# ASIMILAR

Group PLC

Annual Report
30 September 2021

**ASIMILAR GROUP PLC**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 SEPTEMBER 2021**

**Company Registration Number: 4488281 (England and Wales)**

**ASIMILAR GROUP PLC**

**REPORT AND FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**CONTENTS** **Page**


| | |
|---|---|
| Directors and Officers | 1 |
| Chairman’s statement | 2 – 9 |
| Strategic report | 10 |
| Directors’ report | 11 – 13 |
| Corporate Governance report | 14 –22 |
| Audit committee report | 23 |
| Directors’ remuneration report | 24 - 28 |
| Statement of Directors’ Responsibilities | 29 |
| Independent auditors’ report | 30 - 34 |
| Consolidated statement of comprehensive income | 35 |
| Consolidated statement of financial position | 36 |
| Consolidated statement of changes in equity | 37 |
| Consolidated statement of cash flows | 38 |
| Notes to the consolidated financial statements | 39 – 62 |
| Company statement of financial position | 63 |
| Company statement of changes in equity | 64 |
| Company statement of cashflow | 65 |
| Notes to the company financial statements | 66 – 69 |

**ASIMILAR GROUP PLC**

**DIRECTORS AND OFFICERS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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|---|---|
| **Directors** | J E Taylor (Chairman)<br>M S Bhatti (Executive Director)<br>M Horrocks (Non-executive Director)<br>M D Preen (Non-executive Director) |
| **Secretary** | M S Bhatti |
| **Company number** | 4488281 |
| **Registered Office** | 4 More London Riverside<br>London<br>SE1 2AU |
| **Nominated adviser** | Cairn Financial Advisers LLP<br>9th Floor<br>107 Cheapside<br>London<br>EC2V 6DN |
| **Auditors** | Haysmacintyre LLP<br>10 Queeen Street Place<br>London<br>EC4R 1AG |
| **Registrars** | Share Registrars Limited<br>27-28 Eastcastle Street<br>London<br>W1W 8DH |
| **Brokers** | Peterhouse Capital Limited<br>3rd Floor<br>80 Cheapside<br>London<br>EC2V 6EE |
| **Website** | www.asimilargroup.com |

**ASIMILAR GROUP PLC**

**CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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## Introduction

I am pleased to present the annual report and consolidated financial statements for Asimilar Group plc ("Asimilar", "the Group", or "the Company"), for the financial year ended 30 September 2021.

Technology is at the foundation of our investment criteria. We invest in businesses that develop purpose-built technology and possess the operational expertise to scale and generate positive returns for shareholders. We back founders that have a dedicated passion and competency for creating and engineering premium customer experiences through technology, content and product innovation.

As an investment business we evaluate a significant pipeline of potential investment opportunities based on the principles of our stated investment criteria. Before investing, the board always evaluates the opportunities diligently and takes valued input from key shareholders and our investor partners on the value potential of the investment opportunities.

The board has evaluated a number of options to maintain positive momentum and capitalise on new opportunities in the market that we believe are in the best interests of shareholders. It has executed a number of follow on and new investments as a result.

## Investment Strategy

At our last Annual General Meeting, held on 18 August 2021, shareholders approved a broadening of our investment policy to include a wider array of technology based businesses, whilst still focusing primarily on the sub-sectors of Big Data, Machine Learning, Telematics and Internet of Things. It also removed the stated intention of only considering businesses that are generating positive cash flows, or are likely to do so imminently, so that investments in earlier stage, high growth, disruptive companies could be considered.

## Financial Review

Total comprehensive income for the year was £26,705,635 (2020: £392,329). Unrealised gains on investments were £25,687,510 (2020: loss £1,778,363) and realised gains on investments were £2,202,000 (2020 impairment gains: £5,728). Cash at the bank at the year-end was £600,090 (2020: £709,819).

As at 30 September 2021, total assets were £43,735,675 (2020: £12,547,890) and the net fair value of investments held was £43,040,104 (2020: £8,794,403). Total net assets were £41,474,640 (2020: £10,591,255) which represents 35.94 (2020: 11.60) pence per share.

## Investment Portfolio

Asimilar has developed a portfolio approach to its investments. The Board will assess new investments as well as reinforcing existing investments in portfolio companies where it has assessed there are opportunities to enhance shareholder value. In order to expose our investors to the potential returns that we believe they demand, such investments should be regarded as at the highest end of the risk spectrum. A brief summary of our investments and developments within them is outlined below:

### Dev Clever Holdings Plc ("Dev Clever")

Dev Clever Holdings Plc, together with its wholly owned subsidiary Dev Clever Limited, is a software and technology group based in Tamworth, United Kingdom, specialising in the use of lightweight integrations of cloud-based gamification and VR technologies to deliver rich customer engagement experiences across both the commercial and education sectors. In January 2019, Dev Clever listed on the Standard List of the London Stock Exchange.

The interest in Dev Clever is held via Asimilar's wholly owned subsidiary, Asimilar Investments Limited ("AIL"), based in Jersey.

On 3 September 2020, AIL exercised its right to subscribe for 17,500,000 shares in the capital of Dev Clever at a price of 10 pence per Dev Clever share for an aggregate subscription amount of £1.75 million in accordance with the terms of the amended Dev Clever Investment Agreement.

On 1 December 2020, AIL announced its intention to exercise the second tranche of the Dev Clever option. This became unconditional on 26 January 2021 resulting in a further investment of £2,000,000 for 20 million new shares.

On 25 February 2021, the Group announced that it had assigned the right to subscribe for 30 million shares in Dev Clever to Sitius Limited ("Sitius") for a cash consideration of £3 million. In addition, AIL assigned some 15 million of the warrants to subscribe for new Dev Clever shares at 25p each to Sitius for a further cash consideration of £500,000. Asimilar also announced on 1 March 2021 AIL's intention to use the proceeds from these assignments to complete its subscription for a further 30 million shares in Dev Clever at 10p per share which was completed on 18 March 2021.

At 30 September AIL held 70,000,000 ordinary shares in Dev Clever representing approximately 12.2% of Dev Clever's issued share capital. The carrying value of this investment was £26,950,000. Asimilar Group Plc also held an additional 2,300,000 shares at a carrying value of £885,500. AIL retains a warrant to subscribe for 35 million new ordinary shares in Dev Clever at 25 pence per Dev Clever share.

On 24 December 2021, Dev Clever announced that trading in its ordinary shares was to be suspended pending the approval by the FCA of the acquisition of Veative Labs Pte Ltd (Singapore) by Dev Clever.

### Mesh Holdings Plc ("MESH")

MESH is an unlisted investment business that aims to incubate emerging technology brands. On 3 August 2020 Asimilar announced that it had reached an agreement with MESH whereby the Company received a consideration of 24 million MESH shares in return for the assignment of Asimilar's right to subscribe for up to 32% of the share capital of Sentiance N.V. ("Sentiance").

MESH holds a number of technology investments including Sentiance N.V. Asimilar's holding of 24m shares accounted for 8.89% of MESH's issued share capital and was carried at a valuation of £984,000 as at 30 September 2021.

Sentiance is an emerging and leading organisation within behavioural, ethical artificial intelligence and machine learning with its "Motion Intelligence" and "Behavioural Change Platform" technologies. Sentiance has announced new partnerships, extended partnerships and contracts with well- known international businesses, including several within the Fortune 500.

On 29 November 2021 the Court approved a scheme of arrangement whereby All Active Asset Capital (“AAA”), a private company previously listed on AIM, acquired 100% of MESH on the basis of one new AAA share for one MESH share. As a result, Asimilar now holds 24 million AAA shares representing approximately 1.3% of AAA’s issued share capital. It is expected that a ‘grey market’ trading facility for AAA shares will be put in place within Q1 of 2022 as AAA seeks to attain a listing on an international recognised stock exchange.

**Audioboom Group plc (“Audioboom”)**

Audioboom is a global leader in podcasting with more than 100 million downloads each month from 30 million unique listeners around the world. Audioboom was ranked as the fourth largest podcast publisher in the US by Triton Digital in January 2022.

Audioboom’s ad-tech and monetisation platform underpins a scalable content business that provides commercial services for a premium network of 250 top tier podcasts.

In its quarterly update to 30 September 2021 Audioboom announced revenues for the nine months of $39.7m, up 117% for the same period in 2020 ($18.3m). Its nine month adjusted EBITDA of $1.2m compared to a $1.6m loss for the same nine month period in 2020.

As at 30 September 2021 Asimilar held 155,000 (2020: 53,400) shares in Audioboom which represents 0.99% (2020: 0.34%) of the issued share capital. The investment was valued at £1,575,920 at 30 September 2021 based on an Audioboom share price of £10.20.

**Magic Media Works Ltd (“Magic Media”)**

Magic Media is a music entertainment technology business. The company's mission is to bring families together through shared music entertainment experiences, making every home a connected home.

ROXi, which was launched by Magic Media in 2017, is the world's first 'made for TV' music entertainment product, delivering music entertainment experiences that allow consumers to listen, sing, dance and play together at home.

ROXi is backed by celebrity curators Kylie Minogue, Robbie Williams and Sheryl Crow and delivers its unique interactive experience through the stylish ROXi Console as well as through major Smart TV and Pay TV platforms, including Sky.

Offering unlimited music, karaoke-style singing, global radio access, an ambient sound machine and ROXi’s unique music trivia game, Name That Tune, ROXi is highly differentiated and popular with its target market of older, family consumers. The company has global rights agreements with the major labels (Universal Music Group, Sony Music Group, Warner Music Group) and major independents including Merlin Music, providing customers with one year's access to a premium music catalogue of over 55 million music tracks.

On 8 September 2020 Sky Q launched the ROXi music service, bringing an entertaining mix of unlimited music, music games, radio and karaoke to the living room, all in one place.

The partnership means that the ROXi music entertainment experience is now available on the Sky Q Pay TV platform, without the need for any additional hardware.

The launch of "ROXi on Sky Q" is part of a wider strategy to provide the ROXi experience on all major Smart TV and Pay TV platforms, with Sky having been the first European rollout partner. Roxi is now available on Fire TV, Google TV and Android TV.

On 7 December 2020 Asimilar invested a further £298,204 in Magic Media via a subscription to 298,204 loan notes of £1.00 each.

On 23 June 2021 Asimilar took up its pre-emption rights and invested a further £693,564 in loan notes of £1.10 each.

Interest will be paid on the Loan Notes at 5%, payable annually in arrears on the anniversary of the Loan Note subscription. The Loan Notes expire on 31 January 2026. Magic Media can elect to satisfy the interest through the issuance of further Loan Notes or shares to the Loan Note holder. Each Loan Note has a separate warrant attached which gives the holder the right to subscribe for a share in Magic Media at £1.10 for the 693,564 Loan Notes and at £1.00 for the 298,204 Loan Notes at any time during the life of the Loan Note ("Warrant"). The exercise of the Warrants can be carried out by offsetting the exercise subscription due against the outstanding loan amount, effectively resulting in a cashless exercise.

At 30 September 2021 Asimilar held 1,646,682 shares which represents 6.13% (2020: 7.4%) of the issued share capital. Asimilar also holds £1,491,768 in convertible loan notes, 928,717 warrants and has options over a further 95,000 ordinary shares in Magic Media. The carrying value of this investment was £3,352,295 at 30 September 2021.

### Simplestream Limited ("Simplestream")

Simplestream is an award winning provider of best in class, next generation TV solutions to some of the biggest players in the broadcast, sports and media industry. Clients include A&E Networks, AMC Networks, Channel 4, Nova TV Sony Traceplay, QVC TV, Box Nation, Little Dot Studios and At The Races amongst others.

New customers taken on during the year were GB News, Digital Theatre and Craftsy. The company delivered the Paralympic Games on Channel 4's website and over its OTT platform.

Simplestream's cloud-based Media Manager platform provides broadcasters and rights owners with an end-to-end technology services eco-system, with a full range of multi-platform TV and video distribution products including low latency online simulcasts of TV channels, real-time sports highlights clipping, broadcaster catch-up services, social video syndication and subscriber management services.

Simplestream's technology platform also provides multi-channel and multi-territory front-end templated applications for a complete range of connected devices including mobiles, tablets, connected TVs and fast-growing over the top (OTT) platforms such as Amazon Fire TV, Apple TV and Roku. In the UK Simplestream's "Hybrid TV" solution is used by leading broadcasters to power "catchup" services on Freeview, Freesat, YouView and EETV.

Simplestream delivers services across Europe, the US, Africa and the Far East with further international expansion planned for 2022.

At 30 September 2021 Asimilar held 9,943 (2020: 9,943) shares in Simplestream, which represents 6.71% (2020: 6.71%) on a fully diluted basis and a Convertible Loan Note of £21,000. The carrying value of this investment at 30 September 2021 is £856,212.

### Gfinity plc ("Gfinity")

Gfinity is a world-leading esports solutions provider. It focuses on designing, developing and delivering esports solutions for e-games publishers, rights holders and brands. It has contracts and partnership arrangements with EA Games, Microsoft, FIFA, Formula 1 and Indycar.

During the year the company grew its Gfinity Digital Media group ("GDM") through the acquisition of three digital media assets focused on the gaming industry; EpicStream in December 2020, Stock Informer in August 2021 and SiegeGG Corporation in September 2021. These transactions have strengthened the company's Digital Media offering and improved the company's ability to offer broader and more in depth content to its dedicated fans.

On 23 August 2021 the company completed a fundraise of £3.3m through an accelerated bookbuild.

At 30 September 2021 Asimilar held 5,962,500 (2020: 400,000) shares in Gfinity which represent 0.5% (2020: 0.05%) of the issued share capital. The carrying value of this investment at 30 September 2021 is £224,462.

**Sparkledun Limited ("Sparkeldun")**

Sparkledun is a private company which, through its trading subsidiary, Fast to Fibre Limited ("Fast to Fibre"), has rights to exploit a patented process for the extraction of the inner core of telecoms and power cables, allowing the insertion of fibre optic without the need for excavation or other disruptive techniques.

The Fast to Fibre commercial proposition is to reduce the cost of fibre optic deployment particularly in difficult to access areas such as urban and city centres, thereby increasing the pace of adoption in line with government targets around the world to provide ultra-fast internet access. Fast to Fibre has successfully completed several trials in a variety of geographical locations and complex situations and is now progressing a number of major commercial opportunities in the UK, Europe, North America and India.

On 31 March 2021, Asimilar agreed to invest a further £300,044 for 5,047 new ordinary shares. This was part of a fund raise of £2.7 million to fund growth, marketing and R&D.

At 30 September 2021 Asimilar held 8,307 (2020: 3,260) ordinary shares of £1.00 each in the issued share capital of Sparkeldun, which represents 4% (2020: 1.88%) of its issued share capital. The carrying value of this investment was £493,851 at 30 September 2021.

**SeeQuestor Limited ("SeeQuestor")**

SeeQuestor brings together leaders in cyber security and computer vision to deliver an Artificial Intelligence ("AI") tool to comb through some of the estimated 1.5 trillion hours of CCTV footage produced per year, harnessing what the Directors believe to be world leading AI technology and affordable supercomputing to turn terabytes of video into actionable intelligence.

