supply@ME Capital plc, whether warehoused inventory monetisation in Italy or the United Kingdom, or investment advisory provided by TradeFlow.

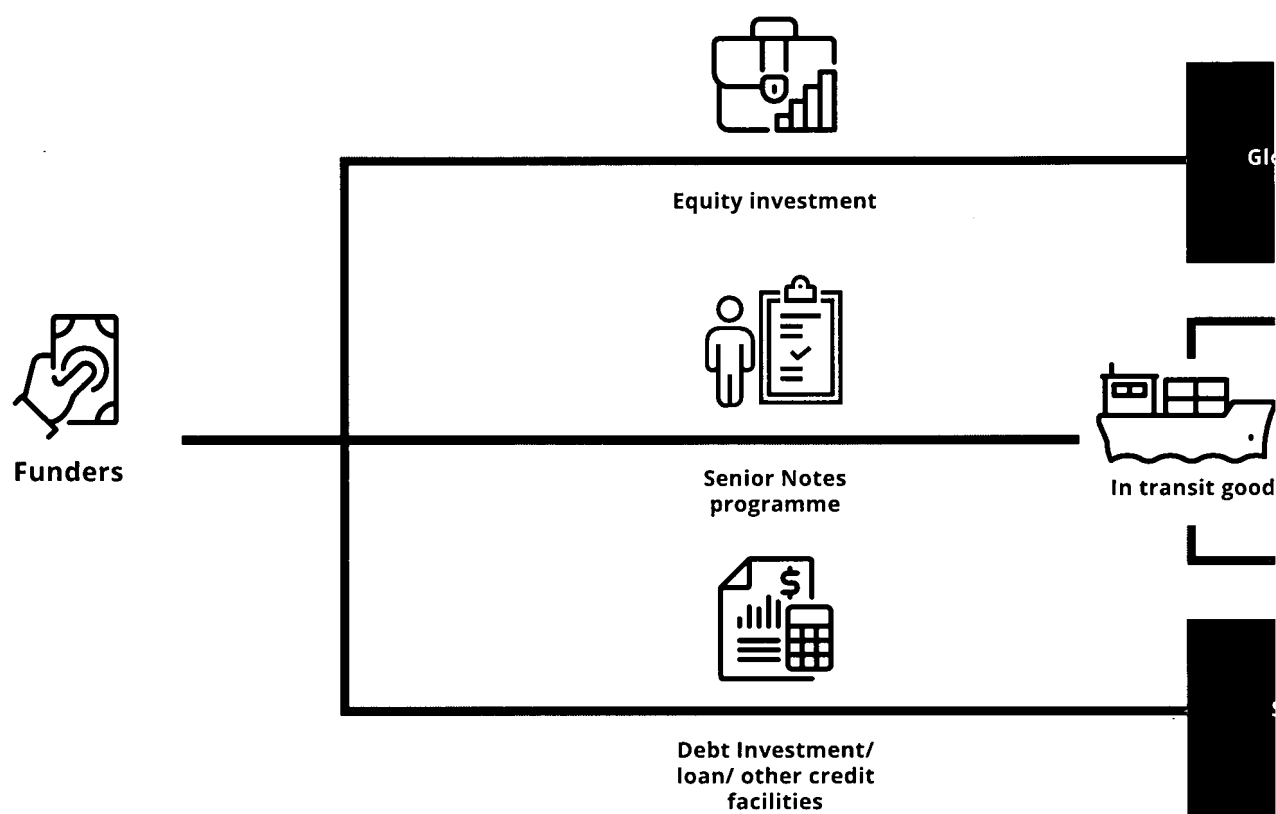
In more detail, the Inventory Monetisation transactions are delivered – through a global programme sponsored by the Company – by segregated, regulated alternative funds which use fund administration services provided by APEX Group¹.

As of today, the Global Inventory programme has 4 funds (SP – segregated portfolios):

- In transit goods transactions:
 - CEMP – USD Trade Flow Fund SP (in-transit transactions denominated in USD)
 - CEMP – Euro Trade Flow Fund SP (in-transit transactions denominated in EUR)
- Warehoused goods transactions²:
 - Global Inventory Fund 1 SP (transactions regulated by the Italian law)
 - Global Inventory Fund 2 SP (transactions regulated by the UK and UK common law).

¹ Apex Group - Single Source Financial Solution Provider.

² As announced by the Company in the RNS of 6 August 2021.



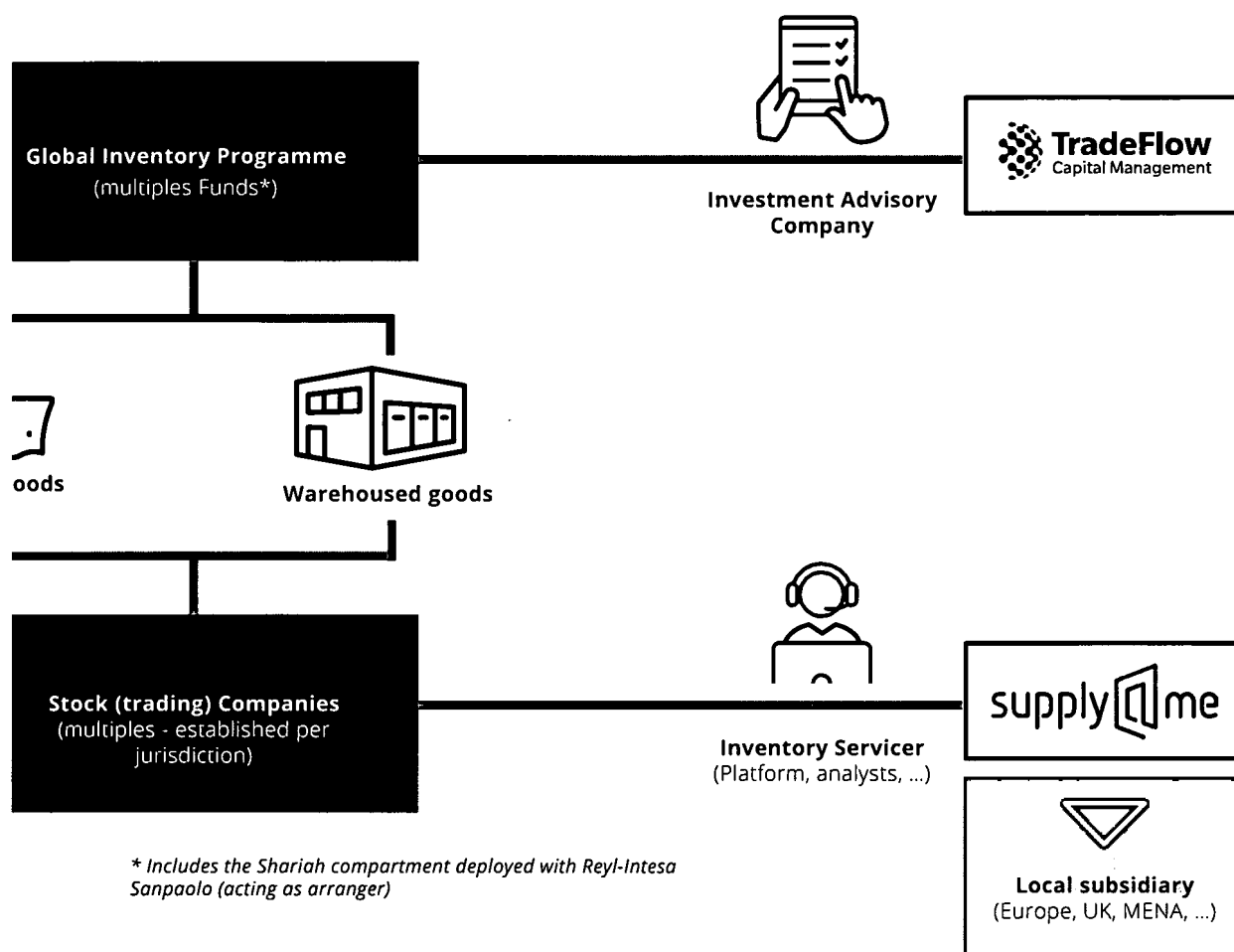
We distinguish the activities of the servicers (TradeFlow – acting as an Investment Advisory Company³ using its unique ICT system⁴ – and local Supply@ME subsidiaries – acting as Inventory Servicers leveraging our Platform) and the Funders. Each Inventory Monetisation transaction can involve multiple types of investors depending on the risk appetite:

- Equity investors (typically Hedge Fund and Family Offices) may be interested in direct subscription to the 4 Funds. The Funds can be aligned to each inventory monetisation transaction (whether in-transit or warehoused goods) and, additionally, achieve leverage through the debt issuance programme as below;
- Debt Investors (whether Debt and Credit Funds, Asset Based Lenders, or Family Offices) may be interested to subscribe:
 - The Senior Notes programme of the two active TradeFlow Funds. In this regard, the Company announced in the RNS published on 9 August 2021, that the TradeFlow Capital funds received. Leveraging the global investor network of the Company, the funds have already secured investors subscribing for the full, initial \$40 million issuance);
 - The notes/loans borrowed directly by the so named “Stock (trading) Companies” established for each jurisdiction in order to deploy the inventory – warehoused goods – monetisation transactions
- For investors interested in a Shariah compliant asset class, the Global Inventory programme will launch a dedicated compartment arranged by Reyl-Intesa Sanpaolo⁵, as announced by the Company in the RNS of 23 November 2021.

³TradeFlow is a Registered Fund Management Company regulated by the Monetary Authority of Singapore and Member of the Alternative Investment Management Association.

⁴TradeFlow is a Corporate Member of the Singapore FinTech Association and FinTech Certified by the SFA.

⁵REYL Innovative Banking.



The role of the Platform is essential with reference to the funding structure represented above. In this regard, Inventory Funders (in particular Commercial Banks and Debt and Credit Funds) could also use the Platform to improve their self-funding strategy (where the Inventory Monetisation service is offered directly to the existing customer base or eligible, already identified, prospects).

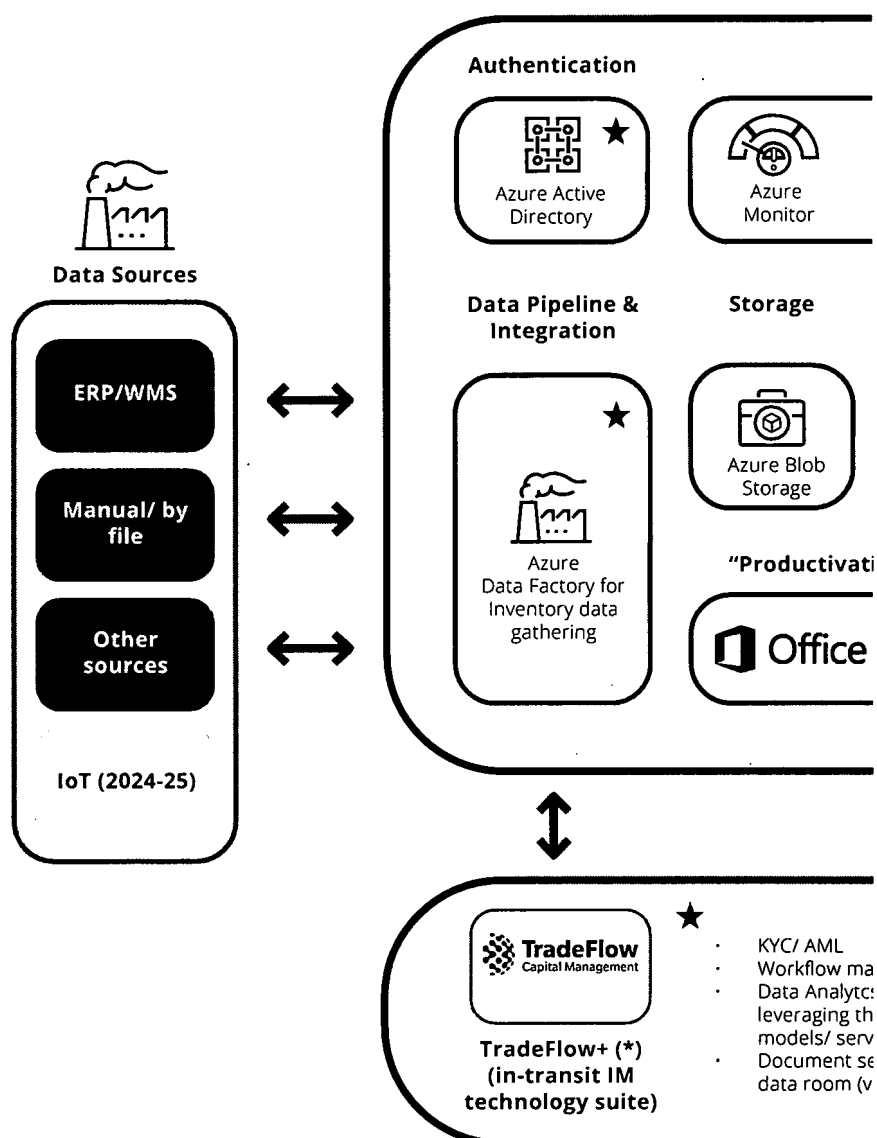
The framework above also clarifies the difference between the role of TradeFlow and other Supply@ME subsidiaries, acting as servicers without any direct inventory risk in their balance-sheet, and the Funds which are the commercial counterparties of the Corporates for each inventory monetisation transaction. In this regard, it could be envisaged that, in order to promote the Funds sponsored by the Company, Supply@ME Capital plc may have a minor exposure in the Funds subscribing the shares.

Our Platform

We consider our "Platform" to be a unique combination of software modules, exponential technology components (such as Artificial Intelligence, Internet of Things and Blockchain), dedicated legal and accounting frameworks and business rules/methodologies delivered via a hybrid ICT architecture.

We firmly believe in our innovative business model, supported by the Platform, driven by the subject matter experts of our Group.

More specifically, the ICT architecture envisages the use of 2 cloud environments (Microsoft Azure for warehoused goods monetisation and AWS for the in-transit model delivered by TradeFlow) plus an external integration with distributed ledger frameworks (in this regard, the Group has worked with SIA S.p.A. to develop the specific software and infrastructure modules and now is also in discussion with other blockchain global protocols.

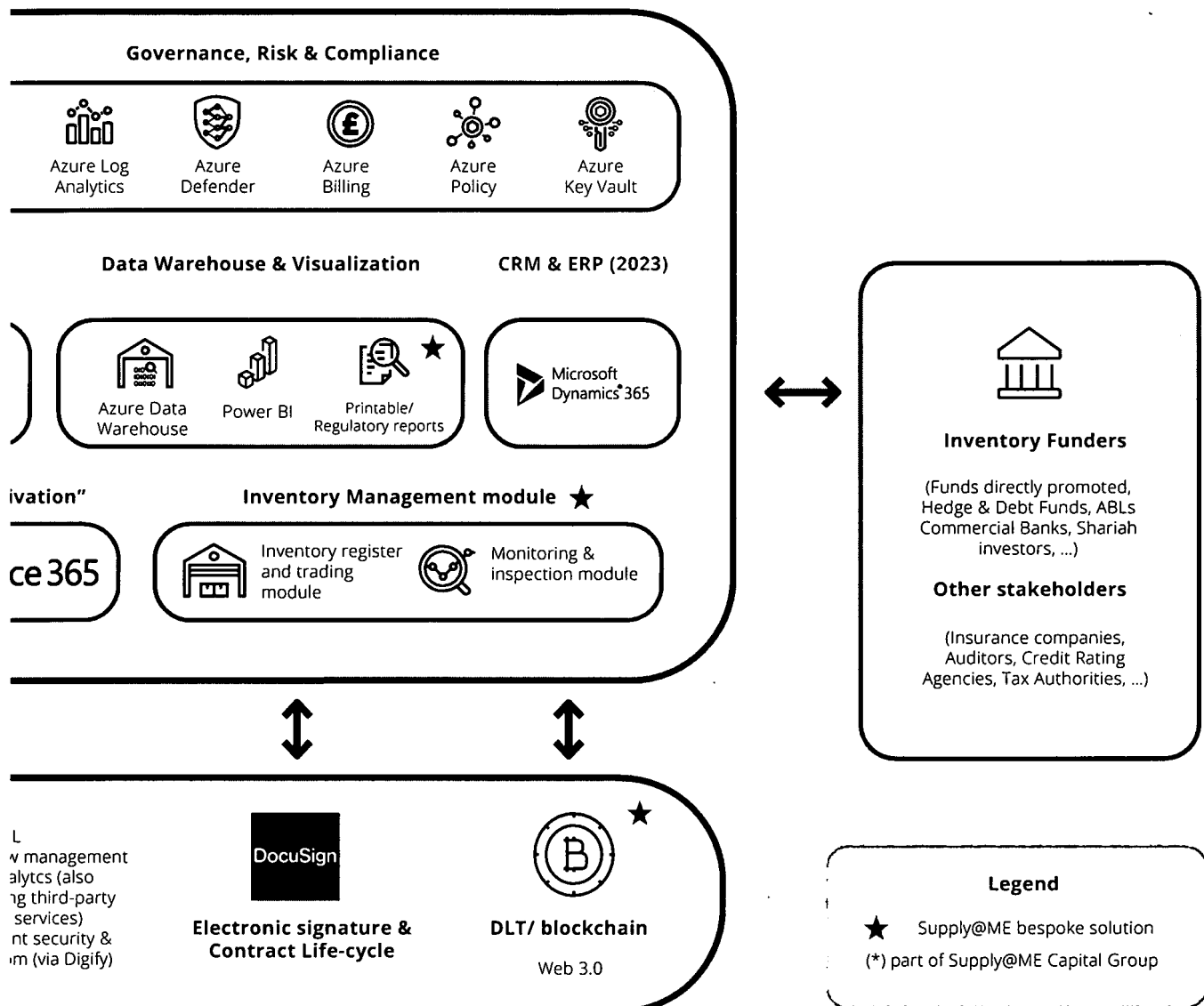


The clients of our Platform are:

- Global Inventory Funds and their Stock Companies;
- Inventory Funders (acting as lenders);
- TradeFlow Capital (acting as Investment Advisory Company of the Funds sponsored by the Company);
- Corporates, as commercial counterparties of the Stock Company or directly of the Funds; or
- Banks, as White-label users of the Platform as a service (underpinning their inventory based and/or backed financial products directly provided by the Banks to their clients).

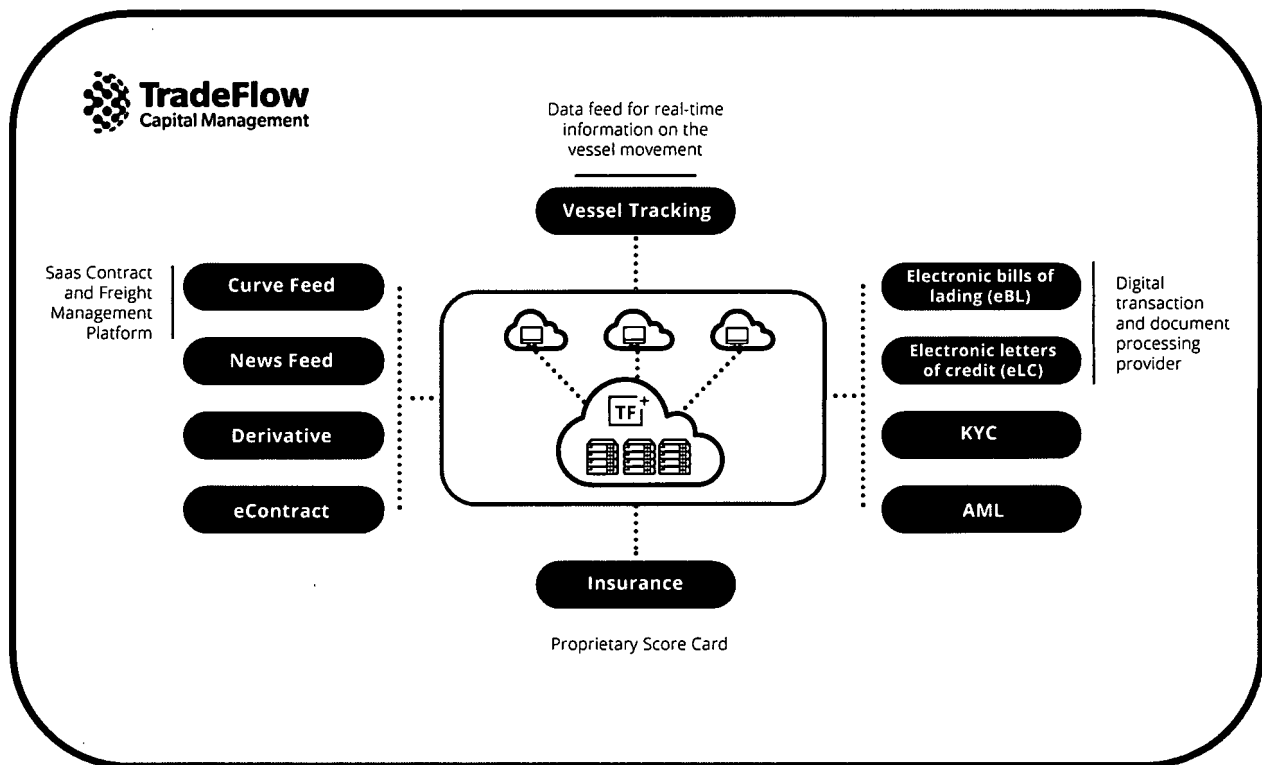
The Platform road map envisages that data sources have a key role for the Platform, triggering the value-added service provided by the Group (whether inventory data analysis or inventory monetisation provided by the Funds sponsored by the Company).

Accordingly data ingestion services have a critical role in the overall Platform operations. Additionally, the inventory register and trading modules are able to produce the innovative data analysis and support the creation of the security package in favour of the inventory funders involved in each Inventory Monetisation.



The monitoring component of the Platform is constructed by business rules (which support the creation of specific key risk and performance indicators) and are expected to be underpinned by software modules able to enable the user to visualise early warnings, trigger inspections (to report digitally) and track the action plan/ remediation plan agreed with the corporate client. The Platform's road-map further envisages the adoption of IoT frameworks in order to improve the effectiveness and the efficiency of the monitoring and inspections activities.

TradeFlow uses a dedicated suite (TradeFlow+) made of multiple software modules reflecting the expertise of the team in the trade finance space, delivering a unique non-credit approach aimed at monetising inventory in-transit (import/export transactions where the buyer is supported to optimise its supply chain relationship).



The high level of automation ensured by the TradeFlow+ suite allows TradeFlow to efficiently manage its operations, leveraging exponential technologies (such as Artificial Intelligence for the documentation analysis during the client on-boarding and the Internet of Things to support the vessel tracking phase). Additionally, the suite can also produce mandatory reports regarding the performance of each import/export transaction. We consider this to be important given the vision of the Company to allow, in the future, third-parties operators (such as new Trade Finance Funds or international trading desks of commercial Banks) to adopt the suite through White-label agreements.

In this regard, the whole Platform road-map considers the importance of the opportunity presented by the White-label service model. Considering the market outlook and the

increasing appetite of Banks, Funds and FinTech platforms to extend their product offering, the Group wants to play a key role in the inventory backed/based financial product engineering also allowing new partners to use specific components of the Platform "as a service". However, the Inventory Monetisation facility (in transit and warehoused goods) will remain the unique, distinct and proprietary product of the Company.

Finally, the Group continues to study and explore opportunities to adopt blockchain and digital tokenisation into our systems, to support the delivery and the scalability of the business model.

Our Leadership Team

Chief Financial Officer: Amy Benning

Amy gained Chartered Accountancy qualifications in New Zealand while working with KPMG on a range of clients across various industry sectors. On moving to the United Kingdom, Amy worked briefly with BP's shipping arm, before moving to PwC's London Capital Markets Team where she spent 12 years focussing on technical accounting, mergers and acquisitions and initial public offerings for a wide range of clients. In 2018, Amy moved to Alfa Financial Software Holdings PLC, a UK main market listed company and developer and provider of software for the automotive leasing sector. As Finance Director, Amy was responsible for the team managing accounting, reporting (internal & external), corporate governance, audit, systems, process improvement, controls and transactional accounting. Amy joined Supply@ME in June 2021.

Group Head of Enterprise Risk Management: Stuart Nelson

Stuart is an experienced credit risk analyst, with global experience of assessing the risk of financing solutions across multiple asset classes. Having begun his career at JPMorgan in the EMEA Emerging Markets Team in 2000, he then spent almost two decades in leadership roles at S&P Global Ratings. During his time at S&P, he managed multiple teams across the European office network in London, Milan, Frankfurt, Madrid and Paris, focussing on the assessment of asset securitisation in all sectors, with oversight of ratings on securities of more than €50 billion equivalent over that period. From 2015, he concentrated his attention on the refinement and validation of risk methodologies across a global spectrum of asset classes. Stuart joined Supply@ME in 2020, where he currently monitors all aspects of the risk and operational functions.

Group Head of Origination: Nicola Bonini

Nicola has more than 20 years experience in balance sheet lending and cashflow finance, gained during her time at some of the UK's most prominent banking institutions. Previously, she was Vice President and Head of Commercial Finance at Bank Leumi (UK) PLC, where she managed a portfolio of companies with turnover of up to £1bn. Before this, Nicola served as Executive Director at Falcon Group UK, where she joined the newly formed UK inventory finance team. Nicola has also held senior, high-profile business development and relationship management roles at major banks, including BNP Paribas, The Royal Bank of Scotland and Bank of Scotland Corporate. Nicola joined the team in September 2021 to take a leading role in business development, client onboarding and retention at Supply@ME.

Chief People Officer: Alice Buxton

Alice is a HR leader motivated to help businesses succeed by creating environments which enable individuals, teams and leaders to thrive. She has considerable experience in the Financial Services and FinTech industries. Most recently she built the Global Talent function at Greensill, helping the business grow its workforce from approx. 250 to over 1200 in multiple jurisdictions in just over 2 years. Previously she worked as an Executive Director in Goldman Sachs Human Capital Management Division, focusing on the EMEA Trading floor and Risk, Audit and Compliance teams attracting and developing high potential talent. Before this she worked in Talent Acquisition for Ernst and Young's London office, recruiting for their risk and advisory business. Alice has a BSc in Psychology, MSc in Human Resource Management and is a qualified corporate and executive coach. Alice joined Supply@ME in June 2021.

Group Head of Operations and Transformation: Mark Kavanagh

Mark is an experienced Risk Leader with over 25 years in Credit & Risk functions. Before joining Supply@ME, Mark worked for Greensill Capital as Head of Product Risk. Whilst there, he implemented Accounts Receivable policies and procedures, installed an AR platform, helped Greensill expand territorially, and trained the Credit team on any new product offerings, acquisitions and integrations. Prior to that, he worked for GE Working Capital Solutions (the monetisation arm of General Electric group) for 15 years, heading up their European Credit Team, managing the auto scoring and decisioning system, and ensuring processes were safe and efficient. Mark joined Supply@ME in June 2021.

Building the eco-system of partners and channels

Client company origination

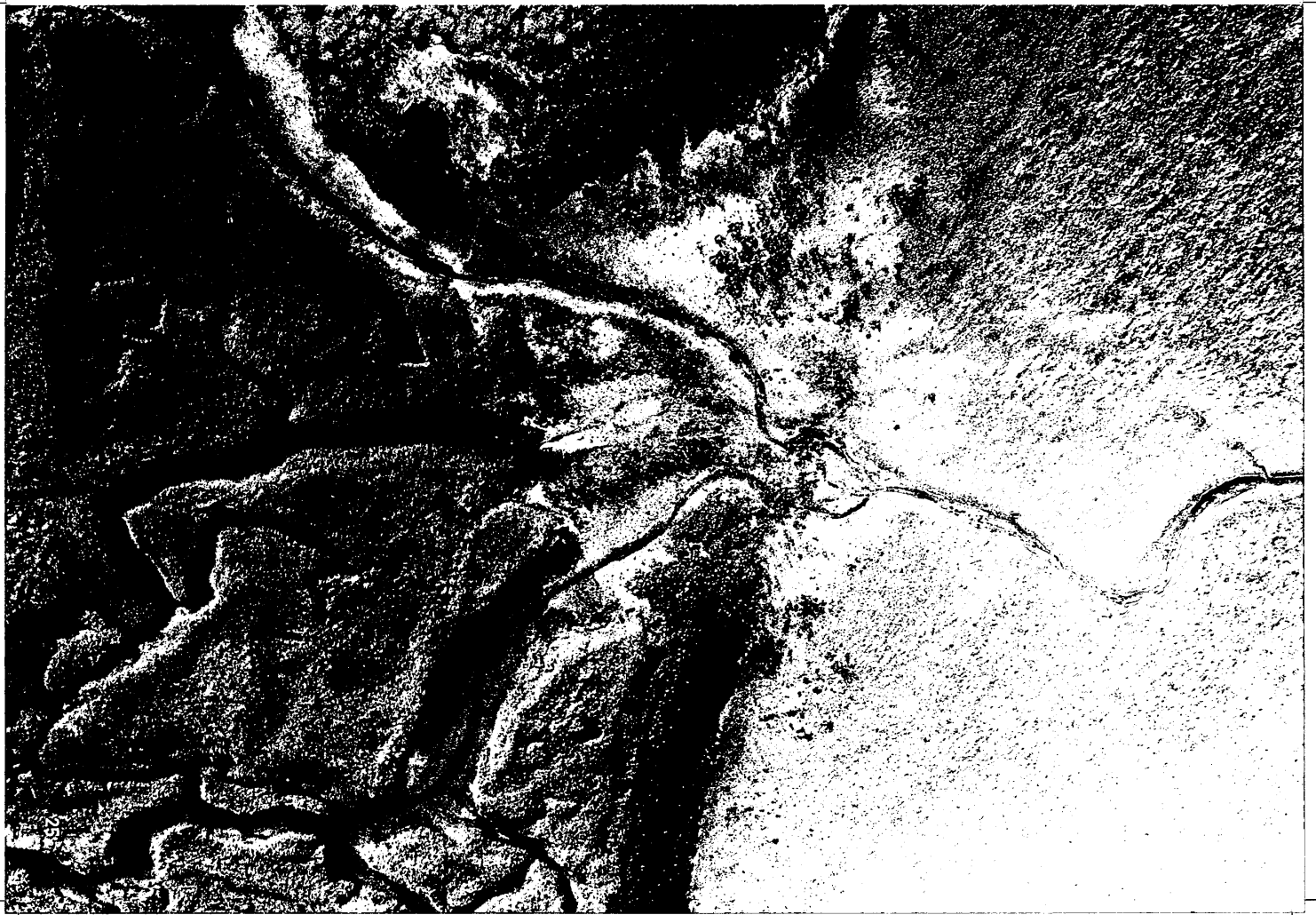
Origination of client companies¹ with inventory suitable for inventory monetisation continued steadily in our core focus regions of Italy and the United Kingdom. Demand for the inventory monetisation service remains strong, despite the respective business challenges in each region as a result of COVID-19 and global supply chain difficulties throughout 2021.

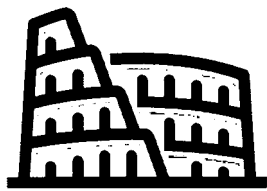
Once lockdown restrictions had begun to ease worldwide, pressure on supply chains intensified. Heavy goods vehicle drivers were in short supply, flight and shipping schedules were severely disrupted, parts shortages led to goods not being produced, and worker illness meant entire factories had to be shut down; goods simply were not reaching their next destination on time – if at all. No part of the supply chain was spared, and difficulties continue to the present day.

As businesses look to recover from the pandemic, the supply chain model has undergone a marked shift from 'just in time' goods delivery to 'just in case', whereby companies will hold a surplus of stock and parts just in case of future disruption. Facilitating such a shift will require significantly more working capital. We are readying our business to help existing and potential client companies adapt to the new world order, underpinned by our innovative inventory monetisation platform. As such, the expected value of warehoused goods inventory monetisation transactions across our Group's current global pipeline totals £164.8 million.*

**It is important to note that the monetary value represents the potential value of inventory to be monetised by client companies rather than the pipeline revenue expected to be earned by the Group. However, this does provide a good indicator of the level of demand for the Group's current and future services. These pipeline numbers also do not include any client companies that have been lost due to either failing to meet eligibility criteria or delays in obtaining funding. A full review of the pipeline was conducted in 2021 and some of these lost client companies can be expected to be re-onboarded once the first inventory monetisation has been completed.*

¹ The number of companies originated refers to those with which we were in active dialogue with and had progressed toward inventory monetisation via our innovative platform as of 31 December 2021. The status of these companies in the origination pipeline was either "on hold" and awaiting a match with a suitable inventory funder, or "active" and progressed into our thorough due diligence procedures. The final stage, once client companies with inventory to monetise are matched with suitable funders and passed rigorous due diligence assessments, will see client companies enter the transaction phase.





Italy

Italy was the busiest region for potential client company origination activity in 2021 by some margin and we originated a total of 43 client companies. Of those, 21 companies were considered to be active and represent approximately £111 million of potential inventory ready to be monetised.

We work with a select panel of originators, or business introducers, in Italy. The number of client companies originated was largely due to the strength of our local relationships, having worked closely with our panel of brokers and external advisors. Some business was also instigated due to our growing, positive reputation and, on some occasions, companies were introduced to Supply@ME by client companies already in the pipeline.



United Kingdom

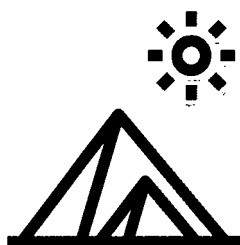
In the United Kingdom, we originated a total of 6 potential client companies by the year-end, of which 4 progressed to active status. Active client companies represented approximately £28 million of potential inventory to be monetised.

To note, we appointed as Group Head of Origination Nicola Bonini to lead dedicated origination activity in the United Kingdom. Nicola took up her role in September 2021, therefore the client origination numbers in the United Kingdom largely represent an exceptional effort from Nicola and her team beginning in the final quarter of 2021.

The United Kingdom market faced a raft of challenges to ordinary business activity, not least the disruption to trading caused by COVID-19 and the impacts of the supply chain crisis.

Government schemes such as the Coronavirus Business Interruption Loan Scheme (CBILS) gave a much-needed lifeline to SMEs. CBILS provided up to £5 million emergency funding to help businesses recover from lost revenue and cashflow disruption due to the pandemic – which, in 2021, included the third national lockdown from 6 January, with legal restrictions not lifting until 19th July.

Against this unprecedented backdrop of uncertainty, the vast majority of businesses suitable for inventory monetisation were not considering alternative funding; they were focused on surviving the pandemic, not striving for new growth.

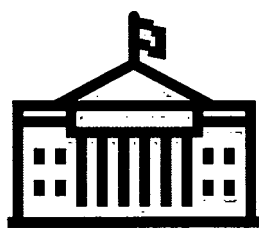


Middle East and North Africa (MENA)

While business in Europe continues to be our core focus, £26 million (sterling equivalent) of client companies were originated in the MENA region in 2021. Progress was made on a number of fronts to lay the groundwork for future inventory monetisation transactions in MENA jurisdictions, including the UAE, supported by a select panel of local partners and brokers in the region.

Building on the partnership that began in 2020, Supply@ME continued to work with iMass Investments, to support a number of client origination and inventory funding activities, including an agreement with Lenovo Financial Services META LLC ("LFS"). As announced in the RNS of 11 January 2021, LFS is able to market the Supply@ME platform to its customer base in the Middle East, Turkey and Africa regions (excluding South Africa), as a complementary product to LFS' existing offering.

Additionally, Supply@ME received confirmation in January 2021 that the authorisation process for the Group's Shariah-compliant Inventory Monetisation Platform was successfully completed. Sheikh Dr. Mohamed Elgari and Sheikh Yusuf Talal DeLorenzo in their capacity as members of Sharia Scholar Board confirmed in an official communication that "following a review in compliance with the AAOIFI Shariah standards, The Sharia Scholar Board hereby approves the Inventory Monetisation Structure as acceptable within the principles of Shariah."



United States

Supply@ME continued to explore the possibility of launching its inventory monetisation service to client companies in the United States throughout 2021.

Following the RNS of 22 October 2020, the Company built upon its partnership with Anthony Brown of the consulting company, Epicirean Brands, trading as The Trade Advisory (the "Trade Advisory") during the 2021 reporting period. Anthony Brown continues to provide strategic advice to the our Board of Directors in relation to seizing the unique opportunity to develop our Inventory Monetisation service in the United States.

Inventory monetisation funding routes

We continued to attract a selection of high-quality prospective funders – including banks and asset-based lenders – to the platform throughout 2021, working closely with local partners and brokers.

The Group had hoped inventory monetisation transactions would be further along in their progression by year-end. However, due to the innovative nature of our model and the calibre of the banks with which we are in discussions, the due diligence procedures are robust and, therefore, require time to complete accurately. In accordance with the RNS of 11 November 2021, the Board feels inaugural transactions must be focused on accuracy rather than speed.

Additionally, each funder has its own specific requirements and appetites for clients and inventory they are prepared to fund. Our origination team is working diligently to align client company inventories with the investment appetites of our strong panel of prospective inventory funders.

The Board continues to focus on the delivery of the first inaugural Inventory Monetisation transaction which is expected to generate a snowball effect among the rest of prospective Inventory Funders identified.



Italy

The Italian subsidiary was in discussion with 8 banks in relation to funding inventory via our innovative platform at year-end, including the first Inventory Funder for the inaugural Italian Inventory monetisation transaction, as stated in the Trading Update of 31 December 2021.

In addition, we were in discussion with one potential funder of a White-label agreement in 2021.

Separately, we were working closely with the Italian Government's SACE Guarantee, in order to study a new bespoke guarantee which would commence following the expiry of the current scheme, which is due to expire in 2022.



United Kingdom

As mentioned in the Trading Update of 31 December 2021, we undertook an increased programme of marketing activity in the United Kingdom, which raised significant awareness among potential client companies and Inventory Funders. As such, our number of originators, or business introducers increased from 3 to 59 during the reporting period. Originators include asset-based lenders, banks, accountants, advisors and other asset-based platforms.

This dramatic increase in originators is a testament to the strength of the proposition we are building and the confidence of the prospective funders, which include large global banks and major accountancy firms.

In total, this resulted in us entering discussions with four potential inventory monetisation funders in the UK and five banks in initial conversations to complete inventory monetisation transactions via a White-label agreement.

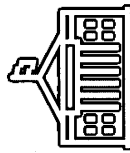


MENA

Further to the RNS announcement of 23 November 2021, we continued to work alongside the Sharjah fund arranger Intesa Sanpaolo Private Bank (Suisse) Morval SA to provide funding for the our Shariah-compliant Inventory Monetisation platform in the Middle East.

In parallel, we leveraged our partnership with I-MASS LLC in order to explore further inventory funding alliances in the region, including with a local challenger bank.

In total, we entered discussions with three potential funders of inventory monetisation transactions in the MENA region.



United States

As a result of our ongoing partnership with Anthony Brown of the consulting company The Trade Advisory we entered discussions with three potential inventory monetisation transaction funders and one potential funder of a White Label transaction.

As stated above, we continue to explore the possibilities around launching a platform in the United States, buoyed by strong interest and a unique opportunity to deliver the company's innovative inventory monetisation platform in the region.



The Revenue Model

We drafted and fine-tuned our overall business model, distinguishing the pure FinTech business (our Platform being our people and our software) from the inventory funding structure. In this regard:

- the Platform has, by definition, an intrinsic value and accordingly can also be used by other operators (such as banks or other debt funders) to improve inventory backed or based facilities. We consider it to be an enabler of each transaction. For this reason, we officially launched our White-label Initiative at the end of August 2020, invested further time in upgrading ICT architecture, selected and started new tech streams, while leveraging and understanding the components used by TradeFlow Capital within its TradeFlow+ system.

- the areas of improvement suggested by inventory funders in the last year regarding the introduction of an equity (first loss) line in the capital structure of each inventory monetisation transaction was addressed with the launch of the Global Inventory Fund (the "Fund"), which can work as equity provider and/or on a stand-alone basis (the Fund could deliver by itself a inventory monetisation transaction). The Global Inventory Fund leverages the current funding structure of TradeFlow Capital – another reason, in our opinion, that supports the acquisition of the Singapore-based business.

As such, we are now focused on establishing and growing the following active, and future, revenue streams:

- "Capital" inventory monetisation platform serving (CLIM): this is revenue generated through the use of the Platform to facilitate inventory monetisation transactions performed by the Fund and its Inventory Funders. This revenue is generated by the Group's Supply@VIE operating subsidiaries, and in the future

is expected to be supplemented by Tigara Pte Ltd, a technology subsidiary company of TradeFlow. Revenue will be earned in relation to the following activities:

- origination and due diligence (pre-inventory monetisation) and
 - monitoring, controlling and reporting (post-inventory monetisation).
- During the year ended 31 December 2021, the Group recognised £0.3m of CLIM revenue relating to due diligence fees. When fully delivered, this stream is expected to generate revenues of approximately 1-3% of the gross value of the inventories monetised (purchase price plus VAT).
- "White-label" inventory monetisation platform serving (WLLM): this is the revenue to be generated through the use of the Platform by third parties who choose to employ the self-funding model. When delivered, this stream is expected to generate recurring software-software as-a-service revenues of approximately 0.5-1.5% of the value of each inventory Monetisation transaction (the amount of funding provided). No WLLM revenue was recognised by the Group during the year ended 31 December 2021.

- Investment Advisory (IA): this is the revenue stream currently being generated by TradeFlow in its capacity as investment advisor to its well-established funds, as well as its anticipated role as investment advisor to the Fund going forward. This stream is expected to generate recurring revenues of approximately 1.25% of Assets Under Management for which TradeFlow acts as advisor. Additionally, TradeFlow could receive a further performance incentive fee of up to 15% of the profits generated by the Fund, based on performance. During the year ended 31 December 2021, the Group recognised £0.2m of IA revenue, representing TradeFlow's addition to the Group's revenue from 1 July to 31 December 2021.

Engaging with our stakeholders



Throughout 2021, Supply@ME engaged the services of Cicero/amo and Walbrook Financial PR in the UK, as well as Spriano Communication Milano in Italy and Websim (division of Intermonte SIM S.p.A.). These agencies, on behalf of SYME, delivered a programme of strategic communications activity, to disseminate key messages to the media, and by extension Supply@ME's primary stakeholders, as well as to enhance engagement with investors.

