

QIO TECHNOLOGIES LTD

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2023

QIO TECHNOLOGIES LTD
REGISTERED NUMBER: 09368431

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Tangible assets	4	10,447	-
		<u>10,447</u>	<u>-</u>
Current assets			
Debtors	7	1,139,248	462,031
Cash at bank and in hand	8	2,902,748	275,763
		<u>4,041,996</u>	<u>737,794</u>
Creditors: amounts falling due within one year	9	(1,154,373)	(1,252,105)
Net current assets/(liabilities)		<u>2,887,623</u>	<u>(514,311)</u>
Total assets less current liabilities		<u>2,898,070</u>	<u>(514,311)</u>
Creditors: amounts falling due after more than one year	10	(3,652,135)	(219,197)
Net liabilities		<u>(754,065)</u>	<u>(733,508)</u>
Capital and reserves			
Called up share capital		19,292	19,292
Share premium account	11	14,473,061	14,473,061
Preference shares	11	4,523,737	353,876
Profit and loss account	11	(19,770,155)	(15,579,737)
		<u>(754,065)</u>	<u>(733,508)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M I Robinson
Director

Date: 28 March 2024

The notes on pages 5 to 14 form part of these financial statements.

QIO TECHNOLOGIES LTD
REGISTERED NUMBER: 09368431

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

		2023	As restated 2022
	Note	£	£
Fixed assets			
Investments	5	21,006	21,007
		<u>21,006</u>	<u>21,007</u>
Current assets			
Debtors	7	1,112,439	415,441
Cash at bank and in hand	8	2,897,634	261,358
		<u>4,010,073</u>	<u>676,799</u>
Creditors: amounts falling due within one year	9	(2,115,914)	(2,096,819)
		<u>1,894,159</u>	<u>(1,420,020)</u>
Net current assets/(liabilities)			
		<u>1,915,165</u>	<u>(1,399,013)</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	10	(3,652,135)	(219,196)
		<u>(1,736,970)</u>	<u>(1,618,209)</u>
Net liabilities			
Capital and reserves			
Called up share capital		19,292	19,292
Share premium account	11	14,473,061	14,473,061
Preference shares	11	4,523,737	353,876
Profit and loss account		(20,753,060)	(16,464,438)
		<u>(1,736,970)</u>	<u>(1,618,209)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M I Robinson

Director

Date: 28 March 2024

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QIO TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Share premium account £	Preference shares £	Profit and loss account £	Total equity £
At 1 January 2023 (as previously stated)	19,292	14,473,061	353,876	(15,839,031)	(992,802)
Prior year adjustment - correction of error	-	-	-	259,294	259,294
At 1 January 2023 (as restated)	19,292	14,473,061	353,876	(15,579,737)	(733,508)
Loss for the year	-	-	-	(4,074,277)	(4,074,277)
Currency translation differences	-	-	-	(87,376)	(87,376)
Share based payments	-	-	-	(28,765)	(28,765)
Preference shares issued	-	-	4,169,861	-	4,169,861
At 31 December 2023	19,292	14,473,061	4,523,737	(19,770,155)	(754,065)

The notes on pages 5 to 14 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Super preference shares £	Preference shares £	Profit and loss account £	Total equity £
At 1 January 2022 (as previously stated)	7,932	2,509,033	2,029,851	7,231,546	(15,585,424)	(3,807,062)
Prior year adjustment - correction of error	-	-	-	-	252,759	252,759
At 1 January 2022 (as restated)	7,932	2,509,033	2,029,851	7,231,546	(15,332,665)	(3,554,303)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,376,804)	(1,376,804)
Share based payments	-	-	-	-	1,129,732	1,129,732
Bonus issue	397	(1,394)	356	641	-	-
Conversion of preference shares	-	9,204,374	(2,030,207)	(7,232,187)	-	(58,020)
Shares issued during the year	10,963	2,761,048	-	-	-	2,772,011
Preference shares issued	-	-	-	353,876	-	353,876
At 31 December 2022	19,292	14,473,061	-	353,876	(15,579,737)	(733,508)

The notes on pages 5 to 14 form part of these financial statements.

QIO TECHNOLOGIES LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Share premium account £	Preference shares £	Profit and loss account £	Total equity £
At 1 January 2023 (as previously stated)	19,292	14,473,061	353,876	(16,654,757)	(1,808,528)
Prior year adjustment - correction of error	-	-	-	190,319	190,319
At 1 January 2023 (as restated)	19,292	14,473,061	353,876	(16,464,438)	(1,618,209)
Loss for the year	-	-	-	(4,259,857)	(4,259,857)
Share based payments	-	-	-	(28,765)	(28,765)
Preference shares issued	-	-	4,169,861	-	4,169,861
At 31 December 2023	19,292	14,473,061	4,523,737	(20,753,060)	(1,736,970)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Super preference shares £	Preference shares £	Profit and loss account £	Total equity £
At 1 January 2022 (as previously stated)	7,932	2,509,033	2,029,851	7,231,546	(15,989,717)	(4,211,355)
Prior year adjustment - correction of error	-	-	-	-	252,759	252,759
At 1 January 2022 (as restated)	7,932	2,509,033	2,029,851	7,231,546	(15,736,958)	(3,958,596)
Loss for the year	-	-	-	-	(1,857,212)	(1,857,212)
Share based payments	-	-	-	-	1,129,732	1,129,732
Bonus issue	397	(1,394)	356	641	-	-
Conversion of preference shares	-	9,204,374	(2,030,207)	(7,232,187)	-	(58,020)
Shares issued during the year	10,963	2,761,048	-	-	-	2,772,011
Preference shares issued	-	-	-	353,876	-	353,876
At 31 December 2022	19,292	14,473,061	-	353,876	(16,464,438)	(1,618,209)

The notes on pages 5 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

QIO Technologies Ltd is a private company limited by shares, incorporated in England and Wales. The Company's registered office is One, High Street, Egham, TW20 9HJ.