SeeQuestor has two main products available: SeeQuestor 'Post-Event' which allows teams to comb through archives of video footage to find persons of interest or vehicles, helping to solve investigations in a fraction of the time that would otherwise be needed; and SeeQuestor 'iCCTV' which monitors surveillance cameras in real-time. Use cases range from homeland security to smart cities, airports, industrial and mining operations.

The SeeQuestor 'Post-Event' product has been used successfully to solve crimes by 20 police forces in the UK and overseas. Having successfully completed a number of pilots in the field through 2019, SeeQuestor 'iCCTV' is now being deployed at scale to secure sensitive events and sites in several countries.

On 9 November 2020, Asimilar Investments Limited ("AIL") invested a further £250,000 for 16,892 new equity shares in addition to the 47,018 already held.

0n 31 December 2020 AIL invested a further £250,000 for new equity shares and was also granted a 1 for 1 warrant to subscribe for further new ordinary shares in SeeQuestor. These warrants have also been applied on a one for one basis to the previous investment of £250,000 made on 9 November 2020. The warrants were exercised in December 2021.

The holding of SeeQuestor shares totalled 80,802 as at 30 September 2021, representing 7.08% of the issued share capital of SeeQuestor, and the carrying value of the investment was £970,138.

**Low 6 Limited**

Low6 Limited has developed an app for “pool betting” gameplay designed for Millennials to compete against each other rather than traditionally pitted against ‘the House’. Distribution is through multi-channel platform technology. Gameplay is available via ‘Global network’ or ‘Ring-fenced geo-specific’ tenants and/or locations.

On 2 October 2020 Asimilar converted £60,000 of Convertible Loan Notes into 4,408 shares. On 19 December 2020 Asimilar exercised the warrants it held to bring the total investment in Low 6 Limited to 6,612 shares, representing some 0.01% of the issued share capital. The carrying value of the investment was £119,993 at year end.

**Zeelo Limited**

Zeelo Limited’s ambition is to build the world’s leading smart mobility platform for organizations, enabling access to safe and sustainable transportation for everyday journeys. It seeks to use technology and data to provide flexible and cost efficient transportation programmes in public transit deserts. This includes the smart provision and procurement of shared transport for businesses and providing employees with a safer commute to work and in education getting students to schools and colleges safely and competitively. It also gives transport operators access to new business via a digitised service.

Zeelo has grown very impressively over 2021 in terms of journeys taken on the platform and significant revenue and the Board is confident it will realise the value of its investment in the near term.

On 4 August 2021 Asimilar invested £301,850 for 122 A preference shares which represents 0.01% of the issued share capital. The carrying value of this investment was £301,850 at 30 September 2021.

**Asimilar Investments Limited (“AIL”) formerly Intrinsic Capital (Jersey) Limited**

On 30 August 2020 Asimilar acquired Asimilar Investments Limited (“AIL”), formerly Intrinsic Capital (Jersey) Limited (“ICJL”) in order to allow Asimilar to manage its portfolio with the benefit of the more benign capital gains tax regime available in Jersey in respect of some of its current and future investments.

AIL was a party to an investment agreement with Dev Clever Holdings Plc ("Dev Clever"), as announced by Dev Clever on 13 May 2020, giving AIL a right to subscribe for up to 100,000,000 ordinary shares in Dev Clever at a price of 10 pence per Dev Clever share (the **"**Dev Clever Investment Agreement**")**. Following the exercise of all of these subscription rights, AIL would have been entitled to exercise a warrant to subscribe for up to 50,000,000 additional Dev Clever shares at a price of 25 pence per Dev Clever Share (the **"**Dev Clever Warrant**").**

At the date of acquisition AIL had exercised part of the option and invested £250,000 for 2,500,000 of Dev Clever shares.

Under the terms of the acquisition agreement of AIL, the Company acquired the entire issued share capital of AIL in return for the issuance of 1,000,000 new Asimilar ordinary shares credited as fully paid ("Consideration Shares"). In addition Mark Horrocks, the sole owner of AIL, was granted warrants to subscribe for up to 9,000,000 Asimilar ordinary shares in 2 tranches of up to 4,500,000 warrants per tranche. Each tranche was exercisable for two years after the relevant price criteria in Dev Clever having been reached. The relevant price criteria are the mid-market closing price of Dev Clever Shares for a period of five consecutive Business Days being or exceeding (i) 28 pence; and (ii) 55 pence respectively. The number of warrants which Mr Horrocks will be able to exercise will be proportional to the number of shares in Dev Clever subscribed for by the Company or AIL pursuant to the Dev Clever Investment Agreement at the date of exercise of such warrants.

On 29 March 2021, the Company announced that the mid-market closing price of shares in Dev Clever had exceeded 28 pence for a period of five consecutive Business Days. Therefore 70 per cent of the first tranche of 4,500,000 warrants in Asimilar (equating to 3,150,000 warrants) issued to Mark Horrocks have vested. The 3,150,000 warrants are exercisable at 0.01 pence per Asimilar ordinary share until 29 March 2023.

**COVID -19 statement**

The continuing global presence of coronavirus COVID-19 during the year continued to impact on the markets and business activity. The board has been in discussions, where possible, with its investee companies to better understand the impact on their business and actions taken to protect the businesses.

Our investee companies have carried out risk assessments and successfully implemented a number of actions to protect their workers and businesses.

**Share issues**

During the year Asimilar Group Plc issued new shares as a result of the exercise of various warrants as follows:

- 2,760,000 5p warrants were exercised raising funds of £138,000.
- 11,562,500 30p warrants were exercised raising funds of £3,468,750.

The following warrants were issued during the year (in addition to the 3,150,000 warrants issued to Mark Horrocks referred to above):

- 1,000,000 director warrants to Mark Horrocks with an exercise price of 30p per share.
- 6,000,000 warrants to Sitius relating to the disposal of the DevClever Option and Warrants with an exercise price of 50p per share.
- 250,000 director warrants to Michael Preen with an exercise price of 60p per share.

**Post Year End Transactions**

On 29 October 2021 All Active Asset Capital Limited ("AAA") completed its acquisition of MESH. Asimilar now holds 24m shares in AAA which represented 1.3% of AAA's issued share capital. AAA currently holds 185,917 shares of AAQUA N.V. which represents 32.5% of the issued share capital of AAQUA NV and 28,000 shares of Sentiance N.V. which represents 25.3% of the current issued share capital of that company.

AAA is a technology investing company, previously listed on AIM. It is pursuing a strategy of investing in opportunities within the global technology, software and Artificial Intelligence space, seeking to expose investors to a portfolio of potential future market leaders. It has announced its intention to re-list on a recognised international exchange and ahead of that, to enable a 'grey market' trading facility in its shares during 2022.

AAQUA is a new social and community platform, centred around passions, connecting like-minded people, fans, icons, creators and brands through a federated network of passion communities. AAQUA's plan is to reshape the social media experience along more positive and inclusive lines by empowering peer-level communities, celebrating authentic and purposeful connections, and unleashing the power of co-creation.

Sentiance is a Belgian intelligence-driven data science and behaviour change company. Sentiance's technology is designed to turn motion data into contextual insights and uses behavioural change techniques to personalise engagement for safer and sustainable mobility and well-being experiences.

On 24 December 2021, Dev Clever announced that trading in its ordinary shares were to be suspended pending the approval by the FCA of the acquisition of Veative Labs Pte Ltd (Singapore) by Dev Clever.

On 31 December, AIL exercised its SeeQuestor warrants and invested £337,840 for a further 33,784 new shares to bring its total holding to 67,568 and total Group holding to 114,586.

0n 22 February 2022, the Company issued 240,000 new ordinary shares as a result of a warrant exercise.

**Investment Strategy**

The shareholders approved amendments to the investing strategy at the Company's latest AGM held in July 2021. As a result the Board broadened its investing policy to encompass the broader technology sector whilst remaining primarily focused on opportunities within Big Data, Machine Learning, Telematics and Internet of Things. It also removed the stated intention of only considering businesses that are generating positive cash flows or are likely to so imminently, so that investments in earlier stage, high growth, disruptive companies can be considered. The full text of the amended investing policy is as follows:

The Company's Investing Policy is to invest in businesses which have some or all of the following characteristics:

- strong management with a proven track record;
- ready for investment without the need for material re-structuring by the Company
- via an injection of new finances or specialist management, the Company can enhance the prospects and therefore the future value of the investment;
- able to benefit from the Directors existing network of contacts; and
- the potential to deliver significant returns for the Company.

Asimilar Group Plc will invest in the technology and software sectors and aims to focus primarily on opportunities in the Big Data, Machine Learning, Telematics and Internet of Things areas.

Whilst the Directors are principally focused on making investments in private businesses, they do not rule out investments in listed businesses if this presents, in their judgment, the best opportunity for Shareholders.
The Company intends to be an active investor in situations where the Company can make a clear contribution to the progress and development of the investment. In respect of other more substantial investment opportunities, the Directors expect the Company to be more of a passive investor.

The Directors believe that their broad collective experience together with their extensive network of contacts assists them in the identification, evaluation and funding of appropriate investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence on prospective targets and their management teams. The Directors will also consider appointing additional directors with relevant experience if required.

There exists no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate.

The Company's primary objective is that of securing for the Shareholders the best possible value consistent with achieving, over time, both capital growth and income for Shareholders through developing profitability coupled with dividend payments on a sustainable basis.

**Outlook**

The Board will continue to pursue and evaluate opportunities that meet the investment criteria. It remains very optimistic on the opportunities our portfolio companies are presented with in the coming months and believe several have the potential to make material advances in 2022. We very much look forward to updating the market with news on a number of fronts.

I would like to thank our shareholders and advisors for sharing our vision and supporting the Board.

John Taylor
Chairman
Date: 18 March 2022

**ASIMILAR GROUP PLC**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Principal Activity**

The Company is an investment company and focuses on opportunities in the fields of big data, machine learning, telematics and the internet of things (IoT).

**Business Review and Future Developments**

A review of the business during the year and the likely future direction are explained in the Chairman's Statement on pages 2 to 9.

**Risks and Uncertainties**

The Company is subject to a number of risks and uncertainties. The board of directors is responsible for establishing internal controls, reviewing them for their effectiveness and mitigating risk. The key risks and how they are mitigated are detailed below:

- The Company's performance can be affected by general economic downturn. Forward looking indicators are regularly reviewed to identify varying market conditions.
- The cost base is reviewed regularly and the current management structure in place allows management to respond to changing circumstances very quickly.
- Performance of investments will be a risk to the Company in the future. To mitigate the risks inherent in making investments the Company carries out sufficient due diligence on acquisitions and monitors the performance of investments by regular review of financial information.
- As an investment company the directors will continue to ensure that there are sufficient funds in place to support the continuing investment strategy.

**Key performance indicators**

Measuring performance is integral to our strategic growth. The board has selected KPIs to benchmark the Company's progress and consider that future investment income and investment growth will be the measures used to assess the progress of the Company.

**Investment income:** is detailed in the statement of comprehensive income. The board recognises that not all investments will generate income for the Company as they are early stage start-ups and will be continually re-investing cash generated back into the business for further growth. Investment income received during the year was £20,377 (2020: £49,945).

**Investment growth:** the board monitors progress of its investments on a quarterly basis and has a presence on the board of its private investments either as a formal board member and / or observer to closely monitor the progress of its investments and assist the management where it can add value. Investment growth is detailed in note 13.

**Overhead base:** the board is satisfied with the level of costs and that these have been maintained to an appropriate level.

**Approval**

This report was approved by the board of directors and authorised for issue on 18 March 2022 and signed on its behalf by:

John Taylor
Chairman

The directors present their report together with the financial statements for the year ended 30 September 2021.

**Directors who served during the year**

J E Taylor (Chairman)
M Horrocks
M D Preen (Appointed 18 June 2021)
M S Bhatti
D J Stewart (Resigned 20 October 2020)

**Directors and Directors' Interests**

The directors who served during the year and their interest in the shares of the Company at year end are detailed below:

**Details of Directors' Warrants**

| | Warrants 2021 Number | Warrants 2020 Number |
|---|---|---|
| **Current directors** | | |
| John Taylor- exercise price 10p, expire 31 December 2022 | 2,000,000 | 2,000,000 |
| Mark Horrocks* - exercise price 0.01p, expire 29 March 2023 | 3,150,000 | 4,500,000 |
| Mark Horrocks**- exercise price 0.01p, expire 31 December 2025 | 3,150,000 | 4,500,000 |
| Mark Horrocks – exercise price 30p, expire 23 October 2023 | 1,000,000 | - |
| Sohail Bhatti - exercise price 5p, expire 31 May 2022 | 2,000,000 | 2,000,000 |
| Sohail Bhatti - exercise price 10p, expire 31 December 2022 | 1,000,000 | 1,000,000 |
| Michael Preen – exercise price 60p, expire 17 June 2024 | 250,000 | - |
| **Former directors** | | |
| Donald Stewart - exercise price 10p, expire 31 December 2022 | 2,000,000 | 2,000,000 |
| Simon Robinson*** - exercise price 5p, expire 31 May 2022 | - | 1,000,000 |
| Sean Nicolson*** - exercise price 5p, expire 31 May 2022 | - | 500,000 |
| | 14,300,000 | 17,500,000 |

*Exercisable in the event mid-market price of Dev Clever is or exceeds 28p for at least 5 consecutive business days and pro rata entitlement based on the amount of Dev Clever options exercised by AIL. On 29 March 2021, the Company announced that the mid-market closing price of shares in Dev Clever exceeded 28 pence for a period of five consecutive Business Days. Therefore 70 per cent of the first tranche of 4,500,000 warrants (equating to 3,150,000 warrants) issued to Mark Horrocks had vested. The 3,150,000 warrants are exercisable at 0.01 pence per Asimilar ordinary share until 29 March 2023.

** Exercisable in the event mid-market price of Dev Clever is or exceeds 55p for at least 5 consecutive business days and pro rata entitlement based on the amount of Dev Clever options exercised by AIL.

***Resigned on 3 December 2019

| | John Taylor | | Mark Horrocks | | Sohail Bhatti | | Michael Preen | |
|---|---|---|---|---|---|---|---|---|
| | **Shares** | **Warrants** | **Shares** | **Warrants** | **Shares** | **Warrants** | **Shares** | **Warrants** |
| At 1 October 2020 | - | 2,000,000 | 1,651,471 | 6,300,000 | 66,667 | 3,000,000 | N/A | N/A |
| | | | | | | | | |
| Held on Appointment* | - | - | - | - | - | - | 164,399 | - |
| Granted 22 October 2020** | - | - | - | 1,000,000 | - | - | - | |
| Granted 18 June 2021** | - | - | - | - | - | - | - | 250,000 |
| | | | | | | | | |
| At 30 September 2021 | - | 2,000,000 | 1,651,471 | 7,300,000 | 66,667 | 3,000,000 | 164,399 | 250,000 |

*On date of appointment Michael Preen, together with close family, held 164,399 shares

**Warrants granted to directors during the year on date of grant were valued at £169,000. Further details are provided in notes 19 of the financial statements.