Led by Cicero/amo, the Supply@ME leadership team participated in 25 targeted media engagements in 2021 – including interviews with journalists, radio and podcast appearances, and guest articles authored by the Supply@ME senior team. The outcome of this activity served to increase brand awareness of Supply@ME in its core operational markets and improve the understanding of the inventory monetisation process.

In 2022, the Supply@ME leadership team plans to continue its work with Cicero/amo to broaden media outreach. Once inaugural transactions are complete, Supply@ME will be able to discuss the outcomes, benefits and impact of the Supply@ME model on the supply chain finance sector.

Leveraging the extensive personal networks of the Supply@ME leadership team, Supply@ME have also began to leverage social media platforms such as LinkedIn to promote the activity of the Group to potential client companies and inventory funders. Looking to 2022, Supply@ME will continue to work on an enhanced social media strategy to engage and provide updates on business activity more frequently.

TradeFlow is a regulated fund management firm and exercises strong caution in its marketing activities. TradeFlow actively engages stakeholders using social media, (LinkedIn, Twitter and YouTube) each of which is updated with fresh and creditable content daily. TradeFlow's work and collaborations create news of interest to multiple stakeholders in the Commodities, Investments, Trade Finance, Shipping, FinTech and related industries. News has been released jointly with partners attracting global interest and has been reported on key media including Bloomberg.

Tradeflow was a finalist in the EuroCham Sustainability Awards 2021 and participation in relevant awards provides opportunity for wider recognition of achievements. TradeFlow continues to invest in the right advertising and sponsorship channels allowing greater reach to target audiences, the impact of this is demonstrable through increased exposure to relevant audience worldwide through engagement reports.

Directors' statement under section 172 (1)

The following disclosure forms the directors' statement required under the Companies Act 2006 on how the directors have had regard to the matters set out in section 172 (1) (a) to (f) in performing their duties. The board recognises that engagement with its stakeholders is fundamental to the long-term success of the Group and considers the views and interests of all key stakeholders in its decision-making. Below is a summary of how the Board engaged with each key stakeholder group during the year.

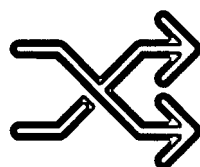
Key Stakeholders	Why we focus on them	How we engage with them
Our people 	The board recognise the importance of our growing team. A motivated, committed, engaged workforce is essential for the group's success.	The Executive Directors work closely and collaboratively with our global team, having regular contact both formally and informally. Two of the Non-Executive Directors led 'All Hands' Meetings, giving them the opportunity to engage with the whole workforce and connect the team with their approach and strategy. The Chief People Officer joined during 2021 and is setting the People Strategy. She is also a regular attendee at Board Meetings to share people updates and attends the Remuneration and Nomination Committees. One of the outcomes from this is the planned implementation of the Long-Term Incentive Plan. In 2022 the board will continue to engage with our people to ensure it is prioritising matters most important to them.
Shareholders 	The continued support of our shareholders is vital to the long term success of the business. We aim to engage our shareholders in the group's strategic objectives and delivery of these with the overall aim of delivering value to all our stakeholders.	Supply@ME has worked closely with Cicero, Walbrook and Spriano Communication Milano and Websim (division of Intermonte SIM S.p.A.) to keep our shareholders informed and engaged. This has included 25 targeted media engagements in the UK, and 28 RNS announcements. The RNS updates issued during the year provided a snapshot of developments across our target geographies and product suite. The Board is also highly cognisant of the interest which its engaged shareholder base has in the business, our innovative model and strategy and as such during the year, the Board, under the guidance of former chairman Jim Coyle, deployed its refreshed investor relations strategy. This included the launching of a dedicated investor relations inbox, to allow wherever possible, for shareholders to be furnished with non-market sensitive information and to receive responses to enquiries. This is an evolutionary process and Supply@ME will continue to augment its investor relations function to provide more insights into the Company and Group through regular engagement and discourse. The Board is consistently seeking to take onboard investor feedback and, where possible, provide clarity and additional information. As part of this process, the Supply@ME website is currently undergoing updates including to the corporate governance and regulatory and news sections.
Corporate Clients 	Corporate clients seeking to sell their inventory are a key stakeholder group. The relationships we hold with them and our ability to service their needs will be key to the group future success.	Our corporate clients are at the heart of everything we do. We have a diverse client base and our client facing teams are responsible for understanding their expectations and managing the delivery of our service. The Board receives regular updates on current and potential corporate clients. Through continuous communication our client facing teams can build established relationships that ensure we understand and meet their business needs. This includes receiving and monitoring regular feedback about our processes and product solutions to ensure they are best in class and continue to evolve as our customers business and the commercial environment changes.
Inventory Funders and Fund investors 	Funders are essential to our business, and the ecosystem we support as inventory servicers	One of the Group's focuses is generating a unique opportunity in the alternative capital markets, presenting an attractive risk/reward proposition within an innovative asset class aimed at supporting the real economy for investors. Through regular dialogue we establish strong relationships with inventory funders and fund investors to understand their funding appetite and investment returns. Consistent communication is key to establish the long-term success of our agreements across a diversified portfolio of inventory funders including banks and asset managers and investors into the Funds.

Our Key Strategic Priorities

Our three strategic priorities as outlined in the prospectus issued in March 2020 are:



**Become best
Fintech at
Inventory data
monitoring**

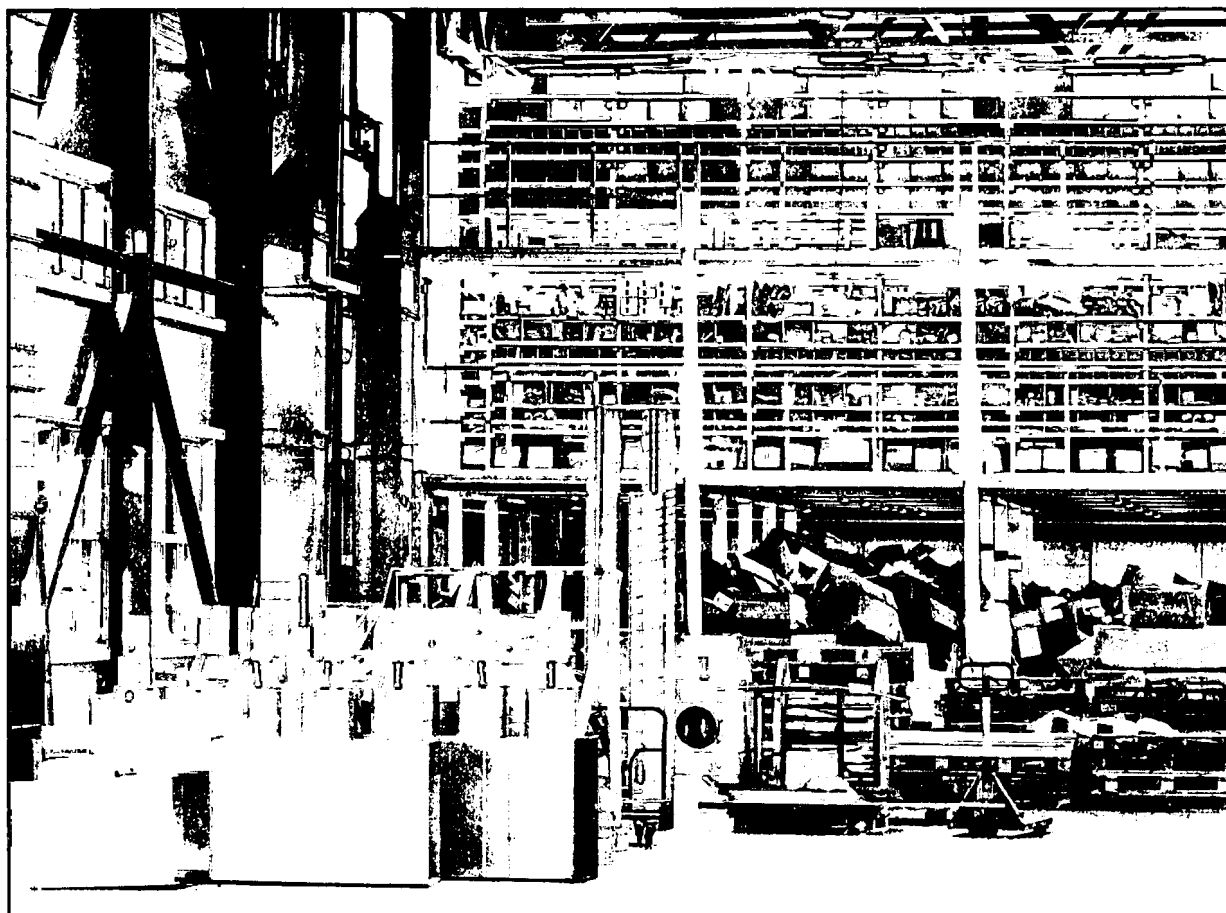


**Develop a
“phygital”
multi-channel
funding strategy**



**Spread a highly
scalable global
business**

Progress against these key strategic priorities in 2021 are detailed in the next pages.



#1 Becoming the best FinTech Inventory Data Monitoring Business

Priority	2021 Progress
Integrate platform with bank accounts	Currently on hold Warehoused goods monetisation Future agreements with trusted parties or Banks involved in each Inventory Monetisation transaction should allow the Platform to data-ingest this type of information, however current ICT maturity of some of the current banking systems regarding API integrations needs to improve to enable progress. The Group continues to explore partnerships with technology enabled banks.
Due diligence/onboarding digitisation	Ongoing Warehoused goods monetisation Due diligence process improved and completed following recruitment of our Group Head of Operations and Transformation, Mark Kavanagh. Research & development project with Deloitte to measure the inventory unsold risk for specific economic sectors completed. In-transit goods monetisation TradeFlow, as fund manager, uses a completely digitalised system to onboard fund counterparts where possible. Where registries are available in electronic format, TradeFlow uses digital KYC systems to access registry records and to identify relevant entities and individuals. This KYC system is backed by industry standard AML and Sanctions checking software systems. Transactions are verified using a digital scorecarding system for compliance with the various funds' parameters and for any AML and sanction checks, as well as relevant fund risk metrics.
Enterprise Resource Planning (ERP) fully integrated (firstly SAP, IBM, Oracle Q2 2021 (SAP) ERP vendors and Microsoft)	Ongoing Warehoused goods monetisation We have identified a data-ingestion cloud-based scalable component which we expect to purchase during 2022. This will allow for the Platform to integrate multiple-data sources for example ERP, Warehouse Management Systems, into our database via a horizontal integration layer approach. In-transit goods monetisation All transaction and counterpart data is digitalised and utilised in the TradeFlow+ Commodity Trade Risk Management system. This system interacts with third party data providers, including custodians of electronic bills of lading. Where electronic data is not available TradeFlow has integrated Optical Character Recognition (OCR) and artificial intelligence systems to digitise hard copy data received.

Priority	2021 Progress
Internet of Things ("IoT") (smart cameras, Radio Frequency Identification RFID) integration for inventory off-site monitoring	Ongoing Warehoused goods monetisation We have identified a data-ingestion cloud-based scalable component which we expect to purchase during 2022. This will give us a horizontal integration layer which allow the Platform to integrate multiple-data sources, including IoT third-parties platform. In this regard, SYME is exploring potential partners, also leveraging the ICT eco-system of TradeFlow. In-transit goods monetisation TradeFlow uses a range of remote sensing and burst transmitting technology, as well as RFID and IoT devices to monitor both the transit and condition of various commodities in which the funds it manages have invested. These include customs cleared lockable transmitters and temperature and humidity monitors, as well as satellite based location tracking technology.
Remarketing digital workplace (e-marketplace where remarketer can monitor and place signed Inventory purchase offers)	Ongoing Warehoused goods monetisation The Group continues to work with inventory specialists in order to support the inventory liquidation phase. Further discussions in place with specialised Auctions and Business to Business ("B2B") marketplace developers.

#2 Developing a multi-channel funding strategy

Priority	2021 Progress
Companies – omni-customer strategy (edu-marketing initiatives, ERP's vendors partnership, social activities, web/online simulators development)	Ongoing Warehoused goods monetisation A full detailed review of the Warehouse good monetisation pipeline was conducted in 2021 when Nicola Bonini joined the team and a number of client companies were considered lost due to either failing to meet eligibility criteria or delays in obtaining funding. Management expect a number of these lost client companies to be re-onboarded once the first inventory monetisation has been completed. ITALY We originated a total of 43 new client companies in Italy during 2021. Of those, 21 companies are currently considered to be active and represents approximately £111m (€132m) worth of inventory to be monetised. Our local Supply@Me Italian subsidiary works with a panel of brokers and external advisors to support our origination activities in this region. UK We originated a total of six new client companies during 2021, of which four have progressed to active status. These active client companies represents approximately £27.8m (€33.2m) worth of inventory to be monetised. The number of originators, or business introducers that we are working with in the UK market increased from three to 59 during the 2021. Originators include asset-based lenders, banks, accountants, advisors and other asset-based platforms. MENA We originated 2 new client companies during 2021 in the MENA region which represents approximately £26m (€31m) worth of potential inventory to be monetised. Additionally the agreement with Lenovo Financial Services allowed the Group to conduct a pre-screening of the potential targets to involve in the first inventory monetisation transaction. In-transit goods monetisation TradeFlow Funds have, at any one time, vetted transactions with potential counterparts worth between ten and fifteen times the Funds' AUM. Origination is via referrals from collaborating banks and trade referrals. By the end of 2021, TradeFlow had onboarded over 800 eligible counterparts to the TradeFlow Funds.

Priority	2021 Progress
Funders – diversifying sources (securitisation notes continuous road shows, commercial banks of funding originated partnerships, partnership with digital platforms)	Ongoing Warehoused goods monetisation ITALY Eight potential banks/ inventory funders involved in preliminary discussions and/ or more advanced diligence activities to evaluate potential inventory monetisation transactions in 2022, including the Fintech Bank funder, as announced in the RNS of 29 June 2021 and 30 December 2021. In addition, during 2021, we commenced discussions with one potential funder who has indicated they would like to use the Group's Platform following a White-label model. Advanced discussions with this funder are currently ongoing with the aim of signing a binding agreement and beginning providing access to the Platform in 2022. UK We are currently in discussions with eight potential Inventory Funders in the UK and are also having initial discussions with six banks who are interested in using the Group's Platform to complete inventory monetisation transactions via a White-label agreement to sign in 2022. MENA During 2021 we worked alongside the Shariah fund arranger Reyl-IntesaSanpaolo to complete the structuring of a Shariah-compliant Inventory Monetisation funding structure, prioritising the first inaugural inventory monetisation transaction in MENA region by end of 2022. In parallel, we leveraged our partnership with iMass Investments to explore further inventory funding alliances in the region, including local challenger banks. US As a result of our ongoing partnership with Anthony Brown and consulting company Epicirean Brands and The Trade Advisory, we entered in discussions with seven potential Inventory Funders and one potential funder who is interested to follow the White-label model. In-transit goods monetisation TradeFlow Funds experienced a net growth in capital under management of 4% during 2021, and this has increased to 17% in the first quarter of 2022. This more recent increase is due to volatility being experienced in other asset classes over this period, and the removal of travel restrictions and COVID-19 controls in many countries, both of which have resulted in investors looking for fixed income alternative investments.

#3 Creating a highly scalable global business

Priority	2021 Progress
Operations: enhancement of internal governance functions (e.g. ICT Compliance, Risk Management).	Completed The Company enhanced its team during 2021 with the following appointments into key leadership roles: ● Chief Financial Officer ● Chief People Officer ● Group Head of Origination ● Group Head of Operations and Transformation More information of the leadership team can be found on page 23.
Legal framework: roll out of the current legal framework (originally tailored for the Italian market) to cover the geographies the Group is targeting.	Completed We updated and continued to evolve the legal and accounting frameworks underpinning each Inventory Monetisation Transaction with reference to the following jurisdictions: Italy, UK and UAE. In this regard, we have been working with the following advisers: EY, Gatti Pavesi Bianchi Ludovici, Pinsent Masons, Maisto e Associati. Additionally, further activities on the legal and accounting framework have been made with reference to US GAAP. With reference to the Shariah' structure, the Group is working with Reyl-Intesa Sanpaolo, acting as arranger.

Financial Review

	2021 £ m	2020 £ m	Movement £ m
Revenue	0.5	1.1	(0.6)
Operating (loss) before deemed cost of listing, acquisition related costs and impairment charges	(4.4)	(1.4)	(3.0)
Deemed cost of listing, acquisition related costs and impairment charges	(6.4)	(1.4)	(5.0)
Operating (loss)	(10.8)	(2.8)	(8.0)
Finance costs	(1.3)	-	(1.3)
(Loss) before tax	(12.2)	(2.8)	(9.4)
Income tax	(0.3)	(0.1)	(0.1)
(Loss) for the year	(12.5)	(2.9)	(9.6)
Earnings per share (EPS)	Pence (0.04)	Pence (0.01)	

Revenue by segment

	2021 £ m	2020 £ m	Movement £m
Inventory Monetisation	0.3	1.1	(0.8)
Investment Advisory	0.2	-	0.3
Total revenue	0.5	1.1	(0.6)

The Investment Advisory revenue has been rounded down to £0.2m in order to ensure the table adds to the rounded total revenue figure.

Revenue by service line is recognised in accordance with IFRS 15 ("Revenue from Contracts with Customers") and more details on the Group's revenue recognition policies can be found in the note 2 consolidated financial statements.

Inventory Monetisation segment

For the year ended 31 December 2021, the Group recognised £0.3m (2020: £1.1m) revenue from its inventory monetisation segment relating solely to due diligence services provided by the Group's Italian operating subsidiary. In line with IFRS 15 ("Revenue from Contracts with Customers") the Group recognised these revenues when the due diligence services have been delivered and the Group's performance obligation has been satisfied.

The £1.1m of revenue recognised by the inventory monetisation segment in the prior year related solely to an origination contract entered

into with related party, 1AF2 S.r.l. In connection with this contract, 1AF2 S.r.l. contracted with the Group to perform due diligence on those companies that it had originated. During the current year, the Group recognised a further £0.2m revenue on this related party contract, with the remainder of the revenue recognised arising from due diligence services provided to third party client companies. Further details of this and other related party transactions are set out in note 29 to the Group's consolidated financial statements.

The reduction of £0.8m in the revenue recognised by the inventory monetisation segment during the year end 31 December 2021 is the result of the delays experienced by the Group in facilitating the first inventory monetisation transaction and increased time and effort being spent on the development of the Platform and the associated operational processes and procedures.

Investment Advisory segment

Investment segment revenue arises from investment advisory services provided by the Group's wholly owned subsidiary, TradeFlow, in its capacity as investment advisor to its well-established USD fund and its newer EUR fund during the six month period from the date of acquisition (being 1 July 2021) through to year end. As TradeFlow was not owned by the Group during the prior financial year, no such revenues were recognised. In line with IFRS 15 ("Revenue from Contracts with Customers") the Group recognised these revenues when the investment advisory services have been delivered and the Group's performance obligation has been satisfied.

Geographical revenue breakdown

The Group's inventory monetisation operations are currently predominately located in Italy, while the investment advisory operations are predominately located in Singapore.

Operating loss

During the year the Group has primarily focused on refining and developing the business model through investing heavily, utilising both internal time and resources, on activities such as upgrading the architecture of the internally generated Platform. Additionally, significant amounts of time and effort have been spent:

- on building a solid base for effective internal controls and governance processes;
- completing the Group's acquisition of TradeFlow during the year; and
- on post-acquisition integration activities.

All of these activities are expected to give the Group a strong foundation as it enters the next stage of development.

The Group recorded an operating loss before deemed cost of listing, acquisition related costs and impairment charges during the year of £4.4m (2020: £1.4m loss). This increase of £3.0m is largely due to the following factors:

- an increase in staff and contractor costs of £1.2m as the Group built out the leadership team and has been focused on developing its ICT architecture alongside the inventory monetisation legal & accounting framework;
- an increase of professional fees of £0.5m arising from an focus on improving the internal controls and governance processes; and
- the fact that the prior year contained costs for approximately nine months, following the reverse take-over that completed in March 2020, compared to a full 12 months of costs in the currently financial year.

Deemed cost of listing, acquisition related costs and impairment charges

	2021 £ m	2020 £ m
Deemed cost of listing	-	1.4
Transaction costs	2.0	-
Amortisation of intangible assets arising on acquisitions	0.4	-
Acquisition related earn-outs	1.4	-
Impairment charges	2.6	-
Total	6.4	1.4

The acquisition related costs arise due to business combinations in accordance with IFRS 3 ("Business Combinations") and include the following in the current financial year:

- Transaction costs of £2.0m. Of this total, £1.9m represented the fair value of shares issued as consideration to third party intermediaries who either introduced TradeFlow to the Company or who provided due diligence activities in respect of the TradeFlow business, market, sector and geographic location. The remaining £0.1m related to legal fees that were directly associated with the acquisition;

- Amortisation of intangible assets arising on acquisition of £0.4m. These costs related to the intangible assets recognised by the Group in connection with the TradeFlow acquisition, which have a fair value of £6.9m. The £0.4m represents the amortisation charge for these assets for the six month period from acquisition on 1 July 2021; and
- Acquisition related earn-out costs of £1.4m. Elements of the consideration payable for the TradeFlow acquisition require post-acquisition service obligations to be performed by the earn-out shareholders over a three-year period. While these legally form part of the consideration costs, under IFRS 3 ("Business Combinations") they must be accounting for as deemed remuneration through the profit and loss. The £1.4m recognised for the year ended 31 December 2021 represents the proportion of the total fair value of the future earn-out payments that are linked to the services provided in the current financial year.

The impairment charges of £2.6m in the current financial year have arisen due to the following two factors:

Firstly, in connection with the initial TradeFlow goodwill recognised. As at 31 December 2021, management carried out an impairment test in line with IAS 36 ("Impairment of Assets") on the TradeFlow Cash Generated Unit ("CGU"). This followed the conclusion that indicators of impairment were present, including under performance against forecast. In carrying out this test, the Directors applied what they consider to be prudent assumptions concerning reductions to forecast revenue levels and the weighted average cost of capital ("WACC") used as the discount rate. The result of this impairment test was that the recoverable amount of the TradeFlow CGU was determined to be lower than the net invested capital value held on the balance sheet at 31 December 2021 by £0.8m and as such an impairment charge has been recognised for this amount; and

Secondly, in connection with the Group's internally developed IM platform. As at 31 December 2021, management carried out an impairment test in line with IAS 36 ("Impairment of Assets") on this intangible asset. This followed the conclusion that indicators of impairment were present, including the current year losses being generated by the Group's Italian operating subsidiary, to which the asset relates. In carrying out this test, the Directors considered discounted cash flows and a weighted average cost of capital ("WACC") as the discount rate. Under this methodology the recoverable amount of the investment did not require an impairment to be made. However, as noted in the going concern statement, set out in note 2 to the consolidated financial statements, there is currently a material uncertainty with respect to both the future timing and growth rates of the forecast discounted cash flows arising from the use of the Internally developed IM Platform intangible asset. As such, the Directors have prudently decided to impair the full carrying amount of this asset of £1.8m as at 31 December 2021.

In the prior year the Group incurred deemed costs of listing of £1.4m relating to the reverse acquisition.

Acquisition of TradeFlow

On 1 July 2021 the Group acquired TradeFlow for total consideration, as defined by IFRS 3 ("Business Combinations"), of £7.1m, split between cash consideration of £4m and equity consideration of £3.1m.

As part of the terms of the agreement to acquire TradeFlow, acquisition related earn-out payments were included. Together with the initial cash payment and issue of equity, these components form the total legal consideration agreed between the parties. The acquisition related earn-out payments are determined by reference to pre-determined revenue milestone targets in each of the 2021, 2022 and 2023 financial years. As these earn-out payments have substantive post-acquisition service conditions attached to them, the Directors have concluded that IFRS 3 ("Business Combinations") requires the fair value of these earn-out payments to be accounted for as a charge to the income statement (as deemed remuneration) rather than as consideration.

Following the acquisition, a purchase price fair value exercise was completed which identified intangible assets of £6.9m, and goodwill of £2.2m, both of which have been recognised in the Group's consolidated balance sheet at the date of acquisition. As described above the goodwill has subsequently been impaired by £0.8m, leaving a balance of £1.4m as at 31 December 2021. Details of those intangible assets identified during the purchase price fair value exercise are set out in the table below:

	2021
	£ m
Customer relationships	4.8
Brand (TradeFlow)	0.2
CTRM software	1.4
AI software	0.4
Total acquired intangible assets	6.9
Deferred tax liability arising on recognition of acquired intangible assets	(1.2)
Total acquired intangible assets (net of deferred tax liability)	5.7
Other net liabilities acquired	(0.8)
Total identifiable net assets acquired	4.9

TradeFlow contributed £0.2m of revenue and (£0.5m) to the Group's operating loss for the period between the date of acquisition, being 1 July 2021, and the 31 December 2021. As a preliminary assessment, had the acquisition of TradeFlow been completed on the first day of the financial year, Group revenues would have been approximately £0.3m higher and Group operating loss would have been approximately £0.6m higher.

Group Funding Facilities utilised during the year

During the year the Group secured two different funding facilities. The proceeds of both have been used to support the Group's working capital and growth requirements and cover the cash consideration element of the TradeFlow acquisition. Further details of these two facilities are set out below:

	Negma convertible loan notes	Mercator funding facilities
	£ m	£ m
At 1 January 2021	-	-
Net cash inflows	(5.0)	(6.6)
Fair value of warrant instruments issued in connection with funding facilities	-	0.5
Amortisation of finance costs	(0.6)	(0.5)
Cash repayments	2.0	-
Non cash repayments	3.6	0.9
As at 31 December 2021	-	(5.7)

Negma convertible loan notes

On 16 June 2021, the Company entered into a subscription agreement with Negma Group Limited for an initial tranche of Convertible Loan Notes with a par value of £5.6m and for which the Group received £5.0m in cash. As shown in the table, £3.6m of this was settled via the conversion of the loan notes into equity and £2.0 was settled in cash, leaving the facility totally repaid at year end. During the current financial year the Group recognised total finance costs of £0.6m in relation to these convertible loan notes.

Mercator funding facilities

On 29 September 2021, the Company entered into a loan note facility with Mercator Capital Management Fund LP ("Mercator"), with a total draw down of £7.0m or £6.6m net of capitalised finance costs. These loan note facilities had a term of 12 months and require monthly repayments to be made either in cash or via the issue of a convertible loan note at the Company's discretion. During the period to 31 December 2021, all repayments had been settled through the issue of convertible loan note and all of these had been converted to equity.

In connection with the Mercator loan note facility, the Company also issued share warrants, details of which are set out in note 28 to the consolidated financial statements. The fair value of these

warrants was also capitalised and this, together with the other capitalised finance costs, will be recognised over the term of the loan notes using the effective interest rate method. The total of the finance costs recognised in the current financial year is £0.5m.

The Mercator convertible loan notes do not have any interest costs in addition to that of the Mercator loan notes, however an additional amount of finance costs of £0.1m have been recognised during the current financial year as a result of:

- additional commitment fees of £25,000; and
- the recognition of the fair value of the warrants issued in connection with the convertible loan notes. This fair value was £88,000.

Both costs have been fully recognised in the income statement during the current year given the liability to which they relate has been extinguished by 31 December 2021.

Cashflow

The Group increased its net cash balance by £1.1m (2020: £0.4m) due to net proceeds from the financing activities of £9.6m which assisted the funding of the acquisition of Tradeflow (net of the cash acquired) of £3.5m and increased investment in the Platform of £1.0m. This offset by an outflow from operating activities of £3.9m.

	2021	2020
	£ m	£ m
Net cash flow from operating activities	(3.9)	(0.9)
Cash flows from investing activities	(4.6)	(0.9)
Net cash flows from financing activities	9.6	2.2
Net increase in cash and cash equivalents	1.1	0.4
Cash and cash equivalents at 1 January	0.6	0.1
Cash and cash equivalents at 31 December	1.7	0.6

Net liabilities

As at 31 December 2021 the Group's net liabilities were £1.4m (2020: net liabilities of £0.5m). The movement in net assets is primarily explained as follows:

- a net increase of £5.9m from the acquisition of TradeFlow, representing a net asset fair value of £4.9m, together with initial goodwill of £2.2m, offset by amortisation charges of £0.4m and impairment charges of £0.8m;
- a decrease of a net amount of £1.2m in the net book value of the Group's internally developed IM Platform intangible asset, representing additions during the year of £1.0m from internally generated assets, offset against an amortisation charge in the year of £0.4m and impairment charges of £1.8m;
- an increase in borrowings of £5.7m relating to the Mercator loan notes.

Going concern

The Board's assessment of going concern and the key considerations relating to this are set out in the Directors' Report and note 2 to the consolidated financial statements.

Related Parties

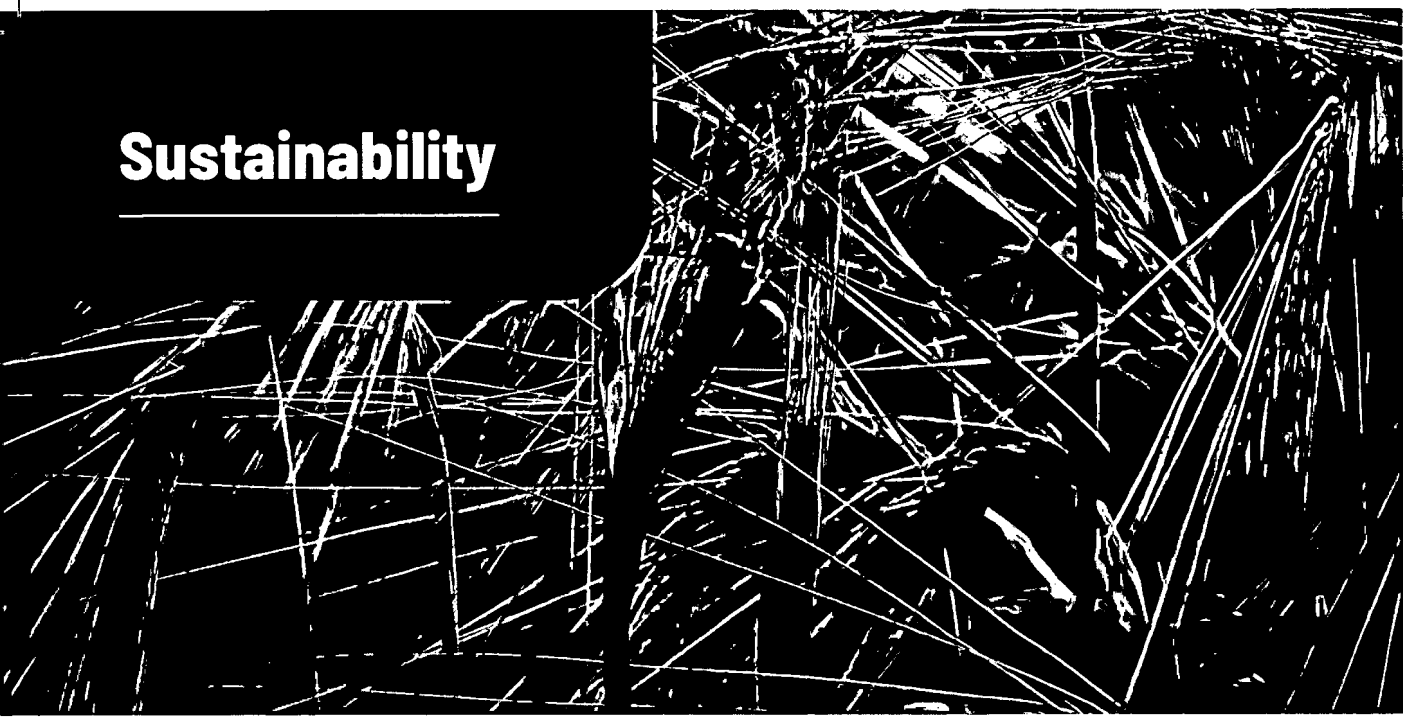
The main related party agreements in place during the year related to shared service agreements with The AvantGarde Group S.p.A ("TAG") and Eight Capital Partners Plc, along with due diligence services provided to 1AF2 S.r.l (now a part of TAG) by the Group.

See note 29 of the consolidated financial statements for further details of the Group's related parties.

Subsequent events

Note 31 of the consolidated financial statements sets out the details of subsequent events following 31 December 2021, including details of the Company's capital enhancement plan and renegotiation of the Mercator funding facilities announced on 27 April 2022.

Sustainability



Corporate Responsibility

The Group is committed to conducting itself in a responsible manner, whether in relation with its employees or its external counterparts.

The Group aims for an internal culture nurturing the behaviours of collaboration, innovation, delivery against challenging goals and fostering a global growth mindset. The aim of this is to build a successful sustainable future organisation, offering support and development to facilitate employees and the business reaching their potential. Employees are encouraged to propose ideas, considered in a respectful and constructive manner.

During 2021 work has taken place to start to develop the organisations approach to their people focused on continuing to cultivate an engaged and high performing workforce and growing people capability at all levels of the organisation, this is achieved through robust performance management and goal setting methodology, regular feedback, training, mentoring and coaching provided as required. Development will continue in 2022 and beyond. In relation to dealings with external counterparts, the Group seeks to maintain respectful and productive engagements with each counterpart, regardless of size and nature of the business.

Thus, the Directors believe that the Group conducts itself in adherence with the pillars of Corporate Social Responsibility, such culture allowing it to operate ethically and within legal obligations so as to support financial growth.

Employee Matters

During 2021 the Group hired a Chief People Officer, Alice Buxton, to lead on employee related matters. Work has started on building a centralised people function for the Group, continuing to cultivate a focused, high performing work force and planning and growing our long-term people capability to enable successful business growth. Alice provides regular updates to the board on People Strategy and has been working closely with the Nomination and Remuneration Committees to ensure they are aware, engaged and focused on matters which are important to the Group's employees and the development of capability of the Group. The areas focused on in the 2020 annual report of the Group continuing to attract staff and motivate employees by offering competitive terms of employment continue to be salient and further foundations have been planted to enable this. There has been a number of key senior management hires as well as board changes over the course of 2021, which will enable the future success of the business.

The Group provides equal opportunities to all employees and prospective employees and operates in compliance with all relevant national legislation. This is supported by an equal opportunities policy.

The current business model is dependent on the current employees' skills and the Directors will use all reasonable endeavours to not only ensure these skills are maintained and enhanced, but also keep the employees safe, incentivised and motivated. Part of this strategy is the development of the long-term incentive plan which is to be put to shareholders at the AGM.



Diversity and equality

We recognise that a diverse workforce is fundamental to our future success, and are focused on building a diverse global team where everyone's opinion is valued and they are empowered to contribute, collaborate and deliver. During 2021 the team have spent time defining our behaviours. One of the four pillars is that everyone should operate with a global perspective where diversity of thought and outlook is fundamental and valued. The other pillars are innovation, collaboration and delivery. These behaviours are being embedded into all our people related processes, including recruitment and performance management with the goal of nurturing and building a strong corporate culture where everyone feels able to contribute and thrive.

Gender is one measure of organisational diversity. As at 31 December 2021 the Group's board was 14% female. The leadership team, immediately below board level was 60% female and the wider permanently employed workforce was 66% female. This will be one the dimensions of diversity on which there will be continued focus across the Group.



Social, community and human rights issues

We seek to achieve the highest ethical standards and behaviours in conducting our business, with integrity, openness, diversity and inclusiveness being high priority for the Board, leadership team and throughout the workforce. Work is underway to incorporate ESG scoring into all of our due diligence processes as a matter of due course.

We have adopted a formal equal opportunities policy which is available to all employees. The aim of the policy is to ensure that the work environment is free from direct and indirect discrimination on the grounds of race, sex, disability, sexual orientation, gender reassignment; marriage or civil partnership; pregnancy or maternity; religion or belief or age and enables everyone to achieve their potential. Additionally having a global mindset and considering diversity as fundamental to how we work and behave is being embedded into our people processes, including recruitment, development and performance management.



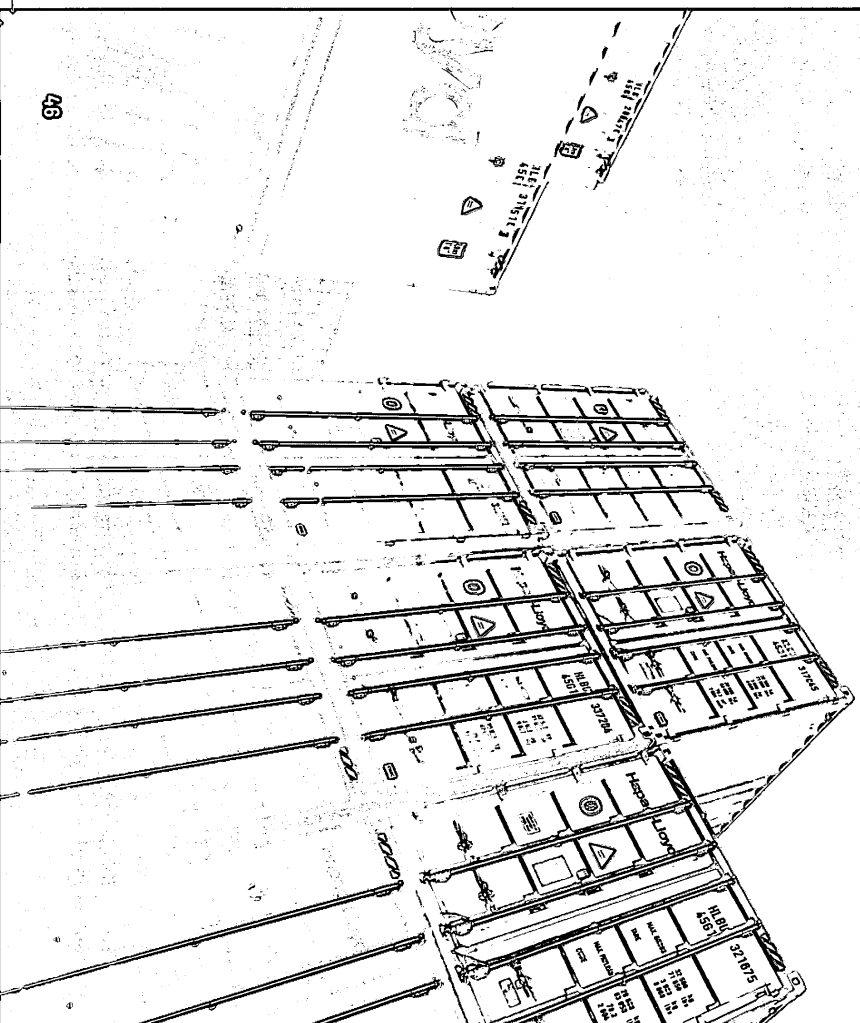
Environmental Issues

As required by the Companies Act 2006 (Strategic and Directors Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the Directors have undertaken a review of the Group energy consumption and associated emissions. The Group uses significantly less than 40MWh of energy per year and is therefore classed as a "low energy user" by the regulations, as a consequence of which it is exempt from reporting annual emissions, energy use and an intensity ratio. The Directors are considering voluntary reporting of energy and carbon in future years.

The Group is focused on making a positive ESG contribution. One example of this is, since December 2020, TradeFlow advised funds have been one of the first trade funds in the world to start buying carbon credits, with the aim of netting off carbon emissions from transportation related to the funds TradeFlow advises.

Principal Risks and Uncertainties

The Board confirms that throughout 2021 a robust assessment of the principal risks facing the Company was completed. A comprehensive list of Group-wide risks and emerging risks was reviewed and monitored throughout the year. The most significant risks and uncertainties we face are listed in the table below, categorised by principal risk.



Strategic Risk

Strategic risk is defined as the failure to build a sustainable, diversified and profitable business that can successfully adapt to environment changes due to the inefficient use of Group's available resources.

Key Risks	Management of risk
STRATEGIC COMPETITION The Company's business model is that of an innovative Platform for inventory monetisation, aiming to capitalise upon market developments where supply chains may be placed under pressure, leading suppliers to hold increased amounts of inventory in order to supply both on and offline retailers, with a resultant restriction on available working capital. However, the Company is aware of certain larger key entrants to related markets that may be able to offer related products on a larger scale, which could affect the Company's forecast revenues and profit margins.	The Company acknowledges the risk, but believes it is able to more readily adapt to changing market conditions than larger entrants.
FUTURE DEVELOPMENT AND STRATEGY Certain aspects of the Company's operations remain unproven in operation, which could affect the Company's forecast revenues and profit margins.	This is acknowledged through the Company's strategic plan, which recognises the uncertainty of returns from an evolving business model.
FUNDING RISK The risk that demand from Corporates for Inventory Monetisation transactions – which generates revenue for the Company via the Platform consumption – cannot be met by the Global Inventory Funds and TradeFlow Funds when and where they fall due or can only be met at an uneconomic price. This risk varies with the economic attractiveness of Global Inventory programme as an investment, the level of diversification of funding sources and the level of resilience of these funding sources through economic cycles.	We carefully manage this matching by: ● building long-term relationships with investors (Investors in the Global Inventory programme and Inventory Funders) and developing a forward-looking pipeline of new investors/ inventory funders; ● actively managing concentration risk and diversifying sources of funding; ● leveraging a seasoned team of arrangers and placing agents
GLOBAL ECONOMIC RISKS The recovery from COVID-19 is uncertain; however, the impact on supply chains may prove positive for the Company's business. Nonetheless, the Board appreciates the inherent uncertainty posed by the current geo-political crises.	The Company acknowledges the risk, but believes it is able to more readily adapt to changing market conditions than larger entrants.
EQUITY DILUTION RISK The Company is not currently profitable. Despite strong confidence in its business plan and forecasts, the Directors recognise that this may cause limitations in the Company's funding options, or those which are dilutive to shareholders.	The Company remains engaged with several key stakeholders in respect of funding strategies.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Key Risks	Management of risk
EMPLOYEE AND KEY MAN RISK Loss of certain key executives could lead to a reduced ability to effectively run the Company, while loss of the leadership team could materially hamper the Company's move to profitability and increased operational efficiency.	Through their contractual agreements, Executive Directors remain highly incentivised to remain with the Company. The Long Term Incentive Plan being put to shareholders at the AGM will also support retention of key members of the team.
BUSINESS CONTINUITY RISK As an expanding Company, business continuity plans inherently will lack visibility in terms of any new subsidiaries.	The Company is engaged with third parties in relation to business continuity planning.