The principal activity of Qio Technologies Ltd and its subsidiaries ("the Group") is the development and distribution of sustainability software.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have reviewed the Group's going concern position, considering its current business activities, budget performance, and the factors likely to affect its future development. The group received funding of \$10 million during 2023, to support ongoing operations for the forth coming year.

The Group will continue to seek further fundraising to support its continued product development and commercial operations. The Directors have a successful history of raising funds from new and existing shareholders. The directors therefore are comfortable that it is appropriate to prepare the accounts on the going concern basis, but accept that a material uncertainty exists as to the success, scale and timing of future fundraising.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	20%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

3. Employees

The average monthly number of employees, including directors, during the year was 46 (2022 - 34).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Tangible fixed assets**Group**

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2023	10,260	300	10,560
Additions	-	13,432	13,432
Disposals	(10,260)	(300)	(10,560)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	-	13,432	13,432
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2023	10,260	300	10,560
Charge for the year	-	2,985	2,985
Disposals	(10,260)	(300)	(10,560)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	-	2,985	2,985
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2023	<hr/> -	<hr/> 10,447	<hr/> 10,447
At 31 December 2022	<hr/> -	<hr/> -	<hr/> -

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Tangible fixed assets (continued)**Company**

	Office equipment £	Computer equipment £	Total £
At 1 January 2023	9,810	300	10,110
Disposals	(9,810)	(300)	(10,110)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	-	-	-
	<hr/>	<hr/>	<hr/>
At 1 January 2023	9,810	300	10,110
Disposals	(9,810)	(300)	(10,110)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2023	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	21,007
Disposals	(1)
	<hr/>
At 31 December 2023	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. **Subsidiary undertakings**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
QIO Technologies GmbH	Guido-Seeber Haus, August-Bebel-Straße 27, 14482 Potsdam, Brandenburg	Ordinary	100 %
QIO Technologies (US) Limited Inc	Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware, 19801	Ordinary	100 %
QIO Technologies India Private Ltd	Platinum Towers, Level 8 , No. 1 Naylor Road, Pune 411001, Maharashtra	Ordinary	100 %
QIO Technologies (Singapore) Ltd (dissolved in the year)	80 Raffles Place, #30-00, UOB Plaza 1, 048624	Ordinary	100 %

7. **Debtors**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	652,389	117,153	652,389	117,153
Other debtors	70	53,365	-	33,326
Prepayments and accrued income	97,746	2,412	91,887	660
Tax recoverable	389,043	289,101	368,163	264,302
	1,139,248	462,031	1,112,439	415,441

8. **Cash and cash equivalents**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	2,902,748	275,763	2,897,634	261,358
	2,902,748	275,763	2,897,634	261,358

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	187,929	483,049	183,115	459,156
Amounts owed to group undertakings	-	-	1,205,217	1,126,402
Employment tax	97,223	28,072	73,305	3,831
Other creditors	271,758	380,752	103,240	239,681
Accruals and deferred income	597,463	360,232	551,037	267,749
	<u>1,154,373</u>	<u>1,252,105</u>	<u>2,115,914</u>	<u>2,096,819</u>

10. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Liability element of preference shares	3,652,135	219,197	3,652,135	219,196
	<u>3,652,135</u>	<u>219,197</u>	<u>3,652,135</u>	<u>219,196</u>

11. Reserves

Share premium account

The share premium reserve includes all amounts paid in excess of nominal for Ordinary shares issued less the cost of issuing shares.

Foreign exchange reserve

The foreign exchange reserve represents the translation of foreign subsidiaries on consolidation.

Preference shares

This represents the equity element of the preference shares in issue.

Retained earnings

Retained earnings includes all current and prior year profits and losses.

12. Prior year adjustment

The prior year figures have been restated to correct an accounting error in the original recognition of fundraising transaction costs and an adjustment in legacy tax accounting. As a result, there has been a decrease in net liabilities at December 31, 2022, of £259,294, along with a corresponding reduction in the loss for the year then ended.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note.

M Robinson is a Director of both QiO Technologies Ltd and WAVE Equity Partners LLC. WAVE Equity Partners LLC controls WAVE Equity Fund III, LP. During 2023 WAVE Equity Fund III, LP entered into an agreement to purchase preference shares in the company and purchased 13,343,276 shares.

During the year the Company paid WAVE Equity Partners LLC \$250,000 for advisory services.

14. Post balance sheet events

Following the year-end, QiO Technologies has undergone a comprehensive restructure aimed at aligning the Group's strategic objectives, vision, and values with a sustainable cost base.

15. Controlling party

As at 31 December 2023 the ultimate controlling party is WAVE Equity Partners LLC a limited liability company registered in the United States by virtue of their indirect shareholding.

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2023 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which explains that the Group will continue to seek additional fundraising to support its product development and commercial operations.

As stated in note 2.3, this represents a material uncertainty that may cast significant doubt on the Group's or the parent 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.

The audit report was signed on 28 March 2024 by Alan Poole BA (Hons) FCA (Senior Statutory Auditor) (Senior Statutory Auditor) on behalf of James Cowper Kreston Audit.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.