**Significant and substantial shareholders**

As at 18 March 2022 the Company had been notified of the following interest of 3% or more in the share capital of the Company, save for the directors whose interests are disclosed above:

| **Shareholder** | **Number** | **%** |
|---|---|---|
| Nigel Wray | 11,502,500 | 9.43% |
| Mirador FZE | 10,000,000 | 8.20% |
| Chris Akers | 8,387,462 | 6.88% |
| David Von Rosen* | 7.081.168 | 5.81% |
| Sitius Ltd* | 6,000,000 | 4.92% |
| Rory O'Sullivan | 5,250,000 | 4.31% |
| Intertrader | 5,125,000 | 4.20% |
| Mrs DJ Horrocks | 3,771,474 | 3.09% |

*Sitius Ltd is controlled by David Von Rosen

### Statement of disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Going concern

The directors have prepared a cash flow forecast for the period ending 30 April 2023. Having considered all known costs, the board is of the opinion that there are sufficient funds available to continue as a going concern for the foreseeable future. The board will consider raising additional funds to continue to carry out its investment strategy as opportunities arise.

### Dividends

The board does not propose to pay any dividend for the year (2020: £nil).

The report was approved by the directors on 18 March 2022 and signed on its behalf by:

John Taylor
Chairman

**CORPORATE GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The Group has adopted the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"), as revised and reissued in May 2018.

John Taylor, in his capacity as Non-Executive Chairman, has assumed responsibility for leading the Board effectively and ensuring that the Group has appropriate corporate governance standards in place and that these standards are observed and applied within the Group as a whole.

The corporate governance arrangements that the Board has adopted are intended to ensure that the Group delivers medium and long-term value to its shareholders. The Board maintains a regular dialogue with its major investors and other professional investors, providing them with such information on the Group's progress as is permitted by the AIM rules, MAR and the requirements of the relevant legislation.

It should be noted that all the Directors are shareholders and/or warrant holders in the Group. The Directors therefore view their own medium and long-term interests to be integrally linked to the medium and long-term value of the Group and, as such, the interests of the Directors are directly aligned with those of the shareholders.

The Board currently consists of three Independent Non-Executives, John Taylor, Michael Preen and Mark Horrocks, and one Executive Director, Sohail Bhatti. Donald Stewart was an Independent Non-Executive of the Company from 3 December 2019 until he retired from the Board on 26 October 2020. Mark Horrocks joined the Board as an Independent Non-Executive on 23 September 2020 and Michael Preen joined the board as an Independent Non-Executive on 18 June 2021.

The QCA Code sets out ten principles that should be applied. These are listed on the Company's website at www.asimilargroup.com together with an explanation of how the Company applies each of the principles. The ten principles are:

1. establish a strategy and business model which promote long-term value for shareholders
2. seek to understand and meet shareholder needs and expectations
3. take into account wider stakeholder and social responsibilities and their implications for long-term success
4. embed effective risk management, considering both opportunities and threats, throughout the organisation
5. maintain the board as a well-functioning, balanced team led by the chair
6. ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
7. evaluate board performance based on clear and relevant objectives, seeking continuous improvement
8. promote a corporate culture that is based on ethical values and behaviours
9. maintain governance structures and processes that are fit for purpose and support good decision-making by the board
10. communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Set out below are further disclosures on certain particularly relevant principles.

**Principle 1 – Business Model and Strategy**

Asimilar is a technology investing group which invests in businesses that develop purpose-built technology and operational expertise with potential to scale and generate positive returns for shareholders.

Asimilar backs founders that have a dedicated passion and competency for creating and engineering premium customer experiences through technology, content and product innovation.

Asimilar evaluates a significant pipeline of potential investment opportunities based on the principles stated in its investing policy. Before investing, the Board always evaluates the opportunities diligently and takes valued input from key shareholders and our investor partners on the potential value of the investment opportunities which it sources.

The Board often takes active positions within Asimilar's investee companies so that the Group can partner and support our investee founders and boards proactively, in their strategy and business plan execution, thereby seeking to grow and optimise investments for the Group's shareholders. As an investment business, Asimilar is dependent on its investee companies successfully executing their business plans and managing a positive exit for its investments and investors, which sometimes takes longer than initially envisaged.

Further information on the strategy of the Group is set out in the Chairman's statement on pages 2 to 9 above and the risks the Board consider to be the most significant for potential investors and Shareholders are set out on page 10 of the Strategic Report above.

**Principle 4 – Risk Management**

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and recognises the need for an effective and well-defined risk management process. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Board is responsible for the monitoring of financial performance against budget and forecast and the formulation of the Group's risk appetite including the identification, assessment and monitoring of the Group's principal risks.

For further information on the risks the Board consider to be the most significant for potential investors, Shareholders are referred to in the section headed "Risks and uncertainties" set out on page 10 above.

The Board has delegated certain authorities to committees, each with formal terms of reference. As part of its terms of reference, the Audit Committee is obliged, inter alia, to keep under review the Group's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems, review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action, review the Group's procedures for detecting fraud and review the Group's systems and controls for the prevention of bribery.

**Principle 5 – A Well-functioning Board of Directors**

The Board is responsible for the management of the business of the Group, setting the strategic direction of the Group and establishing the policies of the Group. It is the Board's responsibility to oversee the financial position of the Group and monitor the business and affairs of the Group on behalf of Shareholders, to whom the Directors are accountable. The primary duty of the Board is to act in the best interests of the Group at all times. The Board also addresses issues relating to internal control and the Group's approach to risk management.

The Board currently consists of one Executive Director, being the Chief Finance Officer, and three Non-Executive Directors.

John Taylor chairs the Board. The Executive Director (Sohail Bhatti) has industry and technical knowledge and financial expertise. The Non-Executive Directors have public market and investing experience (John Taylor and Mark Horrocks). Sohail Bhatti also acts as the Company Secretary. Michael Preen who was appointed on 18 June 2021 has legal, regulatory and investing experience.

The Board holds board meetings whenever issues arise which require the attention of the Board.

The Executive Director is employed for 3 days per week, and the Non-Executive Directors are expected to devote at least two days per month to the affairs of the Company and such additional time as may be necessary to fulfil their roles.

The Board has also established an Audit Committee and a Remuneration Committee. The Company considers that, at this stage of its development, and given the current size of its Board, it is not necessary to establish a formal Nominations Committee and nominations to the Board will be dealt with by the whole Board. This position will be reviewed on a regular basis by the Directors.

*Audit Committee*
Until 26 October 2020 the Audit Committee comprised Donald Stewart, as Chairman, and John Taylor. Until 17 June 2021 it comprised Mark Horrocks, as Chairman, and John Taylor and currently comprises Mark Horrocks as Chairman, John Taylor and Michael Preen, and meets not less than twice a year. The committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee receives and reviews reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Group.

As noted above the Audit Committee is also responsible for reviewing the Group's internal financial controls systems that identify, assess, manage and monitor financial risks, other internal control and risk management systems and other aspects of risk management.

During the year under review, the Audit Committee has worked with and reviewed the work of the Group's auditors in the production of the Interim Report of the Group for the six months ended 31 March 2021 and the Report and Accounts of the Group for the year ended 30 September 2021 set out in this document.

*Remuneration Committee*
The Remuneration Committee comprises John Taylor as Chairman, Mark Horrocks and Michael Preen and meets not less than twice each year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group.

The Remuneration Committee made no new recommendations to the board in relation to the issue of share options to existing employees of the Group. It did recommend the award of 250,000 warrants to Michael Preen on his appointment to the board. The amounts of remuneration for each Director are set out on page 26 below. These include basic salary, bonus and the estimated monetary value of benefits in kind.

During the year under review the Board held 14 board meetings, at which all the members of the Board were present. In addition to the Company's formal board meetings, all of the directors regularly discuss matters affecting the business and the strategy of the Group.

The number of board meetings attended by each director was as follows.

| Director | Number of Meetings Attended | Percent of Meetings During Time in Office |
|---|---|---|
| John Taylor | 14 | 100% |
| Sohail Bhatti | 14 | 100% |
| Mark Horrocks | 14 | 100% |
| Michael Preen (appointed 18 June 2021) | 3 | 100% |

Specific matters are reserved to the Board and are set out in a written statement adopted by the board. Such matters include overall group strategy, the annual business plan, the making and disposal of investments, the approval of the accounts, risk management, the appointment of senior management and the appointment and removal of the auditors. The board also seeks to ensure that the necessary financial and human resources are in place for the Group to be able to meet its objectives, to review management performance and to ensure that its obligations to its shareholders are understood and met.

**Principle 6 – Appropriate Skills and Experience of the Directors**

The Group believes that the current balance of skills within the Board as a whole reflects a broad and appropriate range of commercial, technical and professional skills relevant to the sectors in which the Group operates and its status as an AIM listed company.

Biographical details of each of the Directors are set out below:

**JohnTaylor**
***Non-Executive Chairman***
Member of the board since 3 December 2019

John's most recent focus has been on assisting small cap listed companies with their development. Prior to this, he spent 18 months working in private equity backed portfolio companies, driving operational turnaround initiatives and implementing costing systems. He spent over 20 years in the Army Air Corps, leaving in 2015 with the rank of Lieutenant Colonel. Between 2013 and 2015 he was senior strategic communications officer for the Ministry of Defence. John is a non-executive director of BrandShield Systems Plc, an AIM quoted cyber security company. He is also a director of 3 companies listed on the AQSE, those being Quetzal Capital Plc, TECC Capital Plc and IamFire Plc. He was previously a director of Pathfinder Minerals Plc and of of Sabien Technology Group plc, an AIM-quoted provider of energy reduction technologies. He was also a director of KIN Group Plc which became Bidstack Group Plc following a Reverse Takeover transaction.

**Mark Horrocks**
***Non-Executive Director***
Member of the board since 23 September 2020

Mark Horrocks has over 37 years' experience in financial markets and has been involved mainly in large scale institutional fund management. He has worked as a research analyst and fund manager for a FTSE100 insurance group. In addition, he has always maintained a keen interest in supporting smaller companies and identifying nascent opportunities as investor and supporting as mentor and, on occasion, board member. In 1997 Mark co-founded Intrinsic Capital Partnership Limited, in order to self-manage the Intrinsic Value PLC Investment Trust, an investor in mainly small/micro capitalized quoted companies. Mark then established Intrinsic Capital LLP in 2007 as a regulated corporate and introductory business and extended the regulatory permission to include a retail investment management offering in 2015 seeking to add value with a straightforward, transparent and cost-efficient service to high net worth and professional investors.

**Sohail Bhatti**
***Finance Director***
Member of the board since 2014

Mohammed Sohail Bhatti is a Fellow of The Association of Chartered Certified Accountants (FCCA), and has served as finance and non-executive director of a number of private and quoted companies for more than 20 years. In 1998, he joined Transcomm plc, an AIM quoted telecommunications group as finance director for one of its subsidiary undertakings and served for 6 years until its acquisition by British Telecom in 2004. Later that year he supported the private equity acquisition of a former Ericsson data radio technology company, and founded Woodhouse Price Limited, a licensed accountancy practice.

Sohail Bhatti also acts as the Company Secretary and is responsible for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, as well as helping the Chairman maintain good standards of corporate governance.

**Michael Preen**
***Non-Executive Director***
Member of the board since 18 June 2021

Michael Preen is a qualified solicitor with 25 years' experience in the provision of legal, corporate and governance advisory services. He qualified and spent 6 years in the market-leading investment funds team at Norton Rose (now Norton Rose Fulbright), a major international law firm, before becoming a vice-president in the corporate advisory division at Dresdner Kleinwort Wasserstein, a European investment bank.

Following two years in Australia as a senior associate specialising in real estate investment funds with Mallesons Stephen Jaques (now King & Wood Mallesons), a leading law firm in the region, he returned to the UK and joined Development Capital Management, a global real estate fund management group, where he held a number of senior management roles and was instrumental in establishing its FCA regulated securities division.

From 2009 to 2014 he held the position of Head of Corporate and Legal Affairs at Hydrodec Group plc, an AIM listed clean tech oil company, before establishing his own corporate and governance consultancy business where he provides advisory services to the boards of various public and private companies, focussing on small cap technology clients.

The Directors have access to the Company’s external advisers e.g. NOMAD, lawyers and auditors as and when required and are able to obtain advice from other external advisers when necessary.

All Directors have access to independent legal advice at the Company’s expense.

The Board will seek to take into account Board imbalances for future nominations.

**Principle 7 – Evaluation of Board Performance**

The effectiveness and the performance of each director is reviewed on an annual basis. The Company undertakes annual monitoring of personal and corporate performance. The board currently considers that the use of external consultants to facilitate the board evaluation process is unlikely to be of significant benefit to the process, although the option of doing so is kept under review.

Over the next 12 months the Company intends to review the performance of the board as a whole to ensure that the members of the board collectively function in an efficient and productive manner and identify any development or mentoring needs of individual directors. The focus of the review will be to identify any gaps in skills and experience, how well the board functions as a group and the individual contributions made by each director. The Chairman will be responsible for leading the review and will involve external support as appropriate.

The Board is aware that succession planning is a vital task and the management of succession planning represents a key responsibility of the Board. The balance of skills required of the Board as a whole is under constant review as the business develops. As a result the composition of the Board will change over time. The Board would appoint additional directors in the event that outstanding people with relevant skills are able to make the necessary commitment to drive the business forward.

**Principle 8 – Corporate Culture**

The Group recognises the importance of promoting an ethical corporate culture based on sound ethical values and behaviours, interacting responsibly with all stakeholders and the communities and environments in which the Group operates. The Board considers this to be essential to maximise shareholder value. This means promoting strong business ethics.

As a first priority, the Group seeks to uphold individual human rights in its operations, and expects the same from all the companies that it invests in. The Group's policies outline the behaviours expected and set out the Group's zero tolerance approach towards any form of modern slavery, discrimination or unethical behaviour relating to bribery, corruption or business conduct.

The Company is committed to building an inclusive culture. Discrimination in all its forms (including on the basis of age, race, sexual orientation, religion, national origin and gender) is not tolerated at any level.

The Directors view their own medium and long-term interests to be integrally linked to the medium and long-term value of the Group, and, as such, the interests of the Directors are directly aligned with those of the shareholders. The Group has adopted policies to deal with corruption and bribery and to comply with the UK Bribery Act.

**Principle 10 – Shareholder Communication**

The Company remains committed to listening to and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood and that the board understands the needs and expectation of its shareholders. Understanding what our shareholders think about us is a key part of driving our business forward and we actively seek dialogue with the market. The Company communicates with shareholders through the annual report, full year and half year announcements, the AGM and one to one meetings with large existing or potential new shareholders. A range of corporate information (including all Company announcements and shareholder communications) is also available to shareholders, investors and the public on the Company's corporate website (http://www.asimilargroup.com). The board receives regular updates on the views of shareholders through briefings and reports from the Company's broker.

The Company regularly participates at investor shows offering smaller and private investors similar insight into the Company and access to management. However due to COVID-19, the Company has not been able to do this for the last year.

The Company discloses contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the board. Communication with shareholders is co-ordinated by the Chairman.

The board is keen to promote greater liquidity in the Company's shares. The board seeks to build on a mutual understanding of objectives between the Company and its shareholders by:

- Communicating regularly throughout the year.
- Providing information to shareholders in a balanced and understandable way.
- Meeting shareholders to discuss long term issues and to obtain their views.
- Encouraging private investors, in particular, to attend the AGM, so that they have an opportunity to ask questions of the board and are equipped to make their own assessment of the Company's position and prospects.
- Regular meetings of the board being used as the forum to ensure that non-executive directors are updated on the views of major shareholders that have been communicated to the executive director or the Chairman.