Regulatory, Reputation And Conduct Risk

Regulatory, reputation and conduct risk is defined as engaging in activities that detract from Group's goal of being a trusted and reputable Company with products, services and processes designed for customer success and delivered in a way that will not cause customer detriment or regulatory censure.

Key Risks	Management of risk
DATA PROTECTION The Company undergoes data protection assessments, predominantly under Regulation (EU) 2016/679 (General Data Protection Regulation) and the Data Protection Act 2018, but the Board recognises that operating in multiple jurisdictions leaves it at risk of breach of individual jurisdictional legislation.	The Company is engaged with third parties in relation to addressing data protection issues in the jurisdictions within which it operates.
FINANCIAL RISK MANAGEMENT The Board monitors the internal risk management function across the Group and advises on all relevant risk issues. There is regular communication with internal departments, external advisors and regulators. The Company's policies on financial instruments and the risks pertaining to those instruments are set out in the accounting policies in notes 2 and 25 of the Company's consolidated financial statements.	The Board are apprised of the Company's risk register on at least a quarterly basis, and respond appropriately.

The strategic report set out from page 4 to page 48 is approved by the Board of Directors and signed on its behalf by:

Alessandro Zamboni
Chief Executive Officer
30 May 2022

Alessandro Zamboni

02

**Corporate Governance
Report**

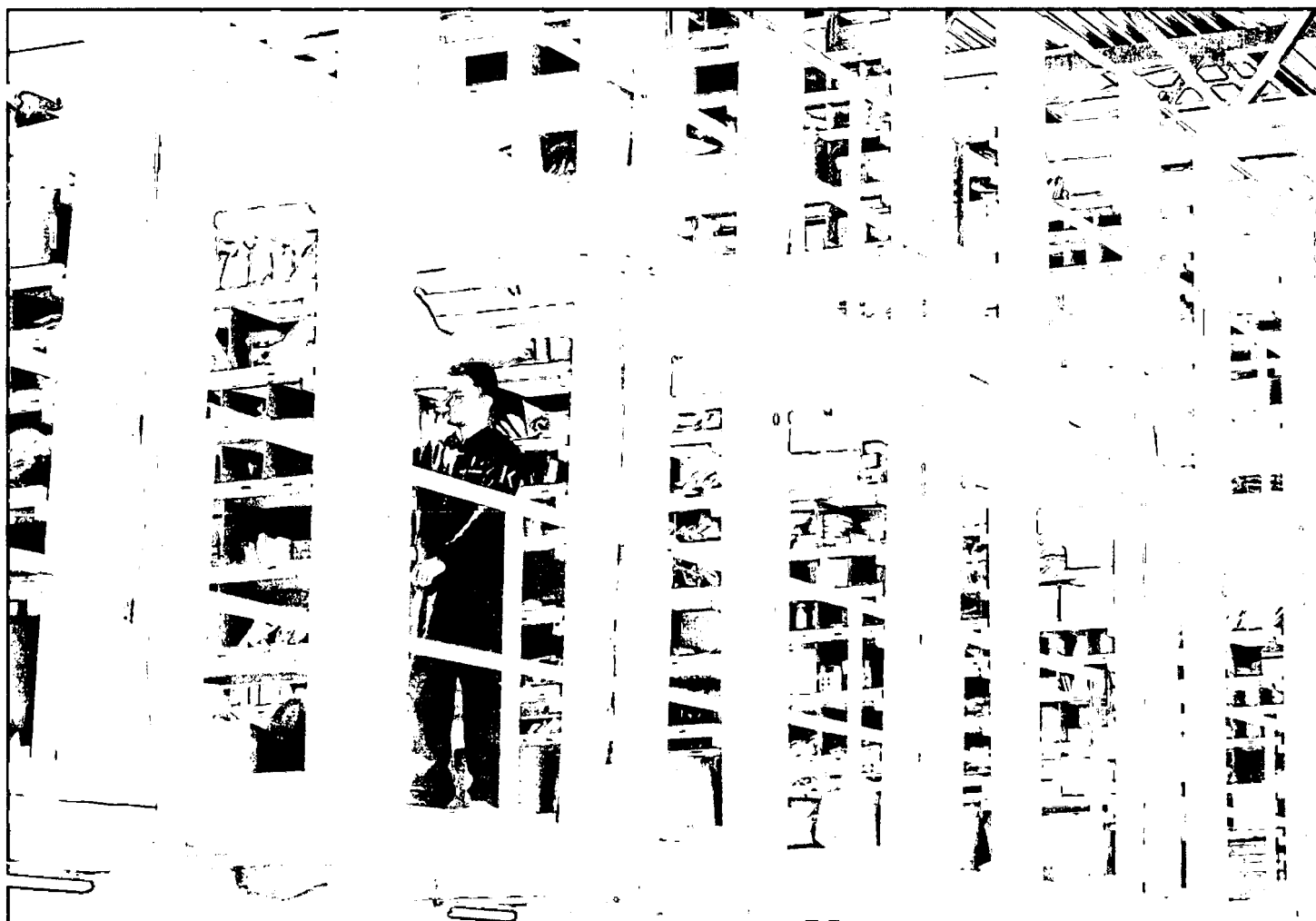
Our Board of Directors are focused on ensuring sound corporate governance and an effective board. The board jointly takes responsibility for overseeing the Company's corporate governance model, and ensuring that good information flows freely between Executives and Non-Executives in a timely manner.

We have adopted the Quoted Companies Alliance Corporate Governance for small and mid-size quoted companies ("QCA Code"). This report follows the structure of these guidelines and explains how we have applied the guidance. The Board is cognisant of the importance of compliance with the QCA Code and endeavours to adhere to this as far as practicable having regard to the size, nature and current stage of development of the Company. The Board is aware that the current composition does not meet the requirements of the QCA Code, particularly in terms of independence, and the current vacant Chair position, and is working towards remedying this as soon as possible. Further details of these areas of non-compliance with the QCA Code are disclosed in the text below.

We understand that application of the QCA Code supports the Company's medium to long term success whilst simultaneously managing risks and providing an underlying framework of commitment and transparent communications with stakeholders. We are committed to monitoring and promoting a socially responsible corporate culture, illustrated through internal policies and external stakeholder engagement.

As a Main Market company, (standard segment, trading on the London Stock Exchange) this information needs to be reviewed annually and details of our Corporate Governance can be found on our website.

Opposite are details of all the Directors of the Group during 2021.



2021 Director Information

Executive Directors

Alessandro Zamboni

Appointed 23 March 2020

Alessandro is Chief Executive Officer of Supply@ME Capital plc. He is a director who specializes in the financial services industry and related strategic and digital operating models.

Since 2008, he has been managing the delivery and the sales operations of a consulting company specialising in Regulatory & Internal Controls for Banks and Insurance Firms.

Mr Zamboni founded The AvantGarde Group, the former parent company of Supply@ME S.r.l., in 2014.

As well as being CEO of Supply@ME Capital Plc, Alessandro also holds executive positions at The AvantGarde Group spa, AZ Company srl, AvantGarde 4.0 slr, Orchestra Group, RegTech Open Project SpA, Future of Fintech srl and 1AF2 Ltd and a Non-Executive Director role at Darwinsurance srl.

Thomas (Tom) James

Appointed 30 July 2021

Tom is co-founder of the TradeFlow Funds and FinTech business. He has over 30 years' experience in the Commodity & Energy industries. Recognised as a leading practitioner in the global natural resources market, Tom has held several senior, regulated roles at financial institutions across the MENA and APAC regions, including Bank of Tokyo Mitsubishi UFJ, Credit Agricole and Credit Lyonnais, and trading firms including BHP Billiton. Tom's expertise spans trade finance, project finance, investment banking, supply chain/operations, derivatives, physical markets and fund management. He has authored over nine books on energy & commodity trading and risk management and served as professor at various universities. Tom is a former member of the United Nations FAO Commodity Risk Management Advisory Group, and a former Senior Energy Advisor to the United States Department of Defense (TFBSO).

In addition to Supply@ME Group, Tom is Executive Director of Skybird Records Ltd.

John Collis

Appointed 30 July 2021

John is co-founder of the TradeFlow Funds and FinTech business. He is also Chief Legal Officer at TradeFlow and has taken a lead role in developing TradeFlow's critical legal infrastructure,

classification of TradeFlow's specialist intellectual property and the insurance of the Fund's risk matrix, specifically with reference to bulk commodity transactions and their exposure to multiple jurisdictions. John is a commercial lawyer with expertise in regulatory, compliance, structuring, and transactional matters. John operated his own law firm from 2003, specialising in international commercial work. John has written and lectured about the rule of law, Eurasia Economic Union, CSTO, and International Commercial Enforcement. Before becoming a lawyer, John worked for Ernst & Young.

In addition to Supply@ME Group John is Executive Director of Kenwood Secretaries Ltd, JCS 110 Ltd, Higher Education Research Ltd, MTI Solutions Ltd, Price Verifier System Ltd, SoftNPower Ltd. John is a Non-Executive Director of Ultraponix Ltd and JCS 107 Ltd..

Non-Executive Directors

James (Jim) Coyle

**Appointed 28 October 2021 –
resigned 4 March 2022**

Jim is a highly respected, strategic leader who brings over four decades of both executive and non-executive financial services experience to the role. After a thirty-year career at some of the UK's largest institutions, including BP, Bank of Scotland and Lloyd's Banking Group Plc, where he served most recently as Group Financial Controller and Deputy Group Finance Director, he has been appointed to a number of Board roles mainly across the financial services industry. On joining the Supply@ME plc Board he also served as a Non-Executive Director and Audit Chair of HSBC UK Bank Plc and Marks & Spencer Financial Services Plc and chaired other M&S group subsidiaries, as well as serving as Senior Independent Director on the board of Honeycomb Investment Trust Plc and Audit and Risk Chair at Scottish Water. He has previously held the role of Chair at international payments business World First. He qualified as a Chartered Accountant with KPMG.

Dominic White

Resigned 22 July 2021

Dominic has invested in public markets and private equity for 25 years. He has acquired and managed more than £3 billion of assets across Europe and held board positions at a number of public companies including KCR Residential, REIT Plc, Eight Capital Partners Plc and Limitless Earth Plc, as well as at international investment institutions such as Security Capital European and Henderson Global Investors.

He is a member of the Institute of Chartered Financial Analysts.

As at 12 April 2022 Dominic held directorships at the following companies Dharma Dragon Ltd, IWEPT LTD, K&C (Coleherne) Limited, K&C (Newbury) Limited, K&C (Osprey) Limited, KCR (Kite) Limited, KCR (Southampton) Limited, Maximum Return System Ltd, Maximum Return Systems Group LLP, KCR Residential REIT PLC, White Amba Ltd, Eight Capital Partners plc and White Amba Investments LLP.

Susanne Chishti

**Appointed 23 March 2020 –
resigned 14 April 2022**

Susanne brings over 20 years of financial expertise and board-level experience focused on organisational governance, and a strong understanding of the small/medium size enterprise market. Her experience draws on 14 years in banking with senior positions at Morgan Stanley, Lloyd's Banking Group and Deutsche Bank.

As CEO of FINTECH Circle she is an award winning entrepreneur and global expert in financial technology, new business models and a bestselling Editor of The FINTECH Book Series published by Wiley.

During 2021 Susanne also held Directorships at Kompli Holdings plc, Fintech SEIS Ltd, Fintech Publishing Ltd, Fintech Circle Ltd, Cab Tech HoldCo Ltd, Crown Agents Bank Ltd, Lenderwise Ltd and Just Loans Group Plc.

Enrico Camerinelli

Appointed 23 March 2020

Enrico is a Supply Chain specialist. He takes part in projects launched by the United Nations Economic Commission for Europe, the World Bank, the World Trade Board, and the Council of Supply Chain Management Professionals relating to Supply Chain finance and research.

He regularly attends major industry events as an invited guest speaker.

David Bull

Appointed 22 July 2022

David is a Chartered Accountant, and is a technology-driven experienced financial services professional with a banking and financial services digitisation mindset. He has held a number of senior board roles within banking, asset finance, treasury and credit management institutions, including several years as Chief

Financial Accountant at The Bank of England. His most recent appointment was CFO of Vive Bank, a new digital bank targeting banking automation for individuals.

During 2021 David held Directorships at Vive Bank, from which he resigned in August 2021 and Eight Capital Partners.

The Board maintains 3 sub committees, Audit, Nomination and Remuneration. Details on the responsibility and membership of each of these committees are contained in the individual committee reports.

Overview

During the course of 2021 there have been a number of changes to the board structure and composition. The Group started the year with Dominic White as Chairman, Susanne Chishti as Senior Non-Executive Director, Enrico Camerinelli as Non-Executive Director and Alessandro Zamboni as Executive Director. On 22 July 2021 Dominic White stepped down as Chair and David Bull joined the board as an Independent Non-Executive Director. Shortly after this Susanne Chishti stepped in as Interim Chair. On 30 July 2021 Tom James and John Collis joined the board as Executive Directors, and Jim Coyle joined as Chair of the Board on 28 October 2021.

Since the end of the 2021 financial year, further Board composition changes have taken place, with Jim Coyle resigning on 4 March 2022 and Susanne Chishti on 14 April 2022. Recruitment for replacements for both Jim and Susanne are well underway, with the Board and Nomination Committee's focus for these appointments to add complementary skills, knowledge and experience to the current Board team in order to support and lead the Group in the delivery of its strategy going forward.

Board Attendance

Director	Scheduled Meetings attended	Appointed to the Board	Resigned (if applicable)
David Bull	11/11	22 July 2021	N/A
Enrico Camerinelli	18/20	23 March 2020	N/A
Susanne Chishti	20/20	23 March 2020	14 April 2022
John Collis	11/11	30 July 2021	N/A
Jim Coyle	4/4	28 October 2021	4 March 2022
Tom James	11/11	30 July 2021	N/A
Dominic White	8/9	23 March 2020	22 July 2021
Alessandro Zamboni	20/20	23 March 2020	N/A

The board generally plans to meet once a month, however additional board meetings were held during FY21 to consider topics such as the acquisition of TradeFlow completed on 1 July 2022, trading updates and new funding facilities required.

Independence

The Board has considered the Non-Executive Directors independence periodically throughout the year. The approach taken to this is considering the UK Corporate Governance Code's definition of circumstances which are likely to impair a Non-Executive Directors' independence. These include where a director:

- has been an employee of company/group within the last 5 years;
- has, or has had within the last 3 years, material business relationship with the company, directly or as a partner, shareholder, director or senior employee of a body that has such a relationship;
- receives additional remuneration from the company apart from director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of company's pension scheme; has close family ties with any of the company's advisers, directors or senior employees;
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the board for more than nine years from the date of their first appointment.

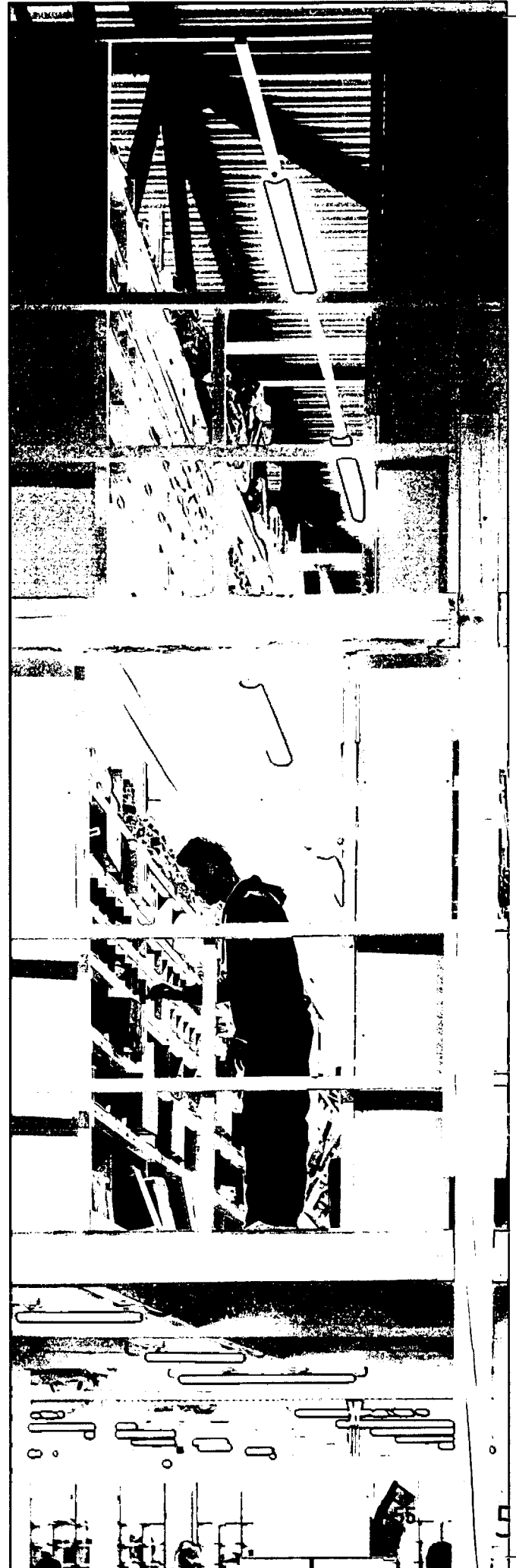
Having given consideration to these factors the following Non-Executive Directors are considered independent by the Board, Enrico Camerinelli, David Bull and Susanne Chishti and Jim Coyle during their tenure.

Principal Board Activities and Decisions in 2021

The Principal decisions made, and activities carried out, by the Board during 2021 are summarised below:

- Change of accounting reference date from 30 September to 31 December, a more standard accounting reference date and, one which is more appropriate to Group's current and future operating subsidiaries' trading.
- Management of temporary share suspension that arose due to the change in accounting reference date and the technical breach of the Disclosure Guidance and Transparency Rules regarding the timing of the financial statements for the year ended 31 December 2019, which covered a period prior to the reverse take-over, and the interim financial statements for the six month period ended 30 June 2020. This suspension was in place from 21 January 2021 to 9 March 2021.
- During the time of the temporary share suspension, the Board responded to enquiries and questions posed to it by the Financial Conduct Authority as they completed their regulatory steps and due process required for the restoration of the Company's listing.
- Successfully completing the authorisation process for the Group's Shariah compliant Inventory Monetisation Platform. This approval allowed an additional funding route for the Group.
- Acquisition of TradeFlow on 1 July 2021. Prior to completion the Board carefully considered the merits of the acquisition, which resulted in the conclusion it would add value for all stakeholders and be of long-term benefit of the Group.
- In connection with the acquisition of TradeFlow, the Board considered funding options that would assist in financing this transaction, and the Board believed the best option available at the time was to enter into convertible loan note financing with Negma Group Limited in order to support the acquisition and the Group's ongoing working capital needs for its stage of development.
- Later in the year, the Board explored alternative funding options that it believed would provide improved benefits to the Group, while continuing to support the ongoing working capital needs. During the process the Board considered various options that were available at the time and made the decision to close out the Negma Group Limited convertible loan note funding and enter into new short term funding facilities with Mercator Capital Management Fund LP. The Board believed this new facility would provide greater balance sheet flexibility as it offered the Company the choice of repayment in cash or convertible loan notes.
- Board changes and appointments during the year of David Bull, Jim Coyle, John Collis and Tom James.
- Completion of strategic agreements and updates including the launch of global inventory monetisation fund, senior notes issuance and naming of Intesa Sanpaolo Private Bank Morval SA as Shariah fund arranger and agreement with Lenovo Financial Services META LLC.
- The issuance of regulatory announcements including interim accounts, annual financial statement, trading updates and revenue guidance announcements that have been made during the year. The Board also monitored actual performance in order to ensure it was able to identify when regulatory updates to previously issued trading updates and revenue guidance was required to be published.
- In the second half of the year, the Board received further enquires and questions from the Financial Conduct Authority on certain topics including certain restatements made in the 2021 interim financial statements and certain trading update and adjusted revenue guidance announcements made. The Board considered each of these thoroughly and responded after ensuring it had taken due care and consideration in respect of each of these topics. At no time during the year were any formal Financial Conduct Authority investigation undertaken.

- The Board called two Annual General Meetings during the year, following the issue of the 2019 and 2020 annual financial statements. In addition, the Board called one General Meeting towards the end of the year to enable shareholders to consider whether any, and if so, what steps should be taken to address the Company's serious loss of capital issue as defined under the Companies Act 2006. The serious loss of capital issue was a historic issue that the current board inherited, but given the Board was unclear if this issue had been dealt with appropriately in the past, it decided to ensure the obligations under the Companies Act 2006 were fulfilled.



Statement of current compliance with the QCA Corporate Governance Code

Principle 1.

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

The acquisition of TradeFlow and the launch of our White-label offering are clear progress against our stated goals to grow through a combination of organic expansion and acquisitions. We have also significantly expanded our geographic footprint, deepening our presence in the UK and Middle East and making significant inroads in the US.

Principle 2.

Seek to understand and meet shareholder needs and expectations.

The Group continually seeks to improve its engagement with its shareholders. Key initiatives include the launch of a dedicated investor relations inbox, monitored continuously, to allow, wherever possible, for shareholders to be furnished with non-market sensitive information and to receive responses to enquiries in a timely manner. This is an evolutionary process and Supply@ME will continue to augment its investor relations function to provide more insights into the Company through regular engagement and discourse.

Principle 3.

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

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. Engaging with our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments. The Board is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the Board to understand and consider

these issues in decision-making. Details of how we seek to understand and meet shareholder needs and expectations are set out at Principle 2, above. Details of how the board have engaged with our wider stakeholder group, including our people, shareholders, corporate clients inventory funders and fund investors can be found as part of the engagement with stakeholders and section 172.

Principle 4.

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

The Board has established a risk management process for identifying, assessing and mitigating the principal risks and uncertainties facing the Group. The Group's risk position is considered by the Board on a quarterly basis, with ad hoc reviews conducted as required. The Board is responsible for establishing and maintaining the Group's system of internal financial controls and the Audit Committee assists the Board in discharging its duties relating to internal financial controls. Internal financial control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by its very nature can provide reasonable, but not absolute, assurance against material misstatement or loss.

Areas of focus for internal financial controls include strategic planning, approval of annual budgets, regular monitoring of performance against budget (including full investigation of significant variances), control of capital expenditure and ensuring proper accounting records are maintained. The Directors will continue to reassess internal financial controls as the Group expands further. It is the Board's policy to ensure that the management structure and the quality and integrity of the personnel are compatible with the requirements of the Group.

The Group's auditors are encouraged to raise comments on internal control in their management letter following their audit, and the points raised and actions arising are monitored through to completion by the Audit Committee.

Principle 5.

Maintaining the Board as a well-functioning, balanced team led by the Chair.

As detailed above there have been a number of Board membership changes during 2021. The Board currently consists of three Executive Directors, Alessandro Zamboni, CEO and the two founders of TradeFlow, John Collis and Tom James and two Independent Non-Executive Directors, David Bull and Enrico Camerinelli. The Board are aware that at this time its composition is not compliant with the QCA code. This is however a short term situation, which will be resolved once the recruitment for a new Chair and Non-Executive Directors have been finalised. In the interim one of the Non-Executive Directors chairs each board meeting. The biographical details of the Board members can be found in this Annual Report on pages 51 to 52, as well as on the Company's Website.

The Board typically meets monthly in order to, amongst other things, approve financial statements, dividends and significant changes in accounting practices and key commercial matters.

The Directors commit the requisite amount of time to their respective roles to ensure that they discharge their individual and collective responsibilities in an effective manner. The Company has effective procedures in place to monitor and deal with conflicts of interest.

The Board is supported by an Audit Committee, a Remuneration Committee and a Nomination Committee. Further details of which can be found in each of the Committee Reports within this Annual Report on pages 60 to 95, as well as on the Company's website.

One element of the role of the Independent Non Executive Directors is to be available to shareholders who wish to raise any concerns that they have been unable to resolve through other channels and to attend meetings between management and major investors.

Principle 6.

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

As outlined above there have been a number of changes to the board during 2021. Whilst recruiting for a new Chair and Independent Non-Executive board members a huge amount of consideration has been given to the knowledge, skills and experience required for optimum delivery of the strategic plan. Ensuring a balance of broad

Corporate Governance knowledge with specific skills set including Regulations, Trade Finance, FinTech Sector knowledge and Investor Relations and Business Development experience has been crucial. In addition to the appropriate balance of personal qualities and capabilities for our innovative global business. The board changes during 2021 are testament to the fact the structure, size and composition of the Board based upon the skills, knowledge and experience required is regularly reviewed to ensure the Board operates effectively.

In order to develop their skills and keep up to date with market developments and corporate governance matters, the Board have received training from our company secretaries on Corporate Governance and as well as any new joiners to the board receiving a thorough induction into the business. The board also has regular updates from and access to the management team. All directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

During 2021 an exercise was completed to enhance the Corporate Governance and Company Secretarial Support available to the board. Prism was appointed to attend and minute Board meetings and advise on Corporate Governance in addition to the support of MSP Secretaries. Recruitment has also commenced for an inhouse Company Secretary to support the Board's work.

Biographies for each of the directors, including details on their experience and skills, are set out on the Company's website and in the Directors' Report section of this Annual Report.

Principle 7.

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

The Board's effectiveness and the individual performance of Directors are considered regularly by the Board on an informal basis. A formal board evaluation was conducted in December 2021 by the company secretaries and reported on to the Chair. This Evaluation looked at the process that underpins board effectiveness, board and committee constitution and commitment, Board dynamics and culture, stakeholder oversight and strategy. As a result of this evaluation a greater amount of structure around board processes is being introduced to reflect the evolution and increased size of the board. Changes have also been made to the committee composition, which are outlined in the individual committee reports. This evaluation will be conducted annually.

Board and Leadership Team Succession planning is a matter considered by the Nomination committee.

During 2021 the risk and the impact of key members of the team taking the decision to leave the Group was assessed. How these risks would be mitigated was considered and plans put into place. This evaluation will take place at least annually.

Principle 8.

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

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value.

The Executive team engenders open and positive interactions with a key focus on innovation, collaboration, delivery and a global mindset. This culture is encouraged throughout the business, with people management practices aligned to support. Supply@ME is operating in a new business area and the ability to innovate will be essential to the Group's success. Collaboration and ensuring each member of the team's views and opinions are heard will lead to a better product and outcome for all the Group's stakeholders. Understanding the global perspective on each decision and having an understanding of global nuances will lead to a greater long-term reach of the Group. Most of all the Group wants to deliver for all its stakeholders and this is central to the culture which is being created.

The Company's policies set out its zero-tolerance approach towards any form of modern slavery, discrimination or unethical behaviour relating to bribery, corruption or business conduct.

Principle 9.

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

The board endeavours to ensure governance structures within the Company are appropriate for the size, complexity and risk profile of the Company. This is regularly reviewed by the Board to ensure governance arrangements continue to be appropriate as the Company changes over time. During 2021 and the start of 2022 the board has been working towards ensuring it has the right board team in place to deliver the strategic plan.

The Board typically meet monthly to set the overall direction and strategy for the Group and to review operational and financial performance. The Board and its Committees receive appropriate and timely information prior to each meeting; and a formal agenda is produced for each meeting, and Board and committee papers are distributed before meetings

take place. Any director may challenge Company proposals and decisions are taken democratically after discussion. Any director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's management. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

There is a formal schedule of matters reserved for the decision of the Board that covers the key areas of the Company's affairs. The schedule includes:

- Determining the Company's overall strategy and direction
- Establishing and maintaining controls, audit processes and risk management policies to ensure they counter identified risks and that the Company operates efficiently
- Ensuring effective corporate governance
- Approving budgets and reviewing performance relative to those budgets
- Approving financial statements
- Approving material agreements and non-recurring projects
- Approving senior and Board appointments

Each member of the Board has clearly defined roles and responsibilities.

The Chair is responsible for the leadership of the Board, ensuring its effectiveness and high standards of corporate governance, approving and monitoring strategic direction, and allowing stakeholder views to be incorporated as part of the Board's decision making. The Chair's role is also to build collaborative relationships, and promote debate and openness so as to ensure the effective contribution by all Directors and Non-Executive Directors.

The Chief Executive Officer ("CEO") is responsible for the day-to-day operation and running of the business of the Group, supported by the management team. The CEO also leads the development and implementation of the approved strategy and business plan, ensuring decisions of the Board are implemented, maintain effective working relationships with the Chair and NEDs, whilst providing leadership in the Company's commitment to its purpose, high business standards, culture and core values, and communication with key stakeholders.

The Non-Executive Director role is to bring external perspective, constructive challenge, independent judgement and objectivity to the Board's decision making and discussion. They act as a sounding board for the Chairman and a source of reciprocal feedback for other members of the Board and

shareholders. The Non-Executive Directors bring a range of skills, expertise and knowledge to the Board, and constructively challenge the Executive management of the Company. The Non-Executive Directors are responsible for a range of activities, including monitoring the performance of the executive management, determining appropriate levels of remuneration, ensuring financial controls and risk management systems are robust, as well as challenging and supporting Executive Management in the development of the strategy and objectives of the Company.

An Executive Director is an employee of the Group who sits on the board of directors but also performs management duties within the business of the company. They oversee and manage day to day activities within their own area of the business, whilst supporting the CEO, and are tasked with the objective of implementing the strategy, whilst upholding the Company's values and culture. The Executive Directors performance is reviewed and scrutinized by the Non-Executive Directors.

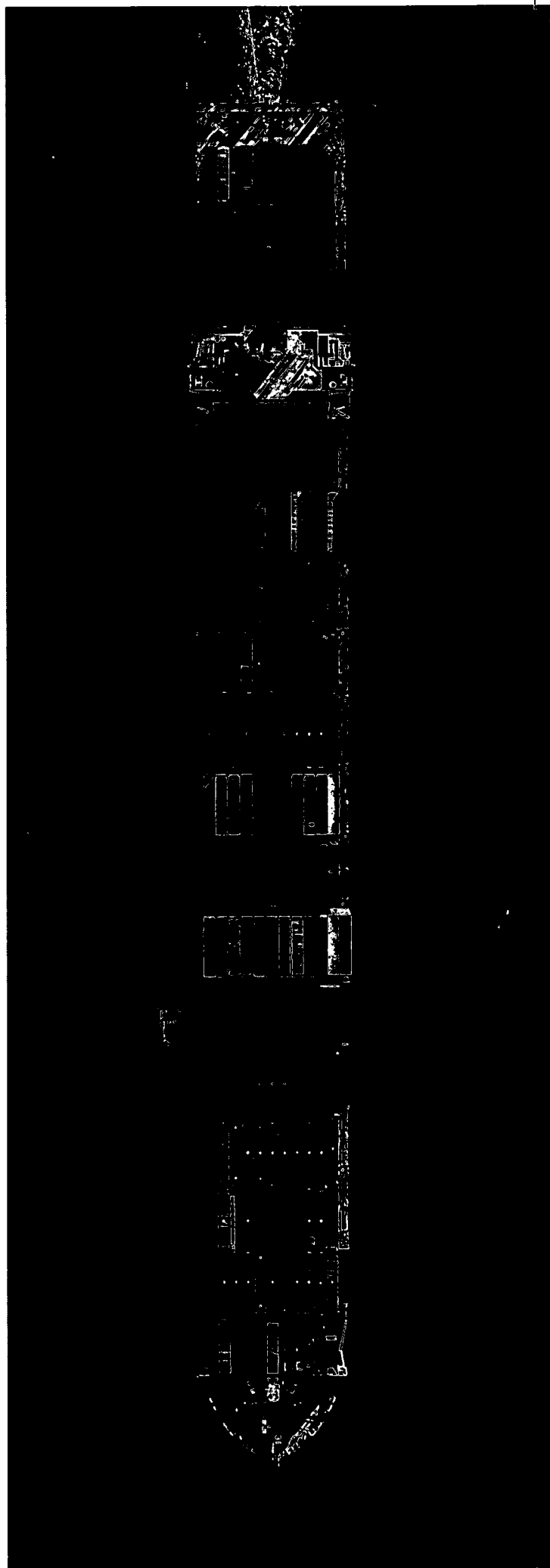
The Board is supported by an Audit Committee, Remuneration Committee and Nomination Committee. Further details of the responsibilities of each of these are outlined in their respective reports.

Principle 10.

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

The Company is committed to open communications with all its shareholders. Communication will be primarily through the Company's website, the annual report and accounts, Regulatory announcements, the AGM and one-to-one meetings with large existing or potential new shareholders. All shareholders will receive a copy of the annual report and an interim report at the half year is available on the Company's website.

Detail of the corporate governance frameworks provided by the Audit Committee, Remuneration Committee and Nomination Committee can be found in their respective reports and their terms of reference are available on the company website.



Report of the Nomination Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 31 December 2021.

The focus of the Nomination Committee through 2021 has been ensuring the Supply@ME board is a competent focused team to lead our innovative business. Through early 2021 this entailed ensuring there was the right balance of skills in the board and senior leadership team. The result of which was hiring our CFO, Amy Benning who joined in June 2021 followed by David Bull who joined the board as a Non-Executive Director in July 2021. Both significantly strengthen the team's financial expertise. Following the acquisition of TradeFlow in July 2021 John Collis and Tom James were also invited to add their expertise to the board as Executive Directors.

In July 2021 Dominic White stepped down from his role as Chair of the board. The Nomination Committee appointed Susanne Chishti as interim chair whilst a rigorous hiring process was undertaken to find a suitable Chair for the company's next stage of growth. This hiring was completed, and Jim Coyle joined the team in October 2021. At his appointment he undertook the role of Chair of the Nomination Committee in addition to the role of Chair of the Board, as well as membership of the Remuneration and Audit Committees. Supply@ME is an innovative business operating a new business model, which requires constant assessment of current and future competence of the team. The nomination committee has played a key role in this and identifying the future requirements of the business and will continue to assess and strengthen the board and senior leadership team in 2022.

There have been a number of changes to the committee membership since year end 2021. On 4th March 2022 Jim Coyle decided to step down from the board due to personal reasons to allow him to better balance his time obligations across his extensive portfolio of non-executive roles. David Bull was appointed to the Nomination Committee on 23rd March. Members of the committee have rotated the chair responsibility since Jim's resignation. On 14th April Susanne Chishti stepped down from the board. At date of publication the Nomination Committee consists of Enrico Camerinelli and David Bull. Recruitment for a new Chair and Non-Executive Director is underway and the board will announce these appointments as soon as practicable.

Enrico Camerinelli

Independent Non-Executive Director

2021 Committee Members and Attendance

Director	Scheduled meetings attended	Appointed to committee (if during 2021 or 2022)	Resigned (if applicable)
Susanne Chishti	3/5	N/A	14 April 2022
Enrico Camerinelli	4/5	N/A	N/A
Jim Coyle	1/1	28 October 2021	4 March 2022
David Bull	0/0	23 March 2022	N/A

Susanne Chishti and Enrico Camerinelli were members of the Nomination Committee as at 31 December 2021 (full biographical details can be found on pages 51 and 52), with Susanne acting as Chair of the committee until Jim Coyle joined the board on 28 October 2021. The Committee must have at least two members, with a majority being independent Non-Executive Directors. There must be a majority of independent Non-Executive Directors appointed to the Committee. After each meeting the Chair of the Committee reports to the Board on the Committee's proceedings in respect of all matters within its duties and responsibilities.

Meetings are held at least twice a year at appropriate times and otherwise as required. The Committee met 5 times during 2021 with meetings being held by video conference. In addition to the Committee members other regular attendees included the CEO, CFO, CPO, Group Head of Enterprise Risk and the Company Secretary.

Following its annual review of Board and Committee composition, the independence of Non-Executive Directors and their time commitment, the Committee decided to continue to build the strength of the team by hiring further Non-Executive Directors with competence in the Regulatory environment and technology. Additionally, Since YE 2021 David Bull has been invited to join the Nomination Committee.

Roles and Responsibilities

The role of the Nomination Committee is set out in its terms of reference, which were updated in November 2021 and April 2022 and are available on the Company's website. The Nomination Committee is responsible for the following key activities:

- Identify and evaluate suitable candidates to fill Board vacancies when they arise and nominate candidates for the approval of the Board. In identifying suitable candidates, the Committee shall:
- Evaluate the balance of skills, knowledge, independence, experience and diversity on the Board and prepare a description of the role and capabilities required for a particular appointment in light of this evaluation;
- Use open advertising or an external search consultant for the appointment of the Chair and Non-Executive Directors of the Board;
- Consider candidates based on merit and against objective criteria, and within this context, promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- Before the appointment of a Director (including the chair of the Board), require the proposed appointee to disclose any other significant commitments, including the time involved;

- For the appointment of a Chair of the Board, prepare a job specification, including the time commitment expected. The proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise;
- Keep under review the number of external appointments held by each Director. A Director of the Company should not undertake any additional external appointments or other significant appointments without the prior approval of the Board;
- Perform a formal and rigorous annual review of the structure, size and composition of the Board, its Committees, its Chair and individual Directors (including the skills, independence, knowledge, experience, and diversity required to discharge duties) and recommend any changes, to ensure that an effective succession plan is in place;
- Undertake, with the support of the Chief Executive Officer, a talent management and succession planning review of the leadership of the Company at least once each financial year;
- Keep under review the Company's leadership needs, both Executive and Non-Executive, to ensure its continued ability to compete in the market place;
- Review annually the time required from the Non-Executive Directors and assess through performance evaluation whether they are spending sufficient time to fulfil their duties;
- Arrange for a Non-Executive Director, on appointment, to receive a formal letter of appointment to the Board, setting out what is expected in terms of time commitment, committee service and any involvement outside Board meetings;
- Set policy for the granting of service agreements and their termination;
- Ensure that all Directors undergo an appropriate induction programme to ensure they are fully informed about their duties and responsibilities as a director, and to consider any training requirements for the Board as a whole. Individual training will be discussed and facilitated by the Company Secretary;
- Before the appointment of a Director (including the Chair of the Board), require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;
- Review, on an annual basis, declarations by Directors of situational and transactional conflicts / potential conflicts of interest, ensuring that the influence of third parties does not compromise independent judgement;
- Ensure that the Committee's terms of reference are made available to shareholders on the Company's website and, if requested, in hard copy.

Committee Activity during 2021

The Nomination Committee meetings have focused on a number of matters, including those set out below:

- Review of Committee membership of Board and Committees / Board Succession Plan
- Review of time commitment from Non-Executive Directors
- Completion of internal board evaluation process
- Assessment and appointment of new company secretaries
- Recruitment for and appointment of a new Board Chair
- Review and assessment of board composition, balance and competence
- Review and assessment of board and committee memberships
- Reviews of directors situational and transactional potential conflicts
- Review of independence of Directors
- Review and updating terms of reference
- Succession planning for board and senior leadership team

Board Changes and Succession Planning

There have been a number of changes to the board in 2021 with the aim of strengthening the skills set leading the development and governance of Supply@ME. Nurole an external board level recruitment platform has been a great source of candidate for the Supply@ME board through 2021 and into 2022, in addition to direct sourcing by the team. The hiring of new Non-Executive Directors and Chair is currently underway.

Succession planning for both the board and senior leadership team has been a topic discussed at the nomination committee and thought and consideration has been given to the impact of the current team, mitigating any risk of exits and developing long terms strategies around attraction and retention of talent throughout the organisation. The nomination committee has worked closely with the remuneration committee to mitigate these risks through development of a long-term incentive plan which will be put to shareholders at the AGM aligning the team and shareholders interests.

Diversity on the board and leadership team is viewed as essential for the future success of the organisation. One measure of diversity is gender balance, the Supply@ME Group leadership team immediately below board level 60% female. The organisation is focused on hiring leaders and employees from diverse backgrounds and the team reflects this effort.

At the AGM Supply@ME will request the reappointment of Alessandro Zamboni, Tom James, John Collis and David Bull by shareholders.

Board and Committee Evaluation

A thorough board and committee performance evaluation was conducted in December 2021. This assessment included the below areas:

- Processes that underpin board effectiveness
- Board and Committee constitution and commitment
- Board dynamics
- Culture, stakeholder oversight and strategy.

In light of this evaluation and also the future requirement of the strategic plan hiring of new Non-Executive Directors commenced in early 2022. The focus of this hiring is to build further capabilities around the global regulatory environment and technology to complement the current boards skills set.

Focus for 2022

The Nomination Committee will continue to focus on future proofing board and team capabilities as the business develops, initially this will be to Chair and Non-Executive director hiring focused on deep competencies aligned to the future strategic plan and building the long term bench of talent across the organisation. Whilst completing this work there will be a continued focus on diversity and ensuring Supply@ME is positioned well to attract and retain the best talent.

Enrico Camerinelli

Independent Non-Executive Director

30 May 2022

Report of the Audit Committee

Chair Introduction

Dear Shareholders,

On behalf of the Board, I am pleased to present the Audit Committee Report for the year ended 31 December 2021, my first as Chair of the Audit Committee for the Group following my appointment in July 2021. I would like to thank Jim Coyle, Dominic White and Susanne Chishti for the work on the Committee during their time as Directors.

This year had been a challenging one for the Group but has also been one where the Group has invested both time and effort into strengthening its internal finance team and control environment. The first half of the year was focused on ensuring the Company was able to file both its 2019 statutory audited accounts and its 2020 annual report and accounts following the Reverse Takeover, change of accounting reference to 31 December and re-instatement of trading after the temporary suspension that followed due to the technical breach in terms of timing of issue of the 2019 statutory audited accounts.

The second half of the year has seen a focus on beginning to build a strong base from which the Group can continue to strengthen its internal finance team and control environment, along with the release of the Group's 2021 interim results. The Group welcomed a new Chief Financial Officer to the team in June 2021, followed by a Financial Controller in December 2021. Together with myself, our new internal finance team members have brought a wealth of financial experience to help the Group to move into its next phase of developments. The second half of the year has also been exciting in terms of the new addition of the TradeFlow business to our Group, and the Directors and leadership team have invested significant time and effort working to bring the two businesses together. For the Audit Committee and the new finance team this has been initially focused on understanding both the control environment and financial information of the TradeFlow business, as well as ensuring the acquisition has been accounting for compliance with IFRS 3 ("Business Combinations").

As the Group has faced more delays in fully operationalising the inventory monetisation operations, this has seen the Board need to look for available methods of funding to support the business in this early stage of its development. This has not been easy to achieve in light of the current financial markets and the Board is continuing to look for alternative solutions. The accounting for these funding arrangements and the assessment of going concern has also been a key focus of the Audit Committee in relation to the preparation of the consolidated and Company financial statements for the year ending 31 December 2021 as well as the interim financial statements.

