Silverbullet

Silver Bullet Data Services Group Plc
Annual Report 2022

CONTENTS:

Directors	Mr Nigel Sharrocks, Non-Executive Chairman Mr Ian James, Chief Executive Officer Mr Darren Poynton, Chief Financial Officer Mr Umberto Torrielli, Chief Strategic Officer Mr Keith Sadler, Non-Executive Director (resigned on 9 March 2023) Mr Steven Clarke, Non-Executive Director Mr Martyn Rattle, Non-Executive Director
Secretary	Mr Darren Poynton
Company Number	08525481
Registered Office	The Harley Building 77 New Cavendish Street London W1W 6XB
Auditor	Crowe UK LLP 4 Mount Ephraim Road Tunbridge Wells TN1 1EE United Kingdom
Legal Advisors	Fladgate LLP 16 Great Queen Street London WC2B 5DG United Kingdom
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD United Kingdom
Nominated adviser	Strand Hanson Limited 26 Mount Row Mayfair London W1K 3SQ United Kingdom
Broker	Oberon Capital 65 Curzon Street London W1J 8PE United Kingdom

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022.

Silverbullet is a leading Data-Driven Customer Experience (CX) Partner, designed to support organisations in the delivery of transformative customer experiences across multiple marketing and advertising touchpoints, through the application of data and technology. The company enables clients to better communicate with their customers in the privacy-first era, whilst maximising their investment in data, tech and marketing.

The business is comprised of two divisions:

- **Customer Experience (CX) Services:** *Professional services specialising in the delivery of smart customer journey orchestration services on behalf of global clients. Through the organisation's tried and tested 'four steps to success', Silverbullet's trusted experts enable businesses to curate their CX strategies and utilise the right marketing technology, in order to activate across a variety of digital marketing channels (including owned and paid).*
- **4D, Advanced contextual Targeting and Insights:** *The privacy-first contextual targeting and insights platform that enables the delivery of display and video campaigns in environments consumers trust. 4D brings together the most advanced machine learning and AI technologies to help you reach your customers at the right place, right time, and in the right moment- all the while respecting their privacy and rights as consumers.*

FINANCIAL HIGHLIGHTS.

	Year ended December 2022	Year ended December 2021
Revenue	£5.82m	£3.81m
Gross Profit	£4.22m	£2.79m
Headline Loss before tax*	£6.10m	£6.10m
Reported Loss before tax	£7.54m	£8.57m
Earnings Per Share	(£0.49)	(£0.73)

** Headline results are calculated before exceptional items and share option charges, reconciliation per note 6 of the consolidated financial statements.*

Operational Highlights.

- Revenue increased 53% to £5.82 million (2021: £3.81m)
- 16 new services client wins in the period, including Mars, Greene King and Entain Group
- Consolidation of existing services clients as a result of additional contract wins with Heineken, Sony and Salesforce
- Focus on growth in key markets of UK, US and Australia
- '4D', Silverbullet's privacy-first contextual targeting and insights platform was further enhanced and developed during the year achieving the product road map targets set by management
- Management have successfully restructured the 4D team having reached key milestones on the product development roadmap. This restructure aligns the cost structure with revenues to accelerate the path to profitability

CHAIRMAN'S STATEMENT.

It is my pleasure to present the annual results of Silverbullet Data Services Group Plc. I am delighted with the progress made in in 2022, delivering impressive revenue growth with a wide selection of blue-chip clients. The development of 4D, our privacy-first contextual targeting and insights platform, is largely complete and is now starting to deliver significant revenue.

2022 was a challenging period for many companies in the media and technology space. Whilst I am pleased with our top line growth, I am equally satisfied with how the management team has controlled costs and restructured elements of the business to ensure that the Group operates efficiently and is appropriately set up for future growth.

Results.
Revenue for the year was £5.82m (2021: £3.81m), driven primarily by growth in our data-driven transformation services business, providing data consultancy advice to numerous clients across the world. Loss before tax was £7.54m (2021: £8.57m) leading to a loss per share of 49p (2021: 73p). Cash as at 31 December 2022 was £1.35m (2021: £3.69m).