**Independence of the Independent Auditors**

Both the audit committee and the independent auditors have in place safeguards to avoid the auditors' objectivity and independence being compromised. One such safeguard is a policy of five yearly rotation of audit partner. The Company's policy with regard to services provided by the independent auditors is as follows:

- Statutory audit services

  The independent auditors, who are appointed annually by the shareholders, undertake this work. The audit committee reviews the auditors' performance on an ongoing basis, as well as continuing to assess their impendence. The auditor’s report to the audit committee on the actions they take to comply with the professional and regulatory requirements and best practice designed to ensure their independence, including the rotation of key members of the audit team. Haysmacintyre LLP has formally confirmed this to the board.

- Non-audit services

  The independent auditors provide only one ongoing non-audit service to the Group, being the review of interim financial information. The audit committee does not consider this to adversely impact the independence of the statutory audit.

  These safeguards, which are monitored by the audit committee, are regularly reviewed and updated to ensure they remain appropriate. The disclosure of non-audit fees paid to Haysmacintyre LLP during the year is included in note 7 to the financial statements.

**Going concern**

The directors have prepared a cash flow forecast to the end of April 2023. Having considered all known costs and expected income from warrant exercises, the board is of the opinion that there are sufficient funds available to continue as a going concern for the foreseeable future. The board would also consider raising additional funds in due course to continue to carry out its investment strategy as opportunities arise.

**Section 172 Statement**

Under section 172 of the Companies Act 2006 (“Section 172”), a director of a company must act in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, taking into account the non-exhaustive list of factors set out in Section 172.

Section 172 also requires directors to take into consideration the interests of other stakeholders set out in Section 172(1) in their decision making.

Asimilar’s key stakeholders include its investors, employees and investee companies.

The Company’s strategy is to be a successful and profitable investment company focused on technology opportunities in the fields of big data, machine learning, telematics and the internet of things (IoT). We will achieve this by identifying early stage or turnaround opportunities that require investment. We will invest into businesses with content and delivery capability that engage customers, monetise the user experience and have potential to scale.

Upon the successful implementation of the Company’s strategy, the Company will have an expanded range of internal and external stakeholders, relations with which the Board will take into consideration when making decisions on Company strategy.

Engagement with our shareholders plays an essential role throughout our business. We are cognisant of fostering an effective and mutually beneficial relationship with our shareholders. Our understanding of our shareholders is factored into boardroom discussions regarding the potential long-term impacts of our strategic decisions.

Post the reporting period end, the directors of the Company have continued to have regard to the interests of the Company's stakeholders, including the potential impact of its future activities on the community, the environment and the Company's reputation when making decisions. The Directors also continue to take all necessary measures to ensure the Company is acting in good faith and fairly between shareholders and is promoting the success of the Company for its shareholders in the long term.

The table below acts as our Section 172 statement by setting out the key stakeholder groups, their interests and how the Company engages with them. Given the importance of stakeholder focus, long-term strategy and reputation to the Company, these themes are also discussed throughout this Annual Report.

| Stakeholder | Why we engage | How we engage |
|---|---|---|
| Our Investors | We maintain and value regular dialogue with our financial stakeholders throughout the year and place great importance on our relationship with them. We know that our investors expect a comprehensive insight into the financial performance of the Company, and awareness of our long-term strategy and direction. As such, we aim to provide high levels of transparency and clarity about our results and long-term strategy and to build trust in our future plans. | • Investor meetings and briefings<br>• Annual Report<br>• Company website<br>• Shareholder circulars<br>• AGM<br>• RNS announcements<br>• Press releases |
| Our Employees | Effective employee engagement leads to an effective, incentivised, healthier workforce who are invested in the success of the Group and who are all pulling in the same direction. Our engagement seeks to address any employee concerns regarding working conditions, health and safety, training and development, as well as workforce diversity. | • Competitive rewards packages<br>• Flat structure communication with the Board |
| Our Investee Companies | We take active positions within our investee companies so that the Company can partner and support our investee founders and boards proactively, in their strategy and business plan execution, thereby seeking to grow and optimise investments for the Company's shareholders. As an investment business, Asimilar is dependent on its investee companies successfully executing their business plans and managing a positive exit for its investments and investors, which sometimes takes longer than initially envisaged. | • Holding board seats on investee companies<br>• Regular dialogue and meetings with investee company management<br>• Regular updates with investee companies and other shareholders |

The above statement should be read in conjunction with the Strategic Report (on pages 10 above) and the Company's Corporate Governance Statement.

John Taylor
Chairman
18 March 2022

**ASIMILAR GROUP PLC**

**AUDIT COMMITTEE REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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While operating as a committee of the board, the Company's audit committee is by no means remote from the key issues facing the business. The committee has considered not only the adequacy of financial reporting and the applicability of accounting standards to the business, but also how the challenges faced by the Company may flow through into internal control, accounting policy and financial reporting to shareholders.

The committee is responsible for reviewing approaches to risk management and looking at internal controls on behalf of the board. The full board has been engaged in looking at the critical success factors for the Company. The risk management process is discussed on page 15.

**Membership and Meetings of the Audit Committee**

The audit committee is chaired by Mark Horrocks. John Taylor and Michael Preen are the other member of the committee. As provided for in the QCA Code the committee chairman is regarded as being independent. At the invitation of the committee, the Finance Director and representatives of the external auditor usually attend committee meetings. Time is allowed at the end of each meeting for discussion without any members of the executive team being present, to allow the external auditor to raise any issues of concern.

The audit committee has met twice during the period and has approved these report and accounts.

**Terms of Reference**

The committee's terms of reference confirm the main responsibilities of the committee.

The committee is responsible for monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance. The committee reviews the accounting standards, policies and judgements behind and the clarity and fairness of the interim and year end results statements.

The committee reviews internal controls and risk management procedures in the context of any issues which arise during the external audit process, or if concerns are raised by a member of the board or by an employee under the "whistle blowing" procedures. The strength of internal controls was reviewed by the committee and considered by the full board.

The committee has primary responsibility for the relationship between the Company and its external auditor. Representatives from the external auditor are invited to attend committee meetings and the chairman of the committee meets less formally with the audit director, as needed. The independence of the auditor is kept under review and is reported on annually, as part of the key issues memorandum presented to the committee by the auditor.

The committee reviews the fee proposals presented by the auditor and the scope of work is monitored carefully to ensure that independence is not compromised. In the year to 30 September 2021, audit fees for the Company totalled £36,000 (2020: £22,200), compared with non-audit fees (including reporting accountant services and interim financial statement reviews) of £2,000 (2020: £40,450).

The auditors now only provide audit services. All other accounting and taxation is now provided by independent advisors.

The committee is satisfied with the independence, objectivity and efficiency of the external auditor and the committee has not felt it necessary at this stage to propose re-tendering of the audit contract. A resolution for the re-appointment of Haysmacintyre LLP as the statutory auditor will therefore be proposed at this year's annual general meeting.

No other formal recommendations have been made to the board by the committee and no external reports have been commissioned on financial control processes during 2020/21.

This report was approved by the audit committee and the board on 18 March 2022.

Mark Horrocks
Chairman of the Audit Committee

## Introduction

On behalf of your board, I am pleased to present our remuneration report for the year ended 30 September 2021.

As an AIM-listed company, Asimilar is not obliged to provide a full directors' remuneration report meeting the requirements of with the UK Corporate Governance Code. We do, however, apply the standards of the QCA Code. The report provides remuneration details for all directors and explains any bonuses paid in the year. It gives a general statement of policy on directors' remuneration as it is currently applied.

The committee is responsible for reviewing and recommending the framework and policy for remuneration of the executive directors. The committee's terms of reference are available on the Company's website. The committee recognises the importance of our reward and performance strategy in recruiting and retaining high quality individuals who can lead, develop and sustain business growth over the longer term.

## Membership and Meetings of the Committee

The chairman of the remuneration committee is currently John Taylor. The other members of the committee are Mark Horrocks and Michael Preen.

Other directors may attend by invitation of the committee. It is a fundamental principle that no individual should be able to contribute to discussions about their own remuneration. All committee meetings are minuted and copies of the minutes are provided to the full board.

The committee operates within terms of reference set by the board. The terms of reference were reviewed and approved by the board in November 2019.

The committee is responsible for recommending any changes in the structure of remuneration packages for the executive directors. It also plays an important role when an executive director joins and leaves the Company. It recommends to the board the terms of employment for any appointment and any subsequent changes which may be needed and reviews any payments which might arise on termination of an executive director's contract.

The committee held one meeting during the year which was chaired by John Taylor.

## Conclusion

The directors' remuneration policy and statement of remuneration for 2020/21 which follows this annual statement sets out the committee's approach to remuneration for the future and provides details of remuneration for the year ended 30 September 2021. This report is intended to provide shareholders with sufficient information to judge the impact of the decisions taken by the committee, to assess whether remuneration packages for directors are fair in the context of business performance.

The committee will continue to be mindful of shareholder views and interests and we believe that our directors' remuneration policy continues to be aligned with the achievement of the Company's business objectives. As always, the annual general meeting provides an opportunity for face to face discussions on important matters for the Company and its shareholders.

John Taylor
Chairman of the Remuneration Committee
Date 18 March 2022

**Remuneration Policy and Statement of Remuneration for 2020/21**

The policy of the committee is to ensure that the executive directors are fairly rewarded for their individual contributions to the Company's overall performance and to provide a competitive remuneration package to executive directors (including long-term incentives) to attract, retain and motivate individuals of the calibre required to ensure that the Company is managed successfully in the interests of shareholders. In addition, the committee's policy is to reward performance in a way which seeks to align the interests of management with those of shareholders.

**Future Policy**

The main elements of the remuneration package of executive directors are set out below.

The remuneration packages of executive directors comprise the following elements.

Basic Salary and Benefits

The executive directors' basic salaries are reviewed annually having regard to individual performance, market practice and the financial position of the Company. The salaries paid to executive directors are currently considered appropriate for the respective roles performed by them.

Executive directors are eligible for pension contributions (or payments in lieu of pension contributions) at the rate of 3% of salary. Such payments are not made in respect of any bonuses.

Executive directors are also eligible for health insurance for themselves, partners and children.

Annual Bonuses

The Company pays bonuses reflecting the contributions made by the executive and non-executive directors and the Company's performance.

Share Options and Warrants

The Company believes that share ownership by directors and employees strengthens the link between their personal interests and those of the Company and the shareholders.

The board believes it to be an essential part of attracting high calibre individuals to the board of directors, while preserving cash, in the interests of all shareholders, that directors are offered warrants or options in the Company in amounts and at exercise prices that align directors with the interests of the wider shareholder base.

All directors currently either hold shares and / or warrants in the Company.

**Service Contracts**

The executive director has entered into a comprehensive service contract which is terminable by either party giving 12 months' notice. The executive director is subject to pre and post termination restrictive covenants with the Company including those relating to non-solicitation of customers and staff. No compensation is payable for loss of office and all appointments may be terminated immediately if, among other things, a director is found to be in material breach of the terms of the appointment.

The non-executive directors have entered into engagement letters which are terminable by either party on 6 months' notice. Non-executive directors not eligible for pension arrangements. Additional fees may be paid to non-executive directors in respect of additional services provided to the Company.

Copies of directors' service contracts and letters of appointment are available for inspection at the Company's registered office.

### Approach to Recruitment Remuneration

The committee's approach to recruitment remuneration is to offer a market competitive remuneration package sufficient to attract high calibre candidates who are appropriate to the role but without paying any more than is necessary.

Any new executive director's regular remuneration package would include the same elements and be in line with the policy statement set out above.

Reasonable relocation and other similar expenses may be paid if appropriate.

### Directors' Insurance and Indemnity

Directors' and officers' liability insurance is provided at the cost of the Company for all directors and officers. The articles of association provide for the Company to indemnify directors against losses and liabilities properly incurred in the execution of their duties.

### Audited Information

### Details of Directors' remuneration

This report should be read in conjunction with notes 8 and 9 to the financial statements, which also forms part of this report.

### Directors' emoluments

The remuneration of the Directors for the years ended 30 September 2021 and 30 September 2020 is shown below.

| | 2020/21 | | | | 2019/20 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Salary** | **Bonus** | **Warrants** | **Total** | **Salary** | **Bonus** | **Warrants** | **Total** |
| John Taylor | 36,000 | - | - | **36,000** | 30,000 | 20,000 | 82,000 | 132,000 |
| Mark Horrocks | - | - | 108,000 | **108,000** | - | - | - | - |
| Michael Preen - appointed 18 June 2021 | 10,200 | - | 61,000 | **71,200** | - | - | - | - |
| Sohail Bhatti | 50,000 | - | - | **50,000** | 50,000 | 20,000 | 41,000 | 111,000 |
| Donald Stewart-resigned 26 Oct 2020 | 21,000 | - | - | **21,000** | 30,000 | - | 82,000 | 112,000 |
| Simon Robinson - resigned 3 Dec 2019 | - | - | - | **-** | 36,000 | - | - | 36,000 |
| Sean Nicolson - resigned 3 Dec 2019 | - | - | - | **-** | 28,000 | - | - | 28,000 |
| **Total** | **117,200** | **-** | **169,000** | **286,200** | 174,000 | 40,000 | 205,000 | 419,000 |

Options and warrants granted to and held by directors who served during the year are summarised below. Full details of the options and warrants outstanding are set out in note 17 to the accounts.

| | 2020 | | | | |
|---|---|---|---|---|---|
| | **No. options and warrants held at beginning of the year** | **No. options and warrants granted during the year** | **No. options and warrants exercised during the year** | **No. options and warrants lapsed during the year** | **No. options and warrants held at end of the year** |
| Simon Robinson | 2,980,000 | — | 1,000,000 | 980.000 | 1,000,000 |
| Sohail Bhatti | 2,000,000 | 1,000,000 | — | — | 3,000,000 |
| Sean Nicolson | 1,000,000 | — | 500,000 | — | 500,000 |
| John Taylor | — | 2,000,000 | — | — | 2,000,000 |
| Mark Horrocks | — | 9,000,000 | — | — | 9,000,000 |
| Donald Stewart | — | 2,000,000 | — | — | 2,000,000 |
| **Total** | **5,980,000** | **14,000,000** | **1,500,000** | **980,000** | **17,500,000** |
| | **2021** | | | | |
| | **No. options and warrants held at beginning of the year** | **No. options and warrants granted during the year** | **No. options and warrants exercised during the year** | **No. options and warrants lapsed during the year** | **No. options and warrants held at end of the year** |
| | | | | | |
| Sohail Bhatti | 3,000,000 | — | — | — | 3,000,000 |
| John Taylor | 2,000,000 | — | — | — | 2,000,000 |
| Mark Horrocks | 9,000,000 | 1,000,000 | — | 2,700,000 | 7,300,000 |
| Michael Preen | — | 250,000 | — | — | 250,000 |
| Donald Stewart | 2,000,000 | — | — | — | 2,000,000 |
| **Total** | **16,000,000** | **1,250,000** | **—** | **2,700,000** | **14,550,000** |

## Statement of Directors' Shareholding

The directors who held office at 30 September 2021 and their connected persons had interests in the issued share capital of the Company as follows:

| | Number of shares held (including by connected persons) | |
|---|---|---|
| | **2021** | **2020** |
| Sohail Bhatti | 66,666 | 66,666 |
| John Taylor | - | - |
| Michael Preen | 164,399 | N/A |
| Mark Horrocks | 3,771,474 | 3,771,474 |

There were no changes in the share interests of directors between 1 October 2021 and 18 March 2022, being the date of signature of the directors' remuneration report.