In summary, the Audit Committee has focused its efforts on reviewing and challenging the assumptions and judgments applied in the preparation of both the interim and year-end financial statements, providing oversight as the management team focus on strengthening the control environment, ensuring compliance with relevant legislation, and overseeing the external audit processes including overseeing the use of external advisors where required. Throughout the year the Audit Committee has been focused on ensuring the financial reporting by the Company is both transparent and prepared with integrity. The Audit Committee's membership itself has changed over the year and the Audit Committee and Board will continue their focus on ensuring the Audit Committee will have the right mix of relevant financial and FinTech experience to support the Groups anticipated future growth.

David Bull

Chair, Audit Committee

Committee Members and Attendance

The table below sets out the members of the Audit Committee during the year (full biographical details can be found on page 51). The current Committee members are all Independent Non-Executive Directors.

Director	Scheduled Meetings attended	Appointed to committee	Resigned
David Bull – Chair	5/5	22 July 2021	N/a
Enrico Camerinelli	0/0	23 March 2022	N/a
Susanne Chishti	6/6	23 March 2020	14 April 2022
Jim Coyle	1/1	28 October 2021	4 March 2022
Dominic White – Former Chair	1/1	23 March 2020	22 July 2021

Role of the Committee

The role of the Audit Committee (the “Committee”) is set out in its terms of reference, which were reviewed and approved towards the end of 2021. These are available on the Company’s website. The Committee’s primary purpose is to assume the delegated authority from the Board for the responsibility of overseeing financial reporting, the review and assessment of internal control and risk management, compliance, and maintaining an appropriate relationship with the External Auditor. In order to fulfil these responsibilities, the terms of reference provided a framework for the Committee’s duties include the following:

- Overseeing the relationship with the Company’s external auditor, monitoring its effectiveness and independence and making recommendations to the Board in respect of its remuneration, appointment and removal. The Committee also meets regularly with the external auditor and reviews the findings from the external auditor, including discussion of significant accounting and audit judgements, levels of errors identified and overall effectiveness of the audit process.
- Review and report to the Board on the financial statements of the Company and the Group, including its annual and interim reports and, if applicable, any other formal announcements relating to its financial performance. The Committee will also consider and report to the Board on significant financial reporting issues, accounting policies and key areas of judgement or estimation. This review also includes consideration of the clarity and completeness of disclosures on the information presented in the financial statements.
- Overseeing the accounting principles, policies and practices adopted by the Company.
- Monitoring the need for an internal audit function in the context of the Group’s overall risk management system.
- Reviewing the effectiveness of the Company’s system of internal financial controls and internal control systems.
- Advising the Board on the Company’s risk strategy, risk policies and current and emerging risk exposures, including the oversight of the overall risk management framework and systems.
- Assessing the adequacy and security of the Company’s arrangements for its employees and contractors to raise concerns, in confidence, about possible wrong doing in financial reporting or other matters and to ensure proportionate and independent investigation of such matters.
- Making recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is required.

Meetings

The Audit Committee has met on six occasions during the year and three occasions since the year-end. Due to continuing COVID-19 restrictions during the year, and the physical location of certain members of the Committee, meetings were held by video-conference; however, its scheduled programme of activity was not adversely impacted by meeting remotely and the Committee was able to operate in accordance with its terms of reference.

The Committee operates to an agenda linked to the financial calendar which ensures that the responsibilities and duties of the Committee are discharged in accordance with the Terms of Reference and the requirements of the QCA Corporate Governance Code.

In addition to the Committee members, by invitation, the meetings of the Committee may be attended by the Chief Executive Officer, the Chief Financial Officer (CFO) and other members of the leadership team as appropriate. The Company's external auditor and accounting advisors are invited to attend relevant Committee meetings, to ensure full communication of matters as they relate to their respective responsibilities. Committee members have the opportunity to meet with the external auditor for a private discussion, without management being present, regarding the audit process and relationship with management.

The Chair of the Committee holds regular meetings with the external auditor and also with the CFO.

Meetings of the Committee are scheduled close to the end of the interim period and full year, as well as before the publication of the associated half-year and full-year financial reports, so as to ensure the Committee is informed fully, on a timely basis, on areas of significant risks and judgement. The Board has confirmed that it is satisfied that Committee members possess an appropriate level of independence and depth of financial and FinTech expertise.

For the year ended 31 December 2021, David Bull, the Chair of the Committee, was determined by the Board as having recent and relevant financial experience. Full biographies of the members of the Audit Committee during the year can be found in the Corporate Governance Report on page 51 and 52.

The Committee is satisfied that it receives sufficient information and has access to relevant

and timely management personnel to allow the Committee members to engage in an informed debate during Committee meetings and to fulfil its responsibilities.

Principal activities in 2021

During 2021 the Committee meetings have focused on the principal matters set out below:

- Reviewed the 2019 statutory audited accounts and 2020 annual report and accounts.
- Worked to support the re-instatement following the temporary suspension that followed due to the technical breach in terms of timing of issue of the 2019 statutory audited accounts.
- Reviewed the 2021 interim financial results and trading updates used during the year.
- Monitored the Company's risk management framework and updating of the risk register.
- Reviewed key findings from 2020 year end audits and approval of the 2021 internal audit plan.
- Considered key accounting matters and new accounting standards.
- Reviewed output of work produced by third party accounting advisors to support the key accounting matters.
- Assessment of going concern at regular intervals during the year and at least at those times as required for formal sign of going concern assessment in annual report and accounts and interim report.
- Reviewed the Committee terms of reference.
- Considered the need of an internal audit function.

During the year we received an enquiry from the Corporate Reporting Review Team of the Financial Reporting Council ("FRC") in relation to their review of the FY20 annual financial statements. The matters raised by the FRC included:

- The appropriateness of claims that the Group's inventory monetarisation solution could be accounted for as a debt free solution for a prospective client under IFRS. The FRC expressed reservations that this could be achieved based on the information presented to them, including the accounting advice previously commissioned by one of the top accounting firms by the Group, but did not pursue this matter further given the Group is yet to facilitate the first inventory monetarisation transaction.

- The appropriateness of recognising revenue at the time that due diligence services have been completed. Additional disclosures regarding the judgements made in determining this revenue recognition policy have been included in the financial statements, along with additional disclosures regarding related party transactions.
- That under section 656 of the Companies Act 2006 the Company had experienced a serious loss of capital. After researching the history of this issue, the Directors held a general meeting dedicated to this topic on 30 December 2021, as required by the Companies Act 2006.
- The justification for recognition of the deferred tax asset and questions about related disclosures. The information requested was provided and additional disclosures around this matter have been included in the financial statements.

The FRC review was based on the annual report and consolidated financial statements of the Group for the year ended 31 December 2020 and does not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. The FRC review provides no assurance that the annual report and consolidated financial statements are correct in all material respects. The FRC letters are written on the basis that the FRC accept no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.

Significant issues considered in relation to the financial statements

As part of its monitoring of the integrity of the financial statements, the Committee reviews whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements and seeks support from the external auditor to assess them. The Committee considered the following significant judgements and other areas of audit focus in respect of the financial statements for the year ended 31 December 2021. These areas have been identified as being significant by virtue of their materiality or being accounting items which are new for the current financial year or the level of judgement and/or estimation involved.

In order to ensure the approaches taken were appropriate, the Committee considered reports

from both management and the external auditor. The Committee challenged judgements and sought clarification where necessary. The Committee received a report from the management and the external auditor on the work it had performed to arrive at its conclusions and discussed in detail all material findings contained within the report.

Alternative performance measures ('APMs') and presentations not specifically defined by IFRS:

Reporting issue:

For the first time, the Group has chosen to use an APM which is not specifically defined by IFRS, being Operating loss before deemed cost of listing and acquisition related costs, to illustrate the impact on earnings before the deemed costs of listing, incurred as part of the Reverse Takeover and the prior year, and costs incurred in connection with the acquisition of TradeFlow. This APM is used in order to present clearly the underlying costs and results of the Group.

Review of the Committee:

The Committee reviewed the use of these and calculation of this APM and agreed with management that this measure has been appropriately calculated and disclosed as a non-GAAP measure in the financial statements. The committee is satisfied that the non-GAAP measure is not given undue prominence and that the reconciliations provided are presented in a clear manner.

Going concern

Reporting issue:

The Directors must satisfy themselves regarding the Group's ability to operate as a going concern and confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the foreseeable future.

Review of the Committee:

The Committee reviewed management's budget and forecasts, including an overview of the assumptions made in the preparation of the base case supporting the going concern statement. This included the Group's 2022 budget and also plans covering 2023-2025. The Committee discussed and challenged the budget and forecasts before agreeing with the reasonableness of the four-year period. The Committee assessed this in light of the principal

risks and uncertainties, set out in this annual report.

Given the delays experienced by the business during 2021, the Committee discussed and vigorously challenged the downside scenarios modelled as part of the going concern statement. The downside scenarios reduced the Group's revenue generation but also looked at cost saving measures that would be implemented in such instances. These downside scenarios also looked at additional funding that is either available to the Group at the date of signing the accounts, or which the Directors have determined is reasonable to increase. In conclusion, the Committee have recommended to the Board that the going concern statement include material uncertainty primarily in regards to the timing of the initial and ongoing inventory monetisation revenue streams.

Revenue recognition and related party disclosures

Reporting issue:

To date the revenue generated from the inventory monetisation operating segment relates to due diligence fees. The contracting arrangements for these fees have changed over time and a large portion of these fees received to date relates to a contract with a related party. In recognising the revenue from due diligence fees management needed to consider the different performance obligations from historical contracting agreements, current contracting agreements, and contracting agreements with the related party.

Review of the Committee:

In connection with the review of the interim and annual financial statements, the Committee received reports from management that outlined the judgements made about the performance obligations under each of the contracting agreements. These reports were carefully reviewed, challenged, and discussed in conjunction with input from the external auditor. One key judgment that has been concluded by management and the Committee was that the due diligence services performed represent a distinct beneficial service.

Additionally, the Committee received analysis from management of the revenue recognised in respect of contracting agreements with the related party. The Committee reviewed this in detail, along with the proposed disclosures in the financial statements and is satisfied that the disclosure has been improved since the prior year and now provides an appropriate level of

transparency regarding this, and other related party, transactions.

Capitalisation of costs directly attributable to the internally generated Inventory Monetisation ("IM") Platform

Reporting issue:

The Group continues to invest in the development of its IM Platform. During the period management was required to exercise judgement to distinguish those costs that were capable of being capitalised under IAS 38 ("Intangible assets") and that costs that related to research and development activities, have been recognised as an expense during the relevant period.

Review of the Committee:

The Committee reviewed reports from management that detailed the judgements applied in determining which costs would meet the criteria for capitalisation. This was assessed in conjunction with feedback provided from the external auditor. The Committee noted that to date only external costs have been capitalised and concurred with managements approach to the amounts to be capitalised.

Business combinations – Acquisition of TradeFlow Capital Management Pte. Limited ("TradeFlow")

Reporting issue:

The acquisition of TradeFlow on the 1 July 2021 included a number of complex accounting judgements and estimates for which management obtained assistance from external accounting advisors. These key areas of complexity and judgements are set out below:

1. Determination of consideration price and the accounting of acquisition related earnout payments under IFRS 3 ("Business Combinations");
2. Determination of the fair value of the acquisition related earn-out payments;
3. Identification of identifiable intangible assets acquired;
4. Determination of the fair value of the identifiable intangible assets and the resulting Goodwill
5. Assessment of the useful economic lives of

- the acquired intangible assets; and
6. Existence of control over TradeFlow.

Review of the Committee:

Prior to the year-end the Committee received a comprehensive report from management detailing each of the areas above along with a proposed workplan for resolving these. This report was considered in depth alongside input from the external auditors. Following this, both the Chair and the Committee received regular updates from the CFO as to the progress of each of these issues and were provided reports and detailed papers setting out the various judgements reached. Specifically;

- In relation to point 1 above, the determination of the consideration price, and the accounting treatment of the acquisition earn-out payments, required careful analysis and interpretation of the acquisition related agreements in order to conclude on the appropriate accounting treatment under IFRS 3 ("Business Combinations"). Management engaged third party accounting advisors to assist in this area. The results of the detailed analysis were shared with the Committee, and this was discussed and challenged both at the Board of Directors and the Committee. The Committee actively sought input from the external auditor on this topic and have concurred with management's judgement that due to inclusion of the substantive post-acquisition service conditions requires these earn-out payments be accounted for as a charge to the income statement (as deemed remuneration) rather than as consideration.
- In relation to point 2 above, management engaged a third-party remuneration consultant to assist with calculating the fair value of the acquisition related earn-out payments. The Committee received the detailed analysis produced which set out the valuation method used, the key inputs and the results of the exercise. Following this review and challenge, the Committee agreed with management's estimation of the amount to be recognised in the respect of these acquisition related earn-out payments.
- Due to the complex nature of points 3-5 above, management engaged a third-party accounting advisor with expertise in this area to assist with the identification of the acquired intangible assets, to produce a valuation in respect of each of these assets and to carry out an exercise to determine an appropriate useful economic life. The work was carried out in conjunction with the remaining TradeFlow directors in order

to leverage their in-depth knowledge of the business and the future forecasts on which the TradeFlow business valuation was based. The Committee received the detailed analysis produced which set out the assets identified, along with the fair value and useful economic life assigned to each. Following this review and challenge, the Committee agreed with management's assessment as to the intangible assets identified as well as the fair value of these and the useful economic life assigned.

- In relation to point 6, the Committee reviewed analysis and agreed with management's assessment that control existed.

Accounting for complex funding facilities

Reporting issue:

During the year the Company entered into both loan note and convertible loan note funding facilities in order to support the Group through its early-stage development. There were a number of complexities contained within the agreements which management were required to carefully analyse to ensure the carrying value of the funding facilities, and the finance costs associated with these, were correctly reflected in the balance sheet and income statement respectively. In addition, the loan notes and certain of the convertible loan notes agreements also required the issue of warrants as an associated cost. Management was required to assign a fair value of these warrants in line with IFRS 2 ("Share-based Payments") and ensure the cost of these was appropriately recognised in the financial statements for the year ended 31 December 2021.

Review of the Committee:

Prior to the year end the Committee received a comprehensive report from management detailing the work that had been undertaken to date. This report was considered in depth alongside input from the external auditors. Following this, both the Chair and the Committee received regular updates from the CFO as to the progress being made. In addition, management engaged a third-party accounting advisor to carry out the fair value exercise of the outstanding share warrants. This detailed analysis was also shared with the Committee.

The Committee are satisfied that these complex funding arrangements have been appropriately accounting for disclosed in the financial statements.

Impairment reviews

Reporting issue:

The Group is required to annually assess any investment and intangible assets, including goodwill, for impairment. The following impairment reviews took place at the Group level:

- Internally generated IM platform; and
- Intangible assets in relation to the acquisition of TradeFlow during 2021.

The Group has recognised an intangible asset in respect of its internally generated IM Platform. Given the delays the Group has faced in achieving the first IM transaction, management's assessment was that there were certain indicators of impairment as at 31 December 2021. Following an impairment review for this specific intangible asset, there remained sufficient headroom against the value of the carrying value of the asset as at 31 December 2021.

Additionally, the Group has also recognised intangible assets, including goodwill, in respect of the TradeFlow acquisition that took place during the year. Given the underperformance of TradeFlow compared to its forecasts for the year ended 31 December 2021 (included in the independent valuation report prepared for the purposes of the acquisition), management's assessment was that there were certain indicators of impairment as at the year-end date. Following an impairment review of the TradeFlow CGU, the recoverable amount was determined to be lower than the net invested capital value held on the balance sheet at 31 December 2021, and as such an impairment charge of £0.8m has been recognised in the current financial year.

The Parent Company is required to annually assess for impairment the investments that it currently holds at carrying value in respect of:

- the previous reverse acquisition of Supply@ME S.r.l in March 2020; and
- the acquisition of TradeFlow during 2021.

Following an impairment review in respect of the investment in Supply@ME S.r.l, the same approach was followed as noted above for the impairment review of the internally generated IM platform asset. As such the full carrying amount of the investment of £0.6m, and the amount due to the Company of £1.3m from, Supply@ME S.r.l were fully impaired as at 31 December 2021. The impairment review in respect of the TradeFlow investment, also demonstrated that the carrying value of this investment was appropriate.

Review of the Committee

The Committee reviewed papers from management which set out the key assumptions underpinning the impairment assessments and the level of headroom and sensitivity to those assumptions, the financial projections of which were based on the medium term plan. The Group's external auditors provided their view of the assessment to the Committee, including their challenge of the discount rates and management's medium-term plan assumptions.

After due consideration and discussion, the Committee concluded that:

- they were comfortable that the material uncertainties noted in the Group's going concern statement (refer to note 2 in the consolidated financial statements) also applied to both the impairment review of the internally generated IM platform asset, recognised in the Group consolidated account, and the impairment review of the investment in Supply@ME S.r.l, recognised in the Parent Company accounts. As such, the full amount of both the internally generated IM platform asset, the investment in Supply@ME S.r.l and the amounts due from Supply@ME S.r.l were fully impaired;
- they were comfortable that the carrying value of the TradeFlow investment in the Parent Company financial statements was supported by the impairment test carried out and that no impairment charges were necessary in relation to this item; and
- following the use of its prudent assumptions relating to reductions in future forecast TradeFlow revenue by 20% across all future years, and the application of a 25.00% weighted average cost of capital, the resulted in an impairment to the TradeFlow goodwill of £0.8m as at 31 December 2021, which has been recorded in the consolidated financial statements. These assumptions were agreed through discussions with the external auditors.

Fair, Balanced and Understandable

The Committee supports the Board in ensuring that the Annual Report is fair, balanced and understandable and as such has given due consideration as to whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy and can confirm that this is the case.

Risk Management and Internal Controls

The Board has overall responsibility for determining the nature and extent of its principal and emerging risks and the extent of the Group's risk appetite, and to ensure any identified weaknesses are appropriately dealt. Further details the principal risks and uncertainties facing the Group are addressed pages 46 to 48. The Board has delegated to the Committee the responsibility for monitoring the effectiveness of the systems of risk management. The Committee is pleased with the improvements made to the Group's internal financial controls over the year, however this will remain a key area of continued focus for the Committee to ensure controls are developed and improved to reflect the Group's developing operations.

Internal Audit

The Committee has considered if the Group's internal controls processes would be significantly enhanced by an internal audit function and has taken the view that, given the size of the Group's current operations, the internal controls in place and significant executive involvement in the Group's day to-day business, an internal audit function is not required at this stage. However, the Committee will keep this under review especially as the Group's operations grow and develop.

External Audit

The Committee reviews the independence and objectivity of the external auditor prior to the proposal of a resolution to shareholders at the Annual General Meeting concerning the appointment and remuneration of the auditor. This process includes the review of audit fee proposals, investigation and approval for non-audit services' fees, tenure and audit partner rotation (based on best practice and professional standards within the United Kingdom). The Group's auditor, Crowe UK LLP ('Crowe'), similarly considers whether there are any relationships between itself and the Group that could have a bearing upon Crowe's independence and has confirmed its independence to us.

Each year the Committee obtains written confirmation of auditor's independence. Crowe have been the Group's auditors since the Group listed on the London Stock Exchange in March 2020, and the current external audit partner is Leo Malkin who was also appointed at this time. Having reviewed the auditor's independence and performance, the Committee has concluded

that these are effective and recommends that Crowe be reappointed at the next AGM.

The Committee also has responsibility for approving the nature of non-audit services which the external auditor may or may not be allowed to provide to the Company and the fees paid for these services. Currently all non-audit services would need to be approved by the Audit Committee if they were to be undertaken by the external auditor. Crowe have not carried out any non-audit services for the Group since their appointment as external auditor.

The auditor prepares an annual planning report for consideration by the committee, which details areas of audit focus and anticipated key audit risks, together with the anticipated level of materiality. This is reviewed and approved by the committee. Following the audit, the auditor presented its findings to the committee. No significant areas of concern were raised by the external auditor.

Board and Committee Evaluation

A thorough board and committee performance evaluation was conducted in December 2021. This assessment included the below areas:

- Processes that underpin board effectiveness
- Board and Committee Constitution and Commitment
- Board dynamics
- Culture, Stakeholder oversight and Strategy

In light of this evaluation and also the future requirement of the strategic plan hiring of new Non-Executive Directors commenced in early 2022. The focus of this hiring is to build further capabilities around the global regulatory environment and technology to compliment the current boards skills set.

David Bull

Chair, Audit Committee

30 May 2022

Directors' Remuneration Report

Annual statement from the remuneration committee

I am pleased to present, on behalf of the Board, our Directors' Remuneration Report for the year ending 31 December 2021.

In line with the UK reporting regulations, this Directors' Remuneration Report is split into three sections:

- this Annual Statement which summarises the work of the Committee and our approach to remuneration;
- the proposed Directors' Remuneration Policy, which provides details of our approach to remuneration and the parameters within which we will implement our pay arrangements going forward, and how this links to our strategy; and
- the Annual Report on Remuneration, which sets out the remuneration arrangements and incentive outcomes for the year under review and how the Committee intends to implement the new Remuneration Policy in FY 2022.

There will be two remuneration-related resolutions at the 2021 Annual General Meeting: (i) a binding vote on the proposed Directors' Remuneration Policy; and (ii) an advisory vote on, together, the Annual Statement and Annual Report on Remuneration.

Renewal of Directors' Remuneration Policy

At the 2021 Annual General Meeting we are asking shareholders to renew our Director's Remuneration Policy ("Policy").

The Committee recently carried out a benchmarking exercise, considering the pay of the Executive Directors, Chair and Non-Executive Directors. The results of that exercise indicated the Directors (particularly the CEO, and the Non-Executive Directors) are currently paid below market levels, taking into account the size and nature of the business. The Group is making good progress regarding the launch of our services and anticipates strong growth in revenues and profits. However, the Committee has decided that, whilst the Group is still working towards achieving profitability, it is not currently appropriate to increase salary and fee levels; this will be kept under review and re-considered once the economics of the business justify it.

Consistent with general market practice, the Committee has decided that it would be appropriate to gradually introduce an annual bonus and long-term incentive arrangement for our senior executives. We have decided to introduce these new arrangements as part of the renewal of the Director's Remuneration Policy and will gradually allow Executive Directors to participate in them, during the 3-year term of the new Policy.

The new Policy permits the operation of a bonus plan with Executive Directors eligible to receive a bonus of up to 100% of base salary. This will not be operated for FY 2022 but may be introduced later during the life of the Policy.

We also intend to launch a long-term incentive plan (LTIP) on the following basis:

- Awards granted in the form of 'free shares' subject to conditional employment and satisfaction of pre-vest performance conditions over a 3-year period
- Awards (including any resulting shares) to Executive Directors will also be subject to a 2 year post-vesting holding period net of any shares sold to cover taxes.
- Subject to an individual limit of 100% of base salary in normal circumstances although this may be increased to 200% where the Committee considers this to be appropriate
- The 2022 grant will be 100% of salary for the CEO with smaller grants over shares worth

£30,000 each to the two other Executive Directors given their earn-out arrangements

- Awards to Executive Directors will be subject to stretching performance conditions
- The first grants will be made during FY 2022 and the initial performance conditions will be absolute TSR over 3 financial years, requiring (assuming no dividends), the average closing share price over the period 1 October 2024 to 31 December 2024 to be 0.6945p for 25% of the award to vest increasing, on a straight-line basis, to 1p for 100% to vest. In addition, the Committee will have broad discretion to reduce vesting if it considers the level of vesting to be inappropriate having regard to affordability, risk management and other factors. For subsequent grants, it is envisaged that a broader range of measures including financial performance will be added
- Awards to below Board staff and/or to 'control function' personnel may be granted without performance conditions
- As part of the introduction of the LTIP, Executive Directors will become subject to share ownership guidelines requiring them to build up a holding of shares worth at least 200% of base salary (and to normally continue to hold such shares for 2 years' post-cessation).

Remuneration in FY2021

The Company continues to build its operations and 2021 was a year of transition including the successful purchase of TradeFlow. As these developments have not yet led to profitability, no bonuses or LTIP awards were made in respect of 2021.

Implementation of the Directors' Remuneration Policy in FY2022

As explained above, salary and fee levels of Directors are appreciably below market. While the Company has decided to defer a broader review of pay, noting that the CEO's salary was lower than the other two Executive Directors, it was increased to £207,000 being the same level (depending upon exchange rates) and will then consider the position more generally as and when it is considered affordable. Each of these salaries will be kept under review.

Recognising best practice guidelines, the CEO's pension contribution rate has been reduced from 15% to 6% to be aligned with that available to the wider workforce.

Although we are introducing an annual bonus plan as part of the new Policy, Executive Directors will not be invited to participate in the plan for FY 2022. We will review participation of Executive Directors for FY 2023, taking into consideration progress of the business during FY 2022.

Executive Directors will be invited to participate in the FY 2022 LTIP, as explained further in the Annual Report on Remuneration.

Conclusion

We remain committed to a responsible approach to executive pay, as I trust this Directors' Remuneration Report demonstrates. The Committee recognises the importance of developing a close relationship with shareholders in facilitating the work of the Committee in developing our pay arrangements. I am happy to meet or speak with shareholders if there are any questions or feedback on our approach to executive remuneration and if you have any comments or feedback on this report, then please let me know through the Company Secretary.

I look forward to receiving your support at the 2021 AGM.

On behalf of the Remuneration Committee.

Enrico Camerinelli

Independent Non-Executive Director

30 May 2022

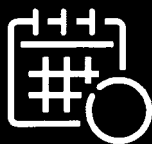
Directors' Remuneration Report - At A Glance

Our pay principles

Promotion of the long-term success of the Group

The principal aim of the Directors' Remuneration Policy is the ability to offer competitive remuneration packages which are designed to attract, retain and provide appropriate incentives to Executive Directors and Leadership Team with the experience and necessary skills to operate and develop the Group's business to its maximum potential, thereby delivering the highest level of return for our shareholders.

Implementation of our Policy in FY 2022

 Fixed pay	Salary/ fees	- CEO – GBP £207,000 (increased from £185,000 to align with the two TradeFlow directors noting that this remains significantly below a market level) - Executive Directors and TradeFlow Founders both receive– USD \$240,000 - Both TradeFlow Directors also receive a Director's fee of £30,000 per annum
	Pension	- CEO – 6% (reduced from 15%) of salary - The TradeFlow directors do not currently receive pension contributions.
	Benefits	- CEO entitled to life assurance and health insurance - TradeFlow directors are not currently entitled to receive any additional benefits
 Annual bonus	Maximum	100% of salary - Executive Directors will not participate in the FY 2022 annual bonus
	Performance measures	Individual bonuses allocated based on delivery of corporate and/or individual performance objectives
	Operation	- Any bonus in excess of 50% of salary deferred into shares for three years - Malus and clawback provisions operate

There have been no changes to the number of shares owned outright between 31 December 2021 and 24 May 2022, the latest date practicable to verify this information prior to the publication of this report.

 Long Term Incentive Plan	Award level	Up to 100% of salary, the CEO will receive a grant over shares worth 100% of salary while the other 2 Executive Directors will receive a reduced grant over shares worth £30,000 in 2022 given that their earn-outs are outstanding
	Performance measures	Absolute TSR over 3 financial years
	Operation	- Performance measured over three years - Two-year additional post vesting holding period applies to vested shares (net of shares sold to cover taxes) - Malus and clawback provisions operate
 Share ownership guidelines	In-employment guideline	200% of salary
	Post-cessation guideline	200% of salary to be held for two years post-employment
	Shareholding as a multiple of salary at 31 December 2021 ¹	- CEO – 114.3 - Executive Directors and TradeFlow Founders - 3.3 each

¹ The shareholding as a multiple of salary has been calculated using the value of the shareholding held at 31 December 2021 compared to the full year salary for the year ended 31 December 2021

Directors' Remuneration Policy

Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out the Directors' Remuneration Policy for the Company. This Directors' Remuneration Policy will be put to a binding shareholder vote at the 2021 AGM, the date of which will be announced shortly following the issue of the Annual Report, and will take formal effect from that date, subject to shareholder approval. The Policy will formally apply for three years beginning on the date of approval unless a new policy is presented to shareholders in the interim. Following approval all payments to Directors will be consistent with the approved Policy.

Considerations when determining the Directors' Remuneration Policy

The overarching objective of the Policy is to promote the long-term success of the Group. In seeking to achieve this objective the Remuneration Committee takes account of the following guiding principles:

- remuneration packages should be clear and simple;
- arrangements should be closely aligned with the interests of shareholders and other key stakeholders and ensure that the Company is not unduly exposed to risk;
- remuneration should align with, and support, our values;
- a significant proportion of remuneration should be based on performance-related components with potential rewards subject to the achievement of challenging performance targets based on measures linked to the Group's KPIs and to the best interests of stakeholders; and
- salaries and the overall level of potential remuneration should be competitive but not excessive when compared with other companies of a similar size, scale and geographical reach and should be sufficient to recruit, retain and motivate individuals of the requisite calibre to deliver long-term success.

Consideration of shareholders' views

The Committee is committed to an ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. The Committee will seek to engage appropriately with major shareholders and their representative bodies on changes to the Policy. The Committee will also consider shareholder feedback received in relation to the remuneration-related resolutions each year following the AGM. This, plus any additional feedback received from time to time (including any updates to shareholders' remuneration guidelines), will then be considered as part of the Committee's annual review of remuneration policy and its implementation.

The Remuneration Committee also actively monitors developments in the expectations of institutional investors and considers good practice guidelines from institutional shareholders and shareholder bodies.

Consideration of employment conditions elsewhere in the Group

The Committee closely monitors the pay and conditions of the wider workforce and the design of the Directors' Remuneration Policy is informed by the policy for employees across the Group. While employees are not formally directly consulted on the design of the Directors' Remuneration Policy, we have a relatively small

workforce which allows the Board to regularly engage directly with employees. In addition, the Committee receives periodic updates on remuneration arrangements and employment conditions across the Group from the Chief People Officer.

Differences in pay policy for Executive Directors in comparison to employees more generally

The overall approach to reward for employees across the workforce is a key reference point when setting the remuneration of the Executive Directors. As for the Executive Directors, general practice across the Group is to recruit employees at competitive market levels of remuneration, incentives and benefits to attract and retain employees, accounting for local conditions. When affordable for the Company, it is envisaged that all employees will be able to earn annual bonuses for delivering exceptional performance and the corporate measures used to generate the bonus pool apply to all employees participating in the annual bonus plan.

The key difference between the remuneration of Executive Directors and that of our other employees is that, overall, at senior levels, remuneration is increasingly long term, and 'at risk' with an emphasis on performance-related pay linked to business performance and share based remuneration.

This ensures that remuneration at senior levels will increase or decrease in line with business performance and provides alignment between the interests of Executive Directors and shareholders.

In particular, performance-based long-term incentives are normally reserved for those considered to have the potential to influence overall levels of performance.

Policy table for Executive Directors

The table below sets out the main components of the proposed Directors' Remuneration Policy, together with further information on how these aspects of remuneration operate, subject to approval by shareholders at the 2021 AGM. The Remuneration Committee has discretion to amend remuneration to the extent described in the table and the written sections that follow it.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary	To provide competitive fixed remuneration. To attract and retain Executives of a superior calibre.	Salaries are usually reviewed annually, with any increases typically effective from the start of the financial year. Salaries are typically set after considering: • pay and conditions elsewhere in the Group; • overall Group performance; • individual performance and experience; • progression within the role; and • competitive salary levels in companies of a broadly similar size, scale and complexity.	While there is no prescribed maximum salary or maximum increase, increases will normally be in line with the typical range of salary increases awarded (in percentage of salary terms) to the wider workforce. Larger salary increases may be awarded to take account of individual circumstances, such as: • where an Executive Director has been promoted or has had a change in scope or responsibility; • where the Committee has set the salary of a new hire at a discount to the market level initially, a series of planned increases can be implemented over the following few years to bring the salary to the appropriate market position, subject to individual performance; or • where the Committee considers it appropriate to adjust salaries to reflect the continuing development of the Company. Increases may be implemented over such time period as the Committee deems appropriate.	Although there are no formal performance conditions, any increase in base salary is only implemented after careful consideration of individual contribution and performance and having due regard to the factors set out in the Operation column of this table.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Benefits	To provide competitive fixed remuneration. To attract and retain Executives of a superior calibre.	Executive Directors are currently entitled to benefits including life assurance and health insurance. Executives Directors will be eligible for any other benefits which are introduced for the wider workforce on broadly similar terms. Other benefits (including a car or car allowance) might be provided from time to time based on individual circumstances and if the Committee decides payment of such benefits is appropriate. For external and internal appointments or relocations, the Company may pay certain relocation and/or incidental expenses as appropriate (for up to two years from recruitment). Any reasonable business related expenses can be reimbursed (and any tax thereon met if determined to be a taxable benefit). Executive Directors are also provided with the opportunity to participate in any all-employee share plan arrangements on the same basis as other employees.	As it is not possible to calculate in advance the cost of all benefits, a maximum is not pre-determined. The maximum level of participation in all-employee share plans is subject to the limits imposed by the relevant tax authority from time to time.	Not applicable.
Pension	To provide employees with long-term savings to allow for retirement planning.	The Group may offer participation in a defined contribution pension plan or may permit Executive Directors to take a cash supplement in lieu of pension up to the same value.	The maximum employer's contribution or cash allowance in lieu of pension is limited to the contribution levels for the majority of the workforce (currently 6% of salary).	Not applicable.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual bonus	Rewards achievement of annual financial and business targets aligned with the KPIs of the Group. Bonus deferral encourages long-term shareholding, provides a retention element and discourages excessive risk taking.	Awards are based on performance typically measured over one year. Any payment is discretionary and pay-out levels are determined by the Committee after the year end based on performance against pre-set targets. Bonus is normally paid in cash, except for any bonus in excess of 50% of base salary which is deferred into an award over shares, typically for a three-year period. Dividends or dividend equivalents may accrue on deferred share awards. The vesting of the deferred share awards is not subject to the satisfaction of any additional performance conditions. The annual bonus plan includes malus and clawback provisions which enable the Committee (in respect of both the cash and the deferred elements of bonuses) to recover or withhold value in the event of certain defined circumstances (i.e. in cases of gross misconduct, material misstatement of financial results, error in calculation, material risk failings, reputational damage or corporate failure).	Maximum annual bonus opportunity is 100% of base salary. Executive Directors will not participate in the FY 2022 annual bonus. The Committee will consider whether it is appropriate for Directors to participate in the annual bonus for later years.	It is intended that a variable pay pool is formed based on a combination of profit and satisfaction of strategic and personal objectives although the Committee may adopt alternative arrangements within the overall cap. Targets are set annually with measures linked to the Group's strategy and aligned with key financial, strategic and/or individual targets. The performance measures applied may be financial or non-financial, corporate, divisional or individual, and in such proportions as the Committee considers appropriate. A graduated scale of targets is set for each measure, with no pay out for performance below a threshold level of performance. The Committee has discretion to amend the pay-out should any formulaic outcome not reflect the Committee's assessment of overall business performance.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Long Term Incentive Plan ('LTIP')	To incentivise Executive Directors, and to deliver genuine long-term performance related pay, with a clear line of sight for Executives and direct alignment with shareholders' interests.	Awards will be in the form of nil or nominal-cost share options, conditional shares or other such form as has the same economic effect. Awards will normally be granted with vesting dependent on the achievement of performance conditions set by the Committee, with performance normally measured over at least a three-year performance period. In line with best practice for financial-services companies, 'restricted stock' LTIP awards may be made to control function personnel which are not subject to performance measures. Vested awards will be subject to a further two-year post-vesting holding period, and shares will typically not be capable of sale/transfer by participants until the end of any such holding period (other than to settle taxes). During the vesting period (and any part of the additional holding period where the award remain unexercised) the value of any dividends on performance vested shares will be credited as re-invested in further LTIP award shares. The LTIP includes malus and clawback provisions which enable the Committee (to recover or withhold value in the event of certain defined circumstances (i.e. in cases of gross misconduct, material misstatement of financial results, error in calculation, material risk failings, reputational damage or corporate failure).	The maximum employer's contribution or cash allowance in lieu of pension is limited to the contribution levels for the majority of the workforce (currently 6% of salary).	Not applicable.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Share ownership guidelines	To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.	Executive Directors are expected to accumulate and maintain a holding in shares in the Company equivalent in value to no less than 200% of base salary. Executive Directors will be expected to retain the lower of actual shares held at cessation and shares equal to 200% of salary for two years post cessation. These guidelines will apply in respect of any shares which vest from Supply@ME share awards granted after the 2021 AGM.	Not applicable.	Not applicable.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Non-Executive Chairman and Non-Executive Directors' fees	To attract high calibre individuals and to appropriately reflect knowledge, skills and experience.	Fees are normally reviewed annually taking into account factors such as the time commitment and contribution of the role and market levels in companies of comparable size and complexity. The Non-Executive Chairman is paid an all-inclusive fee for all Board responsibilities. Fees for the other Non-Executive Directors may include a basic fee and additional fees for further responsibilities (for example, holding the office of Senior Independent Director or chairing of Board committees). The Company repays any reasonable expenses that a Non-Executive Director incurs in carrying out their duties as a Director, including travel, hospitality-related and other modest benefits and any tax liabilities thereon, if appropriate. In exceptional circumstances, if there is a temporary yet material increase in the time commitments for the Non-Executive Chairman or Non-Executive Directors, the Board may pay extra fees on a pro rata basis to recognise the additional workload. The Non-Executive Chairman and Non-Executive Directors cannot participate in any of the Group's incentive arrangements.	The aggregate fees and any benefits of the Chairman and Non Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees (currently £500,000 p.a. in aggregate). Any increases actually made will be appropriately disclosed.	Not applicable

Explanation of performance measures chosen

Performance measures for the annual bonus, once introduced, will be selected annually to align with the KPIs and prevailing strategic imperatives of the Group, and the interests of shareholders and other stakeholders. Financial measures will normally be used to determine the overall bonus pool (e.g. as a % of group pre-tax profit) and the individual allocations will be made based on key strategic and/or personal objectives designed to ensure that Executive Directors are incentivised to deliver across a range of objectives. 'Target' performance is typically set in line with the business plan for the year, with threshold to stretch targets set around this based on a sliding scale which takes account of relevant commercial factors. Only modest rewards are available for delivering threshold performance levels, with rewards at stretch requiring material outperformance of the business plan. Details of the specific measures used for the annual bonus are set out in the Annual Report on Remuneration.

Performance measures for the LTIP are selected in order to provide a robust and transparent basis on which to measure the Group's performance, to demonstrably link remuneration outcomes to delivery of the business strategy over the longer term, and to provide strong alignment between the executive and leadership team and shareholders. The policy provides for Committee discretion to alter the LTIP measures and weightings to ensure they can continue to facilitate an appropriate measurement of performance over the life of the policy, taking account of any evolution in the Group's strategic ambitions. The measures for the first grant are absolute TSR (equivalent to a range of 0.6945-1p over the last 3 months of FY 2024). The vesting will also be subject to the ability of the Committee to reduce vesting if it considers that appropriate having regard to financial, risk and strategic performance.

When setting performance targets for the bonus and LTIP, the Committee will take into account a number of different reference points, which may include the Group's business plans and strategy, external forecasts and the wider economic environment.

Flexibility, discretion and judgement

The Remuneration Committee operates the annual bonus and LTIP according to the rules of each respective plan which, consistent with market practice, include discretion in a number of respects in relation to the operation of each plan. Discretions include:

- who participates in the plan, the quantum of an award and/or payment and the timing of awards and/or payments;
- determining the extent of vesting;
- treatment of awards and/or payments on a change of control or restructuring of the Group;
- whether an Executive Director or a senior manager is a good/bad leaver for incentive plan purposes and whether the proportion of awards that vest do so at the time of leaving or at the normal vesting date(s);
- how and whether an award may be adjusted in certain circumstances (e.g. for a rights issue, a corporate restructuring or for special dividends);
- what the weighting, measures and targets should be for the annual bonus plan and LTIP awards from year to year;
- the ability to reduce or defer the right to exercise an award in accordance with regulatory requirements or where it may cause a regulatory disadvantage;
- the ability to apply malus and clawback provisions which enable the Committee to recover or withhold value in the event of certain defined circumstances;
- the Committee also retains the ability, within the policy, if events occur that cause it to determine that the conditions set in relation to an annual bonus plan or a granted LTIP award are no longer appropriate or unable to fulfil their original intended purpose, to adjust targets and/or set different measures or weightings for the applicable annual bonus plan and LTIP awards. Any such changes would be explained in the subsequent Directors' Remuneration Report and, if appropriate, be the subject of consultation with the Company's major shareholders; and
- the ability to override formulaic outcomes in line with Policy.

All assessments of performance are ultimately subject to the Committee's judgement. Any discretion exercised, and the rationale, will be disclosed in the Annual Remuneration Report.

Legacy arrangements

For the avoidance of doubt, in approving this Directors' Remuneration Policy, authority is given to the Company to honour any previous commitments entered into with current or former Directors (such as the payment of a pension or the unwinding of legacy share awards granted before the approval of this Policy) that remain outstanding. While these details are included in the remuneration report for transparency, it is not necessary to include within the remuneration policy or the various emoluments tables as it does not comprise legal remuneration. However, it is accounted for as remuneration (see single total figure of remuneration for each Director section).