People.
The excellent Board of Directors for the Group remained unchanged in 2022. Keith Sadler and Steven Clarke are independent non-executive directors and are members of both our Audit and Remuneration committees. Martyn Rattle has significant experience in the Media and Technology space and provides excellent insights and challenges to the Board. Keith Sadler resigned from his position (post period end) on 9 March 2023 in order to focus on his other business interests. I would like to thank Keith for his contributions to the Group and wish him well in his future endeavours. We are currently undergoing a search for a new independent non-executive director who will join Steven Clarke on the Audit and Remuneration committees.

I am privileged to be working with our three executive directors, Ian James, Chief Executive Officer, Umberto Torrielli, Chief Strategy Officer and Darren Poynton, Chief Financial Officer. I would like to thank them for their focus and commitment in leading the Group this year and driving the strategy of business.

The Company's true strength is its people. We have expanded during the year as well as restructured certain areas to drive focus. I would like to thank all our employees across the world for their dedication, expertise and commitment to generating such impressive growth and development.

Overview.
In a world where data and privacy are essential considerations for all companies, I am extremely pleased with the services that the Group provides to its clients. The prospect for growth and further development of the Group is extremely strong. The Board will continue to work with the executive and management teams in 2023 to deliver on our strategy and to create value for our shareholders.

Nigel Sharrocks
Non-Executive Chairman

CHIEF EXECUTIVE'S STATEMENT.

Throughout 2022, Silverbullet has seen significant growth based on the strong demands from existing and new clients to transform their data and technology capabilities to improve marketing ROI and deliver meaningful customer experiences.

Customer Experience Services Outlook:
Silverbullet's Customer Experience (CX) Services division delivered 19% year-on-year growth, having won 16 new clients including Mars, Greene King and Entain. Further, the business has renewed global services agreements with Heineken and Sony. Most notably, our client base has substantially grown in the Americas, having launched into the LATAM region with a central hub based in Mexico. This new market opening, in combination with our North American presence, has seen the business significantly expand its US client base.

Our strategy of 'land and expand' has been fruitful, and this can be seen through the continued client relationships with our core flagship clients, including Heineken, Mars and Sony. Silverbullet now works with Heineken in six markets, including UK, US, Spain, Mexico, Brazil and Ireland. Our relationship with Mars has expanded into the US and Australia, and with Sony we are working in Europe, Singapore and Latin America.

Geographically, the business has focused on streamlining its regional hubs into three key markets, the UK, the US and Australia. This geo-focus has brought significant alignment throughout the organisation, having enabled the regional leadership teams to focus on the expansion of our global clients, which has consequently led to substantial margin improvement.

Silverbullet's partnerships with Salesforce and Treasure Data continue to thrive, enabling a new business pipeline focused on the technical expertise surrounding the leading customer data platforms and marketing automation tools. For example, year-on-year Silverbullet has increased the volume of managed services projects specifically related to data-driven marketing activation based on the use of the technology and data infrastructure that we deployed in 2021.

Further, as we look to support our clients in safeguarding them for future challenges, Silverbullet is increasingly assessing how clients can enable their first-party data to be deployed in media activation environments such as programmatic video and Connected TV. This pivotal approach to unlocking various compliant data sets for improved marketing and advertising is opening the opportunity to cross-sell the 4D product to our global CX services client base to form a combined offering.

The business continues to invest in new talent in the customer experience services division, expanding our skillset and certifications across multiple marketing technologies. Silverbullet maintains a clear focus on investing in (and training) its talent pool which remains a key market differentiator.

4D Outlook:
Despite initial revenue headwinds in the first half of 2022, the 4D product in the second half of the year began to build connections with key media agency partners, seeing considerable revenue growth year-on-year. This revenue momentum has been underpinned by media agencies requiring a more 'hands-on', managed service approach to delivering smart contextual targeting and insights across display and video advertising. This trend is set to continue, and we expect to see revenue growth within this 'managed service' model, as well as the original self-service approach.

Despite the further Google delay of the third-party cookie deprecation in 2022, we have seen a significant change in mindset from brands towards improved advertising approaches, as consumer expectations and demands continue to push for personalised experiences in a privacy-safe world. This change in mindset has generated interest and bookings on the 4D platform that accelerated in the second half of 2022 and has continued into 2023.

Having achieved maturity in the development of the 4D product, the Group successfully completed a restructure of the 4D team during Q3 and Q4 2022. This restructure reduced the headcount of the product and engineering team and aligned the cost base with the commercial traction of the product. With a mature 4D product and structure, the management will be able to make any future investment decisions in line with the commercial growth and market opportunities.