## Approval

The directors' remuneration report, and this statement of the Company's remuneration policy and remuneration for 2020/21, were approved by the remuneration committee and by the board on 18 March 2022

John Taylor
Chairman of the Remuneration Committee
Date: 18 March 2022

**ASIMILAR GROUP PLC**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The directors are responsible for preparing the Directors' 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. The directors are required by the AIM rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of the Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 Company and of the profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 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 Asimilar Group plc website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ in other jurisdictions.

We have audited the financial statements of Asimilar Group PLC (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 30 September 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statements of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

• give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2021 and of the Group's profit for the year then ended;
• have been properly prepared in accordance with IFRSs as adopted by the European Union; and
• have been prepared in accordance with the requirements 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 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 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.

**An overview of the scope of our audit**

Our audit scope included the Parent Company, which is a registered company in the United Kingdom. Additionally, whilst not subject to statutory audit, the subsidiary Asimilar Investments Limited was reviewed to a similar degree of audit scrutiny on the basis that it now holds 75% of the total Group investments by fair value.
We communicated any issues with the Directors in our planning meetings, audit planning report and final audit findings report.
Our audit work focused predominantly on the investments in financial assets held by the Group at the balance sheet date with relevant investments selected for individual testing to relevant supporting valuation documentation, being either a quoted share price or a directors' valuation assessment.
For the purposes of our audit of the Group financial statements we obtained information pertaining to the subsidiary not subject to audit in Jersey directly from the Directors, and where appropriate the directors of the Jersey subsidiary. We performed a review in line with group materiality levels on Asimilar Investments Limited, which is a company registered in Jersey and is not subject to a statutory audit.

**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. These matters included 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.

| **Key Audit Matter Description** | **How the matter was addressed in the audit** |
|---|---|
| **Valuation of investments in financial assets**<br><br>Included in the Group Statement of Financial Position are investments totaling £43.0m (2020: £8.8m).<br><br>Of the investments held at 30 September 2021, £13.4m are considered to be level 3 investments (20120: £7.1m), a material element of the Group's asset base.<br><br>Due to the nature of these investments held, and the valuation techniques required in order to assess the fair value of these investments at 30 September 2021, there is a risk that the investments are materially misstated and have not been fair valued appropriately.<br><br>The valuation techniques applied by the directors, or where applicable independent experts are disclosed as a critical accounting estimate and judgement, due to the level of estimation uncertainty in arriving at a fair value for some of the level 3 investments held at 30 September 2021. | Our audit work has considered the various valuation methods employed by the directors in determining the fair value of the level 3 investments held at 30 September 2021.<br><br>We reviewed relevant valuation assessments reviews prepared by the directors for the purposes of valuing non-complex equity investments in unlisted securities to ensure that the valuation methodology applied was reasonable and made using information available relating to conditions at the year end.<br><br>Where more complex level 3 investments were held, the directors engaged third party experts to prepare valuations at the balance sheet and acquisition dates to ensure both the year end valuation was appropriate and any fair value movements from the date of acquisition were considered.<br><br>We have reviewed the valuation reports prepared by management's experts and considered the methods employed to arrive at an investment's fair value to ensure that the inputs and estimates, as well as valuation techniques are reasonable. |

**Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements and in forming an option. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements, or related disclosures, that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we used to determine the extent of testing need, to reduce to an appropriately low level the risk that the aggregate of uncorrected and undetected misstatement exceeds materiality for the financial statements as a whole.

The materiality for the Group financial statements as a whole was set at £877,000. This was determined with reference to 2% of gross assets, being one of the Group's main KPI's and an appropriate measure of materiality for an investment company.
On the basis of our risk assessment and review of the Group's control environment, performance materiality was set at 75% of materiality, being £658,000.
The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £44,000. If in our opinion differences below this level warranted reporting on qualitative grounds, these would also be reported.
The materiality for the Parent Company financial statements was set at £325,000. This was determined with reference to 2% of gross assets, based on the Parent Company being an investment entity with minimal trading activity.
On the basis of our risk assessment and review of the Parent Company's control environment, performance materiality was set at 75% of materiality, being £243,750.
The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £16,250. If in our opinion differences below this level warranted reporting on qualitative grounds, these would also be reported.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the director's assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included, but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and the Parent's ability to continue as a going concern;
- Evaluating the methodology used by the directors to assess the Group and the Parent Company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment and evaluating the key assumptions used and judgements applied within it;
- Reviewing the directors' working capital projections prepared as part of their going concern assessment. This review included the consideration of appropriate sensitivity analysis applied to base forecast assessment and to the liquidity and valuation of listed shares which may require realisation to meet ongoing cash flow requirements;
- Reviewing the appropriateness of disclosures made in respect of going concern in the financial statements.

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

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

## Other information

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

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

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 Parent Company and its 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 Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements 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 directors

As explained more fully in the directors' responsibilities statement set out on page 29, 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:

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Based on our understanding of the Group and industry, we identified the principal risks of non-compliance with laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and income tax.

− Inspecting correspondence with regulators and tax authorities;
− Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
− Evaluating management's controls designed to prevent and detect irregularities;
− Discussions with management regarding any adverse AIM complaints, as well as discussing this with the Company's Nomad.
− Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
– Challenging assumptions and judgements made by management in their critical accounting estimates which ultimately form the basis for the majority of non listed, level 3 investments recognised at fair value.

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.

**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.

Christopher Cork

Christopher Cork
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
18 March 2022

10 Queen Street Place
London
EC4R 1AG

**ASIMILAR GROUP PLC**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| Revenue | 5 | 14,000 | 14,000 |
| Other income | 5 | - | 1,140,000 |
| Realised gains on investment disposals | | 2,202,000 | - |
| Administrative expenses | | (800,536) | (1,043,099) |
| Fair value gain on asset acquisition | 18 | - | 1,694,436 |
| (Losses) / Gains from remeasurement of derivative financial liabilities | 16 | (459,900) | 436,500 |
| Sundry income | | 43,414 | 5,728 |
| Remeasurement to fair value of investments in financial assets | 12,13 | 25,687,510 | (1,778,363) |
| **OPERATING PROFIT BEFORE FINANCING ACTIVITIES** | | 26,686,488 | 469,202 |
| Finance income | 6 | 20,377 | 49,945 |
| Finance cost | 6 | (1,229) | (126,818) |
| **PROFIT BEFORE TAX** | 8 | 26,705,635 | 392,329 |
| Tax charge | 10 | - | - |
| **PROFIT AFTER TAX** | | 26,705,635 | 392,329 |

| | | | |
|---|---|---|---|
| **Earnings per share (pence per share)** | | | |
| Basic earnings | 12 | 23.29p | 0.41p |
| Diluted earnings | 12 | 19.23p | 0.28p |

**ASIMILAR GROUP PLC**

**Company Registration Number: 04488281**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investments in financial assets held at fair value | 13 | 36,312,423 | 5,771,908 |
| | | 36,312,423 | 5,771,908 |
| **Current assets** | | | |
| Investments in financial assets held at fair value | 13 | 6,727,681 | 3,022,495 |
| Financial assets held at amortised cost | 13 | - | 2,771,426 |
| Trade and other receivables | 14 | 95,481 | 182,242 |
| Cash and cash equivalents | | 600,090 | 709,819 |
| | | 7,423,252 | 6,685,982 |
| **TOTAL ASSETS** | | 43,735,675 | 12,457,890 |
| **EQUITY AND LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 15 | 131,635 | 197,135 |
| Derivative financial liabilities held at fair value | 16 | 2,129,400 | 1,669,500 |
| **Total liabilities** | | 2,261,035 | 1,866,635 |
| **Equity** | | | |
| Share capital | 17 | 5,214,709 | 5,213,277 |
| Share premium account | 17 | 17,932,954 | 14,327,636 |
| Merger relief reserve | 17 | 279,900 | 279,900 |
| Warrant reserve | 17 | 157,813 | 157,813 |
| Retained earnings | 17 | 17,889,264 | (9,387,371) |
| **Total equity** | | 41,474,640 | 10,591,255 |
| **TOTAL EQUITY AND LIABILITIES** | | 43,735,675 | 12,457,890 |

The financial statements were approved and authorised for issue by the board of directors on 18 March 2022 and were signed below on its behalf by

John Taylor
Chairman

ASIMILAR GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | Share Capital £ | Share Premium Account £ | Merger Relief Reserve | Retained Earnings £ | Warrant Reserve | Total £ |
|---|---|---|---|---|---|---|
| **At 1 October 2019** | 5,207,754 | 7,864,973 | - | (10,104,200) | - | 2,968,527 |
| Total comprehensive income for the year | - | - | - | 392,329 | - | 392,329 |
| Share based payments | - | - | - | 324,500 | - | 324,500 |
| Issue of warrants | - | - | - | - | 157,813 | 157,813 |
| **Transactions with owners** | | | | | | |
| Shares issued | 5,523 | 6,580,097 | 279,900 | - | - | 6,865,520 |
| Cost of new issue | - | (117,434) | - | - | - | (117,434) |
| **At 1 October 2020** | 5,213,277 | 14,327,636 | 279,900 | (9,387,371) | 157,813 | 10,591,255 |
| Total comprehensive income for the year | - | - | - | 26,705,635 | - | 26,705,635 |
| Share based payments | - | - | - | 571,000 | - | 571,000 |
| **Transactions with owners** | | | | | | |
| Shares issued | 1,432 | 3,605,318 | - | - | - | 3,606,750 |
| **At 30 September 2021** | 5,214,709 | 17,932,954 | 279,900 | 17,889264 | 157,813 | 41,474,640 |

**Share capital**

Represents the par value of shares in issue.

**Share premium**

Represents amounts subscribed for share capital in excess of its nominal value, net of directly attributable issue costs.

**Merger relief reserve**

Represents premium on shares issued in connection with the acquisition of Intrinsic Capital Jersey Limited, recognised in accordance with S162 of the Companies Act 2006.

**Retained earnings**

Represents accumulated losses to date.

**Warrant reserve**

Represents the fair value of placing warrants issued.

## ASIMILAR GROUP PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Operating activities** | | |
| Profit for the year | 26,705,636 | 392,329 |
| Adjustments for: | | |
| (Increase) / decrease in trade and other receivables | 86,761 | (112,776) |
| Decrease in trade and other payables | (65,500) | (80,310) |
| Net finance cost | (19,148) | (42,655) |
| Unrealised losses / (gain) on remeasurement to fair value | (25,687,510) | 1,364,364 |
| Gain on sale of investments | (2,202,000) | - |
| Fair value gain on asset acquisition | - | (1,694,436) |
| Share based payments | 571,000 | 324,500 |
| Other income (non-cash transaction) | - | (1,140,000) |
| **Net cash generated / (used) in activities** | (610,761) | (988,984) |
| **Investing activities** | | |
| Payments to acquire investments | (9,570,755) | (2,453,901) |
| Proceeds from sale of investments | 3,674,463 | - |
| Loans repaid / (advanced) | 2,771,426 | (2,722,422) |
| Finance income received | 19,148 | 941 |
| **Net cash used in investing activities** | (3,105,718) | (5,175,382) |
| **Financing activities** | | |
| Net proceeds from issue of shares | 3,606,750 | 6,625,899 |
| Cash arising on acquisition of ICJL | - | 5,871 |
| **Net cash generated from financing activities** | 3,606,750 | 6,631,770 |
| **Net increase / (decrease) in cash and cash equivalents** | (109,729) | 467,404 |
| Cash and cash equivalents at the start of the year | 709,819 | 242,415 |
| **Cash and cash equivalents at the end of the year** | 600,090 | 709,819 |
| **Cash and cash equivalents consist of:** | | |
| Cash and cash equivalents | 600,090 | 709,819 |

The Group had no debt in either period, therefore no net debt reconciliation has been presented.

## 1. GENERAL INFORMATION

Asimilar Group Plc is a public limited company which is listed on the Alternative Investment Market (AIM) and incorporated and domiciled in the UK. The address of its registered office is 4 More London Riverside, London, SE1 2AU.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with EU endorsed International Accounting Standards and International Financial Reporting Standards (collectively "IFRS") and the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

### 2.2 Changes in accounting policies and disclosures

**(a) New standards, amendments and interpretations adopted by the Group**

During the year ended 30 September 2021, the group has not adopted any new IFRS, IAS or amendments issued by the IASB and interpretations by the IFRS Interpretations Committee which have had a material impact on the group's financial statements.

**(b) New standards, amendments and interpretations not yet adopted**

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

### 2.3 Going Concern

The Group had net assets of £41,474,640 as at 30 September 2021 (2020: net assets £10,591,255) and generated income after tax of £26,705,635 (2020: £392,329) in the reporting period.

After taking into account anticipated operational costs, expected cash outflows and funds arising from the disposal of listed investments as part of a cash flow forecast prepared to April 2023, the directors are confident that the Group will remain in operational existence for the foreseeable future and that the going concern basis of preparation is appropriate to the Group's financial statements.

## 2.4 Consolidation

**(a) Subsidiaries**
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when it 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group considers whether acquisitions meet the criteria of a business combination in determining whether to apply the criteria of IFRS 3: Business Combinations. Where such criteria are not met (as in the case of the acquisition of Intrinsic Capital (Jersey) Limited during the prior year), the consideration payable and assets and liabilities are ascribed a fair value in accordance with IFRS 9: Financial Instruments and IFRS 13: Fair Value Measurement. The reasons and difference arising on such a transaction are considered and recognised in accordance with the relevant standard. Differences in fair value arising from an exchange of financial instruments conducted on an arm's length basis are recognised as 'Day One gains or losses' in the income statement.

Acquisition-related costs are recognised as part of the carrying value of the relevant asset's initially recognised cost.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

## 2.5 Foreign Currency Translation

**(a) Functional and Presentation Currency**
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The consolidated financial statements are presented in Pounds Sterling (£), which is the Company's functional and the Group's presentation currency.

**(b) Transactions and Balances**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Finance costs'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

### 2.6 Revenue

Revenue is recognised when revenue and associated costs can be measured reliably and future economic benefits are probable. Revenue is measured at fair value of consideration received or receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

The company only has one class of business, investment holdings and management, and therefore no segmental information has been presented.

### 2.7 Interest income

Interest income is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable.

### 2.8 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Group's liability to current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability 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 future 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 if the initial liabilities in a transaction that affect either the taxable profit or the accounting profit.

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

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### 2.9 Financial assets

**Classification**

The Group classifies its financial assets in the following categories: at amortised cost including trade receivables and other financial assets, at amortised cost and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. No financial assets are held at fair value through Other Comprehensive Income (OCI).

**Trade receivables and other non interest bearing receivables**

Trade and other non interest bearing receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

The Group's accounting policy is to recognise trade receivables within current assets.

**2. ACCOUNTING POLICIES (continued)**

**(i) Fair values of trade receivables**
Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

**(ii) Impairment and risk exposure**
Information about the impairment of trade receivables and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 4.