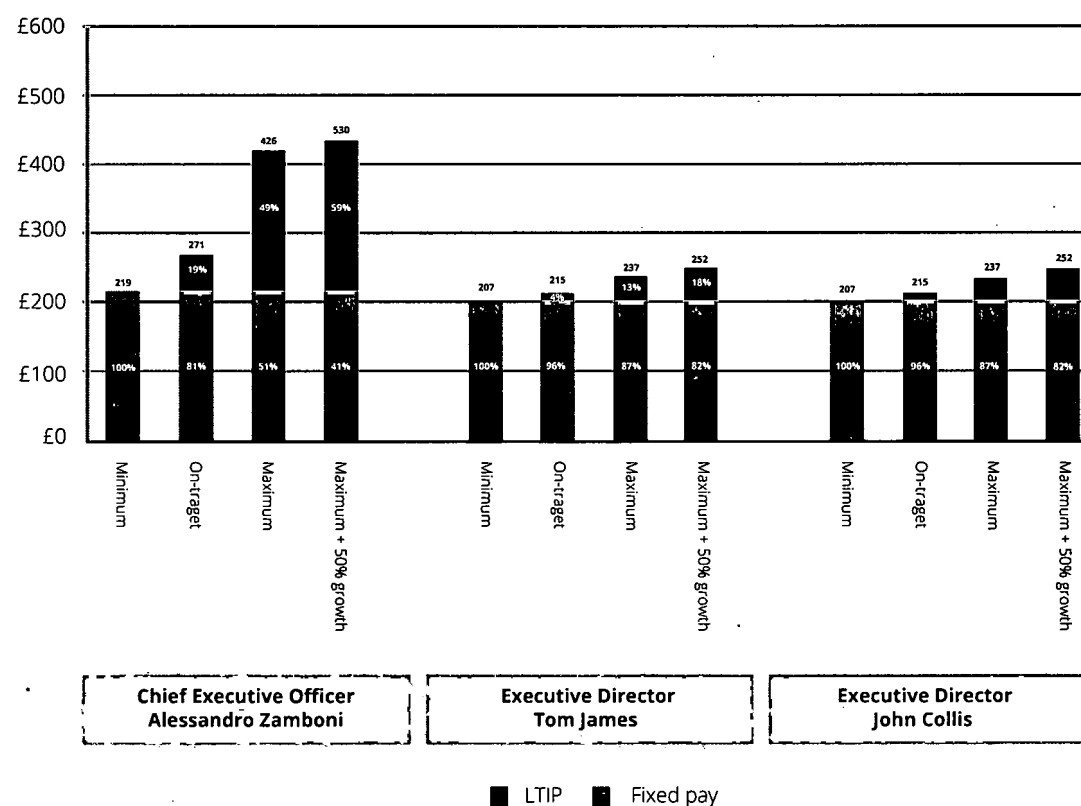
Illustrations of application of remuneration policy

The chart below sets out for each of the Executive Directors an illustration of the application of the Directors' Remuneration Policy set out above. The chart shows the split of remuneration between fixed pay and LTIP on the basis of minimum remuneration, remuneration receivable for performance in line with the Group's expectations, maximum remuneration (not allowing for any share price appreciation) and maximum remuneration (assuming 50% share price growth).

Executive Directors will not participate in the FY 2022 annual bonus plan and the charts for FY 2022 therefore exclude any value relating to annual bonus.

Remuneration

(£'000)



In illustrating the potential reward, the following assumptions have been made.

	Fixed pay	LTIP (normal policy level)
Minimum performance	Fixed elements of remuneration only, being:	No vesting.
Performance in line with expectations	- base salary (being the salary to be paid in FY 2022); - benefits paid in FY 2021 with an assumed value of £1k.	25% of maximum award vesting (equivalent to 25% of salary) for achieving threshold performance.
Maximum performance	Pension contributions of 6% of salary for the CEO and no contributions for the TradeFlow Directors.	100% of maximum award vesting (equivalent to 100% of salary,) for achieving maximum performance.
Maximum performance plus 50% share price growth		100% of maximum award vesting (equivalent to 100% of salary,) for achieving maximum performance plus hypothetical share price growth of 50%.

Notes to the scenarios methodology:

- LTIP is measured at face value, i.e. no assumption for dividends or share price growth (other than in the fourth scenario).
- Amounts in respect of US dollars have been converted to UK sterling using the spot exchange rate at 31 December 2021.

Recruitment remuneration

The policy aims to facilitate the appointment of individuals of sufficient calibre to lead the business, to execute the Group's strategy effectively and to promote the long-term success of the Group for the benefit of shareholders and other stakeholders. When appointing a new Executive Director, the Committee seeks to ensure that arrangements are in the best interests of the Group and not to pay more than is appropriate.

When hiring a new Executive Director, the Committee will typically align the remuneration package with the above Policy. The Committee may include other elements of pay which it considers are appropriate; however, this discretion is capped and is subject to the principles and the limits referred to below.

- New Executive Directors will be offered a basic salary in line with the Policy. This will take into consideration a number of factors including, external market forces, the expertise, experience and calibre of the individual and current level of pay. Where the Committee has set the salary of a new appointment at a discount to the market level initially until proven, they may receive an uplift or a series of planned increases to bring the salary to the appropriate market position over time.
- For external and internal appointments, the Committee may agree that the Company will meet appropriate relocation and/or incidental expenses as appropriate.
- Annual bonus awards, LTIP awards and pension contributions would not be in excess of the levels stated in the Policy table above.
- Depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions for the first performance year of appointment. An LTIP award can be made following an appointment (assuming the Company is not in a closed period).
- Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue according to the original terms, adjusted as relevant to take into account the appointment.
- In addition, the Committee may offer additional cash and/or share-based buyout awards when it considers these to be in the best interests of the Company (and therefore shareholders) to take account of remuneration given up at the individual's former employer. Such awards would

represent a reasonable estimate of the value foregone and would reflect, as far as possible, the delivery mechanism, time horizons and whether performance requirements are attached to that remuneration. Shareholders will be informed of any such payments at the time of appointment and/or in the next published Annual Report. However, for the avoidance of doubt, the value of buy-out awards is not capped.

- For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved Policy.

Service contracts and letters of appointment

The Company's policy is that Executive Directors should normally be employed under rolling service contracts with notice periods of up to 12 months (from each party). The TradeFlow Directors are each subject to: (i) an underlying employment contract (subject to Singapore law); and (ii) a letter of appointment as a Director of the Company. The employment contract of each TradeFlow Director is with TradeFlow Capital Management Pte Ltd, subject to 6 months' notice on resignation by the employee and 6 months' notice by the Company ending no earlier than the 6th anniversary of agreement (1 August 2025 for Tom James and 3 September 2025 for John Collis). In addition, each of the TradeFlow Directors is also appointed as a Director of the Company, subject to 12 months' notice. Further details of the notice periods in respect of each Executive Director is provided on page 93. All Non-Executive Directors have letters of appointment which may be terminated by the giving of notice by either party (see page 94 for details of current notice periods). Chairman and Non-Executive Director appointments are subject to Board approval and election by shareholders at each annual general meeting.

Copies of Executive Directors' service contracts and Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal hours of business.

Payments for loss of office

The principles on which the determination of payments for loss of office will be approached are set out below:

Policy	
Payment in lieu of notice	Other than the TradeFlow Directors, the Company may terminate a Director's contract with immediate effect with or without cause by making a payment in lieu of notice by monthly instalments of salary and benefits, with reductions for any amounts received from providing services to others during this period. In respect of the TradeFlow Directors: • The Singapore employment contract does not include the ability to make a payment in lieu of notice. Any salary and benefits will continue to be paid in accordance with the general terms of the contract until the termination date, including during any notice period. • The letter of appointment as a Director of the Company is subject to 12 months' notice. Each TradeFlow Director will continue to be paid in accordance with the terms of their appointment during such notice period (monthly instalments in arrears). There are no obligations to make payments beyond those disclosed elsewhere in this report.

Annual bonus

This will be at the discretion of the Committee on an individual basis and the decision as to whether or not to award an annual bonus award in full or in part will be dependent on a number of factors, including the circumstances of the individual's departure and their contribution to the business during the annual bonus period in question. Any annual bonus award amounts paid will be prorated for time in service during the annual bonus period and will, subject to performance, be paid at the usual time (although the Committee retains discretion to pay the annual bonus award earlier in appropriate circumstances). Any bonus earned for the year of departure and, if relevant, for the prior year may be paid wholly in cash at the discretion of the Committee. On a change of control, annual bonuses will either continue for the full year or a pro-rata bonus may be paid out to the time of completion.

Policy	
Deferred bonus awards	If a participant ceases employment for any reason (other than voluntary resignation or summary dismissal, in which case the award will lapse), the award will ordinarily continue until the normal vesting date. The Committee retains discretion to release awards when the participant leaves. On a change of control, awards will generally vest on the date of a change of control, unless the Committee permits (or requires) awards to roll over into equivalent shares in the acquirer.
LTIP	Any outstanding awards will ordinarily lapse, however in 'good leaver' cases the default treatment is that awards will vest subject to any performance conditions and time pro-rata and the post-vesting holding period will normally continue to apply. For added flexibility, the rules allow for the Committee to decide not to prorate (or pro-rate to a different extent) if it decides it is appropriate to do so, and to allow vesting to be triggered at the point of leaving by reference to performance to that date, rather than waiting until the end of the performance period if the Committee so decides.
Buy-out awards	Where a buy-out award is made under the Listing Rules then the leaver provisions would be determined at the time of the award.
Other payments	The Group may pay outplacement and professional legal fees incurred by Executives in finalising their termination arrangements, where considered appropriate, and may pay any statutory entitlements or settle compromise claims in connection with a termination of employment, where considered in the best interests of the Company. Outstanding savings/shares under all-employee share plans would be transferred in accordance with the terms of the plans.

Where the Committee retains discretion it will be used to provide flexibility in certain situations, taking into account the particular circumstances of the Director's departure and performance.

External appointments

The Company recognises that its Executive Directors may be invited to become Non-Executive Directors of other companies and that such external appointments can broaden a Director's experience and knowledge to the potential benefit of Supply@ME. Subject to approval by the Board, Executive Directors are allowed to accept Non-Executive appointments, provided that these appointments are not likely to lead to conflicts of interest. The Committee will consider its approach to the treatment of any fees received by Executive Directors in respect of external Non-Executive roles as they arise.

Annual Report on Remuneration

Role and composition of the Remuneration Committee

The Board is ultimately accountable for executive remuneration and delegates this responsibility to the Remuneration Committee. The Remuneration Committee is responsible for developing and implementing a remuneration policy that supports the Group's strategy and for determining the Executive Directors' individual packages and terms of service together with those of the other members of the leadership team (including the Company Secretary). When setting the remuneration terms for Executive Directors, the Committee reviews and has regard to workforce remuneration and related policies and takes close account of the remuneration-related provisions of the QCA Corporate Governance Code.

The Committee is formally constituted and operates on written terms of reference, which are available on the Company's website at (<https://www.supplymcapital.com/investor/governance/>).

During 2021 the Committee was comprised of Susanne Ghislini (Chair), Enrico Geminelli and Jim Goyla. The Committee met 5 times during the year ended 31 December 2021. Susanne and Enrico were members throughout the whole of the year and attended all meetings; Jim joined the Board on 28 October 2021 and attended 1 meeting following his appointment.

By invitation of the Committee, meetings are also attended by the CEO, CFO, GPO, Group Head of Enterprise Risk and the Company Secretary (who acts as secretary to the Committee), who are consulted on matters discussed by the Committee, unless those matters relate to their own remuneration. Advice or information is also sought directly from other employees where the Committee feels that such additional contributions will assist the decision-making process.

In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration. In particular, the remuneration of all Executive Directors is set and approved by the Committee (none of the Executive Directors are involved in the determination of their own remuneration arrangements).

The Committee is authorised to take such internal and external advice as it considers appropriate in connection with carrying out its duties, including the appointment of its own external remuneration advisers. During the year, the Committee was assisted in its work by FIT Remuneration Consultants LLP, FIT was appointed in July 2021 and has provided advice in relation to general remuneration matters and the design of the remuneration policy. Fees paid to FIT in relation to advice provided to the Committee during the year to 31 December 2021 were £31,637.50 (excluding VAT), charged on a time/cost basis. FIT is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that the advice they received from FIT was objective and independent.

The Committee considered the following main items during the 2021 financial year:

- ⚙ Development of a group wide Remuneration Policy, including key performance indicators
- ⚙ Remuneration for Incoming Chair
- ⚙ Design for proposed long term incentive plan
- ⚙ Design for proposed Executive and Leadership team bonus plan (not to be launched until FY23 at earliest)
- ⚙ Commissioning benchmarking analysis for senior executive positions and non-executive directors
- ⚙ Preparations for Directors' remuneration reporting in respect of FY22
- ⚙ Review and update of Committee terms of reference

Since the end of the 2021 financial year, the Committee has:

- Considered the CEO and CFO's salary
- Approved the proposed LTIP
- Considered appointment of new Chair and Non-Executive Director

The information that follows has been audited (where indicated) by the Company's auditors, Crowe UK LLP.

Single total figure of remuneration for each Director (audited)

The table below reports the full-year total remuneration receivable by those Directors who performed qualifying services during the year.

For the year ended 31 December 2021:

Executive Directors	Base salary/ Fees	Benefits ¹	Pension ²	Annual bonus ³	Long-term incentives	Total	Total fixed	Total variable
	£0	£0	£0	£0	£0	£0	£0	£0
Alessandro Zamboni	185,000	66	49,310	0	-	234,376	234,376	-
Tom James ⁴	85,766	-	-	0	-	85,766	85,766	-
John Collis ⁴	85,766	-	-	0	-	85,766	85,766	-
Non-Executive Directors								
Jim Coyle ⁵	26,154	-	-	-	-	26,154	26,154	-
Susanne Chisht ⁶	70,513	-	-	-	-	70,513	70,513	-
Enrico Camerinelli	30,000	-	-	-	-	30,000	30,000	-
David Bull ⁷	13,308	-	-	-	-	13,308	13,308	-
Dominic White ⁸	83,470	-	-	-	-	83,470	83,470	-
Total	579,977	66	49,310	-	-	629,352	629,352	-

1 Non-salary benefits include the provision of life assurance

2 The amount of employer contribution based on a fixed percentage of base salary, currently 15% for the Chief Executive Officer only. The amount shown in table includes £21,560 that was paid during FY21 but which related to base salary earned in FY20.

3 The Group has not historically operated an annual bonus scheme or long-term incentive plan. Please see page 95 for details of new incentive arrangements under the proposed Directors' Remuneration Policy.

4 Tom James and John Collis joined the Board on 30 July 2021 and their remuneration reflects the period from then.

5 Jim Coyle joined the Board on 28 October 2021. As reported elsewhere, he stepped down from the Board on 4 March 2022 and received fees to that date.

6 Susanne Chisht was appointed interim chair from 23 July 2021 to 27 October 2021

7 David Bull joined the Board on 22 July 2021.

8 Dominic White stepped down from the Board on 22 July 2021.

9 The aggregate emoluments (being salary/fees, bonuses, benefits and pension allowances) of all Directors for 2021 was £629,352 (2020: £288,868).

While not remuneration for the purposes of this table, for completeness, in addition to an initial consideration received on completion of the acquisition of TradeFlow Capital Management Pte. Limited ("TradeFlow"), Tom James and John Collis, the TradeFlow directors, are entitled to receive acquisition related earn-out payments determined by reference to pre-determined revenue milestones of TradeFlow and, separately, of its subsidiary company (Tijara Pte. Limited). These milestones are calculated by reference to the revenues achieved in each of the 2021, 2022 and 2023 financial years and are contingent on employment to the relevant dates. The acquisition related earn-out amounts are able to be paid in either cash or shares, and as this is at the Company's discretion, they fall

into the definition of shared based payments under IFRS. As such, the fair value of these earn-out payments have been calculated at the grant date, being the date of completion of the acquisition, with this fair value being spread over the period from grant to vesting date in the consolidated financial statements. Further details are set out in the notes to the consolidated financial statements for the year ended 31 December 2021, including the fair value of the acquisition related earn-out payments recognised in the current financial year of £1,410,000. The terms of the earn-out payments provide that if the Company chose to issue the earn-out payment in shares, the number of shares to be issued will be determined using the Volume Weighted

Average Price ("VWAP") over the 20 dealing days to the end of the relevant financial year subject to a floor of 1p. In addition, the number of shares will be enhanced by 50% if the VWAP is greater than 1p. It is currently envisaged that any amounts due will be equity settled, resulting in each of the two directors becoming entitled

to an award over approximately 215 million shares in respect of the 2021 acquisition related earn-out payment. 50% of these shares may not be sold for 12 months following award but are not contingent on continued employment.

For the year ended 31 December 2020:

Executive Directors	Base salary/ Fees	Benefits	Pension	Annual bonus	Long-term incentives	Total	Total fixed	Total vari- able
	£0	£0	£0	£0	£0	£0	£0	£0
Alessandro Zamboni	138,750	-	-	-	-	138,750	138,750	-
Non-Executive Directors								
Dominic White	98,141	-	-	-	-	98,141	98,141	-
Susanne Chishti	21,054	-	-	-	-	21,054	21,054	-
Enrico Camerinelli	30,923	-	-	-	-	30,923	30,923	-
Total	288,868	-	-	-	-	288,868	288,868	-

Annual bonus for the year ending 31 December 2021 (audited)

The Company did not offer annual bonus for FY 2021.

LTIP awards with performance periods ending in the year (audited)

There were no long-term incentive awards capable of vesting in relation to performance during the year ending 31 December 2021.

LTIP awards granted in the year (audited)

No LTIP awards were granted during the year.

Payments for loss of office and to past Directors (audited)

No such payments were made during the year.

Statement of Directors' shareholding and share interests (audited)

No such payments were made during the year.

Statement of Directors' shareholding and share interests (audited)

The following table shows the interests of Directors and their connected persons in the Company's ordinary shares as at ending 31 December 2021.

Director ¹	Number of shares owned outright (including connected persons)	Share awards not subject to performance conditions	Share awards subject to performance conditions	Shareholding as a multiple of salary at 31 December 2021 ⁴	Shareholding guideline as a multiple of salary	Shareholding guideline met?
Alessandro Zamboni ²	12,742,513,009	-	-	114.3	2.0	Yes
Tom James	406,500,000	-	-	3.3	2.0	Yes
John Collis	406,500,000	-	-	3.3	2.0	Yes
Jim Coyle	-	-	-	N/A	N/A	N/A
Susanne Chishti	-	-	-	N/A	N/A	N/A
Enrico Camerinelli	-	-	-	N/A	N/A	N/A
David Bull	-	-	-	N/A	N/A	N/A
Dominic White ³	35,256,725	-	-	N/A	N/A	N/A

¹ The shareholdings and awards set out above include those held by Directors and their respective connected persons.

² Alessandro Zamboni's shares are held through the AvantGarde Group

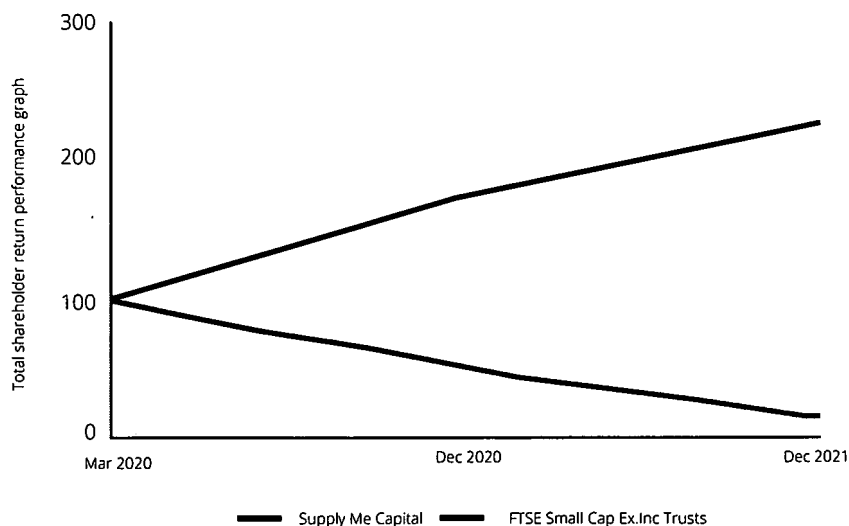
³ As at 22 July 2021, Dominic held 22,256,725 shares through Eight Capital Partners Plc and 13,000,000 shares through Epsilon Capital Ltd.

⁴ The shareholding as a multiple of salary has been calculated using the value of the shareholding held at 31 December 2021 compared to the full year salary for the year ended 31 December 2021

There have been no changes to the number of shares owned outright between 31 December 2021 and 24 May 2022 the latest date practicable to verify this information prior to the publication of this report.

Total shareholder return performance graph

The graph below shows the value at 31 December 2021 of £100 invested in the Company on 23 March 2020 (i.e. the date that Admission to trading on the London Stock Exchange) compared to the value of £100 invested in the FTSE SmallCap Index (excluding Investment Trusts), making the assumption that dividends are reinvested to purchase additional equity. The FTSE SmallCap Index (excluding Investment Trusts) has been selected as a comparator index to the Company, being made up of companies with a similar market capitalisation to the Company.



Chief Executive Officer's remuneration

The total remuneration figure for the Chief Executive Officer in 2021 is shown in the table below, along with the value of bonuses paid, and LTIP vesting, as a percentage of the maximum opportunity. This table will build up to show ten years' worth of data over time.

Year	CEO	CEO single figure of total remuneration £0	Annual bonus pay-out % of maximum	LTIP vesting % of maximum
2021	Alessandro Zamboni	234,376	-	-
2020	Alessandro Zamboni	138,750	-	-

Annual percentage change in remuneration of Directors and employees

The table below shows the percentage change in remuneration of the Directors and employees of the business between the 2020 and 2021 financial years.

	% change from FY2020 to FY2021		
	Base Salary/Fees	Benefits ³	Bonus
Employees ¹	-18	100	-
Executive Directors²:			
Alessandro Zamboni	-	100	N/A
Tom James	100	N/A	N/A
John Collis	100	N/A	N/A
Non-Executive Directors:			
Jim Coyle	N/A	-	N/A
Susanne Chishti ⁴	76	-	N/A
Enrico Camerinelli	-	-	N/A
David Bull	N/A	-	N/A
Dominic White	17	-	N/A

¹ The % change from FY2020 to FY2021 of the employees is calculated using the mean annualised FTE salaries of the Supply@ME Capital Plc employee base.

² In order to illustrate the % change of the Directors from FY2020 to FY2021 annualised FTE salaries have been used.

³ During FY2021 the Company began offering health insurance and life assurance benefits to its UK employees, including the CEO

⁴ From 22 July 2021 to 28 October 2021, Susanne Chishti was appointed as the Interim Chair and this increase in salary reflects the increased remuneration she received during this period

Relative importance of spend on pay

The table below details the change in total staff pay between 2020 and 2021 as detailed in note 10 to the Group consolidated financial statements, compared with distributions to shareholders by way of dividend, share buy backs on any other significant distributions or payments. These figures have been calculated in line with those in the audited financial statements:

Year	2021 (£'000)	2020 (£'000)	% change
Total gross staff pay	1,728	745	132%
Dividends / share buybacks	-	138,750	N/A

Summary of shareholder voting

The following table shows the results of the advisory vote on the 2020 Directors' Remuneration Report and the binding vote on the Directors' Remuneration Policy at the 2020 Annual General Meeting:

	Approval of the 2020 Directors' Remuneration Report (2020 AGM)		Approval of the Remuneration Policy (2020 AGM)	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For (including discretionary)	1,548,791,446	99.9%	1,543,570,215	99.7%
Against	1,878,237	0.01%	4,220,221	0.03%
Votes withheld	22,624,867	-	25,504,214	-

Executive Directors' service contracts

The table below summarises key details in respect of the Executive Directors' contracts:

	Date of service contract/ letter of appointment	Notice period (from either party unless stated otherwise)
Alessandro Zamboni	23 March 2020	12 months
Tom James – Singapore employment contract	1 August 2019	6 months (by Director) 6 months ending no earlier than 1 August 2025 (by Company)
Tom James – UK director appointment	12 August 2021	12 months
John Collis – Singapore employment contract	3 September 2019	6 months (by Director) 6 months ending no earlier than 3 September 2025 (by Company)
John Collis – UK director appointment	12 August 2021	12 months

The service contracts of all current Executive Directors are available for inspection at the Company's registered office.

Non-Executive Directors' letters of appointment

The table below summarises key details in respect of the Non-Executive Directors' contracts:

	Date of letter of appointment	Notice period (from either party)
Jim Coyle	27 October 2021	90 days
Susanne Chishti	23 March 2020	3 months
Enrico Camerinelli	23 March 2020	3 months
David Bull	21 July 2021	30 days

External appointments

John Collis hold Non-Executive Director positions with Ultraponix Ltd and JCS 107 Ltd and Alessandro Zamboni is a Non-Executive Director with Darwinsurance srl.

Implementation of policy for the year ending 31 December 2022

Basic salary

Executive Directors' salaries for FY 2022 are as follows:

	Base salary FY2022 '000	Director fees FY2022 '000
Alessandro Zamboni	GBP £207	-
Tom James	USD \$240	GBP £30
John Collis	USD \$240	GBP £30

The Committee recently commissioned a review of Executive Directors' salaries which indicates that current salary levels are below market. No increases are currently proposed for FY 2022, but the Committee intends to keep them under review with a view to increasing salaries toward market levels once the performance of the business warrants it.

Benefits and pension

The CEO receive a pension contribution or allowance of 6% of salary.

Annual bonus

Executive Directors will not be eligible to participate in the annual bonus plan in respect of FY 2022.

LTIP

Subject to approval of the proposed Directors’ Remuneration Policy, all Executive Directors will be eligible to participate in the new LTIP. An initial award is expected to be made in FY 2022 to the CEO over shares up to 100% of base salary. The initial performance conditions will be absolute TSR over 3 financial years, requiring (assuming no dividends), the average closing share price over the period 1 October 2024 to 31 December 2024 to be 0.6945p for 25% of the award to vest increasing, on a straight-line basis, to 1p for 100% to vest. In addition, the Committee will have broad discretion to reduce vesting if it considers the level of vesting to be inappropriate having regard to affordability, risk management and other factors.

Smaller LTIP awards will be made over shares worth £30,000 each to the two other Executive Directors during FY 2022, reflecting their existing earn-out arrangements.

Non-Executive Directors’ fees

Non-Executive Directors’ fees for FY 2022 remain unchanged, and are as follows:

	Fee FY2022 £000
Chairman	£150
Base fee	£30
Senior Independent Director fee	£10

Report of the Directors

The Directors present their report on the Group together with the audited consolidated financial statements for the year ended 31 December 2021.

Results and dividends

The Group's consolidated loss before taxation for the year was £10,383,000 (2020: £2,819,000). The Group's consolidated operating loss before deemed cost, acquisition related costs and impairment charges for the year was £4,431,000 (2020: £1,443,000). More information about the Group's financial performance can be found in the financial review on pages 39 to 43 and in the financial statements on pages 109 to 170.

The Directors are not proposing a final dividend for the year ended 31 December 2021.

Review of Business and Future Developments

The Chief Executive's Review on pages 6 to 8 and the Strategic Report on pages 4 to 48 provide a review of the business, the Group's trading for the year ended 31 December 2021, key performance indicators and an indication of future developments and risks, form part of this Directors' Report.

Matters covered in the Strategic Report

A comprehensive review and assessment of the Group's activities during the year as well as its position at the year end and prospects for the forthcoming year are included in the Chief Executive's Review and the Strategic Report. These reports can be found in the relevant sections above and should be read in conjunction with this report.

Disclosure	Location
Environmental Impact	Strategic Report, Environmental Impact – page 45
Greenhouse gas emissions	Strategic Report, Environmental Impact – page 45
Future business developments	Strategic Report – pages 4 to 48
Financial risk management objectives and policies (including hedging policy and use of financial instruments)	Notes 2 and 25 to the Financial Statements – pages 109 to 170
Exposure to price risk, credit risk, liquidity risk and cash flow risk	Details can be found on pages 46 to 48 of the Strategic Report and Note 25 to the Financial Statements
Capital Structure	Notes 25 and 26 to the Financial Statements – pages 109 to 170
Principal decisions made by the Board during the year	Strategic Report – page 54
People, culture and employee engagement	Strategic Report – page 44
Section 172 Statement	Strategic Report – pages 31 to 32
Engaging with our stakeholders	Strategic Report – pages 31 to 32
Directors' responsibility statement	Pages 100 to 101
Directors' interests	Directors' Remuneration Report – pages 72 to 75

The stakeholder engagement section of the strategic report contains information in respect of the Group's key stakeholders and business relationships, including our people, shareholders, corporate clients, inventory funders and fund investors.

Cautionary statement

The review of the business and its future development in the Strategic Report has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential for this strategy to succeed. It should not be relied on by any other party for any other purpose. The review contains forward-looking statements which are made by the Directors in good faith based on information available to them up to the time of the approval of the reports and should be treated with caution due to the inherent uncertainties associated with such statements.

Directors of the Group

The Directors, who held office during the period, and subsequently, together with current Directors are as follows:

- Enrico Camerinelli – Independent Non-Executive Director (appointed 23 March 2020)
- Alessandro Zamboni – Chief Executive Officer and Executive Director (appointed 23 March 2020)
- David Bull – Independent Non-Executive Director (appointed 22 July 2021)
- John Collis – Executive Director (appointed 30 July 2021)
- Thomas James – Executive Director (appointed 30 July 2021)
- James Coyle – Former Independent Non-Executive Chairman (appointed 28 October 2021, resigned 4 March 2022)
- Susanne Chishti – Former Senior Independent Non-Executive Director (appointed 23 March 2020, resigned 14 April 2022)
- Dominic White – Former Non-Executive Chairman (appointed 23 March 2020, resigned on 22 July 2021)

The biographies of the Directors in office as at the date of this Annual Report are set out on pages 51 to 52 of the Corporate Governance Report. As set out above, between 31 December 2021 to the date of the approval of the annual report and financial statements there have been two resignations of board members including Mr James Coyle, who resigned on 4 March 2022, and Ms Susanne Chishti, who resigned on 14 April 2022.

The Board and Nomination committee are currently focused on evaluating potential candidates for the Chair and Non-Executive Director positions that are vacant at the time this Annual Report was published. This comprehensive evaluation process is expected to be completed in May and is focused on identifying candidates with deep competencies aligned to the future strategic plan coupled with capabilities and experience that complement those of the existing executive and non-executive directors in order to future proof the Board as the Group enters its next stage of development.

Directors' interests

The Directors who held office during the year and their interests in the ordinary shares of the Company were as follows:

	Ordinary shares (At 31 December 2021)	Ordinary shares (At 31 December 2020)
Alessandro Zamboni (held through AvantGarde Group SpA)	12,742,513,009	12,742,513,009
John Collis	406,500,000	N/A
Tom James	406,500,000	N/A
Enrico Camerinelli	Nil	Nil
David Bull	Nil	N/A
Susanne Chishti	Nil	Nil
Jim Coyle	Nil	N/A
Dominic White (held indirectly as detailed below)*	35,256,725	970,723,449

*Dominic White stepped down from the board on 22 July 2021, this table shows his holding at that point in the 31 December 2021 column. As at 22 July 2021, Dominic held 22,256,725 shares through Eight Capital Partners Plc and 13,000,000 shares through Epsilon Capital Ltd. As at 31 December 2020, Dominic held all his shares through IWEPL Ltd.

The Powers of the Company Directors

The powers of the Directors are set out in the Company's articles of association (the "Articles") and the Companies Act 2006 and are subject to any directions given by special resolution. The Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company whether relating to the management of the business or not. The Directors may also, subject to the Articles, delegate any of their powers, authorities and discretions as they see fit. The Board is required by the Articles to consist of no fewer than two Directors and is not subject to any maximum number.

Appointment and replacement of Directors

The rules governing the appointment and replacement of Directors are set out in the Articles and are governed by the QCA Code, the Companies Act 2006 and related legislation. Directors may be appointed by ordinary resolution of the shareholders or by the Board. At each AGM, all Directors who have been appointed by the Board since the previous AGM shall offer themselves for re-election by the shareholders. In addition, any Directors for whom the AGM is their third since they were last elected or re-elected, shall offer themselves for re-election by the shareholders. As such, at the Company's next AGM, a date for which will be announced shortly following the publication of this Annual Report, the following Directors will offer themselves for re-election; David Bull, John Collis, Thomas James and Alessandro Zamboni.

Articles of Association

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Articles of Association may be amended by a special resolution of the Company's shareholders.

Compensation for loss of Office

No compensation for loss of office was paid to Directors who resigned during the year or in the period following the year end and up to the date at which this Annual Report has been published.

Corporate governance statement

The Corporate Governance Report set out on pages 50 to 107 forms part of the Directors' Report.

Directors' and officers' liability insurance

Throughout the financial year the Company had, as permitted by sections 234 and 235 of the Companies Act 2006, maintained Directors' and Officers' Liability insurance cover on behalf of the Directors of the Company. These policies indemnify them against certain liabilities which may be incurred by them in relation to the Company.

Financial Instruments

The financial risk management objectives and policies of the Group are shown in note 25 to the Group's consolidated financial statements.

IFRS

The Directors have prepared the Group consolidated financial statements in accordance with international accounting standards in conformity with the requirements of UK adopted International Accounting Standards.

Political and charitable donations

No political or charitable donations were made by the Group during the period (2020: nil).

Research and Development

During the year the Group continued to invest in the development of its core Inventory Monetisation ("IM") Platform, the purpose of which is to facilitate, record and monitor IM transactions between third party client companies and segregated trading companies (known as stock companies). The internally generated IM Platform includes not only the software but also:

- the methodologies and business policies underpinning each IM transaction
- the legal and accounting frameworks required to support each IM transaction
- the technical infrastructure (cloud environment, distributed ledger technology) used to support each IM transaction.

During the year the Group capitalised costs associated with the development of the IM Platform to the value of £1,020,000 as disclosed in note 15 to the Group's consolidated financial statements.

Authority for Company to Purchase own Shares

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase. Since listing the Directors have not exercised any of their powers to purchase its own shares.

Significant Interests (greater than 3%)

The table below shows the interests in shares notified to the Company in accordance with the Disclosure Guidance and Transparency Rules as at 31 December 2021, and 24 May 2022 (being the latest practicable date prior to publication of the Annual Report):

Name of shareholder	As at 31 December 2021		As at 24 May 2022	
	No. of Ordinary shares of 1 pence each held	% of total voting rights held	No. of Ordinary shares of 1 pence each held	% of total voting rights held
Alessandro Zamboni (held through AvantGarde Group SpA)	12,742,513,009	35.3%	12,742,513,009	31.2%

Except as referred to above, the Directors are not aware of any person who held an interest of 3% or more of the issued share capital of the Company or could directly or individual, jointly or severally, exercise control.

Branches outside of the UK

The Group has subsidiaries outside the UK in Italy and Singapore. Further details of these can be found in note 3 to the Company's financial statements. The Company currently does not have any branches outside of the UK.

Change of Control

The Group is party to a limited number of funding agreements that include change of control provisions which, in the event of a change of control of the Company, or the relevant Group entity, could result in the termination of those arrangements at the election of the lender, which if triggered would result in the discontinuation of further funding and a requirement to repay amounts outstanding under the affected arrangement.

Going concern

In carrying out their duties in respect of going concern, the directors have completed a review of the Group's financial forecasts for a period exceeding 12 months from the date of issue of this annual report. This review included sensitivity analysis focused on more immediate going concern period to determine the potential impact on the group of reasonably possible downside scenarios. For the reasons set out below, the Directors consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

At the 31 December 2021 the Group had cash balances of £1,727,000 (31 December 2020: £552,000) and net current liabilities of £6,609,000 (31 December 2020: net current liabilities £1,732,000). The Group has posted a loss for the year ended 31 December 2021 after tax of £12,481,000 (2020: loss £2,962,000) and retained losses were £16,209,000 (31 December 2020: losses £3,706,000).

The current liabilities as at 31 December 2021 of £9,232,000 included £5,732,000 relating to the outstanding balance of loan notes which the Group issued on 29 September 2021. As outlined in the Note 31, following the 31 December 2021, £2,035,000 of this balance has been repaid through the issue of new convertible loan notes, of which a principal amount of £1,357,000 has been converted into new ordinary shares in the Company at the request of the convertible loan note holder following the period end date, but prior to the issue of these annual consolidated financial statement. The remaining £678,000 has been repaid in cash following the amendment deed signed by with the lender on 26 April 2022 (refer to note 31 for further details on any post balance sheet events). In addition to the above, £395,000 included within current liabilities is in relation to deferred income held on the balance sheet as at 30 June 2021 and a further £293,000 relates to refundable client deposits which are expected to be returned to the customers following 31 December 2021.

On the 26 April 2022, the Company agreed a new equity funding facility with provides a binding commitment with a new investor, Venus Capital SA ("Venus Capital"), to invest up to £7,500,000 in exchange for multiple tranches of new ordinary shares to be issued by the Company over a period with a long stop date of 31 December 2023 (the "Capital Raise Plan"). These tranches have been structured as follows:

- New ordinary issued from 26 April to date - at the date of these consolidated financial statements being issued, the Company has issued 3,320,000,000 of new ordinary share to Venus Capital in exchange for £1,660,000
- Additional mandatory tranches to the value of £2,090,000; and
- Additional optional tranches (where the exercise is at the option of the Company) to the value of £3,750,000.

It should be noted that the issue of the new ordinary shares under the Capital Raise Plan is subject the necessary authorisations from shareholders which the Company is planning to require at the General Meeting to be held in conjunction with the 2021 Annual General Meeting.

Additionally, the Capital Raise Plan also saw the Company enter into an agreement with Venus Capital regarding a loan facility of up to £1,950,000 commencing from June 2022, including £450,000 to cover the arrangement fees relating to the Capital Raise Plan, which would be repayable in shares and which would have a maturity date of 31 December 2025 and an 10% per annum interest rate.

The key objective of the Capital Raise Plan is to allow the outstanding loan notes to be repaid in cash rather than via further convertible loan note issues. To assist with this, on the 26 April 2022, the Company also signed an amendment letter in respect of these loan notes. This amendment gave the Company to ability to meet this objective.

Taking into account the factors above and in order to consider their assessment of the Group as a going concern, the Directors have reviewed the forecast cashflows for the next 12 months. The cashflow forecasts take into account that the Group meets its day to day working capital requirement through its cash resources and are based on the enlarged group, including TradeFlow. The Directors have prepared the forecast using their best estimates, information and judgement at this time, including the Capital Raise Plan and loan note amendment announced on the 27 April 2021. The Directors have also considered the expected cashflows arising from TradeFlow's investment advisory services ("IA" revenue stream) as well as from the use of the Group's innovative Platform to facilitate inventory monetisation transactions ("CIM" revenue stream). This reflects the fact that the Directors expect the Group to fully operationalise the business model in the near future.

Despite the facts outlined above, there is currently an absence of a historical track record relating to inventory monetisation transactions being facilitated by the Group's Platform, the Group generating the full range of fees from the use of its Platform and the Group being cash flow positive. As such the Directors have prudently identified uncertainty in the cash flow model. This uncertainty arises with respect to both the future timing and growth rates of the forecast cashflows arising from the Group's multiple revenue streams referred to above. In this regard, if these future revenues are not secured as the Directors envisage, it is possible that the Group will have a shortfall in cash and require additional funding during the forecast period. In addition certain cashflows in relation to the financing transactions noted above have not yet occurred and the issue of new ordinary shares under the Capital Raise Plan is subject to the authorisation from shareholders in the General Meeting. On the basis of the above, the Directors believe there are material uncertainties which may cast significant doubt upon the entities ability to continue as a going concern.

The Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should this be required. This includes the application by certain of the Company's subsidiaries to access specialised loans for SME businesses provided by Italian commercial banks with the support of government guarantees. These such loans will allow the Group to access a lower cost of capital.

As such the Directors consider it appropriate to prepare these annual consolidated financial statements on a going concern basis and have not included the adjustments that would result if the Company and Group were unable to continue as a going concern.

Website publication

The Directors are responsible for ensuring that the Annual Report and financial statements are made available on the website. The financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR 4

The Directors confirm that to the best of their knowledge:

- the Group consolidated financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the requirements of UK adopted International Accounting Standards and give a true and fair view of the

- assets, liabilities, financial position and profit and loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group, and the parent Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to the auditor

Each Director at the date of approval of this annual report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Group's and Company's auditor is unaware; and
- all the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

External Auditor

The auditor, Crowe U.K. LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

2021 AGM

The Notice of Annual General Meeting for 2021 will be circulated to all the shareholders at least 21 working days before the AGM and it will also be made available on our corporate website www.supplymecapital.com. The voting on the resolutions will be announced via the Regulatory News Service.

Post balance sheet events

Details of post events since the reporting date can be found in note 31 to the Group's consolidated Financial Statements.

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group consolidated financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies international accounting standards in conformity with the requirements of UK adopted International Accounting Standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the Group's results for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

The Report of the Directors set out from page 96 to page 101 is approved by the Board of Directors and signed on its behalf by:

Alessandro Zamboni

Chief Executive Officer and Executive Director

30 May 2022

Alessandro Zamboni

03

Financial Statements

Independent Auditor's Report

Independent auditor's report to the members of Supply@ME Capital plc

Opinion

We have audited the financial statements of Supply@ME Capital plc (the "Company") and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and the
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Material uncertainty relating to going concern

We draw your attention to note 2 which indicates the existence of uncertainties in relation to assumptions about future trading that support the going concern basis of preparation. As stated in note 2, these events or conditions, along with other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' 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 and company's ability to continue to adopt the going concern basis of accounting included:

- we reviewed and challenged the forecast revenues and resulting cash flows within the assessment period; the uncertainties that are disclosed in note 2 impact the quantum and timing of these cashflows
- we agreed the cash inflows from the Capital Raise Plan to post year end bank statements;
- we tested the mathematical accuracy of the model; and

- we reviewed the appropriateness of the disclosure made and its consistency with our knowledge of the business.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £600,000 (2020 £72,000), based on approximately 5% of the loss before tax for the period. Materiality for the parent company financial statements as a whole was set at £310,000 (2020: £21,000) based on 5% of its individual result.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be £360,000 (2020 £50,400) for the Group and £186,000 (2020: £14,700) for the parent company. Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £7,200 (2020: £1,250). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Following the reverse acquisition transaction in March 2020 and the acquisition of TradeFlow Capital Management Pte Ltd in the year, the group consists of three components, Supply@ME Capital plc, a holding company based in London, United Kingdom and its trading subsidiaries, Supply@ME Srl based in Italy and TradeFlow Capital Management Pte Ltd based in Singapore. Supply@ME Capital plc was audited by us and was conducted from the UK. Audit work on the significant non-UK components being Supply@ME Srl, and TradeFlow Capital Management Pte Ltd were carried out by members of the Crowe Global International network as component auditors.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team. For the full scope components in Italy and Singapore, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to ensure that sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The primary team led by the Senior Statutory Auditor was ultimately responsible for the scope and direction of the audit process. The primary team, using technology, interacted regularly with the component teams where appropriate during various stages of the audit, reviewed working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

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.