Outlook.
Revenues in Q1 2023 (post period end) were £2.0m, which represents a 107 per cent. increase on the previous year. During the quarter, we also secured £1.8m of bookings with new or existing clients. These new bookings, together with bookings of £3.4m in Q4 2022 is driving significant growth in 2023. This growth has been achieved from a cost base that is 7% lower than the comparable prior year period, evidencing the Company's cost management measures.

A notable feature of this strong growth in Q1 2023 is that over 30% of Group revenue was generated in the US market. Management expects that this momentum will continue and the percentage of overall revenue in the US to increase, driven by expansion of our global client portfolio into this significant market.

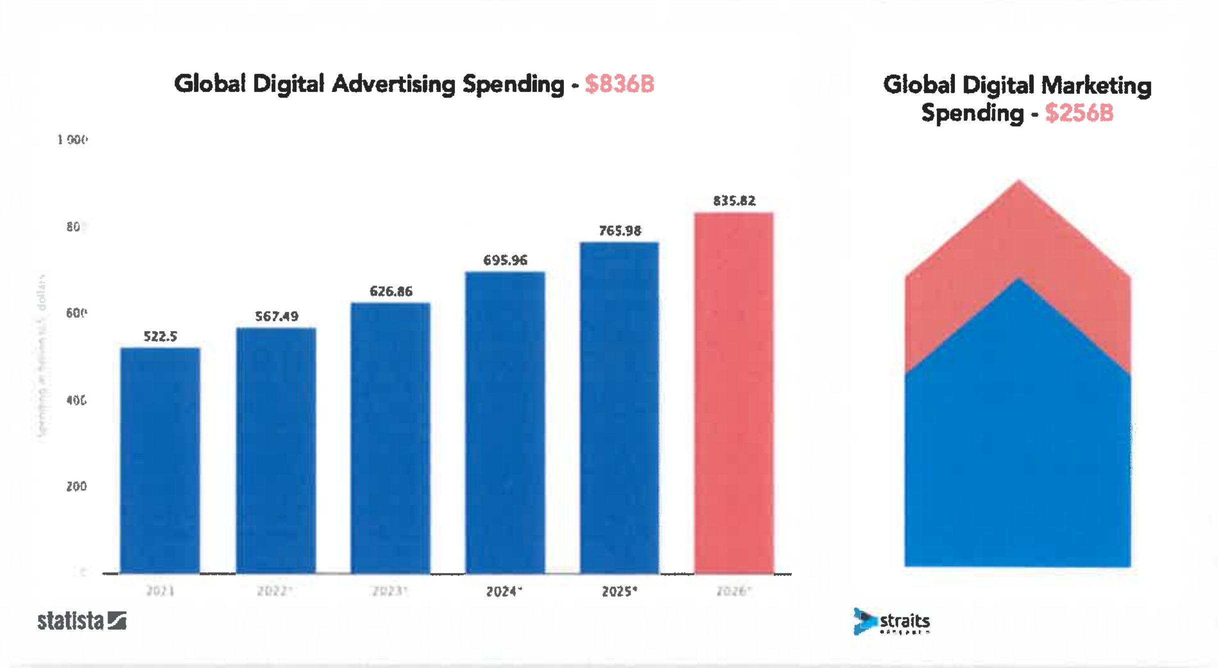
With our 4D product having reached maturity, the complete focus of the 4D business is on sales and delivery. Strong 4D bookings have been secured and a strong pipeline has been developed. In May 2023, the Group announced its first 4D reseller contract with Silverpush Global Pte Ltd, a global leader in cookieless and AI powered advertising solutions, with 18 offices worldwide. The partnership significantly increases 4Ds global sales reach. Management is also negotiating additional complementary commercial reseller partners. This traction reinforces the belief that 4D is due to deliver significant growth in 2023 and beyond and confirms our view that the product will deliver excellent long-term shareholder value.

Whilst we still have over half a year's trading to go and the macro-economic climate remains uncertain, we are confident of achieving our expectations for the current financial year and look forward to providing further updates to our shareholders throughout the year ahead.

Ian James
Chief Executive Officer

MARKET OPPORTUNITY.

The Digital AdTech *(advertising technology)* and MarTech *(marketing technology)* market opportunity is vast and growing. According to Statista[1], digital advertising spending worldwide is on track to reach $836 USD billion by 2026. Further, the global digital marketing software market[2] is expected to reach $256.36 USD billion by 2030.