**Other financial assets at amortised cost**

**(i) Classification of financial assets at amortised cost**
The group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principle and interest.

**(ii) Other receivables**
- These amounts generally arise from transactions outside the usual operating activities of the group. Interest could be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and repayable within three years from the end of the reporting period.
- Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different from their carrying amounts.

**Financial Assets at Fair Value Through Profit or Loss**

**(i) Classification of financial assets at fair value through profit or loss**

The group classifies the following financial assets at fair value through profit or loss (FVTPL):

- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.
- Derivative financial assets such as options over counterparty equity instruments.

**(ii)Fair value, impairment and risk exposure**

Information about the methods and assumptions used in determining fair value is provided in note 3.

## 2. ACCOUNTING POLICIES (continued)

**Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**Derivative Financial Instruments that do not qualify for hedge accounting**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The Group's derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

**Cash and cash equivalents**
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits with maturities of three months or less.

**Derivative financial liabilities**
Derivative financial liabilities constitute warrants over the parent company's own equity, they are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Information about the methods and assumptions used in determining fair value is provided in note 3.

**Trade and other receivables**
Trade and other non-interest bearing receivables are initially recognised at cost and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective and probable evidence that it is uncertain if the amount due can be collected. Movement in the provision charged or credited in the period is recognised in the income statement.

The Group discounts some of its trade receivables. The accounting policy is to continue to recognise the trade receivables within current assets and to record cash advances as borrowings within current liabilities.

**Trade and other payables**
Trade and other payables are not interest bearing and are initially recognised at cost and are subsequently measured at amortised cost using the effective interest method.

**Equity instruments**
Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

## 2. ACCOUNTING POLICIES (continued)

### 2.10 Share based payments

The Company issues equity-settled options and warrants to certain employees, directors and financing parties and these are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period (or immediately if there is no such period), based on the Company's estimate of the number of instruments that will eventually vest with a corresponding adjustment to equity. Fair value is measured by use of an appropriate option pricing model. The expected life use in the model has been adjusted based on management's best estimates, for the effect of non-transferability, exercise restrictions, and behavioral considerations.

Non-vesting and market vesting conditions are taken into account when estimating the fair value of the option at grant date. Service and non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

### 2.11 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 11).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares

## 3. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience, internal controls, advice from external experts and other factors, including expectations of future events that are believed to be reasonable under circumstances. The following estimates are considered integral to the Group's reported financial information:

*Investment valuation*
The Group has a number of level 3 investments whereby their valuation is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable data.

*Valuation of Unlisted equity investments*
Management determines the fair value of unlisted equity investments primarily by reference to the prevailing price of further investment when conducted by the relevant entity on an arm's length basis. This is determined by reference to relevant historical fund raising prices and relevant post balance sheet events where it can be explicitly demonstrated that the conditions existed at the Group's balance sheet date. Management also exercises its own professional judgement in conducting these desktop valuations. At the balance sheet date the aggregate fair value of investments valued in this manner was £13,384,222 (2020: £7,098,593) (see note 13 for further analysis).

Where recent share placings have not been undertaken by the relevant investee entity, or are not considered to be a reliable indicator of fair value, management utilises alternative techniques to assess equity valuations. Such techniques include reference to comparable market transactions for similar business, enterprise valuations based on revenue and EBITDA multiples and equity valuation adjustments to take into account factors such as working capital, cash and debt positions in the investee entity. Such investment valuation methodologies rely on unobservable inputs and will often present a range of potential valuations. The Directors will adopt what they consider to be the most appropriate valuation within such ranges but acknowledge that there remains significant estimation uncertainty associated with this approach

*Mesh Holdings Plc ("MESH") equity investment*

On 3 August 2020 the Company acquired 24 million shares in MESH (8.9% of its share capital, since diluted to 8.2%). The fair value of the shareholding at the balance sheet date of £984,000 (2020: £1,130,000) was determined with reference to an external valuation conducted by an independent third party. The valuation was derived by using a net asset valuation basis using publicly available data and the Directors' assessment of key asset and liability valuations associated with MESH. This included an assessment of the fair value of Sentiance N.V., subscription rights over which were transferred to MESH in exchange for the shares acquired by the Group.

*Derivative assets – Dev Clever Holdings Plc ("Dev Clever")*
The fair value of derivative financial assets at the balance sheet date of £5,670,000 (2020: £2,920,000) has been determined with reference to third party actuarial valuation based on an adjusted binomial model based on the "binomial" or "lattice" option pricing method. The significant inputs into the model were a weighted average share price of £0.385 at year end date, volatility of 61% , dividend yield of 0%, the assumption that warrants are subscribed for when 100% in the money, and an annual risk-free interest rate equal to the yield on zero coupon yield curve of UK gilts at the issue dates. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of Dev Clever's daily share prices over the last year.

*Derivative liabilities – AIL consideration warrants*
The fair value of derivative liabilities at the balance sheet date of £2,129,400 (2020: £1,669,500) has been determined through a third party actuarial valuation using a Monte Carlo model that is consistent with the mathematics underlying the Black-Scholes methodology. The significant inputs into the model were a weighted average Dev Clever share price of £0.38 at year end date, volatility of 73%, dividend yield of 0%, the assumption that warrants are subscribed for when in the money, and an annual risk-free interest rate equal to the yield on zero coupon yield curve of UK gilts at the issue dates. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last year relevant to the instrument (namely that of the Group and reference holding, Dev Clever Holdings Plc).

*Valuation of Share based payments*
The fair value of share based payments at the grant date of £571,000 (2020: £324,500) has been determined through an actuarial valuation using an adjusted binomial model. The significant inputs into the model were a weighted average share price of £0.38 at the grant date, the exercise price shown above, average volatility of 73%, dividend yield of 0%, the assumption that warrants are subscribed for when 100% in the money, and an annual risk-free interest rate equal to the yield on zero coupon yield curve of UK gilts at the issue dates. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the twelve months prior to grant.

## 4. Financial Risk Management

**Financial Risk Factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**(i) Derivatives**

Derivatives held by the company are for speculative investment and not for economic hedging purposes. They are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

They are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after the end of the reporting period.

Information about the derivatives used by the group is provided in notes 12 and 16.

**(ii) Fair value measurement**

For information about the methods and assumptions used in determining the fair value of derivatives, refer to note 3.

**(a) Market Risk**

**(i) Foreign Exchange Risk**

The directors do not consider the Group to be exposed to a significant currency risk in the current year.

**(ii) Price Risk**

The Group is exposed to equity securities price risk because of investments held by the Group, classified on the consolidated Statement of Financial Position at fair value through profit or loss. The Group is not exposed to commodity price risk.

**Sensitivity analysis**

The table below summarises the impact of increases/decreases in the equity investment portfolio on the Group's post-tax profit for the year and on total equity. The analysis is based on the assumption that the equity investments had increased/decreased by 5%, with all other variables held constant. Where option pricing models with unobservable inputs have been used to derive fair values, the impact of changes in the most significant input assumption has been demonstrated.

**Level 3 Investments in equity instruments**

| | Impact on post-tax profit | | Impact on total equity | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| | **£'000** | **£'000** | **£'000** | **£'000** |
| Financial assets at fair value through profit or loss – increase 5% | 332,8271 | 205,930 | 332,827 | 205,930 |
| Financial assets at fair value through profit or loss – decrease 5% | (332,827) | (205,930) | (332,827) | (205,930) |

| | Impact on post-tax profit | | Impact on total equity | |
|---|---|---|---|---|
| **Derivative assets – Dev Clever options** | **2021** | **2020** | **2021** | **2020** |
| | **£'000** | **£'000** | **£'000** | **£'000** |
| Derivative assets at fair value through profit or loss – increase 10% | - | 180,000 | - | 180,000 |
| Derivative assets at fair value through profit or loss – decrease 10% | (-) | (140,000) | (-) | (140,000) |
| **Dev Clever warrants change in subscription behaviour (default is to subscribe at 100% in the money)** | | | | |
| Subscribe at 20% in the money | (945,000) | (850,000) | (945,000) | (850,000) |
| Returns maximisation* | 280,000 | 550,000 | 280,000 | 550,000 |
| **Financial liabilities – consideration warrants** | | | | |
| Financial liabilities at fair value through profit or loss – increase volatilities of reference companies by 10% | (3,150) | 225,000 | (3,150) | 225,000 |
| Financial liabilities at fair value through profit or loss – decrease volatilities of reference companies by 10% | (12,600) | (198,000) | (12,600) | (198,000) |

*Assumes the warrant holder tries to maximise returns in a financially optimal way, which generally means they will not exercise until almost the subscription deadline.

Post-tax profit for the year would increase/decrease as a result of gains/losses on equity securities and derivative financial instruments classified as at fair value through profit or loss.

(iii) **Interest Rate Risk**

The Group currently funds its operations through the use of equity. Cash at bank which is denominated in sterling, is held at variable rates. At the year end, the Group's financial liabilities did not suffer interest and thus were not subject to interest rate risk. It is unlikely that interest rates would decrease by as much as 1% as they are currently less than 1%. Any decrease in interest rate to a minimum of 0% would have an insignificant impact on the interest income received by the Group.

**(b) Credit Risk**

**(i) Risk Management**

Credit risk is mitigated by the Group via managing and analysing the credit risk for each new debtor before terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(c) **Liquidity Risk**

The principal risk to which the Group is exposed is liquidity risk. The nature of the Group's activities means it finances its operations through retained earnings and the issue of new shares to investors. The principal cash requirements are in relation to the Group's investing policy and meeting working capital requirements. The Group seeks to manage liquidity through planning, forecasting, and careful cash management.

**Capital Risk Management**

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to invest and trade profitably in the foreseeable future. The Group also aims to maximise its capital structure of equity so as to minimise its cost of capital. The Group expects its current and projected capital resources to be sufficient to cover its existing liabilities.

The Group's capital structure is derived solely from the issue of Ordinary and Deferred Shares.

The Group has not made any changes to its capital management during the year.

## 5. REVENUE AND OTHER INCOME

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Revenue: Management fees | 14,000 | 14,000 |
| Other income | - | 1,140,000 |

The Company only has one class of business, investment holdings and management, and therefore no segmental information has been presented.
Other income in prior year related to the exchange of subscription rights over shares in Sentiance NV for 8.9% of the share capital of Mesh Holdings Plc. A fair value of £1,140,000 was ascribed to the exchange at the date of the transaction. No cash or other services were exchanged as part of the transaction.

## 6. FINANCE INCOME AND COSTS

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Bank and other interest received | 20,377 | 49,945 |
| | 20,377 | 49,945 |
| Other interest payable | 1,229 | 7,318 |
| Share based payment (note 18) | - | 119,500 |
| | 1,2299 | 126,818 |

## 7. PROFIT FOR THE YEAR BEFORE TAX

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Profit for the year is stated after charging:** | | |
| Auditors' remuneration | | |
| - audit of the Group and Parent Company's financial statements | 36,000 | 22,200 |
| - interim financial statement review services | 2,000 | 1,950 |
| -reporting accountant services | - | 28,500 |
| Foreign exchange losses | 40,450 | 330,819 |

## 8. DIRECTORS' EMOLUMENTS

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Aggregate emoluments including benefits in kind and valuation ascribed to share based payments, by director, are as follows:- | | |
| Simon Robinson (resigned 3/12/2019) | - | 35,577 |
| Sean Nicolson (resigned 3/12/2019) | - | 28,461 |
| Sohail Bhatti | 50,000 | 111,000 |
| John Taylor | 36,000 | 132,000 |
| Donald Stewart (resigned 26/10/2020) | 21,000 | 112,000 |
| Mark Horrocks | 108,000 | - |
| Michael Preen | 71,200 | - |
| Aggregate emoluments | 286,200 | 419,038 |

**8. DIRECTORS' EMOLUMENTS (continued)**

Warrants granted to directors during the year are disclosed in the Remuneration Report. These have been accounted for in accordance with IFRS2 Share based payments. See note 18 for details of expenditure relating to share based payment transactions recognised during the year.

| Director | Grant date | Number | Exercise price (p) | Vesting date | Expiry date |
|---|---|---|---|---|---|
| Mark Horrocks | 22/10/2020 | 1,000,000 | 30p | 22/10/2020 | 22/10/2023 |
| Michael Preen | 18/06/2021 | 250,000 | 60p | 18/12/2021 | 17/06/2024 |

The number of directors for whom retirement benefits are accruing under defined contribution schemes was nil (2020: Nil). The total contributions payable during the year amounted to £Nil (2020: £ Nil).

Exercisable warrants held by directors who held office at the relevant balance sheet date are detailed below:

| | 2021 Number | 2020 Number |
|---|---|---|
| **Directors who resigned during the year** | | |
| Donald Stewart | - | 2,000,000 |
| | - | 2,000,000 |
| **Current directors** | | |
| Sohail Bhatti - exercise price 5p, expires 31 May 2022 | 2,000,000 | 2,000,000 |
| Sohail Bhatti - exercise price 10p, expires 3 December 2022 | 1,000,000 | 1,000,000 |
| John Taylor - exercise price 10p, expires 3 December 2022 | 2,000,000 | 2,000,000 |
| Mark Horrocks – exercise price 0.01p, expires 29 March 2023 | 3,150,000 | 4,500,000 |
| Mark Horrocks – exercise price 0.01p, expires 31 December 2025 | 3,150,000 | 4,500,000 |
| Mark Horrocks – exercise price 30p, expires 22 October 2023 | 1,000,000 | - |
| Michael Preen – exercise price 60p, expires 17 June 2024 | 250,000 | - |
| | 12,550,000 | 16,000,000 |

**9. STAFF COSTS**

| | 2021 Number | 2020 Number |
|---|---|---|
| The average monthly number of employees (including directors) during the year was | | |
| Administration | 4 | 3 |
| | £ | £ |
| **Employment costs** | | |
| Wages and salaries | 117,200 | 214,038 |
| Social security costs | 8,748 | 20,872 |
| Warrants granted (note 18) | 169,000 | 205,000 |
| | 294,948 | 439,910 |

| | | 2021 | 2020 |
|---|---|---|---|
| **10.** | **TAXATION** | **£** | **£** |
| **10(a)** | **Current year tax** | | |
| | UK corporation tax (note 11(b)) | - | - |
| **10(b)** | **Factors affecting the tax charge for the year** | | |
| | Profit on ordinary activities before taxation | 26,705,635 | 392,329 |
| | Profit on ordinary activities before taxation multiplied by the main rate of UK corporation tax 19% (2020: 19%) | 5,074,071 | 74,542 |
| | Effects of: | | |
| | Non deductible expenses in subsidiary | (4,236,894) | 86,623 |
| | Gain on acquisition of assets and liabilities of ICJL | - | (321,942) |
| | Fair value uplift adjustment in subsidiary | (688,940) | 238,925 |
| | Capital gains difference at 19% | 228,890 | 201,368 |
| | Net tax adjustments and transfer | (25,188) | (35,001) |
| | Non deductible expenses | (243,463) | (160,428) |
| | Deferred tax not recognized | (108,476) | (84,087) |
| | **Current tax charge** | - | - |

The Company has unutilised losses carried forward of £1,590,705 (2020: £1,123,285). As at 30 September 2021 the Group and Company had unrealised taxable gains of £1,170,913 (2020: £nil) which give rise to a deferred tax liability of £292,728 (2020: £nil). No deferred tax liability has been recognised in respect of these gains, as tax losses of an equal and opposite amount can be offset set such that the Group and Company's deferred tax balance and charge for the year were £nil (2020: £nil).