In addition to the matter described in the material uncertainty relating to going concern above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our scope addressed the key audit matter
Business Combination As disclosed in note 27 to the financial statements, during the year the company acquired 100% of the issued share capital of TradeFlow Capital Management Pte Ltd. Included in this note and the critical accounting judgements and sources of estimation uncertainty, there are a number of key judgements arising as a result of the transaction. ● Assessing the fair value of the assets and liabilities acquired, in particular any previously unrecognised intangibles, and ● assessing whether elements of consideration paid are accounted for as post combination remuneration or additional consideration. These comprise significant judgements which have a material impact on the financial statements and as such this business combination is a key audit matter.	To assess the adequacy of the accounting for the business combination we have performed the following: ● We have reviewed the share purchase agreement and agreed that the elements of consideration have been appropriately identified and management have undertaken an appropriate valuation approach. ● We considered the independence and competence of the 3rd party consultant engaged by management to perform the purchase price allocation ● We agreed the mathematical accuracy of the consultant's report ● We involved our own valuation specialist in the review of the report and provided challenge on the key assumptions ● We benchmarked the royalty rates used through the use of external databases ● We recalculated the deferred tax liabilities arising on the fair value of previously unrecognised intangible assets ● We reviewed the presentation and disclosure within the financial statements ● We reviewed managements consideration regarding elements of remuneration that are linked to post combination employment ● We reviewed the valuation of the deemed remuneration and engaged with our own valuation specialist to perform a shadow calculation. Key observation: We concluded that accounting for the acquisition of Tradeflow Capital Management Pte Ltd is appropriate.
Impairment assessment As disclosed in note 15, the performance of the underlying subsidiaries has given rise to impairment indicators of the related intangible assets as well as the value of the investment and intercompany receivable in the parent company financial statements. The group performs an impairment assessment where there is an indicator of impairment present. Impairment assessments are inherently judgemental and are subject to a high degree of estimation uncertainty and can have a material impact on the financial statements and as such is a key audit matter.	To assess the adequacy of the group's impairment assessment we have performed the following: ● We agreed the mathematical accuracy of the value in use calculations of the two cash generating units ● We involved our valuation specialists in the review of the value in use calculations to assess the appropriateness of the discount rates used ● We applied challenge to the key assumptions in the models including assumptions around revenue, profitability, growth rates and discount rates. ● Subsequent to our challenge, impairment charges were recognised. This included an impairment of the goodwill recognised on the acquisition of Tradeflow Capital Management Pte Ltd, an impairment of the internally developed IM platform and an impairment of the investment and intercompany receivable relating to Supply@ME S.r.l in the parent company financial statements. ● We considered the adequacy of the disclosures included in the financial statements Key observation: Following the recognition of impairments we are satisfied with the carrying value of the intangible assets.

Key audit matter	How our scope addressed the key audit matter
Revenue recognition Following the acquisition of TradeFlow Capital Management Pte Ltd, the Group has included revenues generated by this entity for the first time therefore there is an increased risk that revenue has been incorrectly recognised in accordance with IFRS 15. In addition the group continues to recognise revenue in Supply@ME Srl and as disclosed in the critical accounting judgements and sources of estimation uncertainty judgement is required to assess if services performed are a distinct performance obligation. Due to the judgements required under IFRS 15 this is considered to be a key audit matter.	We obtained management's assessment regarding the revenue recognition policy under IFRS 15 to develop our understanding of the group revenue streams and performance obligations. For all revenue streams we obtained a sample of contracts and critically assessed if the revenue recognition policy applied was appropriate, in line with IFRS 15, and accurately reflected the contract and performance obligations. Where applicable we also performed tests of cut off to ensure revenue has been recognised in the correct period. Key observation: Based on the procedures we performed we did not identify anything which suggested material error or omission relating to the revenue recognition.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

in our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement (set out on pages 100 to 101), 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 and the parent company'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:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance; the laws and regulations we considered in this context were relevant company law and taxation legislation
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors and the Audit Committee minutes;
- enquiry of management about litigations and claims and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases; and
- communications with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by management on 22 September 2020 to audit the financial statements for the period ending 31 December 2019. Our total uninterrupted period of engagement is 3 years, covering the periods ending 31 December 2019 to 31 December 2021.

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

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Leo Malkin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

30 May 2022



Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2021

		Year ended 31 December 2021	Year ended 31 December 2020
	Note	£ 000	£ 000
Revenue	4	538	1,147
Cost of sales		(804)	(739)
Gross (loss)/profit		(266)	408
Administrative expenses	8	(4,165)	(1,904)
Other operating income	7	-	53
Operating loss before deemed cost of listing and acquisition related costs and impairment charge	4	(4,431)	(1,443)
Deemed cost of listing	8	-	(1,376)
Transaction costs	8	(2,009)	-
Amortisation of intangible assets arising on acquisition	8	(391)	-
Acquisition related earn-out payments	8	(1,410)	-
Impairment of charges		(2,573)	-
Operating loss		(10,814)	(2,819)
Finance costs	8	(1,341)	-
Loss before tax		(12,155)	(2,819)
Income tax	12	(332)	(145)
Loss for the year		(12,487)	(2,964)
Other comprehensive income			
Exchange differences on translating foreign operations		6	2
Total comprehensive loss for the year		(12,481)	(2,962)
Loss attributable to:			
Owners of the company		(12,481)	(2,962)
Earnings per share		Pence	Pence
Basic and diluted	14	(0.04)	(0.01)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2021

	Note	As at 31 December 2021 £ 000	As at 31 December 2020* £ 000
Non-current assets			
Intangible assets and goodwill	15	7,895	1,236
Tangible assets		17	2
Deferred tax asset	13	-	422
Total non-current assets		7,912	1,660
Current assets			
Trade and other receivables	16	896	1,113
Cash and cash equivalents		1,727	552
Total current assets		2,623	1,665
Total assets		10,535	3,325
Current liabilities			
Trade and other payables	20	3,500	3,373
Derivative financial instruments		-	24
Loan notes	18	5,732	-
Total current liabilities		9,232	3,397
Net current liabilities		(6,609)	(1,732)
Non-current liabilities			
Long-term borrowings	18	1,284	22
Provisions	21	340	358
Deferred tax liabilities	13	1,104	-
Total non-current liabilities		2,728	380
Net liabilities		(1,425)	(452)
Equity attributable to owners of the parent			
Share capital	17	5,486	5,420
Share premium		18,171	11,820
Share-based payment reserve	28	2,018	-
Other reserves		(10,891)	(13,986)
Retained losses		(16,209)	(3,706)
Total equity		(1,425)	(452)

* To more accurately reflect the nature of certain items in the balance sheet, the prior year comparatives include the a reclassification of bank borrowings of £22,000 from Trade and other payables to Long-term borrowings. In addition, the prior year comparative deferred tax asset balance of £422,000 has been reclassified from Trade and other receivables to non-current assets to comply with IAS 1 ("Presentation of Financial Statements").

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

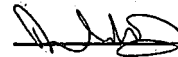
The consolidated financial statements on pages 109 to 155 were approved and authorised for issue by the Board on 30 May 2022.

Signed on its behalf by:



Alessandro Zamboni

*Chief Executive Officer and
Executive Director*



David Bull

*Independent Non-Executive Director
and Chair of Audit Committee*

Supply@ME Capital plc

Registration number: 03936915

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2021

	Note £ 000	Share capital £ 000	Share premium £ 000
At 1 January 2020		148	-
Forex retranslation		-	-
At 1 January 2020 after forex retranslation		148	-
Loss for the year		-	-
Forex retranslation difference		-	-
Loss for the year and total comprehensive income		-	-
Transfer to reverse takeover reserve		(148)	-
Recognition of plc equity at acquisition date		4,767	9,597
Reverse takeover of Supply@ME S.r.l.		646	-
Issue of shares for cash		7	2,234
Cost of share issues		-	(11)
Legal reserve		-	-
At 31 December 2020		5,420	11,820
At 1 January 2021		5,420	11,820
Loss for the year		-	-
Forex retranslation difference		-	-
Loss for the year and total comprehensive income		-	-
Issuance of new shares	17	66	6,351
Issue of warrants	28		
Credit to equity for acquisition related earn-out payments	27		
Legal reserve movement		-	-
At 31 December 2021		5,486	18,171

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Other reserves	Share-based payment reserve	Merger reserve	Reverse takeover reserve	Forex reserve	Retained earnings	Total
£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
-	-	-	-	3	(708)	(557)
-	-	-	-	-	(34)	(34)
-	-	-	-	3	(742)	(591)
-	-	-	-	-	(2,964)	(2,964)
(8)	-	-	-	10	-	2
(8)	-	-	-	10	(2,964)	(2,962)
-	-	-	148	-	-	-
-	-	-	(13,505)	-	-	859
-	-	223,832	(224,478)	-	-	-
-	-	-	-	-	-	2,241
-	-	-	-	-	-	(11)
12	-	-	-	-	-	12
4	-	223,832	(237,835)	13	(3,706)	(452)
4	-	223,832	(237,835)	13	(3,706)	(452)
-	-	-	-	-	(12,487)	(12,487)
-	-	-	-	5	1	6
-	-	-	-	5	(12,486)	(12,481)
-	-	3,073	-	-	-	9,490
-	608	-	-	-	-	608
-	1,410	-	-	-	-	1,410
17	-	-	-	-	(17)	-
21	2,018	226,905	(237,835)	18	(16,209)	(1,425)

Consolidated Statement of Cash Flows for the Year Ended 31 December 2021

	Year ended 31 December 2021 £ 000	Year ended 31 December 2020* £ 000
Cash flows from operating activities		
Loss for the year	(10,814)	(2,819)
<i>Adjustments for non-cash costs relating deemed cost of listing and acquisition related costs and impairment charge</i>		
Deemed cost of listing in reverse acquisition	-	1,376
Acquisition related transaction costs	1,900	-
Acquisition related earn-out payments	1,410	-
Amortisation of intangible assets arising on acquisition	391	-
Impairment charges	2,573	-
	6,274	1,376
Other non-cash adjustments	(70)	16
Other depreciation and amortisation	396	203
Increase to provisions	52	40
Decrease/(increase) in accrued income	(46)	-
Decrease/(increase) in trade receivables	505	(717)
Increase/(decrease) in trade and other payables	77	296
Other decreases/(increases) in net working capital	(158)	686
Net cash flows from operations	(3,784)	(919)
Finance costs paid in cash	(2)	-
Income taxes paid in cash	(89)	(19)
Other collections	-	6
Net cash flow from operating activities	(3,875)	(932)
Cash flows from investing activities		
Cash from reverse acquisition of Abal plc	-	93
Acquisition of property, plant and equipment	(7)	(2)
Acquisition of intangible assets	(1,020)	(1,026)
Cash consideration on acquisition of Tradeflow, net of cash acquired	(3,523)	-
Net cash flows from investing activities	(4,550)	(935)
Cash flows from financing activities		
Increase/(decrease) in long-term borrowings	-	22
Net cash inflow from Mercator loan notes	6,629	-
Other finance costs paid in cash	(25)	-
Cash inflow from Negma convertible loan notes	5,000	-
Cash repayment to Negma convertible loan notes	(2,016)	-
Proceeds from issue of ordinary shares, net of allowable issue costs	-	2,230
Net cash flows from financing activities	9,588	2,252

	Year ended 31 December 2021 £ 000	Year ended 31 December 2020* £ 000
Net increase in cash and cash equivalents	1,163	385
Foreign exchange differences to cash and cash equivalents on consolidation	12	24
Cash and cash equivalents at 1 January	552	143
Cash and cash equivalents at 31 December	1,727	552

* In addition, to better reflect the nature of certain cash flow items the prior year comparatives include a reclassification of bank borrowings of £22,000 from Trade and other payables to Long-term borrowings.

Significant non-cash transactions

During the year, the Group issued 3,313,496,990 ordinary shares in the Company. 2,000,496,990 new ordinary shares were admitted to trading during the year in connection with convertible loan notes that were converted to equity at the discretion of the subscriber during the year. These convertible loans were issued to extinguish in exchange for £4,501,000 principal value of convertible loan notes. 813,000,000 new ordinary shares were admitted to trading during the year as part of the consideration package for the Company's acquisition of TradeFlow 500,000,000 new ordinary shares were admitted to trading during the year as consideration for support with the TradeFlow acquisition. Further details of share issues can be found in note 17. Further details of the convertible loan note facilities can be found in note 19. Further details of the acquisition of TradeFlow can be found in note 27.

The reconciliation of the movement in net debt is set out in note 26.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

1. General information

Supply@ME Capital plc is a public limited company incorporated in England and Wales. The address of its registered office is 27 Eastcastle Street, London, W1W 8DH, United Kingdom. Supply@ME Capital's shares are listed on the Standard List of the main market of the London Stock Exchange.

These consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standards.

The financial statements of the Group, consisting Supply@ME Capital plc (the "Company") and its subsidiaries (the "Group"), are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise stated.

These consolidated financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied to all the years presented.

2. Accounting policies

Going concern

At the 31 December 2021 the Group had cash balances of £1,727,000 (31 December 2020: £552,000) and net current liabilities of £6,609,000 (31 December 2020: net current liabilities £1,732,000). The Group has posted a loss for the year ended 31 December 2021 after tax of £12,481,000 (2020: loss £2,962,000) and retained losses were £16,209,000 (31 December 2020: losses £3,706,000).

The current liabilities as at 31 December 2021 of £9,232,000 included £5,732,000 relating to the outstanding balance of loan notes which the Group issued on 29 September 2021. As outlined in the Note 31, following the 31 December 2021, £2,035,000 of this balance has been repaid through the issue of new convertible loan notes, of which a principal amount of £1,357,000 has been converted into new ordinary shares in the Company at the request of the convertible loan note holder following the period end date, but prior to the issue of these annual consolidated financial statements. The remaining £678,000 has been repaid in cash following the amendment deed

signed by with the lender on 26 April 2022 (refer to note 31 for further details on any post balance sheet events). In addition to the above, £395,000 included within current liabilities is in relation to deferred income held on the balance sheet as at 31 December 2021 and a further £293,000 relates to refundable client deposits which are expected to be returned to the customers following 31 December 2021.

On the 26 April 2022, the Company agreed a new equity funding facility which provides a binding commitment with a new investor, Venus Capital SA ("Venus Capital"), to invest up to £7,500,000 in exchange for multiple tranches of new ordinary shares to be issued by the Company over a period with a long stop date of 31 December 2023 (the "Capital Raise Plan"). These tranches have been structured as follows:

- New ordinary shares issued from 26 April to date - at the date of these consolidated financial statements being issued, the Company has issued 3,320,000,000 of new ordinary shares to Venus Capital in exchange for 1,660,000;
- Additional mandatory tranches to the value of £2,090,000; and
- Additional optional tranches (where the exercise is at the option of the Company) to the value of £3,750,000.

It should be noted that the issue of the new ordinary shares under the Capital Raise Plan is subject the necessary authorisations from shareholders which the Company is planning to require at the General Meeting to be held in conjunction with the 2021 Annual General Meeting.

Additionally, the Capital Raise Plan also saw the Company enter into an agreement with Venus Capital regarding a loan facility of up to £1,950,000 commencing from June 2022, including £450,000 to cover the arrangement fees relating to the Capital Raise Plan, which would be repayable in shares and which would have a maturity date of 31 December 2025 and an 10% per annum interest rate.

The key objective of the Capital Raise Plan is to allow the outstanding loan notes to be repaid in cash rather than via further convertible loan note issues. To assist with this, on the 26 April 2022, the Company also signed an amendment

letter in respect of these loan notes. This amendment gave the Company the ability to meet this objective.

Taking into account the factors above and in order to consider their assessment of the Group as a going concern, the Directors have reviewed the forecast cashflows for the next 12 months. The cashflow forecasts take into account that the Group meets its day to day working capital requirement through its cash resources and are based on the enlarged group, including TradeFlow. The Directors have prepared the forecast using their best estimates, information and judgement at this time, including the Capital Raise Plan and loan note amendment announced on the 27 April 2021. The Directors have also considered the expected cashflows arising from TradeFlow's investment advisory services ("IA" revenue stream) as well as from the use of the Group's innovative Platform to facilitate inventory monetisation transactions ("C.IM" revenue stream). This reflects the fact that the Directors expect the Group to fully operationalise the business model in the near future.

Despite the facts outlined above, there is currently an absence of a historical track record relating to inventory monetisation transactions being facilitated by the Group's Platform, the Group generating the full range of fees from the use of its Platform and the Group being cash flow positive. As such the Directors have prudently identified uncertainty in the cash flow model. This uncertainty arises with respect to both the future timing and growth rates of the forecast cashflows arising from the Group's multiple revenue streams referred to above. In this regard, if these future revenues are not secured as the Directors envisage, it is possible that the Group will have a shortfall in cash and require additional funding during the forecast period. In addition certain cashflows in relation to the financing transactions noted above have not yet occurred and the issue of new ordinary shares under the Capital Raise Plan is subject to the authorisation from shareholders in the General Meeting. On the basis of the above, the Directors believe there are material uncertainties which may cast significant doubt upon the entities ability to continue as a going concern.

The Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should

this be required.

This includes the application by certain of the Company's subsidiaries to access specialised loans for SME businesses provided by Italian commercial banks with the support of government guarantees. These such loans will allow the Group to access a lower cost of capital.

As such the Directors consider it appropriate to prepare these annual consolidated financial statements on a going concern basis and have not included the adjustments that would result if the Company and Group were unable to continue as a going concern.

Adjusted performance measures

Management believes that adjusted performance measures provide meaningful information to the users of the accounts on the operating performance of the business. Accordingly, the adjusted measure of operating profit and exclude, where applicable, deemed cost of listing, transaction costs, amortisation of intangible assets arising on acquisitions, acquisition related earn-out payments and impairment charges. These terms are not defined terms under IFRSs and may therefore not be comparable with similarly titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. The items excluded from adjusted results are those which arise due to the reverse takeover, as disclosed in note 3 and items that are charged to the consolidated statement of comprehensive income in accordance with IFRS 3 ("Business Combinations"). They are not influenced by the day-to-day operations of the Group.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 December 2021. Subsidiaries are entities over which the Group has control. Control comprises an investor having power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

On 23 March 2020, the Company, completed a reverse acquisition of Supply@ME S.r.l., a company registered in Italy. Further information about this transaction is disclosed in note 3.

On 1 July 2021 the Company completed the acquisition of the entire share capital of TradeFlow by way of cash and share consideration. As such from this date TradeFlow became a fully owned subsidiary of the Company and will form part of the Group's consolidated financial performance and position from the date of acquisition.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

New and revised accounting standards and interpretations

Management has concluded that to date there has been no impact on the results or net assets of the Company as a result of adopting new or revised accounting standards.

New standards, interpretations and amendments not yet effective

At the date of authorisation of the Group's financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board but are not yet effective in the UK and have not been adopted early by the Group. The most significant of these are as follows, which are effective for the periods beginning after 1 January 2022:

- Amendments to IFRS 3 Business Combinations Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities, Contingent Assets Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements 2018–2020
- Amendments to IAS 1 Classification of Liabilities as Current
- Amendments to IAS 1 Disclosure of Accounting policies
- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 17 Insurance Contracts

All relevant standards, amendments and interpretations to existing standards will be adopted in the Group's accounting policies in the first period beginning on or after the effective date of the relevant pronouncement of adoption by the

UK Accounting Standards Endorsement Board.

The directors do not anticipate that the adoption of these standards, amendments and interpretations will have a material impact on the Group's consolidated financial statements in the periods of initial application.

Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method under IFRS 3 "Business Combinations".

Measurement of consideration

The consideration for each acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred to former owners and equity instruments issued by the Group in exchange for control of the acquiree.

Acquisition related earn-out payments (deemed remuneration)

In accordance with the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS 3 ("Business Combinations"), the cost of the business combination excludes consideration which requires post-acquisition service obligations to be performed by the selling shareholders.

In the event that the deemed remuneration is to be equity settled under IFRS 2 ("Share-Based Payments"), the fair value is determined at the grant date and then charged to the consolidated statement of comprehensive income over the period of the service obligations.

Fair value assessment

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Where the fair value of the assets and liabilities at acquisition cannot be determined reliably in the initial accounting, these values are considered to be provisional for a period of 12 months from the date of acquisition. If additional information relating to the condition of these assets and liabilities at the acquisition date is obtained within this period, then the provisional values are adjusted retrospectively. This includes the restatement of comparative information for prior periods.

Intangible assets arising on business combinations are recognised initially at fair value at the date of acquisition. Subsequently they are carried at cost less accumulated amortisation and impairment charges.

Goodwill

Goodwill arises where the consideration of the business combination exceeds the Group's

interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. This is recognised as an asset and is tested annually for impairment. The identifiable assets and liabilities acquired are incorporated into the consolidated financial statements at their fair value to the Group

Transaction costs

Transaction costs associated with the acquisition are recognised in the consolidated statement of comprehensive income as incurred and separately disclosed due to the nature of this expense.

Intangible assets

Goodwill

Goodwill arising on consolidation is recognised as an asset.

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

Other intangible assets

a) Internally developed Inventory Monetisation ("IM") platform

The core activity of the existing Supply@Me business is the creation and marketing of a software-driven secure platform (the "IM Platform") that can be used for the facilitation, recording and monitoring of IM transactions between third party client companies and segregated trading companies (known as stock companies). The software modules which form part of the IM Platform can also be used, through a White-label model, by third party banks in order for them to deploy their own inventory backed financial products. The internally generated IM Platform includes not only the software but also:

- the methodologies and business policies underpinning each IM transaction
- the legal and accounting frameworks required to support each IM transaction
- the technical infrastructure (cloud environment, distributed ledger technology) used to support each IM transaction.

Associated with this core activity are significant product development requirements to address compliance with legal, regulatory, accounting, valuation and insurance criteria. The three main categories of cost are: Software and infrastructure development, intellectual property (IP) related costs and professional fees related to the development of legal and

accounting infrastructure.

These costs are capitalised and initially measured at cost and are amortised over their estimated useful economic lives, considered to be 5 years, on a straight-line basis.

Amortisation of this internally developed IM platform is charged within cost of sales in the consolidated statement of comprehensive income.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying amount is reduced by any provision for impairment where necessary.

b) Acquired intangible assets

Intangible assets arising on business combinations are recognised initially at fair value at the date of acquisition. Subsequently they are carried at cost less accumulated amortisation. Amortisation of acquired intangible assets is charged within administrative expenses in the consolidated statement of comprehensive income but is excluded from the adjusted operating profit measures as described above.

The estimated useful lives of the acquired intangible assets are set out below:

Customer relationships	13 years
Brand (TradeFlow)	5 years
Commodity Trade Risk Management ("CTRM") software	5 years
Artificial Intelligence and back-office ("AI") software	5 years

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying amount is reduced by any provision for impairment where necessary.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Revenue recognition

Revenue for the Group is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the performance obligation is satisfied, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Currently all the Group's revenues are recognised at a point in time when the relevant performance obligation has been satisfied.

The Group recognises revenue from the following activities:

a) Captive inventory monetisation platform servicing ("C.IM") - Due diligence fees:

This revenue arises from due diligence services performed by Group's Italian subsidiary, Supply@Me Srl, in relation to the potential client companies. This due diligence covers topics such as the client's financial information, operations, credit rating and analysis of its inventory.

Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, the due diligence revenues recognised by the Group to date have been limited. Further details are provided below:

Historical contractual arrangements -

Prior to June 2020, the Group's contractual arrangements required the client to make a down payment intended to remunerate the Group for the due diligence services being

provided. However, these agreements did not clearly identify the Group's performance obligation and such down payments were also refundable under certain circumstances and up to the point when the Platform was able to be used for the first time by the client companies.

Due to the above circumstances, these down payments have not been recognised as revenue under IFRS 15 ("Revenue from Contracts with Customers") until the specific performance obligation, being the use of the Group's Platform for the first time, has been satisfied by the Group. Until such time, these amounts have been recognised as deferred income in the balance sheet, or as other payables in the case where a refund has been requested (due to the current delays being experienced by the Group), but not yet paid as at the balance sheet date.

Current contractual arrangements - Post June 2020, the Group updated its contractual arrangements to specifically identify a separate performance obligation in relation to the completion of the due diligence services being provided by the Group, also considering the actual benefits the client companies can directly obtain from such activities, even in case the inventory monetisation transaction does not take place. In these contracts, the due diligence fees are paid in advance by the client companies, and the revenue is recognised when the Group has successfully fulfilled its performance obligation, being the completion of the due diligence service and communication to the client in this respect through the issuance of a detailed due diligence report. Prior to the completion of the performance obligation, the due diligence fees received are held on the balance sheet as deferred income.

In order to conclude if the performance obligations have been successfully fulfilled, management currently assess this on a client-by-client basis to ensure that the control of the due diligence has been transferred to the client company. In developing this accounting policy management have made the assessment that the due diligence services result in a distinct beneficial service being provided to client companies as the information provides insight into their business which can also be used for alternative purposes as well (such as client companies business and operational optimisation). This is also referred to the critical accounting judgements and sources of estimation uncertainty note.

Specific contractual arrangements with related party originator - During 2020, the Group entered into an origination contract with 1AF2 S.r.l in connection with the identification of potential client companies. Also, during 2020, 1AF2 S.r.l merged with The AvantGarde Group S.p.A ("TAG"). As set out in the related party note to these accounts (note 29), both 1AF2 S.r.l and TAG are related parties of the Group.

Under this origination contract it was the originators responsibility to carry out the due diligence services. However, given the Group already had this expertise the originator chose to contract with the Group to perform the due diligence services on their behalf. In this case the Group acts as a service provider to the originator, with the completion of single due diligence activities the identified performance obligation.

This specific contract stipulated a fee to cover the performance of due diligence services for a specific number of clients. This fee was paid at the date the contract was signed. Management's judgement was that the provision of each of the individual due diligence reviews represented a distinct performance obligation under IFRS 15 ("Revenue from Contracts with Customers").

As such, the fees received in advance were held on the balance sheet as deferred income, and the revenue was recognised in line with the completion of each of the due diligence reviews, specifically where the performance obligation had been satisfied being the completion and communication of the due diligence results.

During FY21, this contractual arrangement accounted for 33% of the Group's revenue (2020: 100%).

b) Investment Advisory ("IA") fees:

This revenue arises from investment advisory services provided by the Groups wholly owned subsidiary, TradeFlow, in its capacity as investment advisor of the Global Inventory programme (more specifically, at the date of this report to its well-established CEMP – USD/EUR Trade Flow Funds Segregated Portfolios). Investment Advisory fees are generated on a monthly basis through investment advisory agreements and are generally based on an agreed percentage of the valuation of Assets Under Management ("AUM") during the relevant period. Investment Advisory fees are recognised as the service is provided and it is probable that the fee will be collected. As

these fees are generally received following the particular period to which they relates, any amounts that have been recognised as revenue but not yet received, are recorded on the balance sheet as accrued income.

Cost of Sales

Cost of sales represents those costs that can be directly related to the sales effort. At this early stage in the Group's development, where the C.IM revenue comprises entirely due diligence fee revenue, the cost of sales includes both the costs of the work force who are engaged in that process and the amortisation of the costs relating to the internally developed IM platform. Management regard both as the direct costs associated with generating the C.IM revenue; in line with similar FinTech companies.

Leases

The Group has entered into short term lease contracts (as defined by IFRS 16 "Leases") in respect of one property only and as such, at this time, the Group does not have any material lease arrangements that would be required to be accounted for under IFRS 16 ("Leases"). For these leases the costs are recognised in consolidated statement of comprehensive income in the period which is covered by the term of the lease.

Property, Plant and equipment

Recognition and measurement

All property, plant and equipment is stated at cost less accumulated depreciation and impairment. The costs of the plant and equipment is the purchase price plus any incidental costs of acquisition. Depreciation commences at the point the asset is brought into use.

If there is any indication that an asset's value is less than it's carrying amount an impairment review is carried out. Where impairment is identified an asset's value is reduced to reflect this.

The residual values and useful economic lives of plant and equipment are reviewed by management on an annual basis and revised to the extent required.

Depreciation

Depreciation is charged to write off the cost, less estimated residual values, of all plant and equipment equally over their expected useful lives. It is calculated at the following rates:

- Computers and IT equipment at 33% per annum.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of any deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax and current tax are charged or credited to profit or loss, except when it relates to items charged or credited in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

In line with IAS 1 "Presentation of Financial Statements" the deferred tax assets have been classified as non-current assets. This has resulted in a reclassification of the deferred tax asset as at 31 December 2020 from Trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Functional and presentational currencies

The consolidated financial statements are presented in pounds sterling (£), the Company's

functional currency.

Foreign currency

The main currencies for the Group are the euro (EUR), pounds sterling (GBP), US dollars (USD) and Singapore dollars (SGD).

Foreign currency transactions and balances

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using their functional currency. The functional currency of the parent and each subsidiary is the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into the functional currency using the average exchange rates in the month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Share capital, share premium and brought forward earnings are translated using the exchange rates prevailing at the dates of the transactions.

See applicable exchange rates to GBP used during FY21 and FY20 below:

	2021		2020	
	Closing	Average	Closing	Average
SGD	1.8195	1.8487	-	-
EUR	1.1907	1.1592	1.1118	1.1250
USD	1.3477	1.3775	-	-

Consolidation of foreign entities:

On consolidation, results of the foreign entities are translated from the local functional currency to pounds sterling, the presentational currency of the Group, using average exchange rates during the period. All assets and liabilities are translated from the local functional currency to pounds sterling using the reporting period end exchange rates. The exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in a separate component of equity.

Employee benefits**Short-term employee benefits**

The Group accounts for employee benefits in accordance with IAS 19 ("Employee Benefits").

Short-term employee benefits are expensed as the related service is provided. A liability is

recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution pension obligations

The Group accounts for retirement benefit costs in accordance with IAS 19 ("Employee Benefits").

Contributions to the Group's defined contributions pension scheme are charged to profit or loss in the period in which they become payable.

Financial assets

Classification

Financial assets currently comprise trade and other receivables, cash and cash equivalents.

Recognition and measurement

Loans and receivables

Loans and receivables are mainly contractual trade receivables and are non-derivative financial assets with fixed or determinable payments that do not have a significant financial component and are not quoted in an active market. Accordingly, trade and other receivables are recognised at undiscounted invoice price. A reserve for credit risk is made at the beginning of each transaction and adjusted subsequently through profit and loss.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 ("Financial Instruments") using the lifetime expected credit losses. During this process the probability of the non-payment of trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are reported in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents

Cash and other short-term deposits in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less and where there is an insignificant risk of changes in value. In the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial liabilities

Classification

Financial liabilities comprise trade and other payables, loan notes, long-term borrowings, convertible loan notes and derivative financial instruments.

Recognition and measurement

Trade and other payables

Trade and other payables are initially recognised at fair value less transaction costs and thereafter carried at amortised cost.

Derivative financial instruments

The Group's derivative financial instruments is a historic convertible loan note that was both issued and then cleared in the past by a debt for equity swap, and warrants were issued with options to acquire shares that are accounted for at fair value, with changes in value taken through profit and loss. The release of the fair value discount on the debt for equity swap has been taken to the income statement as these warrants expired during the current year.

Loan note and long-term borrowings

Interest bearing loan notes and long-term borrowings are initially recorded at the proceeds received, net of direct issue costs (including commitment fees, introducer fees and the fair value of warrants issued to satisfy issue costs). Finance charges, including direct issue costs, are accounted for on an amortised cost basis to the consolidated statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The carrying value of the loan notes have been adjusted to take for the fair value of principal repayments made since inception.

Convertible loan notes

Convertible loan notes issued by the Group are recorded at the fair value of the convertible loan notes issued, net of direct issue costs including commitment fees. Finance charges, including direct issue costs, are accounted for on an amortised cost basis to the consolidated statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The carrying value of the convertible loan notes have been adjusted to take for the fair value of those notes that have been converted into ordinary shares since inception.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation and the amount can be reliably estimated.

Share-based payments

Equity-settled share-based payments relate to the acquisition related earn-out payments and warrants issued in connection with the cost of issuing loan notes and convertible notes during the current year.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 28.

The fair value determined at the grant date of the equity-settled share-based payments relating to the earn-out payments are expensed over the vesting period on a straight-line basis, based on the group's estimate of equity instruments that will eventually vest. At each balance sheet date, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

The fair value determined at the grant date of the equity-settled share-based payments relating to the warrants issued are net off against the fair value of the loan notes or convertibles loan notes to which they directly relate. The fair value is then expensed together with the other related finance costs on an amortised cost basis to the consolidated statement of comprehensive income using the effective interest method. In respect of the share-based payments, the fair value is not revised at subsequent reporting dates.

Equity

"Share capital" represents the nominal value of equity shares issued.

"Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares net of expenses of the share issue.

"Other reserves" represents legal reserves in respect of Supply@ME S.r.l. In accordance with Article 2430 of the Italian Civil Code, Supply@ME S.r.l., a limited liability company registered in Italy,

with a corporate capital of euro 10,000 or above shall annually allocate as a legal reserve an amount of 5% of the annual net profit until the legal reserve will be equal to 20% of corporate capital.

"Share-based payment reserve" represents the credit adjustments to equity in respect of the fair value of outstanding share-based payments including acquisition related earn-out payments and warrants issued in connection with the cost of issuing loan notes and convertible notes during the current year.

"Merger relief reserve" represents the excess of the value of the consideration shares issued to the shareholders of Supply@ME S.r.l. upon the reverse takeover over the fair value of the assets acquired.

"Reverse takeover reserve" represents the accounting adjustments required to reflect the reverse takeover upon consolidation. Specifically, removing the value of the "investment" in Supply@ME S.r.l., removing the share capital of Supply@ME S.r.l. and bringing in the pre-acquisition equity of Supply @ME Capital plc.

"FX reserves" represents foreign currency translation differences on consolidation of subsidiaries reporting under a different functional currency to the parent company.

"Retained earnings" represents retained losses of the group. As a result of the reverse takeover, the consolidated figures include the retained losses of the Group only from the date of the reverse takeover together with the brought forward losses of Supply@ME S.r.l.

Critical accounting judgements and sources of estimation uncertainty

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on experience to date and other factors, including reasonable expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, 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.

A number of these key estimates and underlying assumptions have been considered for the first time this financial year as a result of specific transactions outlined in these consolidated financial statements. The Directors have evaluated the estimates using historical experience and other methods considered reasonable specific to the circumstances. The directors have also acted in consultation with third-party experts where appropriate. These estimates will be evaluated on an ongoing basis as required.

The Group believes that the estimates and judgements that have the most significant impact on the annual results under IFRS are as set out below:

Judgements

Internally developed intangible assets

The cost of an internally generated IM platform comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. During the period judgement was required to distinguish those costs that were capable of being capitalised under IAS 38 ("Intangible assets") and that costs that related to research activities, the cost of which has been recognised as an expense during the relevant period.

Revenue recognition – assessment of performance obligations

The Directors are required to make a judgement as to if the due diligence services represent a distinct performance obligation under IFRS 15 ("Revenue from Contracts with Customers"). The Board and management have concluded that this is indeed the case due to the distinct beneficial service being provided to client companies through the delivery of the due diligence report which provides insight and information into the business.

Accounting for acquisition related earn-out payments

The terms of the agreement to acquire TradeFlow included acquisition related earn-out payments that, together with the initial cash payment and issue of equity, form the total legal consideration agreed between the parties. The acquisition related earn-out payments are determined by reference to pre-determined revenue milestone targets in each of the 2021, 2022 and 2023 financial years. These payments may be forfeited by the selling shareholders should they, in certain circumstances, no longer remain employed

prior to the end of each earn-out period. Under the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS 3 ("Business Combinations"), the Directors have concluded that the inclusion of the substantive post-acquisition service conditions requires the fair value of these earn-out payments to be accounted as a charge to the income statement (as deemed remuneration) rather than as consideration.

Business combinations

The share purchase agreements governing the acquisition of TradeFlow included an option for the selling shareholders, who remained directors of TradeFlow following the acquisition, to repurchase and give the ability for these selling shareholders to veto certain actions in relation to the TradeFlow business for the first 24 months of ownership. The Directors consider these clauses to be protective in nature and not substantive and are in place to protect these selling shareholders during the earn-out period.

Furthermore, the Directors have assessed the option clauses to be unlikely during the year and at the balance sheet date. Therefore, the Directors have concluded that Supply@ME Capital plc has control over TradeFlow.

Estimates

Intangible assets in a business combination

On the acquisition of a business the identifiable intangible assets may include customer relationships, brands and internally generated software. The fair value of certain of these assets is determined by discounting estimated future net cash flows generated by the asset where no active market for the asset exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets, with a resultant impact on the goodwill or gain on acquisition recognised.

On acquisition the Group recognised intangible assets of £6,888,000, representing customer relationships (£4,829,000), Brand ("TradeFlow") (£205,000), CTRM software (£1,429,000) and AI software (£425,000).

Customer relationships

The most significant intangible asset recognised is relationships with customers, in this case being potential investors to the Global Inventory Fund (more specifically, at the date of this report to its well-established CEMP – USD/ EUR Trade Flow Funds Segregated Portfolios) for which TradeFlow acts as an investment advisor. A model was used that present valued the earnings forecast

to be generated by the investor relationships, net of a reasonable return on other assets also contributing to that stream of earnings. The significant assumptions used in this model were as follows:

Discount rate – 25%

Annual customer attrition rate – 5%

If the discount rate was adjusted by 2.5% the impact on the value of the asset would be approximately plus or minus £769,000 and £605,000 respectively. If the annual customer attrition rate was adjusted by 2.5% the impact on the value of the asset would be approximately plus or minus £989,000 and £824,000 respectively.

Brand

The brand has been valued by present valuing the saved costs by owning the brand rather than paying a royalty to licence the brand. The significant assumptions used in this model were as follows:

Discount rate – 25%

Royalty rate – 1%

If the discount rate was adjusted by 2.5% the impact on the value of the asset would be not be impacted. If the royalty rate was adjusted by 1% the impact on the value of the asset would be approximately plus or minus £220,000.

CTRM software

CTRM software has been valued by present valuing the saved costs by owning the software rather than paying a royalty to licence the software. The significant assumptions used in this model were as follows:

Discount rate – 25%

Royalty rate – 7%

If the discount rate was adjusted by 2.5% the impact on the value of the asset would be approximately plus or minus £110,000. If the royalty rate was adjusted by 1% the impact on the value of the asset would be approximately plus or minus £220,000.

AI software

AI software has been valued with reference to the costs that would have to be expended in order to recreate the asset. The cost assumptions were based on historical costs and as such there were no significant judgemental or subjective assumptions.

Useful Economic Lives of Acquired Intangibles

On acquisition, the useful economic lives of acquired

intangibles, which are key estimates, are assessed by management. The estimated useful lives of the acquired intangible assets are set out below:

Customer relationships	13 years
Brand (TradeFlow)	5 years
CTRM software	5 years
AI software	5 years

These useful economic lives have been based on the following factors:

- Customer relationships – the period over which 95% of the value of the customer relationships is expected to be achieved.
- Brand, CTRM software and AI software – the specific characteristics of the asset, its life to date and benchmarking to market data for comparable acquisition transactions.

We have outlined below a sensitivity analysis detailing the impact of changing the useful economic lives of each of the acquired intangibles would have on the amortisation charged to profit or loss for the year ended 31 December 2021:

	Decreasing useful life by 3 years	Increasing useful life by 3 years
	Approximate increase in amortisation (£ 000)	Approximate decrease in amortisation (£ 000)
Customer relationships	56	35
Brand (TradeFlow)	31	8
CTRM software	214	54
AI software	64	16
Total	365	112

Valuation of acquisition related earn-out payments

The acquisition related earn-out payments described above, are able to be settled in either cash or equity. The contracts governing the acquisition of TradeFlow however contain conflicting terms with respect to which party has the right to decide whether to settle the earn-out payments in cash or shares. After taking legal advice, management have concluded that the choice is at the discretion of the Company, and that it is the Company's current intention is to settle these payments in equity, capturing them within the scope of IFRS 2 ("Share-based payments").

As such the Directors were required to determine

the fair value of the equity-settled share-based payments at the date on which they were granted. This valuation needed to take into account the following market conditions related to these earn-out awards:

- The number of shares to be issued will be determined using the Volume Weighted Average Price ("VWAP") over the 20 dealing days to the end of the relevant financial year subject to a floor of 1p. In addition, the number of shares will be enhanced by 50% if the VWAP is greater than 1p; and
- That 50% of any earn-out shares may not be sold for 12 months following the award but are not contingent on continued employment.

Judgement was required in determining the most appropriate inputs into the valuation model (refer to detail in note 27) used and the key judgemental input was the expected volatility rate of the Company's share price over the relevant period and the assumption applied in the model was 90%, with 162% applied for any required holding period. This assumption reflects the Company's actual volatility from the date of listing through the grant date, and the Company's actual volatility for a 12 month period prior to the grant date, respectively. Given the Group's early stage of development, it was concluded that the Group's actual volatility was the most appropriate rate to use. If the expected volatility rates were adjusted by plus 10%, then the impact on the fair value recognised in the income statement in the current year would have been approximately minus £65,000. If the expected volatility rates were adjusted by minus 10%, then the impact on the fair value recognised in the income statement in the current year would have been approximately plus £54,000.

If management had reached the alternative conclusion that the choice to settle in either cash or shares is at the discretion of the TradeFlow shareholder, they would have been accounting for under IFRS 2 ("Share-based payments"). The impact would be to increase the acquisition related earn-out charge by approximately £3.3 million.

Valuation of share warrants issued

During the year the Company issued share warrants in connection with the loan notes and certain convertible loan notes that were also issued during the year ended 31 December 2021. As these share warrants were issued as a cost of securing the funding facility they fall into the scope of IFRS 2 ("Share-based payments"). As such the Directors were required to determine the fair value of the equity-settled

share-based payments at the date on which they were granted. Judgement was required in determining the most appropriate inputs into the valuation model (Black Scholes) used and the key judgemental input was the expected volatility rate of the Company's share price over the relevant period and the assumption applied in the model was 97% and was based the actual volatility of the Company's share price from the date of the RTO. If the expected volatility rate is adjusted by plus 10%, then the impact on the fair value in the current year would have been approximately plus £71,000. If the expected volatility rate was adjusted by minus 10%, then the impact on the fair value in the current year would have been approximately minus £76,000.

3. Reverse acquisition during the year ended 31 December 2020

On 23 March 2020, the Company acquired through a share for share exchange the entire share capital of Supply@ME S.r.l, whose principal activity is an early-stage business that delivers an innovative technology platform for inventory monetisation that enables a wide range of manufacturing and trading customers to improve their working capital position by releasing capital from their inventory stock.

