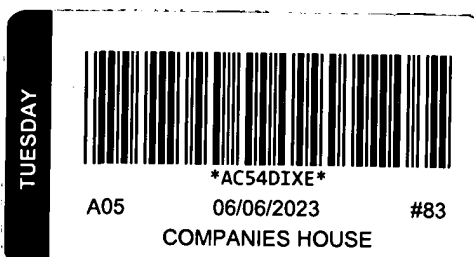

ECONIC TECHNOLOGIES LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2022



ECONIC TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	C K Williams K Wiggins M H Harwood (appointed 4 January 2022) Capricorn Partners NV (appointed 20 April 2022) M Zhou (appointed 2 August 2022) M A Weustink (appointed 1 September 2022)
Registered number	07681400
Registered office	Biohub - Block 19s Alderley Park Macclesfield Cheshire SK10 4TG
Independent auditor	Rawlinson & Hunter Audit LLP Chartered Accountants & Statutory Auditor Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ

ECONIC TECHNOLOGIES LIMITED

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ECONIC TECHNOLOGIES LIMITED
REGISTERED NUMBER: 07681400

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	152,043	92,188
		<u>152,043</u>	<u>92,188</u>
Current assets			
Debtors: amounts falling due within one year	6	723,765	597,703
Cash at bank and in hand	7	8,343,962	775,396
		<u>9,067,727</u>	<u>1,373,099</u>
Creditors: amounts falling due within one year	8	(679,882)	(523,105)
Net current assets		<u>8,387,845</u>	<u>849,994</u>
Total assets less current liabilities		<u>8,539,888</u>	<u>942,182</u>
Creditors: amounts falling due after more than one year	9	-	(2,046,608)
Net assets/(liabilities)		<u><u>8,539,888</u></u>	<u><u>(1,104,426)</u></u>
Capital and reserves			
Called up share capital	12	63,639	3,884
Share premium account	13	34,811,881	19,559,312
Other reserves	13	-	3,513,236
Profit and loss account	13	(26,335,632)	(24,180,858)
		<u><u>8,539,888</u></u>	<u><u>(1,104,426)</u></u>

ECONIC TECHNOLOGIES LIMITED
REGISTERED NUMBER: 07681400

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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

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

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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



K Wiggins
Director

Date: 31/05/2023

The notes on pages 4 to 15 form part of these financial statements.

ECONIC TECHNOLOGIES LIMITED

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

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2022	3,884	19,559,312	3,513,236	(24,180,858)	(1,104,426)
Comprehensive income for the year					
Loss for the year	-	-	-	(2,154,774)	(2,154,774)
Total comprehensive income for the year	-	-	-	(2,154,774)	(2,154,774)
Contributions by and distributions to owners					
Shares issued during the year (See Note 12)	59,755	15,252,569	(3,513,236)	-	11,799,088
Total transactions with owners	59,755	15,252,569	(3,513,236)	-	11,799,088
At 31 December 2022	63,639	34,811,881	-	(26,335,632)	8,539,888

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2021	3,829	19,559,312	3,197,701	(21,596,848)	1,163,994
Comprehensive income for the year					
Loss for the year	-	-	-	(2,584,010)	(2,584,010)
Finance received for issuance of share capital	-	-	315,535	-	315,535
Total comprehensive income for the year	-	-	315,535	(2,584,010)	(2,268,475)
Contributions by and distributions to owners					
Shares issued during the year	55	-	-	-	55
Total transactions with owners	55	-	-	-	55
At 31 December 2021	3,884	19,559,312	3,513,236	(24,180,858)	(1,104,426)

The notes on pages 4 to 15 form part of these financial statements.

ECONIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Econic Technologies Limited ("the company") is a company limited by shares and is incorporated and domiciled in England & Wales with registration number 07681400. The address of the registered office is Biohub - Block 19s, Alderley Park, Macclesfield, Cheshire, SK10 4TG.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.2 Going concern

The financial statements are prepared on a going concern basis.

At the balance sheet date, the company had cash at bank of £8,343,962 and net current assets of £8,387,845.

The directors have reviewed the company's current and expected liabilities and cash outflows arising from its activities over the period to 31 December 2024 and are confident the company has sufficient cash to meet its liabilities as they fall due for a period of at least twelve months from the date of signature of these accounts.

The financial statements therefore do not include any adjustments which would be necessary if the going concern basis was inappropriate.

ECONIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

2.4 Tangible fixed assets

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

ECONIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

Plant and machinery	- 3 years
Fixtures and fittings	- 3 years
Office equipment	- 1-3 years

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

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

2.5 Debtors

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

2.6 Cash and cash equivalents

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

2.7 Financial instruments

Other than detailed in Judgments in applying accounting policies and key sources of estimation uncertainty (Note 3), the company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

ECONIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

2.8 Creditors

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

2.9 Government and other grants

Grants are accounted under the performance model as permitted by FRS 102.

Grants relating to expenditure on tangible fixed assets are recognised in the Profit and Loss Account at the point at which all the grant receipt criteria are satisfied.