Asimilar Investments Limited has no tax charge for the current year and is considered outside the scope of UK corporation tax.

## 11. EARNINGS PER SHARE

The calculations of earnings per share are based on the following profits and number of shares.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | **Basic** | **Diluted** | **Basic** | **Diluted** |
| Profit for the financial year | 26,705,636 | 26,705,636 | 392,329 | 392,329 |
| Weighted average number of shares for basic and diluted profit per share | 114,661,685 | 138,871,831 | 95,478,966 | 139,211,257 |
| Profit per share (pence per share) | 23.29p | 19.23p | 0.41p | 0.28p |

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share.

## 12 FINANCIAL ASSETS

### (a) Summary of financial assets

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Non-Current** | | |
| Investments in financial assets designated at fair value through profit or loss (see (b)) | 36,312,423 | 5,771,908 |
| | **36,312,423** | **5,771,908** |
| **Current** | | |
| Investments in financial assets designated at fair value through profit or loss (see movement analysis in (c)) | 6,727,681 | 3,022,495 |
| Financial assets (loans) (see (c)) carried at amortised cost | - | 2,771,425 |
| Trade receivables carried at amotised cost (Note 14) | 66,790 | 152,750 |
| | **6,794,471** | **5,946,670** |
| | **43,106,895** | **11,718,578** |

### (b) Analysis of movement of non-current investments

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Financial assets designated at fair value through profit or loss** | | |
| **Non – Current** | | |
| Fair value of investments brought forward | 5,771,908 | 2,684,091 |
| Purchases during the year | 8,594,573 | 3,381,180 |
| Disposals during the year | (88,652) | - |
| Net unrealised gain/ (loss) in fair value | 22,034,594 | (520,863) |
| Arising through acquisition of AIL: | | |
| *- Equity investments* | - | 227,500 |
| Fair value of investments carried forward | 36,312,423 | 5,771,908 |

### (c) Analysis of movement of current financial assets

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Financial assets designated as held at fair value through profit or loss** | | |
| **Current** | | |
| Fair value of investments brought forward | 3,022,495 | - |
| Purchases during the year | 976,182 | 102,495 |
| Disposals during the year | (923,912) | - |
| Arising through acquisition of ICJL: | | |
| *- Equity investments (Dev Clever options - Note 3)* | - | 2,000,000 |
| *- Warrants (Dev Clever warrants – Note 3)* | - | 2,177,500 |
| Net unrealised gain/(loss) in fair value | 3,652,916 | (1,257,500) |
| Fair value of investments carried forward | 6,727,681 | 3,022,495 |

## 12 FINANCIAL ASSETS (continued)

As at 30 September 2021 the fair value of options and warrants over shares in Dev Clever Holdings Plc was £5,670,000 (2020: £2,920,000). See note 3 for valuation details.

**Financial assets held at amortised cost**

The investment held at amortised cost constitute an arm's length interest bearing short term loan of £nil (2020: £2,771,426) at an annual interest rate of 3% that was repaid in full on 30 November 2020.

Details of the investments held are given in the Chairman's statement.

## 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 9 requires the Group to classify financial instruments at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

### (a) Financial instruments classified as level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise equity investments classified as trading securities or available-for-sale.

### (b) Financial instruments classified as level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value;
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The group holds no financial instruments classified as level 2.

**(c) Financial instruments classified as level 3**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and determined by using valuation techniques. which require significant adjustment based on unobservable inputs are included in level 3.

The determination of what constitutes observable requires judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For financial instruments classified as level 3 the Group uses a combination of internal and external valuations. Where management determines an external valuation is appropriate the group engages with professional service providers. Specific valuation techniques include:

- Market approach (utilising EBITDA or Revenue multiples, industry value benchmarks and available market prices approaches);
- Net asset approach;
- Income approach (utilising Discounted Cash Flow, Replacement Cost and Net Asset approaches);
- Desktop valuations based on price of a recent transaction when transaction price/cost is considered indicative of fair value; and
- Actuarial valuations using Monte Carlo, Black Scholes and adjusted binomial models.

The following table presents the Group's assets that are measured at fair value at 30 September 2021:

| | Level 1<br>£ | Level 3<br>£ | Total<br>£ |
|---|---|---|---|
| **Held at fair value** | | | |
| At 1 October 2019 | 107,115 | 2,576,976 | 2,684,091 |
| Additions during the year | 1,792,495 | 1,691,180 | 3,483,675 |
| Arising through acquisition of ICJL: | | | |
| -equity investments | 227,500 | - | 227,500 |
| -Warrants | - | 2,000,000 | 2,000,000 |
| -options | - | 2,177,500 | 2,177,500 |
| Revaluation recognised in statement of comprehensive income | (431,300) | (1,347,063) | (1,778,363) |
| At 1 October 2020 | 1,695,810 | 7,098,593 | 8,794,403 |
| Additions during the year | 6,802,757 | 2,767,997 | 9,570,754 |
| Disposals during the year | (136,564) | (876,000) | (1,012,564) |
| Revaluation recognised in statement of comprehensive income | 21,293,879 | 4,393,631 | 25,687,510 |
| At 30 September 2021 | 29,655,882 | 13,384,221 | 43,040,103 |
| **Net book value** | | | |
| At 30 September 2021 | 29,655,882 | 13,384,221 | 43,040,103 |
| At 30 September 2020 | 1,695,810 | 7,098,593 | 8,794,403 |

The following table presents the Group's financial liabilities that are measured at fair value at 30 September 2021:

| | Level 1 | Level 3 | Total |
|---|---|---|---|
| **Held at fair value** | | | |
| At 1 October 2020 | - | 1,669,500 | 1,669,500 |
| Derivatives over own equity issued in the year | - | - | - |
| Fair value adjustment | - | 459,900 | 459,900 |
| At 30 September 2021 | - | 2,129,400 | 2,129,400 |

There were no transfers between levels during the year.

Refer to note 3 for further details of specific level 3 valuations performed during the year.

Refer to note 4 for sensitivity analysis on changes to financial instruments carried at fair value.

## 14. TRADE AND OTHER RECEIVABLES

| | 2021 £ | 2020 £ |
|---|---|---|
| Trade receivables | 23,400 | 15,000 |
| Prepayments and accrued income | 28,691 | 29,493 |
| Other receivables | 43,390 | 137,750 |
| | 95,481 | 182,243 |

The directors consider the carrying value of trade and other receivables to equal their fair value. No interest is charged on receivables.

The directors consider trade receivables held at amortised cost to have no significant financing element, and the effect of discounting to be immaterial.

## 15. TRADE AND OTHER PAYABLES

| | 2021 £ | 2020 £ |
|---|---|---|
| Trade payables | 40,980 | 57,917 |
| Accruals and deferred income | 83,635 | 135,046 |
| Other taxes and social security | 7,020 | 4,173 |
| | 131,635 | 197,136 |

The directors consider the carrying value of trade and other payables to equal their fair value.

| 16. DERIVATIVE FINANCIAL LIABILITIES | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Derivative liabilities | 2,129,400 | 1,669,500 |

On 30 August 2020 as part of the consideration advanced for the acquisition of AIL, Asimilar Group Plc granted warrants to subscribe for up to 9,000,000 Asimilar Group Plc ordinary shares in two tranches of up to 4,500,000 warrants per tranche. The warrants represent derivatives over own equity and have been recognised as derivative financial liabilities.

Refer to note 3 for further details regarding the valuation of derivative financial liabilities.

Refer to note 4 for sensitivity analysis on changes to financial liabilities carried at fair value.

The change in the fair value of the warrants from £1,669,500 to £2,129,400 as at 30 September 2021 represents a fair value loss to the Group of £459,900 which has been recognised in the income statement.

The change in fair value primarily arose as a result of fluctuations in the share prices of referenced equity instruments within the consideration warrants between the reporting dates of 30 September 2020 and 30 September 2021.

| 17. SHARE CAPITAL | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Issued and fully paid** | | |
| As at 1 October 2020 | 5,213,277 | 5,207,754 |
| Issue of 14,322,500 (2020: 55,229,167) Ordinary shares of 0.01p each | 1,432 | 5,523 |
| At 30 September 2021 | 5,214,709 | 5,213,277 |
| **The Company has the following classes of share capital** | | |
| Ordinary shares 121,683,943 (2020: 107,361,443 of 0.01p) shares of 0.01p each | 12,168 | 10,736 |
| A deferred shares (44,132,276 shares of 9.99p each) | 4,408,815 | 4,408,815 |
| Deferred shares (8,819,181 shares of 9p each) | 793,726 | 793,726 |
| | 5,214,709 | 5,213,277 |

| Share Premium | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| As at 1 October 2020 | 14,327,636 | 7,864,973 |
| Shares issued during the year (net of costs) | 3,605,318 | 6,462,663 |
| At 30 September 2021 | 17,932,954 | 14,327,636 |

**17. SHARE CAPITAL (continued)**

**Share transaction history**

During the year ended 30 September 2021 the following share transactions took place.

Asimilar Group Plc issued new shares as a result of exercise of various warrants as follows:

- 2,760,000 warrants were exercised at 5p raising funds of £138,000.
- 11,562,500 warrants were exercised at 30p raising funds of £3,468,750.

The following warrants were issued during the year:

- 1,000,000 director warrants to Mark Horrocks with an exercise price of 30p per share.
- 6,000,000 warrants to Sitius Limited relating to the disposal of Dev Clever option and warrants with an exercise price of 50p per share.
- 250,000 director warrants to Michael Preen with an exercise price of 60p per share.

The ordinary shares have full voting rights, priority dividend rights and priority in the case of winding up.

The deferred shares of 9.99p each have no voting rights and shareholders are not entitled to any dividend, and only receive the nominal amount paid up on their share after there has been distributed £1,000,000 to each of the holders of the ordinary shares. The deferred shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

The A deferred shares have no voting rights and shareholders are not entitled to any dividend. Holders of A deferred shares shall be entitled to the amount paid up or credited as paid up on the A deferred shares to be paid out of the assets of the Company available for distribution among the members, after payment, to the holders of deferred Shares of the amounts paid up thereon. The holders of the A deferred shares shall not be entitled to any other or further right to participate in the assets of the Company.

## 17. SHARE CAPITAL (continued)

**Warrants**
Movements in warrants during the year

| | Warrant number | Exercise price pence | Vest date | Expiry date |
|---|---|---|---|---|
| As at 1 October 2020 | | | | |
| | 1,833,333 | 5p | 05/02/2019 | 22/02/2022 |
| | 3,500,000 | 5p | 07/05/2019 | 31/05/2022 |
| | 5,000,000 | 10p | 03/12/2019 | 31/12/2022 |
| | 16,500,000 | 6p | 01/10/2019 | 31/10/2020 |
| | 11,562,000 | 30p | 14/01/2020 | 31/03/2021 |
| | 10,000,000 | 130p | 24/01/2020 | 31/12/2021 |
| | 3,500,000 | 60p | 06/10/2020 | 31/12/2020 |
| | 4,500,000 | 0.01p* | 31/08/2020 | 31/12/2025 |
| | 4,500,000 | 0.01p** | 31/08/2020 | 31/12/2025 |
| | **60,895,333** | | | |
| **Weighted average price** | **33p** | | | |
| Lapsed | (16,500,000) | 6p | 01/10/2019 | 31/10/2020 |
| | (3,500,000) | 60p | 06/10/2020 | 31/12/2020 |
| | **(20,000,000)** | | | |
| **Weighted average price** | **15p** | | | |
| Cancelled | (2,700,000) | 0.01p | 31/08/2020 | 31/12/2025 |
| | (1,350,000) | 0.01p** | 31/08/2020 | 31/12/2020 |
| Exercised | (1,260,000) | 5p | 05/02/2019 | 22/02/2022 |
| | (1,500,000) | 5p | 07/05/2019 | 31/05/2022 |
| | (11,562,000) | 30p | 14/01/2020 | 31/03/2021 |
| | **(14,322,000)** | | | |
| **Weighted average price** | **25p** | | | |
| Granted | 1,000,000 | 30p | 22/10/2020 | 22/10/2023 |
| | 6,000,000 | 50p | 24/02/2021 | 24/08/2022 |
| | 250,000 | 60p | 18/06/2021 | 17/06/2024 |
| | **7,000,000** | | | |
| **Weighted average price** | **47p** | | | |
| | **31,123,333** | | | |
| **As at 30 September 2021** | 573,333 | 5p | 05/02/2019 | 21/02/2022 |
| | 2,000,000 | 5p | 07/05/2019 | 31/05/2022 |
| | 5,000,000 | 10p | 03/12/2019 | 03/12/2022 |
| | 1,000,000 | 30p | 22/10/2020 | 22/10/2023 |
| | 10,000,000 | 130p | 24/01/2020 | 31/12/2021 |
| | 3,150,000 | 0.01p* | 31/08/2020 | 31/12/2025 |
| | 3,150,000 | 0.01p** | 31/08/2020 | 31/12/2025 |
| | 6,000,000 | 50p | 24/02/2021 | 24/08/2022 |
| | 250,000 | 60p | 18/06/2021 | 17/06/2024 |
| | **31,123,333** | | | |
| **Weighted average price** | **55p** | | | |

**17. SHARE CAPITAL (continued)**

* Exercisable in the event mid market price of DevClever Holdings Plc is or exceeds 28p for at least 5 consecutive business days. This condition was satisfied on 29 March 2021
** Exercisable in the event mid market price of DevClever Holdings Plc is or exceeds 55p for at least 5 consecutive business days

Of the 31,123,333 outstanding warrants (2020: 60,895,833 warrants), 27,723,333 warrants (2020: 48,395,833) were exercisable.

Warrants exercised in 2021 resulted in 14,322,000 shares (2020: 2,666,667 shares) being issued at a weighted average price of £0.25 each (2020: £0.054 each). The related weighted average share price at the time of exercise was £0.40 (2020: £0.34) per share. There were no transaction costs to offset against the proceeds received in either period.

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The Company entered into the following transactions where warrants were issued:

On 22 October 2020 Asimilar Group Plc issued 1,000,000 warrants to company Director, Mark Horrocks, with an exercise price of 30.00p and a vesting date of 22 October 2020. The fair value at the grant date of these warrants has been determined through an actuarial valuation using an adjusted binomial model. The aggregate fair value of the warrants of £108,000 has been expensed as directors remuneration in accordance with IFRS 2 share based payments and the Group's accounting policy outlined in note 2.10. These share based payments are also disclosed in note 19 and the directors remuneration report.

On 18 June 2021 Asimilar Group Plc issued 250,000 warrants to company Director, Michael Preen, with an exercise price of 60.00p and a vesting date of 18 June 2021. The fair value at the grant date of these warrants has been determined through an actuarial valuation using an adjusted binomial model. The aggregate fair value of the warrants of £61,000 has been expensed as directors remuneration in accordance with IFRS 2 share based payments and the Group's accounting policy outlined in note 2.10. These share based payments are also disclosed in note 19 and the directors remuneration report.