Although the transaction resulted in Supply@ME S.r.l. becoming a wholly owned subsidiary of the Company, the transaction constitutes a reverse acquisition as the previous shareholders of Supply@ME S.r.l. own a substantial majority of the Ordinary Shares of the Company and the executive management of Supply@ME S.r.l. became the executive management of Supply@ME Capital plc, previously Abal Group plc.

In substance, the shareholders of Supply@ME S.r.l. acquired a controlling interest in the Company and the transaction has therefore been accounted for as a reverse acquisition. As the Company's activities prior to the acquisition were purely the maintenance of the AIM Listing, acquiring Supply@ME S.r.l and raising equity finance to provide the required funding for the operations of the acquisition it did not meet the definition of a business in accordance with IFRS 3 for the purpose of these consolidated financial statements of the Group.

Accordingly, in these consolidated financial statements, the reverse acquisition did not constitute a business combination and was accounted for in accordance with IFRS 2 "Share-based Payments" and the associated IFRIC guidance. Although, the reverse acquisition is not a business combination, the Company has

become a legal parent and is required to apply IFRS 10 and prepare consolidated financial statements. The Directors have prepared these consolidated financial statements using the reverse acquisition methodology, but rather than recognising goodwill, the difference between the equity value given up by the Supply@ME S.r.l.'s shareholders and the share of the fair value of net assets gained by the Supply@ME S.r.l. shareholders is charged to the statement of comprehensive income as a share-based payment on reverse acquisition and represents in substance the cost of acquiring a main market listing.

In accordance with reverse acquisition accounting principles, these consolidated financial statements represent a continuation of the consolidated statements of Supply@ME S.r.l. and include:

- The assets and liabilities of Supply@ME S.r.l. at their pre-acquisition carrying value amounts and the results for both years; and
- The assets and liabilities of the Company as at 23 March 2020 and its results from the date of the reverse acquisition (23 March 2020) to 31 December 2021.

On 23 March 2020, the Company issued 32,322,246,220 ordinary shares to acquire the whole of the share capital of Supply@ME S.r.l. The prospectus dated 4th March 2020 had an issue price of £0.006945 per share of the Company's share capital to be issued and therefore valued the investment in Supply@ME S.r.l. at £224,478,000.

Because the legal subsidiary, Supply@ME S.r.l., was treated on consolidation as the accounting acquirer and the then legal Parent Company, Supply@ME Capital plc, was treated as the accounting subsidiary, the fair value of the shares deemed to have been issued by Supply@ME S.r.l. was calculated at £859,000 based on an assessment of the purchase consideration for a 100% holding of Supply@ME Capital plc, being its entire share capital of 101,094,276 Ordinary Shares at the last listing price of £0.0085.

The fair value of the net assets of Supply@ME Capital plc at acquisition was as follows:

	£ 000
Cash and cash equivalents	93
Receivables	50
Payables	(660)
Total Net Liabilities	(517)

The difference between the deemed cost (£859,000) and the fair value of the net liabilities

assumed per above of £517,000 resulted in £1,376,000 being expensed within "reverse acquisition expenses" in accordance with IFRS 2, Share-Based Payments, reflecting the economic cost to Supply@ME S.r.l. shareholders of acquiring a quoted entity.

The reverse acquisition reserve which arose from the reverse takeover is made up as follows:

	£ 000
Pre-acquisition equity ¹	(14,881)
Supply@ME S.r.l. equity at acquisition ²	148
Investment in Supply@ME S.r.l. ³	(224,478)
Reverse acquisition expense ⁴	1,376
	(237,835)

Notes:

¹ Recognition of pre-acquisition equity of Supply@ME Capital plc as at 23 March 2020.

² Supply@ME S.r.l. had issued equity of £148,000. As these consolidated financial statements present the capital structure of the legal parent entity, the equity of Supply@ME S.r.l. is eliminated.

³ The value of the shares issued by the Company in exchange for the entire share capital of Supply@ME S.r.l. The above entry is required to eliminate the balance sheet impact of this transaction.

⁴ The reverse acquisition expense represents the difference between the value of the equity issued by the Company, and the deemed consideration given by Supply@ME S.r.l. to acquire the Company

4. Segmental reporting

IFRS 8 ("Operating segments") requires the Group's operating segments to be established on the basis of the components of the Group that are evaluated regularly by the chief operating decision maker, which has been determined to be the Board of Directors. At this early stage of development, the Group's structure and internal reporting is continually developing. Prior to the acquisition of TradeFlow on 1 July 2021, the Board considered that the Group operated in a single business segment of due diligence and all activities were undertaken in Italy.

Following the acquisition, the Board of Directors manage the Group as two operating segments being inventory monetisation (comprising the Group's Italian operating subsidiary) and investment advisory (comprising the TradeFlow operations), alongside the head office costs (comprising the Company). To date the inventory monetisation segment has been focused on the development of the IM platform and the provision of due diligence services.

The key metrics assessed by the Board of Directors include revenue and adjusted operating profit (before deemed cost of listing, acquisition related costs and impairment charges) which is presented below. Revenue is presented by basis of recognition and by service line, in accordance with IFRS 15.

As the business continues to grow, it is expected that the operating segments may need to be monitored and updated to reflect the needs and requirement of the chief operating decision maker.

	Inventory Monetisation	Investment Advisory	Head office	Consolidated Group
2021	£ 000	£ 000	£ 000	£ 000
Revenue				
Due Diligence fees	279	-	-	279
Investment Advisory fees	-	259	-	259
Revenue by operating segment	279	259	-	538
Operating loss before deemed cost of listing and acquisition related costs and impairment charges	(1,071)	(407)	(2,953)	(4,431)

All the Group's revenue is recognised at a point in time.

	Inventory Monetisation	Investment Advisory	Head office	Consolidated Group
As at 31 December 2021	£ 000	£ 000	£ 000	£ 000
Balance sheet				
Assets	802	181	9,552	10,535
Liabilities	(4,363)	(1,526)	(6,071)	(11,960)
Net assets / (liabilities)	(3,561)	(1,345)	3,481	(1,425)

The Company completed the acquisition of TradeFlow in 1 July 2021 and therefore the above tables include the results from this date and the assets / (liabilities) only as at 31 December 2021.

Geographical analysis

The Group's inventory monetisation operation is currently predominately located in Europe, while the investment advisory operations are currently predominately located in Singapore.

5. Deemed cost of listing

	2021 £ 000	2020 £ 000
Deemed cost of listing – share-based payment	-	1,376

As explained in note 3, the reverse acquisition of Supply@ME S.r.l. does not meet the requirements of IFRS 3 Business Combinations so has been accounted for under IFRS 2 ("Share-Based Payments").

The amount of £1,376,000 represents the deemed cost of acquisition over the net assets of Supply@ME S.r.l. that were acquired. Under IFRS 2, the deemed costs of obtaining the listing have been expensed to profit and loss.

6. Finance costs

	2021 £ 000	2020 £ 000
Interest expense – loan notes / convertible loan notes	1,252	-
Interest expense – long-term borrowings	89	-
Total finance costs	1,341	-

7. Other operating income

	2021 £ 000	2020 £ 000
Write back of payables	-	53

8. Operating loss

The Group's operating loss for the year has been arrived at after charging (crediting):

	2021 £ 000	2020 £ 000
Amortisation of internally developed IM platform (note 15)	391	234
Depreciation	5	1
Staff costs (note 10)	1,728	745
Short-term lease costs	43	-
Professional and legal fees	1,825	1,327
Contractor costs	180	-
Insurance	123	66
Training and recruitment costs	75	-

In addition to the above, the Group incurred the following costs relating the deemed cost of listing in the prior year, acquisition related costs and impairment charges as detailed below:

	2021 £ 000	2020 £ 000
Deemed cost of listing (note 5)	-	1,376
Transaction costs (note 27)	2,009	-
Amortisation of intangible assets arising on acquisition (note 15)	391	-
Acquisition related earn-out payments (note 27)	1,410	-
Impairment charges (note 15)	2,573	-
Total deemed cost of listing and acquisition related costs and impairment charges	6,383	1,376

9. Auditors' remuneration

During the year, the Group obtained the following services from the Group's auditor, at the costs detailed below:

	2021 £ 000	2020 £ 000
Fees payable to the Company's auditors for the audit of the consolidated financial statements	75	27
Fees payable to the Company's auditors and its associates for other services to the Group		
Audit of the Companies subsidiaries	29	10
Audit fees relating to prior periods	30	-
Total audit fees	134	37
Non-audit services	-	-
Total audit and non-audit related services	134	37

10. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £ 000	2020 £ 000
Wages, salaries and other short term employee benefits	1,476	633
Social security costs	166	95
Post-employment benefits	86	1
Redundancy costs	-	16
Total staff costs	1,728	745

The average number of persons employed by the Group (including executive directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Executive directors	2	1
Finance, Risk and HR	2	1
Sales and marketing	4	3
Legal	2	2
Operations and Platform development	9	7
Total average number of people employed	19	14

11. Key management personnel

Key management compensation (including directors):

	2021 £ 000	2020 £ 000
Wages, salaries and short-term employee benefits	890	361
Social security costs	60	-
Post-employment benefits	60	-
Total key management compensation	1,010	361

Key management personnel consist of the Company Leadership Team and the Directors.

No retirement benefits are accruing to Company Directors under a defined contribution scheme (2020: none), however the Chief Executive Officer received cash in lieu of payments to a defined contribution pension scheme of £49,310 during the year (2020: none). This was allowable under his directors employment contract. Of the £49,310, £21,560 that was paid during FY21 but which related to base salary earned in FY20. The remaining £27,750 related to base salary earned in FY21.

The Directors' emoluments are detailed in the Remuneration Report of the Annual Report and Accounts for the year ended 31 December 2021.

12. Income tax

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax	-	-
Foreign taxation paid/(receivable) by subsidiaries	332	145
	332	145

The tax on loss before tax for the period is more than (2020 - less than) the standard rate of corporation tax in the UK of 19% (2020 - 19%).

The differences are reconciled below:

Loss before tax	12,155	2,819
Corporation tax at standard rate - 19%	(2,309)	(536)
Effect of expenses not deductible in determining taxable profit (tax loss)	929	593
Increase in tax losses carried forward which were unutilised in the current year	616	38
Tax adjustments in respect of foreign subsidiaries (timing differences)	1,096	50
Total tax charge	332	145

13. Deferred tax

The following are the deferred tax (liabilities) / assets have been recognised by the Group and movements thereon during the current and prior year

	Deferred tax liability arising on acquired intangible assets	Deferred tax asset arising on short-term timing differences	Total
	£ 000	£ 000	£ 000
As at 1 January 2020	-	283	283
Foreign exchange movement	-	17	17
Additions	-	142	142
Credit / (charge) to income	-	(20)	(20)
As at 31 December 2020	-	422	422
Foreign exchange movement	-	(28)	(28)
As at 1 January 2021	-	394	394
Arising on acquisition of TradeFlow	(1,171)	-	(1,171)
Additions	-	24	24
Credit / (charge) to income	67	(254)	(187)
Impairment	-	(164)	(164)
At 31 December 2021	(1,104)	-	(1,104)

The deferred tax liability arises on the acquisition of TradeFlow and in particular on the fair value uplift that was applied to the acquired intangible assets. This deferred tax liability will be released in line with the amortisation profile of the acquired intangible assets.

The deferred tax asset represents an aggregate of the following short-term timing differences:

	As at 31 December 2021	As at 31 December 2020
	£ 000	£ 000
Short-term timing differences:		
Arising on revenue recognition timing differences	-	383
Arising on amortisation costs timing differences	-	36
Arising on IAS 19 timing differences	-	3
Total short term deferred tax timing differences	-	422

In line with IAS 1 ("Presentation of Financial Statements") the prior year comparative deferred tax asset balance of £422,000 has been reclassified from Trade and other receivables to non-current assets.

Arising on revenue recognition timing differences

These deferred tax assets arise due to the Group's Italian subsidiary recognising revenue in the local tax accounts (in accordance with local rules) ahead of the IFRS 15 revenue recognition policy applied in the Group consolidated financial statements. As such this generated income taxes payable in Italy for the Group relating to revenue that will not be recognised in the consolidated Group accounts until a later period at which time these timing differences will be reversed.

The decrease in these short-term timing differences over the year resulted from amounts being recognised as revenue under IFRS 15 in the current period or amounts no longer expected to be recognised as revenue in the future due to refunds having been requested from clients.

Arising on amortisation costs timing differences

These deferred tax assets arise due to the Group's Italian subsidiary capitalising certain expenditure in their local tax accounts (in accordance with local rules), that did not meet the requirements for capitalisation under IAS 38. As such this resulted in lower costs in the local tax accounts and these timing differences will be reversed as these capitalised items are amortised

Deferred tax asset impairment assessment

As at 31 December 2021, the Directors reviewed the carrying amount of all deferred tax assets to determine whether sufficient future taxable income will be generated to permit the use of the existing deferred tax assets. In order to be prudent, and to follow a consistent approach used to determine the impairment of the Group's internally generated IM platform asset (refer to note 15 for further details), the Directors reached the conclusion to impair the full carrying value of the deferred tax assets as at the year-end date.

In addition, unrecognised deferred tax assets, relating tax losses carried forward across the Group, total approximately £1.2 million and have not been recognised due to uncertainty over the timing and extent of future taxable profits. The losses can be carried forward indefinitely and have no expiry date.

14. Earnings per share

The calculation of the Basic earnings per share (EPS) is based on the loss for the year of 12,487,000 (2020 — loss £2,964,000) and on a weighted average number of ordinary shares in issue of 33,921,396,568 (2020: 27,118,800,563). The basic EPS from continuing operations is (0.04) pence (2020: (0.01)).

The following share warrants and future acquisition related earn-out payments to be issued in shares were in issue at the dates shown below and if exercised, would dilute the earnings per share in the future.

	2021	2020
	No.	No.
Number of shares:	111	383
Share warrants	522,791,511	11,363,636
Acquisition related earn-out share options	1,578,324,153	-
Total	2,101,115,664	11,363,636

No dilution per share was calculated for 2021 and 2020 as with the reported loss they are all anti-dilutive.

15. Intangible assets

	Customer Relation- ships £ 000	Brand £ 000	CTRM Software £ 000	AI Software £ 000	Goodwill £ 000	Internally developed IM platform £ 000	Total
Cost or valuation							
At 1 January 2020	-	-	-	-	-	606	606
Additions	-	-	-	-	-	1,027	1,027
At 31 December 2020	-	-	-	-	-	1,633	1,633
Forex retranslation adjustment	-	-	-	-	-	(109)	(109)
At 1 January 2021	-	-	-	-	-	1,524	1,524
Arising of acquisition of TradeFlow	4,829	205	1,429	425	2,199	-	9,087
Additions	-	-	-	-	-	1,020	1,020
At 31 December 2021	4,829	205	1,429	425	2,199	2,544	11,631
Amortisation							
At 1 January 2020	-	-	-	-	-	194	194
Amortisation charge	-	-	-	-	-	203	203
At 31 December 2020	-	-	-	-	-	397	397
Forex retranslation adjustment	-	-	-	-	-	(17)	(17)
At 1 January 2021	-	-	-	-	-	380	380
Amortisation charge	186	20	143	43	-	391	783
At 31 December 2021	186	20	143	43	-	771	1,163
Impairment							
At 1 January 2021	-	-	-	-	-	-	-
Impairment charge	-	-	-	-	800	1,773	2,573
At 31 December 2021	-	-	-	-	800	1,773	2,573
Net Book Value							
At 31 December 2021	4,643	185	1,286	383	1,399	-	7,895
At 31 December 2020	-	-	-	-	-	1,236	1,236

The following intangible assets arose on the acquisition of TradeFlow during the current period; Customer relationships, Brand, Commodity Trade Risk Management ("CTRM") software, Artificial Intelligence and back-office ("AI") software and Goodwill. The carrying value of these assets at the date of acquisition is shown in the table above.

Impairment assessment – Internally developed IM Platform

The Directors considered the current year losses of the Group's Italian subsidiary, to which the Internally developed IM platform relates, as impairment indicator and therefore, in accordance to IAS 36 ("Impairment of Assets"), an impairment test on this asset has been performed as at 31 December 2021.

This impairment test has been carried out using the Group's 2022 - 2025 Business Plan prepared by the management and approved by the Board of Directors on 30 May 2022, and, in particular, the cash flows the particular asset is expected to generate during the forecasted period in its current condition. The recoverable amount has been identified in the value in use, equal to the sum of the discounted future cash flows (considering a terminal value) that the asset will be able to generate according to management estimates in its current condition.

The weighted average cost of capital ("WACC") has been used as the discount rate, which takes into account the specific risks of the asset and reflects the current market conditions and the cost of money, based on a weighting between the cost of debt and the cost of equity, calculated on the basis of the values of comparable companies operating in the same sector. The value of the WACC thus determined was equal to 10.64%.

The recoverable amount of the investment was higher than its carrying amount using this methodology as at 31 December 2021.

However, as noted in the full going concern statement, set out in note 2, there is currently an absence of a historical track record relating to inventory monetisation transactions being facilitated by the Group's Platform, the generation of the full range of fees from the use of its Platform and the Group being cash flow positive. As such the Directors have prudently identified a material uncertainty in relation to the going concern statement. The Directors have also concluded that this uncertainty applies to the discounted cash flow model used in this impairment test also. In particular, there is uncertainty that arises with respect to both the future timing and growth rates of the forecast discounted cash flows arising from the use of the Internally developed IM Platform intangible asset.

As such, the Directors have prudently decided to impair the full carrying amount of this asset as at 31 December 2021. This impairment loss may subsequently be reversed and if so, the carrying amount of the asset will be increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

Impairment assessment – TradeFlow

The Directors considered the underperformance of TradeFlow compared to the forecast for the year ended 31 December 2021 (included in the independent valuation report prepared for the purposes of the acquisition) to be an impairment indicator. In particular, the Directors noted that 80% of the earn-out milestone target, which had been set in line with the forecast referred to above, for the year ended 31 December 2021 was achieved. Therefore, in accordance with IAS 36 ("Impairment of Assets"), an impairment test on the TradeFlow Cash Generating Unit ("CGU") has been performed as at 31 December 2021.

This impairment test has been carried out using the Group's 2022 - 2025 Business Plan prepared by the management and approved by the Board of Directors on 30 May 2022, and, in particular, the cash flows the TradeFlow CGU is expected to generate during the forecasted period in its current conditions. In performing the impairment test, the Directors reduced its revenue forecasts by 20% each year over this period in order to reflect the circumstances experienced in the current financial year. The Directors believe this is a prudent assumption to have made given the current expectations are for revenue to be largely in line with the unadjusted forecasts going forward.

The Directors used WACC as the discount rate, which takes into account the specific risks of the TradeFlow CGU forecasts, and reflects the current market conditions and the cost of money, based on a weighting between the cost of debt and the cost of equity, calculated on the basis of the values of comparable companies operating in the same sector. Given the early stage development of the

TradeFlow business, the Directors initial determined WACC to be equal to 16.43%.

However, the Directors also noted that the independent purchase price accounting exercise carried out in respect of the TradeFlow, applied a discount rate of 25.00% to the forecast cashflows. This discount rate has been determined largely by reference to the initial rate of return, which would ensure the present value of the future TradeFlow CGU forecasts equity to the value of the investment made.

In order to ensure consistency between the WACC applied in this impairment test and the recent purchase price accounting exercise, the Directors took the decision and subsequently adjusted the discount rate applied in the impairment test to 25.00%. This is also believed to be a prudent assumption.

Using the assumptions applied above, the recoverable amount has been identified as the value in use, equal to the sum of the discounted future cash flows (including a terminal value and terminal value growth rates of 1.5%) that the TradeFlow CGU will be able to generate according to management estimates in its current condition. This recoverable amount of the TradeFlow CGU was determined to be lower than its carrying amount on the balance sheet at 31 December 2021 by £800,000.

As such, in accordance with IAS 36 ("Impairment of Assets"), an impairment charge of £800,000 has been recognised against the value of the goodwill initially recognised in line with IFRS 3 ("Business Combinations"). This impairment charge has also been recognised in the profit and loss in the current financial year.

16. Trade and other receivables

	2021	2020
	£ 000	£ 000
Trade receivables	13	489
Contract assets	84	
Other receivables	727	601
Prepayments	72	23
Total current trade and other receivables	896	1,113

17. Share capital

Allotted, called up and fully paid shares

	As at 31 December 2021		As at 31 December 2020	
	No. 000	£ 000	No. 000	£ 000
Equity			-	-
Ordinary shares of £0.00002 each	36,068,442	721	32,754,945	655
Deferred shares of £0.04000 each	63,084	2,523	63,084	2,523
2018 Deferred shares of £0.01000 each	224,194	2,242	224,194	2,242
	36,355,720	5,486	33,042,223	5,420

New shares allotted during the current financial year

On 7 July 2021, the Company allotted 1,477,705,882 new ordinary shares. These shares were issued with the following activities:

- 813,000,000 were issued as consideration to for the acquisition of TradeFlow;
- 500,000,000 were issued as consideration to intermediaries and introducers which support the TradeFlow acquisition; and
- 164,705,882 were issued in connection with the conversion of £560,000 convertible loan notes held by Negma Group.

On 29 July 2021 the Company allotted 315,000,000 new ordinary shares in connection with the conversion of £1,008,000 convertible loan notes held by Negma Group.

On 3 September 2021 the Company allotted 840,000,000 new ordinary shares in connection with the conversion of £2,016,000 convertible loan notes held by Negma Group.

On 18 November 2021 the Company allotted 77,614,382 new ordinary shares in connection with the conversion of £158,333 convertible loan notes held Mercator Capital Management Fund LP.

On 29 November 2021 the Company allotted 221,836,063 new ordinary shares in connection with the conversion of £300,000 convertible loan notes held Mercator Capital Management Fund LP.

On 21 December 2021 the Company allotted 381,340,661 new ordinary shares in connection with the conversion of £458,333 convertible loan notes held Mercator Capital Management Fund LP.

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences, and restrictions:

The Ordinary shares carry rights to participate in dividends and distributions declared by the Company and each share carries the right to one vote at any general meeting. There are no rights of redemption attaching to the Ordinary shares.

Deferred shares have the following rights, preferences, and restrictions:

The deferred shares carry no rights to receive any dividend or distribution and carry no rights to vote at any general meeting. On a return of capital, the Deferred shareholders are entitled to receive the amount paid up on them after the Ordinary shareholders have received £100,000,000 in respect of each share held by them. The Company may purchase all or any of the Deferred shares at an appropriate consideration of £1. 2018 Deferred shares have the following rights, preferences, and restrictions:

The deferred shares carry no rights to receive any dividend or distribution and carry no rights to vote at any general meeting.

Reconciliation of allotted, called up and fully paid shares

	As at 31 December 2021		As at 31 December 2020	
	No. 000	£ 000	No. 000	£ 000
As at 1 January	33,042,223	5,420	-	148
Transfer to RTO reserve	-	-	-	(148)
Bring in plc share capital	-	-	388,372	4,767
Reverse acquisition	-	-	32,322,246	646
Issue of shares for cash	-	-	331,604	7
Shares issued on conversion of convertible loan notes (note 19)	2,000,497	40	-	-
Shares issued as consideration for acquisition (note 27)	813,000	16	-	-
Shares issued as consideration for support with the TradeFlow acquisition (note 27)	500,000	10	-	-
At 31 December	36,355,720	5,486	33,042,223	5,420

18. Loan notes and Long-Term Borrowings**Loan notes**

On 29 September 2021, the Company announced it had entered a loan note facility with Mercator Capital Management Fund LP ("Mercator"). The new loan note facility consisted of a short-term loan with the following key terms:

- Initial draw down of £5 million, with a further £2 million available within 60 days subject to certain conditions precedent which were subsequently met;
- 12-month term, with an interest rate of 10%;
- The principal and interest to be repaid on a monthly basis; and
- Warrants will be issued representing 20% of both tranches. The warrants will have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the issue of the warrants.

The loan note facility was linked to a convertible loan note facility also entered into with Mercator, which was able to be used should the Company elect not to repay any of the interest or principal relating to the loan notes in cash. The Mercator convertible loan note facility was for the same aggregate value as the loan facility including interest, being £7.7 million, and was able to be drawn in tranches equal to the monthly loan repayments. Further details of the Mercator convertible loan notes can be found in note 19.

The loan notes were initially recorded at the proceeds received, net of direct issue costs (including commitment fees, introducer fees and the fair value of warrants issued to satisfy issue costs). As at 31 December 2021, the Company had made the first two monthly repayments which had been satisfied through the issue of convertible loan notes in order to allow the Group to preserve cash for working capital requirements or to facilitate further new strategic initiatives. The finance charges, including direct issue costs, are accounted for on an amortised cost basis using the effective interest method. The effective interest rate applied was 47.5%.

Further details on the fair value of the warrants are set out in note 28.

The movement in the loan notes during the current financial year are set out in the table below:

	£ 000
Loan note liability at 1 January 2021	-
Initial drawdown net of commitment, introducer fees and fair value of warrants issued in connection with the loan notes	4,209
Second drawdown net of commitment and introducer fees	1,900
Amortisation of finance costs during the period recognised in the income statement	540
Less Repayments made via issues of convertible loan notes	(917)
Loan note liability at 31 December 2021	5,732

Long-Term Borrowings

	As at 31 December 2021 £ 000	As at 31 December 2020 £ 000
Unsecured loan notes	1,263	-
Other bank borrowings	21	22
Total long-term borrowings	1,284	22

TradeFlow entered into an unsecured loan note subscription agreement on 23 October 2020 and this was recognised by the Group from the date of acquisition. This loan note agreement was for a principal amount of USD 1,700,000. The terms of this agreement require the principal to be repaid as one lump sum on the 23 October 2023 along with an additional cost of issue of USD 300,000.

As at 31 December 2021, the Group has recognised £1,263,000 (USD 1,700,000) as a long-term liability. These TradeFlow loan notes bear a simple fixed interest rate of 8.235% per annum which is to be paid semi-annually. As at 31 December 2021, the Group has recognised the accrued interest that had not been paid of £84,000 (2020: nil) within trade and other payables. In addition, the Group has also recognised accrued interest in respect of the cost of issue using the effective interest rate method, resulting in additional accrued interest of £77,000 as at 31 December 2021.

The total interest expense recognised in the income statement for the current financial year, from the date of acquisition of TradeFlow, in relation to this unsecured loan note was £86,000 (2020: nil).

19. Convertible loan notes

During the current financial year, the Company entered two different convertible loan note arrangements. These are set out below:

Negma convertible loan notes

On 16 June 2021, the Company entered a subscription agreement with Negma Group Ltd ("Negma") for the issue of an initial tranche of £5,600,000 of convertible loan notes, in exchange for cash proceeds of £5,000,000.

The difference between the par value of the convertible loan notes and the cash received is the effective interest charged in relation to these instruments.

Negma issued conversion notices during the period totalling £3,584,000 which resulted in the issue of 1,319,705,882 ordinary shares (for further detail see note 17).

The remaining £2,016,000 convertible loan note balance was repaid in cash following the drawdown of the initial tranche of the loan notes referred to above.

The total interest cost of £600,000 in relation to these convertible loan notes has been recognised as a finance expense during the current period.

Mercator convertible loan notes

As set out in note 18, the Company entered a second convertible loan note agreed with Mercator in connection with the loan note facility described above.

The Mercator convertible loan notes contains the following key terms:

- They were each to be issued at par value;
- Each convertible loan note had a 12-month term, a conversion price of 85% of the lowest 10 day closing VWAP prior to the issue of the conversion notice and was able to be convertible at the holders request;
- Warrants are to be issued for 20% of each tranche. The warrants will have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the request to issue a new tranche.

During the year ended 31 December 2021, the Company issued convertible loan notes to Mercator to the value of £916,667, however as at 31 December 2021 these had fully been converted into 680,791,106 ordinary shares.

The Mercator convertible loan notes did not have any interest costs in addition to the loan notes but did have costs relating to commitment fees of £25,000 and the fair value of the warrants of £88,000 associated with warrants. Both costs have been recognised in the income statement in the current year given the liability to which they relate has been extinguished (2020: nil). Further details on the fair value of the warrants is set out in note 28.

As at 31 December 2021, the convertible loan note liability is nil (2020: nil).

Historical convertible loan notes

In addition to the above, the Company also had the following historical convertible loan notes and associated derivative financial instruments which expired during the year resulting in a credit to the income statement in respect of the outstanding fair value of £24,000.

20. Trade and other payables

	As at 31 December 2021 £ 000	As at 31 December 2020 £ 000
Trade payables	1,086	1,062
Other payables	588	271
Social security and other taxes	994	792
Accruals	437	117
Contract liabilities	395	1,131
	3,500	3,373

The decreased in contract liabilities over the period is a result of:

- £182,000 being recognised as revenue in the year ended 31 December 2021 in line with the due diligence performance obligations having been satisfied during this time; and
- A number of refunds having been requested from client companies during the current financial year in connection with the Group's older contracts that allowed for this. A number of these amounts were refunded during the year, but a number were due for repayment as at 31 December 2021 and were recorded within other payables. Management is confident that some of these client companies are likely to return following the first inventory monetisation transactions being executed on the Platform.

21. Provisions

	Post-employment benefits	Provision for risks and charges	Provision for VAT and penalties	Total
	£ 000	£ 000	£ 000	£ 000
At 1 January 2020	-	-	207	211
Released to profit and loss	-	-	-	(4)
Provided for in the year	32	40	79	151
At 31 December 2020	32	40	286	358
Forex retranslation adjustment	-	(4)	(19)	(23)
At 1 January 2021	32	36	267	335
Released to profit and loss	-	-	(58)	(58)
Provided for in the year	26	51	-	77
Payments	(11)	-	-	(11)
Actuarial (gain)/loss	(3)	-	-	(3)
At 31 December 2021	44	87	209	340

Post-employment benefits

Post-employment benefits include severance pay and liabilities relating to future commitments to be disbursed to employees based on their permanence in the company. This entirely relates to the Italian subsidiary where severance indemnities are due to each employee at the end of the employment relationship.

Post-employment benefits relating to severance indemnities are calculated by estimating the amount of the future benefit that employees have accrued in the current period and in previous years using actuarial techniques. The calculation is carried out by an independent actuary using the "Projected Unit Credit Method".

Provision for risks and charges

Provision for risks and charges includes the estimated amounts of penalties for payment delays referring the tax payables recorded in the Italian subsidiary financial statements which, at the closing date, are overdue.

Provision for VAT and penalties

In advance of the Group's first monetisation transaction, a number of advance payments have been received by the Group's Italian subsidiary from potential client companies in accordance with agreed contractual terms. These payments have been recognised as revenue in accordance with local accounting rules. These advance payments, for which an invoice has not yet been issued, have been made exclusive of VAT. As at 31 December 2021, the Group has included a provision relating to a potential VAT liability, including penalties, in respect of these advance payments of £209,000 (31 December 2020: £286,000). The reduction in the provision during the year represents the fact that a number of these payments have been refunded, at the customer's request, and therefore the potential VAT liability has been removed.

At the point in the future when the associated monetisation transaction takes place, the potential VAT liability will be settled by the Group. At this same point in time, the Directors expect to be able to recover the VAT from the client companies as invoices in respect of the monetisation transactions are issued. The timing of these future monetisation transactions currently remains uncertain and as such no corresponding VAT receivable has been recognised as at 31 December 2021, however there is a contingent asset of £149,000 as at 31 December 2021 (31 December 2020: £204,000) in respect of this.

From time to time, during the course of business, the Group may be subject to disputes which may give rise to claims. The Group will defend such claims vigorously and provision for such matters are made when costs relating to defending and concluding such matters can be measured reliably. There were no cases outstanding as at 31 December 2021 that meet the criteria for a provision to be recognised.

22. Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The assets of the scheme are recognised as being held separately from those of the Group and Company and will be paid over to an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

The total pension charge for the year represents contributions payable by the Group to the scheme and amounted to £86,000 (2020: £1,000).

Contributions totalling £21,000 (2020: £2,000) were payable to the scheme at the end of the year and are included in creditors. This has been paid post year end.

23. Capital commitments

There were no capital commitments for the Group at 31 December 2021 or 31 December 2020.

24. Contingent liabilities

There were no contingent liabilities for the Group at 31 December 2021 or 31 December 2020.

25. Financial instruments

Financial assets

	Carrying value		Fair value	
	As at 31 December 2021 £ 000	As at 31 December 2020 £ 000	As at 31 December 2021 £ 000	As at 31 December 2020 £ 000
Financial assets at amortised cost:				
Cash and cash equivalents	1,727	552	1,727	552
Trade receivables	13	489	13	489
Other receivables	727	601	727	601
	2,467	1,642	2,467	1,642

Valuation methods and assumptions: The directors believe due to their short term nature, the fair value approximates to the carrying amount.

Financial liabilities

	Carrying value		Fair value	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	£ 000	£ 000	£ 000	£ 000
Financial liabilities at amortised cost:				
Loan notes	5,732	-	5,732	-
Long-term borrowings	1,284	22	1,284	22
Trade payables	1,086	1,062	1,086	1,062
Other payables	588	271	588	271
	8,690	1,355	8,690	1,355

	Fair value	
	As at 31 December 2021	As at 31 December 2020
	£ 000	£ 000
Financial liabilities at fair value through profit and loss:		
Derivative financial instruments	-	24

Valuation methods and assumptions: The directors believe that the fair value of trade and other payables approximates to the carrying value.

Risk management

The Group is exposed through its operations to the following financial risks: credit risk, foreign exchange risk; and liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing these risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, were as follows:

- trade receivables;
- cash at bank; and
- trade and other payables.

General objectives, policies and processes

The board had overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it had delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The board received monthly reports from the Chief Financial Officer through which it reviewed the effectiveness of the processes put in place and the appropriateness of the objectives and policies it had set.

The overall objective of the board was to set policies that sought to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Interest rate risk

At present the directors do not believe that the Group has significant interest rate risk and consequently does not hedge against such risk. Cash balances earn interest at variable rates.

The Group's interest generating financial assets as at 31 December 2021 comprised cash at bank of £1,727,000 (2020: £552,000). Interest is paid on cash at floating rates in line with prevailing market rates.

The Group's interest generating financial liabilities as at 31 December 2021 comprised loan notes of £5,732,000, loan term borrowings of £1,284,000 (2020: £22,000).

Sensitivity analysis

At 31 December 2021, had the LIBOR 1 MONTH rate of 0.01047 (2020: 0.01913) increased by 1% with all other variables held constant, the increase in interest receivable on financial assets would amount to approximately £nil (2020: £nil). Similarly, a 1% decrease in the LIBOR 1 MONTH rate with all other variables held constant would result in a decrease in interest receivable on financial assets of approximately £nil (2020: £nil).

Credit risk and impairment

Credit risk is the risk of financial loss to the group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings take into account local business practices. The Group has a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. To manage this, the Group has made sure that they use reputable banks.

The Group's Chief Financial Officer monitors the utilisation of the credit limits regularly.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	As at 31 December 2021		As at 31 December 2020	
	Carrying value	Maximum exposure	Carrying value	Maximum exposure
	£ 000	£ 000	£ 000	£ 000
Cash and cash equivalents	1,727	1,727	552	552
Trade receivables	13	13	489	489
	1,740	1,740	1,041	1,041

As at 31 December 2021, the assets held by the group are not past due or impaired.

Trade receivables are all considered to be low risk and have been fully repaid since year end.

Foreign exchange risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Group operates. Although its global market penetration reduces the Group's operational risk, in that it has diversified into several markets, the Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling. Only in exceptional circumstances would the group consider hedging its net investments in overseas operations as generally it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques.

The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (primarily Euros or pound sterling) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the group.

Currency profile

Financial assets

- Cash Sterling: £1,585,000 (2020: £539,000)
- Cash Euro: £92,000 (2020: £13,000)
- Cash US Dollar: £44,000 (2020: £nil)
- Cash Singapore Dollar: £5,000 (2020: £nil)
- Trade receivables Sterling: £nil (2020: £nil)
- Trade receivables Euro: £13,000 (2020: £489,000)

Financial liabilities

- Trade payables Sterling: £193,100 (2020: £342,000)
- Trade payables Euro: £879,000 (2020: £720,000)
- Trade payables Singapore Dollar: £14,000 (2020: £nil)

Sensitivity analysis

At 31 December 2021, if Sterling had strengthened by 10% against the below currencies with all other variables held constant, loss before tax for the year would have been approximately

- EUR: £131,000 higher (2020: £41,000 lower).

- Singapore Dollar: £51,000 higher

Conversely, if the below currencies had weakened by 10% with all other variables held constant, loss before tax for the year would have been approximately:

- EURO: £131,000 lower (2020: £41,000 higher).

- Singapore Dollar: £51,000 lower

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The board receives rolling 12-month cash flow projections on a regular basis as well as information regarding cash balances. At the statement of financial position date, these projections indicated that the group expects to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

There were no undrawn facilities at 31 December 2021 or 31 December 2020.

	Up to 3 months £ 000	Between 3 and 12 months £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000
At 31 December 2021					
Liabilities					
Loan notes	1,493	4,239	-	-	-
Long-term borrowings*	-	2	1,269	13	-
Trade and other payables	1,674	-	-	-	-
Social security and other taxes	994	-	-	-	-
Total liabilities	4,161	4,241	1,269	13	-

At 31 December 2020					
Liabilities					
Loans and borrowings*	-	-	2	19	1
Trade and other payables	1,333	-	-	-	-
Social security and other taxes	792	-	-	-	-
Total liabilities	2,125	-	2	19	1

* To better reflect the nature of certain items the prior year comparatives include the a reclassification of bank borrowings of £22k from Trade and other payables to long-term borrowings. The tables above also reflect the repayment profile for this reclassified amount.

Capital risk management

The Group's capital management objectives are to ensure the Group is appropriately funded to continue as a going concern and to provide an adequate return to shareholders commensurate with risk. The Group defines capital as being total shareholder's equity. The Group's capital structure is periodically reviewed and, if appropriate, adjustments are made in the light of expected future funding needs, changes in economic conditions, financial performance and changes in Group structure. As explained in notes 18 and 19, the Group has currently entered into external debt finance by way of loan notes, long term borrowings and convertible loan notes.

The Group adheres to the capital maintenance requirements as set out in the Companies Act.

Capital for the reporting periods under review is summarised as follows:

- Net liabilities: (£1,425,000) (2020: (£452,000))
- Cash and cash equivalents: £1,727,000 (2020: £552,000)

26. Net debt

The Group reconciliation of the movement in net debt is set out below:

	Cash at bank	Loan notes	Convertible loan notes	Long-term borrowings	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2021	552	-	-	(22)	530
Net Cashflows	686	(6,629)	(5,000)	-	(10,943)
Fair value of warrants	-	520	-	-	520
Amortisation of finance costs	-	(540)	(600)	-	(1,140)
Cash repayments	-	-	2,016	-	2,016
Non cash repayments	-	917	3,584	-	4,501
Arising on acquisition	477	-	-	(1,229)	(752)
Foreign exchange	12	-	-	(33)	(21)
As at 31 December 2021	1,727	(5,732)	-	(1,284)	5,289

	Cash at bank	Long-term borrowings	Total
	£ 000	£ 000	£000
At 1 January 2020	143	-	143
Net Cashflows	385	(22)	363
Foreign exchange	24	-	24
As at 31 December 2020	552	(22)	530

27. Business combinations

On 1 July 2021, the Group completed the acquisition of the entire issued share capital of TradeFlow Capital Management Pte. Ltd ("TradeFlow"). TradeFlow is a leading Singapore-based FinTech-powered commodities trade enabler focused on small and medium size entities. The Board approved the acquisition by the Group to complement its global offering of its "warehouse goods" inventory monetisation platform with the TradeFlow offering of monetising "in-transit" inventory (in particular, commodities). It was also expected the acquisition generate a number of attractive synergy benefits for Group from both a funding and customer origination perspective.

TradeFlow owns 85% of the issued share capital of Tijara Pte. Limited and 50% of the issued share capital of TradeFlow Capital Management Systems Pte. Limited. Both of these companies are at very early-stage of their development and their results and balances as at 31 December 2021 are immaterial to the Group.

The provisional net asset amounts in respect of the identifiable assets acquired and liabilities which have recognised in the financial statements are set out in the table below. These are based on a fair valuation of the acquired identifiable net assets as at the acquisition date. The assets and liabilities recognised as a result of the acquisition are:

	Book Value £ 000	Fair value Adjustment £ 000	Fair Value £ 000.
Net assets / (liabilities) acquired			
Cash and cash equivalents	477	-	477
Accrued income	47	-	47
Trade and other receivables	6	-	6
Property, plant and equipment	9	-	9
Trade and other payables	(137)	-	(137)
Long-term borrowings	(1,229)	-	(1,229)
Intangible assets			
Customer relationships		4,829	4,829
Brand – "TradeFlow"		205	205
CTRM Software		1,429	1,429
AI Software		425	425
Deferred tax liability		(1,171)	(1,171)
Total identifiable net (liabilities) / assets acquired	(827)	5,717	4,890

Satisfied by:**Consideration under IFRS 3****£ 000**

Cash consideration	4,000
Equity instruments (813,000,000 new ordinary shares)	3,089
Total consideration	7,089

Goodwill recognised on acquisition

2,199**Consideration accounted as deemed remuneration**

Acquisition related earn-out recognised in the current financial year	1,410
Acquisition related earn-out expected to be recognised in future periods	3,126
	4,536

The goodwill arising is attributable to:

- the significant amount of knowledge, experience and expertise acquired through the TradeFlow workforce, and in particular the earn-out shareholders;
- the anticipated future profit from growth opportunities; and
- synergies expected to be realised with the Group.

The goodwill arising from the acquisition has been allocated to the TradeFlow Cash Generated Unit ("CGU"). Fair value adjustments of £6,888,000 have been recognised for acquisition-related intangible assets and related deferred tax of £1,171,000. Details of intangible assets recorded can be found in note 15.

As detailed above, elements of the consideration payable for this acquisition require post-acquisition service obligations to be performed by the earn-out shareholders over a three-year period. These amounts are accounted for as deemed remuneration (see notes 2 and 24) as required by IFRS 3 ("Business Combinations").

The goodwill arising is attributable to:

- the significant amount of knowledge, experience and expertise acquired through the TradeFlow workforce, and in particular the earn-out shareholders;
- the anticipated future profit from growth opportunities; and
- synergies expected to be realised with the Group.

The goodwill arising from the acquisition has been allocated to the TradeFlow CGU. Fair value adjustments of £6,888,000 have been recognised for acquisition-related intangible assets and related deferred tax of £1,171,000. Details of intangible assets recorded can be found in note 15.