Source: 1) Ad Spend Statistics 2026, 2) Marketing Software Spend 2030

The evolving landscape: The AdTech and MarTech landscape is not averse to seismic evolution, and 2022 was no different. Some of the biggest trends to have caught wide interest throughout the year included:

- An enforced **focus on privacy and identification** *(data privacy software market to garner $35,088 USB[4] million by 2030)*
- **The growing importance of first-party data** and technology *(the customer data platform market size[5] reached $4.8 USD billion in 2022, predicted to rise to $19.7 USB billion by 2027)*
- **The economy and consumer demands** *(61% of consumers[6] state their priorities keep changing as a result of the world we live in, expecting brands to stay relevant depending on external factors)*
- Advancements in technologies such as **Contextual Targeting** *(Contextual advertising spending[3] is expected to more than double by 2027, forecasted to reach $376.2 USD billion)*

Privacy and Identification: On the topic of privacy and the ongoing identity predicament, Google is set to switch off third-party cookies (and third-party ad IDs) across Google platforms in 2024, creating a huge shift in the market towards cookieless solutions such as contextual targeting. Yet, despite Google's deprecation deadline, 2022 witnessed a huge shift in mindset from brands and marketers towards first-party data and technology to empower customer experiences online, and subsequently, advertisers' usage of third-party data tools fell from 77% in 2021 to 40% in 2022[8].

Importance of first-party data and technology: According to eMarketer, 85% of US marketers and 75% of respondents in Western Europe said that increasing their use of first-party data is a high priority[7]. In order to capitalise on the first-party data which is available to them, brands will need to transform or deploy new marketing data technologies to deliver better customer experiences. This will manifest into a new type of marketing data stack, with Customer Data Platforms (such as Salesforce Marketing Cloud and Treasure Data) and Marketing Automation tools (such as Braze), at the very core.

The economy and consumer demands: Part of this mindset shift towards delivering valued customer experiences through the smarter use of data is in direct response to external factors such as the ongoing cost-of-living crisis. At a time when consumers are navigating constant change amongst external economic, environmental, political, and social forces, behaviours are increasingly becoming inconsistent. In fact, 72%[6] of consumers say these external factors are impacting their lives more than ever. Amid so much disruption, consumers are continuously re-evaluating what's important to them, with 61% saying their priorities keep changing as a result of the world we live in.

In essence, the way consumers interact with brands is evolving, and so too is the idea of **customer experience.**

The advancements in contextual intelligence: Contextual targeting is a form of targeted advertising that enables brands to place their advertisements based on a website's content and its relevancy – using no personal data of IDs in the process. The algorithms that underpin contextual intelligence provide brands with the ability to reach customers in the right place, time, and moment, whilst keeping their brand safe and suitable. Brands can combine their contextual data with first-party data sets that they already own, to deliver powerful business outcomes which are 100% cookieless and fully compliant.

Conclusion: The combination of increased online activity, growth in the digital marketing industry, the demise of the third-party cookie and subsequent rise of first-party data, the continued enforcement of privacy regulations and the rise of cookieless solutions such as contextualized targeting, the MarTech and AdTech space is expected to witness yet another year of tremendous growth.

Sources
1) Ad Spend Statistics 2026
2) Marketing Software Spend 2030
3) Contextual Advertising Statistics 2027
4) Data Privacy Market Size 2030
5) Customer Data Platform Market Size 2022 - 2027
6) Accenture CX Analysis
7) eMarketer Marketers & First-Party Data Report 2022
8) Digiday First-Party Data Article 2022

OUR CUSTOMER EXPERIENCE SERVICES OFFERING.

Silverbullet is the leading Data-Driven Customer Experience (CX) Partner, designed to support enterprise organisations in the delivery of transformative customer journeys across multiple marketing and advertising touchpoints.

Today, Silverbullet specialises in delivering smart customer journey orchestration services on behalf of global clients. Through their tried and tested 'four steps to success', the company enables businesses to curate their CX strategy and utilise the right marketing technology, in order to activate across a variety of digital marketing channels (including owned and paid).