Grants of a revenue nature are recognised in the Profit and Loss Account as the expenditure to which it relates are incurred.

ECONIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Profit and Loss Account within 'administrative expenses'.

2.11 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

ECONIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.14 Interest income

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

2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

ECONIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 Taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.17 Finance costs

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The company does not consider that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Employees	21	23

ECONIC TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2022	2,779,370	6,796	25,233	2,811,399
Additions	136,100	-	-	136,100
Disposals	(48,316)	-	-	(48,316)
At 31 December 2022	<u>2,867,154</u>	<u>6,796</u>	<u>25,233</u>	<u>2,899,183</u>
Depreciation				
At 1 January 2022	2,687,282	6,796	25,133	2,719,211
Charge for the year on owned assets	76,245	-	-	76,245
Disposals	(48,316)	-	-	(48,316)
At 31 December 2022	<u>2,715,211</u>	<u>6,796</u>	<u>25,133</u>	<u>2,747,140</u>
Net book value				
At 31 December 2022	<u>151,943</u>	<u>-</u>	<u>100</u>	<u>152,043</u>
At 31 December 2021	<u>92,088</u>	<u>-</u>	<u>100</u>	<u>92,188</u>

ECONIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Debtors

	2022 £	2021 £
Trade debtors	19,107	-
Other debtors	588,166	505,086
Prepayments and accrued income	116,492	92,617
	<u>723,765</u>	<u>597,703</u>

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	8,343,962	775,396
	<u>8,343,962</u>	<u>775,396</u>

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	221,844	171,988
Other taxation and social security	38,290	35,658
Other creditors	-	2,183
Accruals and deferred income	419,748	313,276
	<u>679,882</u>	<u>523,105</u>

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

	2022 £	2021 £
Other loans	-	2,046,608
	<u>-</u>	<u>2,046,608</u>

See Note 12 for details of changes in the year.

ECONIC TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due 1-2 years		
Other loans	-	2,046,608
	<u>-</u>	<u>2,046,608</u>

See Note 12 for details of changes in the year.

11. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>8,343,962</u>	<u>775,396</u>

Financial assets measured at fair value through profit or loss comprise cash at bank.

ECONIC TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
607,706 (2021 - 590,537) Ordinary shares of £0.001 each	608	591
882,506 (2021- 882,506) A Preferred shares of £0.001 each	883	883
783,512 (2021 - 783,512) A Ordinary shares of £0.001 each	784	784
692,520 (2021 - 692,520) B Preferred shares of £0.001 each	693	693
13,593,668 (2021 - 933,333) C Preferred shares of £0.001 each	13,594	933
47,076,610 (2021 - 0) D Preferred shares of £0.001 each	47,077	-
	<hr/> 63,639 <hr/>	<hr/> 3,884 <hr/>

On 21 March 2022, 669 Ordinary shares of par value £0.001 were issued at par value, on 16 June 2022, 15,000 Ordinary shares of £0.001 were issued at par value and on 9 September 2022, 1,500 Ordinary shares of par value £0.001 were issued at par value.

On 20 April 2022, the secured loans of £1,499,997, together with the associated accrued interest, included in Other loans (Creditors: Amounts falling due after more than one year) were settled through the issuance of shares at a premium to the respective loan note holders. On the same day, the balance in Other reserves in Capital and Reserves (being £3,513,236 as at 31st December 2021) was exchanged for shares at a premium.

On 20 April 2022, share capital was issued at a premium following the receipt of a £2 million cash investment from OGCI Climate Investments Holdings LLP and a £3 million cash investment from Capricorn Partners NV.

In total 12,660,335 C Preferred Shares of nominal value £0.001 and 27,187,108 D Preferred Shares of nominal value £0.001 were issued in respect of the loan settlement and funding round. From 5 August 2022 to 17 August 2022, a further cash investment of £5.4 million comprising £1 million from Capricorn Partners NV, £1.7 million from ING Sustainable Finance, £1.7 million from CM Ventures and £1.0 million from GC Ventures was received. 19,889,502 D Preferred Shares of nominal value £0.001 were issued in respect of the funding round.

All Ordinary shares, A Preferred shares, A Ordinary shares, B Preferred shares, C Preferred shares and D Preferred shares all carry the same rights to dividends. On winding up the D Preferred shares rank in priority, followed by C Preferred shares, B Preferred shares, A Preferred shares, A Ordinary shares, and the balance to Ordinary shares pro-rata to the number of shares held.

ECONIC TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Reserves

Share premium account

Share premium account represents the consideration received on the issue of shares in the company in excess of the nominal value of those shares.

Other reserves

Other reserves represent accumulated amounts received from funders by the company to be exchanged for the issuance of share capital by the company.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

14. Share-based payments

The company has a share option scheme over Ordinary shares under which options have been granted to directors, employees and consultants. Options have a vesting period of either three or four years and are equity settled.

15. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,996 (2021 - £33,476).

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on **31 May 2023** by David Davies (Senior Statutory Auditor) on behalf of Rawlinson & Hunter Audit LLP.