On 24 February 2021 as part consideration for the disposal of the Dev Clever option and warrants by Asimilar Investments Limited, Asimilar Group Plc granted warrants to subscribe for up to 6,000,000 Asimilar ordinary shares. These were granted to Sitius Limited, the investment vehicle of David Von Rosen. The warrants represent derivatives over own equity and have been recognised as derivative financial liabilities. At the balance sheet date the aggregate fair value of these warrants of £402,000 has been determined through a third party actuarial valuation using an adjusted binomial model that is consistent with the mathematics underlying the Black Scholes formula.

**Warrant Reserve**

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| As at 1 October | 157,813 | - |
| Premium attributable to bundled warrants issued as part of private placing (warrant reserve) | - | 157,813 |
| At 30 September | 157,813 | 157,813 |

## 18. FAIR VALUE GAIN ON ACQUISITION

In year the ending 30 September 2020, a fair value exchange gain arose on the acquisition of Asimilar Investments Limited ("AIL"), in Jersey, as the fair value of identifiable assets and liabilities acquired was higher than the consideration transferred. The Directors considered the commercial context of the transaction and deemed it appropriate to recognise this gain in the income statement on the date of the acquisition of AIL.

| | £ |
|---|---|
| Fair value of assets and liabilities acquired | 4,091,836 |
| Less: Total consideration transferred | (2,397,400) |
| Fair value gain on asset acquisition | **1,694,436** |

## 19. SHARE BASED PAYMENTS

On 22 October 2020 Asimilar Group Plc issued 1,000,000 warrants to company Directors with an exercise price of 30.00p and a vesting date of 22 October 2020 and exercisable by 22 October 2023.

On 18 June 2021 Asimilar Group Plc issued a further 250,000 warrants to company Directors with an exercise price of 60.00p and a vesting date of 18 June 2021 and exercisable by 17 June 2024.

The fair value at the grant date of these warrants has been determined using an adjusted binomial model. The aggregate fair value of the warrants of £169,000 has been expensed as directors remuneration in accordance with IFRS 2 Share Based payments and the Group's accounting policy outlined in note 2.10.

These share based payments are also disclosed in the directors remuneration report.

On 24 February 2021 Asimilar Group Plc issued 6,000,000 warrants with an exercise price of 50.00p with an expiry date of 24 August 2022 to Situis Limited. The warrants were issued as part of the arrangements with Asimilar Investments Limited to transfer 30m of options and 15m of warrants held in Dev Clever for a consideration of £3.5m. The fair value of these warrants has been determined through an actuarial valuation using an adjusted binomial model. The aggregate fair value of the warrants of £402,000 has been expensed as investment cost of Asimilar Investments Limited and share based payment.

The fair value of warrants granted during the period, determined using the adjusted binomial model, was £0.067 per warrant . The significant inputs into the model were a weighted average share price of £0.38 at the grant date, the exercise price shown above, volatility of 73% , dividend yield of 0% , the assumption that warrants are subscribed for when 100% in the money, and an annual risk-free interest rate equal to the yield on zero coupon yield curve of UK gilts at the issue dates. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last year.

The total value of share based payments recognised as expenditure during the year was £571,000 (2020: £324,500). This amount has also been credited to equity in accordance with the provisions of IFRS 2: Share Based Payments.

## 20. ULTIMATE CONTROLLING PARTY

The Group is admitted to AIM and there is no individual controlling party. The Directors' Report provides details of those shareholders with an individual holding exceeding 3% of issued share capital.

## 21. RELATED PARTY DISCLOSURES

Directors' remuneration is shown in Note 8. There were no key management personnel other than the Directors (2020: none).

On 30 August 2020, the acquisition date of Asimilar Investments Limited, the company had a liability to Mark Horrocks of £319,036. £250,000 was paid back on 9 September 2020. The balance outstanding at 30 September 2021 was £Nil (2020: £69,036). Mark Horrocks became a director of Asimilar Group Plc on the acquisition of Asimilar Investments Limited.

During the year, Kepstorn Solicitors provided legal and advisory service to the Asimilar Group Plc. Donald Stewart is a partner in the firm and was a director of Asimilar Group Plc at the time. Total cost of service provided amounted to £19,940. (2020: £125,340). These were fully paid during the year. There were no outstanding amounts at the year end.

There were no other transactions falling within the scope of IAS 24 Related Party Disclosures.

## 22. POST BALANCE SHEET EVENTS

The board does not consider these to be adjusting events.

On 29 November 2021 All Active Asset Capital Limited (AAA) and MESH completed a scheme of arrangement whereby AAA acquired 100% of MESH. Accordingly, Asimilar now holds 24 million AAA shares.

On 24 December 2021, Dev Clever Holdings announced that trading in its ordinary shares was to be suspended pending the approval by the FCA of the acquisition of Veative Labs Pte Ltd (Singapore) by Dev Clever.

On 31 December, AIL exercised its SeeQuestor warrants and invested £337,840 for a further 33,784 new shares to bring its total holding to 67,568 and total Group holding to 114,586.

0n 22 February 2022, the Company issued 240,000 new ordinary shares as a result of a warrant exercise.

**ASIMILAR GROUP PLC**

**Company Registration Number: 04488281**

**COMPANY STATEMENT OF FINANCIAL POSITION**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investments in financial assets | IV | 10,677,819 | 5,489,308 |
| | | 10,677,819 | 5,489,308 |
| **Current assets** | | | |
| Investments in financial assets | IV | 1,057,681 | 102,494 |
| Investments in financial assets held at amortised cost | | - | 2,771,426 |
| Receivable from group companies | | 5,841,477 | 3,140,000 |
| Trade and other receivables | IV / VI | 94,685 | 181,528 |
| Cash and cash equivalents | | 155,591 | 703,963 |
| | | 7,149,434 | 6,899,411 |
| **TOTAL ASSETS** | | **17,827,253** | **12,388,719** |
| **EQUITY AND LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | VII | 129,680 | 108,989 |
| Derivative financial liabilities | VIII | 2,129,400 | 1,669,500 |
| **Total liabilities** | | 2,259,080 | 1,778,489 |
| **Equity** | | | |
| Share capital | IX | 5,214,709 | 5,213,277 |
| Share premium account | | 17,932,954 | 14,327,636 |
| Merger relief reserve | | 279,900 | 279,900 |
| Warrant reserve | | 157,813 | 157,813 |
| Retained earnings | | (8,017,203) | (9,368,396) |
| **Total equity** | | 15,568,173 | 10,610,230 |
| **TOTAL EQUITY AND LIABILITIES** | | **17,872,253** | **12,388,719** |

The profit for the parent company for the year was £780,193 (2020 – £411,304).

The financial statements were approved and authorised for issue by the board of directors on 18 March 2022 and were signed below on its behalf by

John Taylor
Chairman

ASIMILAR GROUP PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | Share Capital £ | Share Premium Account £ | Merger Relief Reserve £ | Warrant Reserve | Retained Earnings £ | Total £ |
|---|---|---|---|---|---|---|
| **At 1 October 2019** | 5,207,754 | 7,864,973 | - | - | (10,104,200) | 2,968,527 |
| Total comprehensive | - | - | - | - | 411,304 | 411,304 |
| income for the year | - | - | - | - | - | - |
| Share based payments | | | - | - | 324,500 | 324,500 |
| Issue of warrants | - | - | - | 157,813 | - | 157,813 |
| **Transactions with owners** | | | | | | |
| Shares issued | 5,523 | 6,580,097 | 279,900 | - | - | 6,865,520 |
| Cost of new issue | - | (117,434) | - | - | - | (117,434) |
| **At 1 October 2020** | 5,213,277 | 14,327,636 | 279,900 | 157,813 | (9,368,396) | 10,610,230 |
| Total comprehensive income for the year | - | - | - | - | 780,193 | 780,193 |
| Share based payments | - | - | - | - | 571,000 | 571,000 |
| **Transactions with owners** | | | | | | |
| Shares issued | 1,432 | 3,605,318 | - | - | - | 3,606,750 |
| **At 30 September 2021** | 5,214,709 | 17,932,954 | 279,900 | 157,813 | (8,017,203) | 15,568,173 |

**Share capital**

Represents the par value of shares in issue.

**Share premium**

Represents amounts subscribed for share capital in excess of its nominal value, net of directly attributable issue costs.

**Merger relief reserve**

Represents premium on shares issued in connection with the acquisition of Intrinsic Capital Jersey Limited, recognised in accordance with S162 of the Companies Act 2006.

**Retained earnings**

Represents accumulated losses to date.

**Warrant reserve**

Represents the fair value of placing warrants issued.

ASIMILAR GROUP PLC

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Operating activities** | | |
| Profit for the year | 780,194 | 411,304 |
| Adjustments for: | | |
| Decrease / (increase) in trade and other receivables | 51,178 | (112,061) |
| Increase in trade and other payables | 20,691 | 81,579 |
| Net finance income | (169,967)) | (49,004) |
| Derivative fair value movement | 459,900 | (436,500) |
| Unrealised (losses) / gains on remeasurement to fair value | (1,807,511) | 83,365 |
| Share based payments | 169,000 | 324,500 |
| Other income (non-cash transaction) | - | (1,140,000) |
| **Net cash generated / (used) in operating activities** | 496,515 | (836,817) |
| **Investing activities** | | |
| Payments to acquire investments | (4,070,752) | (606,026) |
| Proceeds on disposal of investments | 172,421 | - |
| Loans repaid / (made) | 2,771426 | (2,722,422) |
| Payments to group companies | (2,551,977) | (2,000,000) |
| Net finance income | 20,274 | 914 |
| **Net cash used in investing activities** | (3,658,608) | (5,327,534) |
| **Financing activities** | | |
| Net proceeds from issue of shares | 3,606,750 | 6,625,899 |
| **Net cash generated from financing activities** | 3,606,750 | 6,625,899 |
| **Net (decrease) / increase in cash and cash equivalents** | (548,373) | 461,548 |
| Cash and cash equivalents at the start of the year | 703,963 | 242,415 |
| **Cash and cash equivalents at the end of the year** | 155,590 | 703,963 |
| **Cash and cash equivalents consist of:** | | |
| Cash and cash equivalents | 155,590 | 703,963 |

The Company had no debt in either period, therefore no net debt reconciliation has been presented.

## I. GENERAL INFORMATION

Asimilar Group Plc is a public limited company which is listed on the Alternative Investment Market (AIM) and incorporated and domiciled in the UK. The address of its registered office is 4 More London Riverside, London, SE1 2AU.

The company follows the same accounting policies as the group. Only different or additional policies are noted here.

## II. ACCOUNTING POLICIES

The separate financial statements of the Company are presented as required by the Companies Act 2006.

As permitted by the Act the separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below:

**Valuation of investments**

Investments in subsidiaries are stated at cost less any provision for impairment in value.

## III. INCOME FOR THE FINANCIAL PERIOD

The Company has taken advantage of the exemption allowed under s408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The Company's profit after taxation for the year was £780,193 (2020: £411,304).

All staff employed under Asimilar Group Plc and staff numbers are shown in note 9. Total staff costs were £294,948 (2020: £439,910).

## IV FINACIAL INSTRUMENTS

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Non-Current** | | |
| Investments in financial assets designated at fair value through profit or loss (see below for movement analysis) | 7,878,419 | 3,091,908 |
| Investments in subsidiary at cost (note V) | 2,799,400 | 2,397,400 |
| | **10,677,819** | **5,489,308** |
| **Current** | | |
| Investments designated at fair value through profit or loss | 1,057,682 | 102,494 |
| Financial assets carried at amortised cost – loans | - | 2,771,426 |
| Financial assets carried at amortised cost – amounts owed by group undertakings | 5,841,477 | 3,140,000 |
| Trade and other receivables carried at amortised cost | 65,994 | 152,035 |
| | **6,965,153** | **6,165,955** |
| | **17,642,972** | **11,655,263** |

| | | |
|---|---|---|
| **Financial assets designated at fair value through profit or loss** | | |
| **Non – Current** | | |
| Fair value of investments brought forward | 3,091,908 | 2,684,091 |
| Purchases during the year | 3,094,570 | 1,611,180 |
| Disposals during the year | (88,652) | (1,140,000) |
| Net unrealised loss in fair value | 1,780,593 | (83,363) |
| Realised gain on disposal | - | 20,000 |
| Fair value of investments carried forward | 7,878,419 | 3,091,908 |
| **Current** | | |
| Fair value of investments brought forward | 102,494 | - |
| Purchases during the year | 976,182 | 102,494 |
| Net unrealised loss in fair value | 26,918 | - |
| Disposals | (47,912) | - |
| Fair value of investments carried forward | 1,057,682 | 102,494 |

Details of the investments held are given in the Chairman's statement.

## V. FIXED ASSET INVESTMENTS IN SUBSIDIARY

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Total cost of investment as at 30 September 2020 & 2021 | 2,397,400 | 2,397,400 |
| Cost of warrants issued relating to sale of Dev Clever options and warrants | 402,000 | - |
| | | - |
| | 2,799,400 | 2,397,400 |

On 30 August 2020 Asimilar acquired the entire ordinary share capital of Asimilar Investments Limited ("AIL"). The consideration paid was a fresh issue of 1,000,000 Asimilar ordinary shares and warrants to subscribe for up to 9,000,000 Asimilar ordinary shares in 2 tranches of up to 4,500,000 warrants per tranche.

At year end the Company had the following wholly owned subsidiary:

Asimilar Investments Limited 100%

Registered Office: 2nd Floor, The Le Gallais Building, 54 Bath Street, St Helier, Jersey, JE1 1FW, Channel Islands

## VI. TRADE AND OTHER RECEIVABLES

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Trade receivables | 23,400 | 15,000 |
| Prepayments and accrued income | 28,691 | 29,493 |
| Other receivables | 42,594 | 137,035 |
| | 94,685 | 181,528 |
| Amounts due from subsidiary undertakings | 5,841,477 | 3,140,000 |
| | 5,963,162 | 3,321,528 |

## VII. TRADE AND OTHER PAYABLES

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Trade payables | 40,980 | 57,915 |
| Accruals and deferred income | 89,278 | 46,901 |
| Other taxes and social security | (578) | 4,173 |
| | 129,680 | 108,989 |

| **VIII. DERIVATIVE FINANCIAL LIABILITIES** | **2021** | **2020** |
|---|---|---|
| | **£** | **£** |
| Derivative liabilities (see note 13(c) for movement analysis) | 2,129,400 | 1,669,500 |

On 30 August 2020 as part of the consideration advanced for the acquisition of AIL, Asimilar Group Plc granted warrants to subscribe for up to 9,000,000 Asimilar ordinary shares in 2 tranches of up to 4,500,000 warrants per tranche. The warrants represent derivatives over own equity and have been recognised as derivative financial liabilities.

Refer to note 3 for further details regarding the valuation of derivative financial liabilities.

Refer to note 4 for sensitivity analysis on changes to financial liabilities carried at fair value.

The change in the fair value of the warrants from £1,669,500 to £2,129,400 as at 30 September 2021 represents a fair value loss to the Group of £459,900 which has been recognised in the income statement.

The change in fair value primarily arose as a result of fluctuations in the share prices of referenced equity instruments within the consideration warrants between the reporting dates of 30 September 2020 and 30 September 2021.

## IX SHARE CAPITAL

Details of share capital are shown in note 17.