As detailed above, elements of the consideration payable for this acquisition require post-acquisition service obligations to be performed by the earn-out shareholders over a three-year period. These amounts are accounted for as deemed remuneration (see notes 2 and 24) as required by IFRS 3 ("Business Combinations").

Transaction costs of £2,009,000 have been charged to the statement of comprehensive income as a transaction cost. £1,900,000 of these costs represented the fair value of 500,000,000 new ordinary shares issued as consideration to third party intermediaries who either introduced TradeFlow to the Company or who provided due diligence activities in respect of the TradeFlow business, market, sector and geographic location. The Companies Act 2006 required that when these shares were issued they be accompanied by an independent valuers report as to the value of the services. However, due to an error on behalf of the Company, this was not done at the time. Despite this, the shares were issued in good faith between company and the third parties and remain legal and valid and the independent valuation report has now subsequently been received by the Company and, having sought legal advice, this and an amended share issue form will be lodged with Companies House to rectify the situation. The remaining £109,000 related to legal fees that were directly associated with the acquisition.

The acquisition contributed £231,000 of revenue and (£522,000) to the Group's operating loss before acquisition related costs for the period between the date of acquisition and the balance sheet date. As a preliminary assessment, had the acquisition of TradeFlow been completed on the first day of the financial year, Group revenues would have been approximately £259,000 higher and Group's operating loss before acquisition related costs would have been approximately £590,000 higher.

28. Share-based payments

Acquisition related earn-out payments

As explained in notes 2 and 27, the terms of the agreement to acquire TradeFlow included acquisition related earn-out payments that, together with the initial cash payment and issue of equity, form the total legal consideration agreed between the parties.

This acquisition related earn-out payments are determined by reference to pre-determined revenue milestone targets in each of the 2021, 2022 and 2023 financial years. These payments may be forfeited by the selling shareholders should they, in certain circumstances, no longer remain employed prior to the end of each earn-out period. As such, under the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS 3 ("Business Combinations"), the fair value of these earn-out payments have been accounted for a charge to the income statement (as deemed remuneration) rather than as consideration.

The terms of the agreements also allow this acquisition related earn-out payments to be settled in either cash or equity at the discretion of the Company. As it is the Company's current intention is to settle these payments in equity, they have been fair valued at the grant date in line with IFRS 2 ("Share-based payments"). When the Company chooses to issue the earn-out payment in shares, the number of shares to be issued will be determined using the Volume Weighted Average Price ("VWAP") over the 20 dealing days to the end of the relevant financial year subject to a floor of 1p. In addition, the number of shares will be enhanced by 50% if the VWAP is greater than 1p. Finally, 50% of any earn-out shares may not be sold for 12 months following the award but are not contingent on continued employment.

Taking into account the factors above, value of the earn-out payments settled by way of equity have market conditions associated with them, being the future share price, and the fair value at grant date (being 1 July 2021) has been estimated using a Monte Carlo simulation model. A further discount has been applied to the 50% which are subject to lock in provisions, and this discount factor has been

calculated using a Finnerty model, being a variant of the Black Scholes model.

The key judgemental assumptions have been detailed in note 2. The models above have assumed the non-market conditions surrounding these earn-out payments / awards will be met and as such in future periods the impact of the revision of the original estimates, if any, will be recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

The expense recognised in the income statement in the current financial year and the expected expense to be recognised in future periods are set out in note 23 above.

Share warrants

As explained in notes 18 and 19, during the year the Company entered into a funding facility with Mercator which included the Company issuing loan notes in exchange for funding. These loan notes linked to a convertible loan note facility, which was able to be used should the Company elect not to repay any of the interest or principal relating to the loan notes in cash. Both the loan note and convertible loan note agreements required share warrants to be issued representing 20% of the face value of any loan notes or convertible loans issued. The warrants have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the issue of the warrants.

The total number of share warrants issued during the current financial year was 522,791,511, details of which are set out in the table below.

As these share warrants were issued as a cost of securing the funding facility they fall into the scope of scope of IFRS 2 ("Share-based payments"). As such, the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. The fair value was determined using a Black Scholes model and the key judgemental assumptions have been detailed in note 2.

Date of issue	Principal value of warrants issued (£ 000)	Number of warrants	Exercise price	Fair value (£ 000)	Amount recognised in during FY21 (£ 000)
1 October 2021	1,400	443,726,030	£0.00316	520	177
1 November 2021	92	29,197,856	£0.00314	42	42
1 December 2021	92	49,867,625	£0.00184	46	46
Total	1,584	522,791,511		608	265

The total fair value of the above share warrants issued during the current financial year is £608,000. Of this amount £520,000 related to those warrants issued in connection with the loan notes and were netted off the initial proceeds received on the balance sheet. This amount is being amortised to the income statement using the effective interest rate method and £177,000 was recognised in the income statement for the period ended 31 December 2021. The remaining £88,000 related to those warrants issued in connection with the convertible loan notes, this amount was fully in the income statement in the current year given the liability to which they relate has been extinguished.

29. Related party transactions

During the year to 31 December 2021, the following are treated as related parties:

Alessandro Zamboni

Alessandro Zamboni is the CEO of the Group and is also the sole director of The AvantGarde Group S.p.A as well as holding numerous directorships across companies including AZ company S.r.l – a private limited company. Both of these entities are related parties due the following transactions that took place over the current or prior financial year.

Following historical transactions with AZ company S.r.l the Group had an amount payable of £63,000 to this related party at 31 December 2020 which was paid off during the year. There were no further transactions undertaken with AZ company S.r.l during the current financial year with the exception of the repayment of the amount owing at 31 December 2020 detailed above. There were no balances outstanding with AZ company S.r.l at 31 December 2021.

The AvantGarde Group S.p.A ("TAG") and its subsidiaries

As at 31 December 2021 TAG held 35.3% of the Company's total ordinary shares in issued in Supply@ME Capital plc (as at 31 December 2021: 38.9%).

As announced in the RNS issued on 24 December 2020, 1AF2 S.r.l. and TAG previously merged. Alessandro Zamboni was also a director of 1AF2 S.r.l. During 2020, the Group entered into an origination contract with 1AF2 S.r.l in connection with the identification of potential client companies. Under this origination contract it was the related party's responsibility to carry out due diligence services. However, given the Group already had this expertise they chose to contract with the Group to perform the due diligence services on their behalf.

This specific contract stipulated a fee to cover the performance of due diligence services for a specific number of clients. This fee was paid at the date the contract was signed. As such, the fees received in advance were held on the balance sheet as deferred income, and the revenue was recognised in line with the completion of each of the due diligence reviews. During the year ended 31 December 2021, £175,000 (2020: £1,134,000) of the Group's revenue related to client companies originated by TAG (previously 1AF2 S.r.l) as referred to above, and for which the Group was contracted to carry out due diligence services. This revenue was recognised in line with the Group's revenue recognition policy set out in note 3.

In addition to the above, following the reverse takeover in March 2020, the Group entered into a Master Service Agreement with TAG in respect of certain shared service to be provided to the Group. During the year ended 31 December 2021, the Group paid £129,000 (2020: £48,000) to TAG in respect of this agreement.

Following the above transactions with TAG the Group has a net amount payable of £64,000 as at 31 December 2021 (net amount receivable of £232,000 as at 31 December 2020).

The TAG Group includes other companies which the Group had entered into transaction with. These companies include the Future of Fintech Srl and RegTech Open Project S.p.A, a regulatory technology company focussed on the development of an integrated risk management platform for Banks, Insurance Companies and Large Corporations. Alessandro Zamboni is also the sole director of both these companies.

As at 31 December 2021 there is an outstanding amount owed to the Group of £6,000 from Future of Fintech in relation to severance pay accrued by former employees which has been transferred to the Group by the related party (31 December 2020: nil).

As at 31 December 2021 there is an outstanding amount owed by the Group of £5,000 to RegTech Open Project S.p.A in relation historical amounts owing for regulatory technology professional services provided to the Group (31 December 2020: amount owed by the Group of £4,000).

Eight Capital Partners Plc

Dominic White, the previous Non-Executive Chairman, is a director of Eight Capital Partners PLC, and David Bull, an Independent Non-Executive Director and audit committee chair is the CEO of Eight Capital Partners PLC. Following the reverse takeover in March 2020, the Company entered into a Master Service Agreement with Eight Capital Partners Plc in respect of certain shared service to be provided to the Group. During the year, the Group paid £72,000 (2020: £60,000) to Eight Capital Partners Plc in respect of this agreement. As at 31 December 2021 there is an outstanding amount owed by the Group of £8,000 (31 December 2020: £2,000). Since the year end the Master Service Agreement with Eight Capital Partners plc has been terminated.

Epsilon Capital Ltd

Epsilon Capital, is a wholly owned subsidiary of Eight Capital Partners Plc and conducted the placing

for the RTO and were paid £159,000 in respect of these activities. This related party has not been used in 2021 and there were no amounts outstanding at either 31 December 2021 or 2020.

30. Controlling party

At 31 December 2021 the Directors do not believe that a controlling party exists.

31. Subsequent events

Issue of convertible loans and related warrants

On each of the 4 January 2022, 2 February 2022 and the 4 March 2022, the Company issued further convertible loan notes in lieu of the monthly cash repayments in respect of the outstanding loan notes. Each of these convertible loan notes was for a principal amount of £678,333, and together totalled £2,035,000. In addition, warrants to the value of 20% of the principal value were also issued, this equated to a total number of warrants issued of 262,891,765.

Issue of new share capital following conversion of convertible loan notes

On 13 January 2022, the Company allotted 594,664,101 new ordinary shares as a result of the conversion £678,333 of the convertible loan notes issued and subscribed by Mercator Group.

On 28 February 2022, the Company allotted 489,787,922 new ordinary shares as a result of the conversion £500,000 of the convertible loan notes issued and subscribed by Mercator Group.

On 29 March 2022, the Company allotted 316,446,349 new ordinary shares as a result of the conversion £178,333 of the convertible loan notes issued and subscribed by Mercator Group.

Issue of new share capital following capital raise

On the 26 April 2022, the Company agreed a new equity funding facility which provides a binding commitment with a new investor, Venus Capital SA ("Venus Capital"), to invest up to £7,500,000 in exchange for multiple tranches of new ordinary shares to be issued by the Company over a period with a long stop date of 31 December 2023 (the "Capital Raise Plan"). These tranches have been structured as follows:

- New ordinary shares issued from 26 April to date - at the date of these consolidated financial statements being issued, the Company has issued 3,320,000 of new ordinary share to Venus Capital in exchange for £1,660,000;
- Additional mandatory tranches to the value of £2,090,000; and
- Additional optional tranches (where the exercise is at the option of the Company) to the value of £3,750,000.
- It should be noted that the issue of the new ordinary shares under the Capital Raise Plan is subject to the necessary authorisations from shareholders which the Company is planning to require at the General Meeting to be held in conjunction with the Annual General Meeting.

Additionally, the Capital Raise Plan also saw the Company entered into an agreement with Venus Capital regarding a loan facility of up to £1,950,000 commencing from June 2022, including £450,000 to cover the arrangement fees relating to the Capital Raise Plan, which would be repayable in shares and which would have a maturity date of 31 December 2025 and an 10% per annum interest rate.

Restructure of Mercator funding facility

The key objective of the Capital Raise Plan is to allow the outstanding Mercator loan notes to be repaid in cash rather than via further convertible loan note issues. To assist with this, on the 26 April 2022, the Company and Mercator signed an amendment deed to the Loan Note Instrument and Convertible Loan Note Instruments that were agreed on 29 September 2021 (the "Mercator Amendment"). This amendment is aimed at avoiding further conversions under the terms of the Instruments and allows the Company:

- to repay in cash the £678,333.34 of outstanding Convertible Loan Notes issued by the Company on 4 March 2022, using the proceeds of the first tranche of the Capital Raise. This repayment was made on 9 May 2022 and included an additional interest charge of 8%;
- to repay in cash to Mercator the balance of the outstanding Loan Note Instrument, through an updated instalment plan, in accordance with the current terms and conditions of the Instruments and the new conditions comprised in the Mercator Amendment.

Pursuant to the Mercator Amendment, Mercator has further agreed that the Company is required to issue only one further tranche of warrants related to 20% of the most recent Loan Note Instrument monthly repayment of £678,333.34.

Establishment of Supply@Me technologies S.r.l

On 25 March 2022, the Company established a new 100% owned subsidiary called Supply@ME technologies S.r.l. The new subsidiary is currently non-operational but it is expected in the future that the Group's Intellectual Property rights relating to the Platform will be purchased by this new entity from another Group entity, Supply@Me S.r.l. Following this, it is expected that all future developments will be undertaken by this newly established subsidiary. This will highlight the value generated by the Platform in terms of trademarks, technology and innovative legal & accounting frameworks. It is also envisaged that the newly established entity will be the direct counterparty of White-label contracts and other potential strategic partnerships which the Group is evaluating.

New loan into TradeFlow

On 1 April 2022, TradeFlow entered into a loan agreement for USD 3,800,000, with a maturity date of 31 March 2026. The loan bears simple interest at a fixed rate of 7.9% per annum.

The loan will be used to pay down the existing outstanding unsecured loan notes which as at 31 December 2021 had a principal balance of £1,263,000 and accrued interest of £77,000.

Board restructuring

On 4 March 2022, James Coyle, the Non-Executive Chairman at the time, resigned from the Board of Directors of the Company in order to focus on his other business interests.

On 14 April 2022, Susanne Chishti, an independent non-executive director, resigned from the Board of Directors of the Company in order to explore new business opportunities.

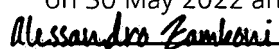
Company Statement of Financial Position as at 31 December 2021

		As at 31 December 2021	As at 31 December 2020
	Note	£ 000	£ 000
Non-current assets			
Property, plant and equipment	9		2
Investments	3	5,426	646
Total non-current assets		5,435	648
Current assets			
Trade and other receivables	4	98	282
Cash and cash equivalents		1,585	539
Total current assets		1,683	821
Total assets		7,118	1,469
Current liabilities			
Trade and other payables	6	534	894
Derivative financial instruments		-	24
Loan notes	7 / 8	5,732	-
Total current liabilities		6,266	918
Net assets/(liabilities)		852	551
Equity attributable to owners of the parent			
Share capital	5	5,486	5,420
Share premium		18,171	11,820
Share based payment reserve	9	2,018	-
Retained earnings		(24,823)	(16,689)
Total equity		852	551

A separate income statement for the parent company has not been presented, as permitted by section 408 of the Companies Act 2006. The Company's loss for the year was £8,134,000 (2020: loss for the year of £2,014,000). The Company's loss before deemed cost of listing and acquisition related costs for the year was £2,907,000 (2020: loss for the year of £638,000).

The notes on pages 158 to 169 form an integral part of these financial statements.

The Company financials on pages 156 to 169 were approved and authorised for issue by the Board on 30 May 2022 and signed on its behalf by:

 _____

Alessandro Zamboni

Chief Executive Officer and
Executive Director

Supply@ME Capital plc; Registration number: 03936915

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David Bull

Independent Non-Executive Director
and Chair of Audit Committee

Company Statement of Changes in Equity for the Year Ended 31 December 2021

	Note	Share capital	Share premium	Share Based Payment reserve	Retained earnings	Total
	£000	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2020		4,767	9,599	-	(14,675)	(309)
Loss for the year		-	-	-	(2,014)	(2,014)
Total comprehensive loss for the period		-	-	-	(2,014)	(2,014)
Reverse takeover of Supply@ME S.r.l.		646	-	-	-	646
Issue of shares for cash		7	2,234	-	-	2,241
Cost of share issues		-	(13)	-	-	(13)
At 31 December 2020		5,420	11,820	-	(16,689)	551
At 1 January 2021		5,420	11,820		(16,689)	551
Loss for the year		-	-		(8,134)	(8,134)
Total comprehensive loss for the period					(8,134)	(8,134)
Issuance of new shares	5	66	6,351	-		6,417
Credit to equity for issue of warrants	9			608		608
Credit to equity for acquisition related earn out	3			1,410		1,410
At 31 December 2021		5,486	18,171	2,018	(24,823)	852

The notes on pages 158 to 169 form an integral part of these financial statements.

Notes to the Company Financial Statements for the Year Ended 31 December 2021

1. General information

Supply@ME Capital plc (the "Company" or "SYME") is a public company limited by share capital incorporated and domiciled in England. The address of its registered office is 27/28 Eastcastle Street, London W1W 8DH. The Company's ordinary shares are traded on the Main Market of the London Stock Exchange.

These financial statements are the separate financial statements for the Company and have been prepared in compliance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

The Company's financial statements are presented in Pounds Sterling, the Company's functional and presentational currency, and all values are rounded to the nearest thousand pounds (£'000) excepted when otherwise stated.

These financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies are set out below, which have been consistently applied to all the years presented.

As permitted by FRS 102 section 1.12, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The parent company meets the definition of a qualifying entity under FRS 102. Where required, equivalent disclosures are given in the Group accounts of Supply@ME Capital plc.

Supply@ME Capital plc is the parent company of the Group and its results are included in the consolidated financial statements on pages 109 to 155.

2. Accounting policies

Going concern

These financial statements have been prepared on a going concern basis, under historical cost convention. The Directors have assessed the Company's ability to continue in operational existence for the foreseeable future and consider it appropriate to continue to prepare these financial statements on a going concern basis.

The full going concern assessment of the Group, being the Company and its subsidiaries, has been set out in note 2 to the Group consolidated financial statements.

Investments in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The value of the acquisition of Supply@ME S.r.l. and Tradeflow Capital Management Pte. Ltd. ("TradeFlow") as shown in the accounts of the holding company has been determined by applying the

sections 610, 612 and 615 of the Companies Act 2006 as they relate to merger relief. These sections of the Companies Act 2006 are applicable to corporate investments where more than 90% of the acquired entity is represented by a share for share exchange, as occurred with the acquisition of Supply@ME S.r.l. and Tradeflow. In this instance FRS 102 allows the investment to be carried in the Company's balance sheet at the nominal value of the shares issued, ignoring any associated share premium.

The carrying value referred to above is then adjusted by :

- a) any provision for impairment in the value. Where events or changes in circumstances indicate that the carrying value of an investment may not be recoverable, an impairment review is carried out. An impairment write down is recognised to the extent that the carrying value of the investment exceeds the higher of fair value less costs to sell and value in use; and
- b) any increases due to acquisition related earn out expenses recognised in the Company's subsidiaries during the current year. Refer to the share-based payment reserve accounting policy for further details.

Financial assets

Classification

Financial assets currently comprise trade and other receivables, cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Classification

Financial liabilities comprise trade and other payables, convertible loan notes and derivative financial instruments.

Recognition and measurement

Trade and other payables

Trade and other payables are initially recognised at fair value less transaction costs and thereafter carried at amortised cost.

Derivative financial instruments

The Group's derivative financial instruments is a historic convertible loan note that was both issued and then cleared in the past by a debt for equity swap, and warrants were issued with options to acquire shares that are accounted for at fair value, with changes in value taken through profit and loss. The release of the fair value discount on the debt for equity swap has been taken to the income statement as these warrants expired during the current year.

Loan note and long-term borrowings

Interest bearing loan notes and long-term borrowings are initially recorded at the proceeds received, net of direct issue costs (including commitment fees, introducer fees and the fair value of warrants issued to satisfy issue costs). Finance charges, including direct issue costs, are accounted for on an amortised cost basis to the Company's income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The carrying value of the loan notes have been adjusted to take into account the fair value of principal repayments made since inception.

Convertible loan notes

Convertible loan notes issued by the Company are recorded at the fair value of the convertible loan notes issued, net of direct issue costs including commitment fees. Finance charges, including direct issue costs, are accounted for on an amortised cost basis to the Company's income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The carrying value of the convertible loan notes have been adjusted to take into account the fair value of those notes that have been converted into ordinary shares since inception.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the amount can be reliably estimated.

Share-based payments

Equity-settled share-based payments relate to the warrants issued in connection with the cost of issuing loan notes and convertible notes during the current year. Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 9.

The fair value determined at the grant date of the equity-settled share-based payments relating to the warrants issued are net off against the fair value of the loan notes or convertibles loan notes to which they directly relate. The fair value is then expensed together with the other related finance costs on an amortised cost basis to the Company's income statement using the effective interest method. In respect of the share-based payments, the fair value is not revised at subsequent reporting dates.

In addition, the Company recognises a share-based payment reserve in connection with acquisition related earn out payments. These have been measured using the same methods as outlined above. Given the service conditions related to these payments are linked to the Company's subsidiaries, the share-based payment expense is recognised by this entity. The Company records this amount as an increase to the investment value and the share-based payment reserve. The fair value determined at the grant date of the equity-settled share-based payments relating to the earn out payments are recognised over the vesting period on a straight-line basis, based on the estimate of equity instruments that will eventually vest. Full details can be found in notes 2 and 28 of the Group consolidated financial statements.

Equity

"Share capital" represents the nominal value of equity shares issued.

"Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares net of expenses of the share issue.

"Share-based payment reserve" represents the credit adjustments to equity in respect of the fair value of outstanding share-based payments including acquisition related earn out payments and warrants issued in connection with the cost of issuing loan notes and convertible notes during the current year.

"Retained earnings" represents retained losses of the Company.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the average exchange rates in the month. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss.

Critical judgements and significant accounting estimates

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate. The most significant areas where judgement and estimates have been applied are as follows:

Judgements

Accounting for acquisition related earn-out payments

The terms of the agreement to acquire TradeFlow included acquisition related earn-out payments that, together with the initial cash payment and issue of equity, form the total legal consideration agreed between the parties. The acquisition related earn-out payments are determined by reference to pre-determined revenue milestone targets in each of the 2021, 2022 and 2023 financial years. These payments may be forfeited by the selling shareholders should they, in certain circumstances, no longer remain employed prior to the end of each earn-out period. As set out in note 2 to the Groups consolidated financial statements, the Directors have concluded that the inclusion of the substantive post-acquisition service conditions requires the fair value of these earn-out payments to be accounted for a charge to the income statement (as deemed remuneration) in the financial statements of the entity to which the service condition relates, rather than as consideration or part of the initial investment made.

Estimates

Valuation of acquisition related earn out payments

The full disclosures relating to the valuation of the acquisition relation earn out payments are set out in note 2 to the Group's consolidated financial statements.

Valuation of share warrants issued

During the year the Company issued share warrants in connection with the loan notes and certain convertible loan notes that were also issued during the year ended 31 December 2021. As these share warrants were issued as a cost of securing the funding facility they are classified as share based payments. As such the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. Judgement was required in determining the most appropriate inputs into the valuation model (Black Scholes) used and the key judgemental input was the expected volatility rate of the Company's share price over the relevant period and the assumption applied in the model was 97% and was based the actual volatility of the Company's share price from the date of the RTO. If the expected volatility rate was adjusted by plus 10%, then the impact on the fair value recognised in the income statement in the current year would have been approximately plus £71,000. If the expected volatility rate was adjusted by minus 10%, then the impact on the fair value recognised in the income statement in the current year would have been approximately minus £76,000.

Impairment

At the end of the accounting period the Company assesses if there are any indicators of impairment with respect to its investments in subsidiaries. The carrying value as at 31 December 2021 is determined by the use of a discounted cash flow model of future free cash flows which involves estimates to be made by the Directors around future cash forecasts, discount rates etc.

3. Investments

Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital as at 31 December 2021 are as follows:

Undertaking	Country of incorporation	Registered address	Holding	Proportion of voting rights and shares held 2021	Proportion of voting rights and shares held 2020
Subsidiary undertakings					
Supply@ME S.r.l.	Italy		Legal capital	100%	100%
Supply@ME Stock Company 1 S.R.L.	Italy	Via Giosuè Carducci	Legal capital	100%	100%
Supply@ME Stock Company 2 S.R.L.	Italy	36, 20123, Milano, Italy	Legal capital	100%	100%
Supply@ME Stock Company 3 S.R.L.	Italy		Legal capital	100%	100%
Supply@ME Limited	England and Wales	27/28 Eastcastle Street, W1W 8DH, UK	Ordinary shares	100%	100%
Tradeflow Capital Management Pte. Ltd.	Singapore	10 Marina Boulevard,	Legal capital	100%	-
Tijara Pte. Ltd.	Singapore	#08-05, MBFC Tower	Legal capital	85%	-
Tradeflow Capital Management Systems Pte. Ltd.	Singapore	2, Singapore, 018983	Legal capital	50%	-

Supply@ME S.r.l. is the Group's the current operating company engaged in inventory monetisation. Tradeflow was acquired to complement the Company's global offering of its "warehouse goods" inventory monetisation platform with the TradeFlow offering of monetising "in-transit" inventory (in particular, commodities). It was also expected that the acquisition would generate a number of attractive synergy benefits for the Group from both a funding and customer origination perspective. TradeFlow owes 85% of the issued share capital of Tijara Pte. Limited and 50% of the issued share capital of TradeFlow Capital Management Systems Pte. Limited. Both of these companies are at very early-stage of their development and their results and balances as at 31 December 2021 are immaterial to the Group.

Investments	Subsidiary undertakings £ 000
As at 1 January 2020	-
Additions at cost – Supply@ME S.r.l.	646
As at 31 December 2020	646
As at 1 January 2021	646
Additions at cost - TradeFlow	4,016
Increase for acquisition related earn out payments	1,410
Impairment charges – Supply@ME S.r.l.	(646)
As at 31 December 2021	5,426

Investment in Supply@ME S.r.l

On 23 March 2020, the Company issued 32,322,246,220 ordinary shares to acquire the whole of the share capital of Supply@ME S.r.l. These shares had a nominal value of £0.00002 per share and

an issue price of £0.006945 per share. As outlined in note 2 above the value of the acquisition of Supply@ME S.r.l. has been determined by applying the sections 610, 612 and 615 of the Companies Act 2006 as they relate to merger relief. These sections of the Companies Act 2006 are applicable to corporate investments where more than 90% of the acquired entity is represented by a share for share exchange, as occurred with the acquisition of Supply@ME S.r.l. In this instance FRS 102 permits the investment to be carried in the Company's balance sheet at the nominal value of the shares issued, ignoring any associated share premium.

Impairment assessment

The Directors considered the current year losses of the Supply@ME S.r.l, as in impairment indicator and therefore, and as such an impairment test on this investment has been performed as at 31 December 2021.

This impairment test has been carried out using the Group's 2022 - 2025 Business Plan prepared by the management and approved by the Board of Directors on 30 May 2022, and, in particular, the cash flows of the particular asset is expected to generate during the forecasted period in its current conditions. The recoverable amount has been identified in the value in use, equal to the sum of the discounted future cash flows (considering a terminal value) that the asset will be able to generate according to management estimates in its current condition.

The weighted average cost of capital ("WACC") has been used as the discount rate, which takes into account the specific risks of the asset and reflects the current market conditions and the cost of money, based on a weighting between the cost of debt and the cost of equity, calculated on the basis of the values of comparable companies operating in the same sector. The value of the WACC thus determined was equal to 10.64%.

The recoverable amount of the investment was higher than its carrying amount using this methodology as at 31 December 2021.

However, as noted in the full going concern statement, set out in note 2 to the Group's consolidated financial statements, there is currently an absence of a historical track record relating to inventory monetisation transactions being facilitated by the Group's Platform, which is currently held in the books and records of Supply@ME S.r.l, the generation of the full range of fees from the use of its Platform and the Group being cash flow positive. As such the Directors have prudently identified a material uncertainty in relation to the going concern statement. The Directors have also concluded that this uncertainty applies to the discounted cash flow model used in this impairment test. In particular, there is uncertainty that arises with respect to both the future timing and growth rates of the forecast discounted cash flows.

As such, the Directors have prudently decided to impair the full carrying amount of the investment in Supply@ME S.r.l as at 31 December 2021. This impairment loss may subsequently be reversed and if so, the carrying amount of the investment will be increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

Investment in TradeFlow:

On 1 July 2021 the Company completed the acquisition of the entire share capital of TradeFlow by way of cash and share consideration. As such from this date TradeFlow became a fully owned subsidiary of the Company and will form part of the Group's consolidated financial performance and position going forward. The Company acquired 100% of the equity of TradeFlow for a purchase consideration of £4,000,000 which was paid in cash and the issue of 813,000,000 equity shares.

As outlined in note 2 above the value of the acquisition of TradeFlow has been determined by applying the sections 610, 612 and 615 of the Companies Act 2006 as they relate to merger relief. These sections of the Companies Act 2006 are applicable to corporate investments where more than 90% of the acquired entity is represented by a share for share exchange, as occurred with the acquisition of TradeFlow. In this instance FRS 102 permits the investment to be carried in the Company's balance sheet at the nominal value of the shares issued, ignoring any associated share premium.

In addition, the Company recognises an increase in the carrying amount of the Trade Flow investment in connection with acquisition related earn out payments. Full details can be found in notes 2 and 28 of the Group consolidated financial statements.

	£ 000
Cash consideration	4,000
Equity instruments (813,000,000 new ordinary shares)	3,089
Total consideration	7,089
Consideration accounted as deemed remuneration	
Acquisition related earn-out recognised in the current financial year	1,410
Acquisition related earn-out expected to be recognised in future periods	3,126
	4,536

Impairment assessment

The Directors considered the underperformance of TradeFlow compared to the forecast for the year ended 31 December 2021 (included in the independent valuation report prepared for the purposes of the acquisition) to be an impairment indicator. In particular, the Directors noted that 80% of the earn-out milestone target, which had been set in line with the forecast referred to above, for the year ended 31 December 2021 was achieved. As such an impairment test on this investment has been performed as at 31 December 2021.

This impairment test has been carried out using the Group's 2022 - 2025 Business Plan prepared by the management and approved by the Board of Directors on 30 May 2022, and, in particular, the cash flows the TradeFlow business are expected to generate during the forecasted period in its current conditions. In performing the impairment test, the Directors reduced its revenue forecasts by 20% each year over this period in order to reflect the circumstances experienced in the current financial year. The Directors believe this is a prudent assumption to have made given the current expectations are for revenue to be largely in line with the unadjusted forecasts going forward.

The Directors used WACC as the discount rate, which takes into account the specific risks of the TradeFlow forecasts, and reflects the current market conditions and the cost of money, based on a weighting between the cost of debt and the cost of equity, calculated on the basis of the values of comparable companies operating in the same sector. Given the early stage development of the TradeFlow business, the Directors initially determined WACC to be equal to 16.43%.

However, the Directors also noted that the independent purchase price accounting exercise carried out in respect of the TradeFlow, applied a discount rate of 25.00% to the forecast cashflows. This discount rate has been determined largely by reference to the initial rate of return, which would ensure the present value of the future TradeFlow forecasts equalled to the value of the investment made.

In order to ensure consistency between the WACC applied in this impairment test and the recent purchase price accounting exercise, the Directors took the decision and subsequently adjusted the WACC applied in the impairment test to 25.00%. This is also believed to be a prudent assumption. Using this methodology, the recoverable amount of the investment was able to support the carrying amount as at 31 December 2021 and as such, no impairment loss had to be recognised with respect to the investment in TradeFlow.

4. Trade and other receivables

	As at 31 December 2021 £ 000	As at 31 December 2020 £000
Other receivables	39	260
Amounts due from Group companies	5	
Prepayments	54	22
Total current trade and other receivables	98	282

Impairment of amounts due from Group companies

As at 31 December 2021, the Directors reviewed the carrying value of amounts due from Group companies for indicators of impairment. Prior to this review, the Company held an amount due from its Italian subsidiary, Supply@ME S.r.l of £1,319,000. In order to be prudent, and to follow a consistent approach used to determine the impairment of the Company's investment in Supply@ME S.r.l (refer to note 3 for further details), the Directors reached the conclusion to impair the full carrying value of the specific receivable balance as at the year-end date. This impairment charge has been recognised in the Company's profit of loss for the current financial year.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

5. Share capital

Allotted, called up and fully paid shares

	As at 31 December 2021		As at 31 December 2020	
	No. 000	£ 000	No. 000	£ 000
Equity				
Ordinary shares of £0.00002 each	36,068,442	721	32,754,945	655
Deferred shares of £0.04000 each	63,084	2,523	63,084	2,523
2018 Deferred shares of £0.01000 each	224,194	2,242	224,194	2,242
	36,355,720	5,486	33,042,223	5,420

New shares allotted during the current financial year

On 7 July 2021, the Company allotted 1,477,705,882 new ordinary shares. These shares were issued with the following activities:

- 813,000,000 were issued as consideration to for the acquisition of TradeFlow;
- 500,000,000 were issued as consideration to intermediaries and introducers which support the TradeFlow acquisition; and
- 164,705,882 were issued in connection with the conversion of £560,000 convertible loan notes held by Negma Group.

On 29 July 2021 the Company allotted 315,000,000 new ordinary shares in connection with the conversion of £1,008,000 convertible loan notes held by Negma Group.

On 3 September 2021 the Company allotted 840,000,000 new ordinary shares in connection with the conversion of £2,016,000 convertible loan notes held by Negma Group.

On 18 November 2021 the Company allotted 77,614,382 new ordinary shares in connection with the conversion of £158,333 convertible loan notes held Mercator Capital Management Fund LP.

On 29 November 2021 the Company allotted 221,836,063 new ordinary shares in connection with the conversion of £300,000 convertible loan notes held Mercator Capital Management Fund LP.

On 21 December 2021 the Company allotted 381,340,661 new ordinary shares in connection with the conversion of £458,333 convertible loan notes held Mercator Capital Management Fund LP.

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences, and restrictions:

The Ordinary shares carry rights to participate in dividends and distributions declared by the Company and each share carries the right to one vote at any general meeting. There are no rights of redemption attaching to the Ordinary shares.

Deferred shares have the following rights, preferences, and restrictions:

The deferred shares carry no rights to receive any dividend or distribution and carry no rights to vote at any general meeting. On a return of capital, the Deferred shareholders are entitled to receive the amount paid up on them after the Ordinary shareholders have received £100,000,000 in respect of each share held by them. The Company may purchase all or any of the Deferred shares at an appropriate consideration of £1.

2018 Deferred shares have the following rights, preferences, and restrictions:

The deferred shares carry no rights to receive any dividend or distribution and carry no rights to vote at any general meeting.

Reconciliation of allotted, called up and fully paid shares

	As at 31 December 2021		As at 31 December 2020	
	No. 000	£ 000	No. 000	£ 000
At 1 January	33,042,223	5,420	-	148
Transfer to RTO reserve	-	-	-	(148)
Bring in plc share capital		-	388,372	4,767
Reverse acquisition		-	32,322,246	646
Issue of shares for cash		-	331,604	7
Shares issued on conversion of convertible loan notes	2,000,497	40	-	-
Shares issued as consideration for acquisition	813,000	16	-	-
Shares issued as consideration for support with the TradeFlow acquisition	500,000	10	-	-
At 31 December	36,355,720	5,486	33,042,223	5,420

6. Trade and other payables

	As at 31 December 2021	As at 31 December 2020
	£ 000	£ 000
Bank loans and overdrafts		
Trade payables	193	342
Amounts due to Group companies	-	331
Other payables	90	51
Social security and other taxes	-	53
Accruals and deferred income	251	118
	534	895

7. Loan notes and Long-Term Borrowings

Loan notes

On 29 September 2021, the Company announced it had entered into a loan note facility with Mercator Capital Management Fund LP ("Mercator"). The new loan note facility consisted of a short term loan with the following key terms:

- Initial draw down of £5 million, with a further £2 million available within 60 days subject to certain conditions precedent which were subsequently met;
- 12 month term, with an interest rate of 10%;
- The principal and interest to be repaid on a monthly basis; and
- Warrants will be issued representing 20% of both tranches. The warrants will have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the issue of the warrants.

The loan note facility was linked to a convertible loan note facility also entered into with Mercator, which was able to be used should the Company elect not to repay any of the interest or principal relating to the loan notes in cash. The Mercator convertible loan note facility was for the same aggregate value as the loan facility including interest, being £7.7 million, and was able to be drawn in tranches equal to the monthly loan repayments. Further details of the Mercator convertible loan notes can be found in note 8.

The loan notes were initially recorded at the proceeds received, net of direct issue costs (including commitment fees, introducer fees and the fair value of warrants issued to satisfy issue costs). As at 31 December 2021, the Company had made the first two monthly repayments which had been satisfied through the issue of convertible loan notes in order to allow the Group to preserve cash for working capital requirements or to facilitate further new strategic initiatives. The finance charges, including direct issue costs, are accounted for on an amortised cost basis using the effective interest method. The effective interest rate applied was 47.5%.

Further details on the fair value of the warrants is set out in note 8.

The movement in the loan notes during the current financial year are set out in the table below:

	£ 000
Loan note liability at 1 January 2021	-
Initial drawdown net of commitment, introducer fees and fair value of warrants issued in connection with the loan notes	4,209
Second drawdown net of commitment and introducer fees	1,900
Amortisation of finance costs during the period recognised in the income statement	540
Less Repayments made via issues of convertible loan notes	(917)
Loan note liability at 31 December 2021	5,732

8. Convertible loan notes

During the current financial year, the Company entered two different convertible loan note arrangements. These are set out below:

Negma convertible loan notes

On 16 June 2021, the Company entered a subscription agreement with Negma Group Ltd ("Negma") for the issue of an initial tranche of £5,600,000 of convertible loan notes, in exchange for cash proceeds of £5,000,000.

The difference between the par value of the convertible loan notes and the cash received is the effective interest charged in relation to these instruments.

Negma issued conversion notices during the period totalling £3,584,000 which resulted in the issue of 1,319,705,882 ordinary shares (for further detail see note 17 to the Group consolidated financial statements).

The remaining £2,016,000 convertible loan note balance was repaid in cash following the drawdown of the initial tranche of the loan notes referred to above.

The total interest cost of £600,000 in relation to these convertible loan notes has been recognised as a finance expense during the current period.

Mercator convertible loan notes

As set out in note 7, the Company entered a second convertible loan note agreed with Mercator in connection with the loan note facility described above.

The Mercator convertible loan notes contains the following key terms:

- They were each to be issued at par value;
- Each convertible loan note had a 12-month term, a conversion price of 85% of the lowest 10 day closing VWAP prior to the issue of the conversion notice and was able to be convertible at the holders request;
- Warrants are to be issued for 20% of each tranche. The warrants will have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the request to issue a new tranche.

During the year ended 31 December 2021, the Company issued convertible loan notes to Mercator to the value of £916,667, however as at 31 December 2021 these had fully been converted into 680,791,106 ordinary shares.

The Mercator convertible loan notes did not have any interest costs in addition to the loan notes but did have costs relating to commitment fees of £25,000 and the fair value of the warrants of £88,000 associated with warrants. Both costs have been recognised in the income statement in the current year given the liability to which they relate has been extinguished (2020: nil). Further details on the fair value of the warrants is set out in note 24 to the Group consolidated financial statements.

As at 31 December 2021, the convertible loan note liability is nil (2020: nil).

Historical convertible loan notes

In addition to the above, the Company also had the following historical convertible loan notes and associated derivative financial instruments which expired during the year resulting in a credit to the income statement in respect of the outstanding fair value of £24,000.

9. Share based payments – to cover warrants and earn out

Share warrants

As explained in notes 7 and 8, during the year the Company entered into a funding facility with Mercator which included the Company issuing loan notes in exchange for funding. These loan notes linked to a convertible loan note facility, which was able be used should the Company elect not to repay any of the interest or principal relating to the loan notes in cash. Both the loan note and convertible loan note agreements required share warrants to be issued representing 20% of the face value of any loan notes or convertible loans issued. The warrants have a term of 3 years from issue

and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the issue of the warrants.

The total number of share warrants issued during the current financial year was 522,791,511, details of which are set out in the table below.

As these share warrants were issued as a cost of securing the funding facility they are classified as share-based payments. As such, the Directors were required to determine the fair value of the equity settled share-based payments at the date on which they were granted. The fair value was determined using a Black-Scholes model and the key judgemental assumptions have been detailed in note 2.

Date of issue	Principal value of warrants issued (£ 000)	Number of warrants	Exercise price	Fair value (£ 000)	Amount recognised in during FY21 (£ 000)
1 October 2021	1,400	443,726,030	£0.00316	520	177
1 November 2021	92	29,197,856	£0.00314	42	42
1 December 2021	92	49,867,625	£0.00184	46	46
Total	1,584	522,791,511		608	265

The total fair value of the above share warrants issued during the current financial year is £608,000. Of this amount £520,000 related to those warrants issued in connection with the loan notes and were netted off the initial proceeds received on the balance sheet. This amount is being amortised to the income statement using the effective interest rate method and £177,000 was recognised in the income statement for the period ended 31 December 2021. The remaining £88,000 related to those warrants issued in connection with the convertible loan notes, this amount was fully in the income statement in the current year given the liability to which they relate has been extinguished.

Acquisition related earn-out payments

In addition, the Company recognises a share-based payment reserve in connection with acquisition related earn out payments. Given the service conditions related to these payments are linked to the Company's subsidiaries, the share-based payment expense is recognised by this entity. The Company records this amount as an increase to the investment value and the share-based payment reserve. Full details can be found in notes 2 and 28 of the Group consolidated financial statements.

10. Related party transactions

The Company has taken advantage of the exemption under FRS 102:33.1A from disclosing transactions with other, wholly owned members of the Group.

A full list of the Company's subsidiaries and related party transactions are set out in note 29 to the Group consolidated financial statements.

11. Controlling party

At 31 December 2021 the Directors do not believe that a controlling party exists.

12. Subsequent events

A full list of the Company's subsequent events are set out in note 31 to the Group consolidated financial statements.

Additionally, on 9 March 2022, an agreement was signed between the Company and its subsidiary, Supply@ME SRL, stating that the Company would unconditionally waive repayment of intercompany debt to the amount of €500,000.

04

Company Information

Directors

David Bull
Enrico Camerinelli
John Collis
Thomas James
Alessandro Zamboni

Solicitors

Charles Russell Speechleys LLP
5 Fleet Place
London
EC4M 7JW

Secretary

MSP Corporate Services Limited
27/28 Eastcastle Street
London
W1W 8DH

Public Relations

Cicero/AMO
3 Pancras Square
London
N1C 4AG

Company Number

03936915

Accountants

Azets
45 King William Street
London
EC4R 9AN

Registered office

27/28 Eastcastle Street
London
W1W 8DH

Investor Relations

Walbrook PR Ltd
4 Lombard Street
London
EC3V 9HD

Auditor

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Website

www.supplymecapital.com