Silverbullet's 'four steps to success' and full list of services and products are detailed below:

1 **Empower** | *Consultancy Services*

3 **Activate** | *Activation & Managed Services*

2 **Build** | *Technical Services*

4 **Measure** | *Value-driven Services*

01 | Empower *(Consultancy Services)*

The Empower phase encompasses the upstream consultancy and advisory services. This pillar is centred around supporting organisations in the deep analysis of their current CX, first-party data strategy and technology setup, to identify key gaps, opportunities, and recommendations for the future. Through a thorough set of initiatives including asset assessment, requirements gathering and gap analysis, Silverbullet's strategic and technical consultants will translate these findings in alignment with the business and marketing goals, to create a future-proofed, bespoke data-driven CX strategy.

02 | Build *(Technical Services)*

Build is the pillar that focuses on the technical services delivered by Silverbullet. Once the empowerment phase has been completed, Silverbullet's technical consultants, architects and engineers ensure that all required technology platforms which enable CX are integrated according to best practices and specific business requirements. The organisation's specialists work across a variety of technical projects, including data engineering, architecture build and full stack deployment, with a core focus on MarTech platforms, including (and not limited to):

- Customer Data Platforms
- Marketing Automation Tools
- Real-time web & app personalisation tools
- Data Clean Rooms
- Data Visualization/Dashboards

03 | Activate *(Activation & Managed Services)*

Activate is the phase that is centred around the activation of CX Customer Journeys, through the application of technology. Silverbullet designs and implements bespoke service layers for clients to enable them to unlock the value of their customer data across a variety of marketing channels (both owned and paid). This part of the offering can be specifically tailored to the client's needs, whether they require full managed-services and support, light-touch training and enablement, or a mixture of the two. The hybrid model is designed to fit seamlessly into the clients' organisation structure, to bring the overarching business goals to life.

04 | Measure *(Value-driven Services)*

Measure is the pillar focused on value, accountability and return on investment. Whether that be monetary value in being able to demonstrate return-on-investment (ROI), or insight-driven value to help our clients identify customer insights and/or organisational efficiencies. Through a range of value-driven services, Silverbullet specialists design bespoke measurement frameworks that are tailored to the clients' needs, diminishing a 'one-size fits all' approach. What's more, as with the Activate pillar, the company can be as hands-on or hands-off as the client desires.

What Makes Silverbullet Unique?

Silverbullet CX offering acts as a new kind of service layer; one that provides a variety of bespoke specialisms, from consultancy services and system integrators to data-driven marketing activation and measurement.

The organisation's collective expertise originates from the world of agencies, traditional consultancies, system integrators, technology vendors and marketing teams. This crossover of professional backgrounds, expertise, and exposure to different areas of marketing puts us in a unique position in the marketing industry.

One of the Company's biggest differentiators is that they do not approach clients with a 'one size fits all' approach. Everything we do is specifically tailored based on goals, organisational structure, global remit, and internal culture. We truly embrace the spirit of being "boutique" for their clients.

What makes Silverbullet different from:

- **Agencies:** Silverbullet has expertise across all paid and owned digital channels, but a vested interest in none. We will always execute the best CX strategy for our clients depending on their specific goals.

- **Consultants (big and small):** Silverbullet is a specialist rather than a generalist. It has built deep expertise and COEs in data-driven customer experiences and marketing technology. Furthermore, we go beyond creating great-looking slides - we roll up our sleeves to support clients with the execution of a best-in-class CX strategy.

- **System Integrators:** Silverbullet combines strategic, functional, and technical expertise to provide end-to-end services for global clients. We don't just set up your tech platforms and leave.

OUR CONTEXTUAL PRODUCT OFFERING.

4D | Advanced Contextual Targeting and Insights.

4D is the privacy-first contextual targeting and insights platform that enables the delivery of display and video campaigns in environments consumers trust. 4D brings together the most advanced machine learning and AI technologies to help you reach customers at the right place, right time, and in the right moment- all the while respecting their privacy and rights as consumers.

The 4D Benefits:

- Privacy-safe advertising: 4D has no IDs, cookie-based or otherwise, ensuring privacy and a consumer-centric experience.
- Contextual targeting evolved: By combining text, image, and video analysis, 4D delivers in-depth categorization centred on a brands goals and objectives.
- Brand Safe. Brand Suitable: 4D ensures the protection of a brand within the environments it is placed in, across video and display.
- Optimization & Insights: 4D analyses the context of where impressions have been seen and engaged with, to optimize the campaign in real-time, all the while providing unique insights.
- Customer-Centric Experiences: 4D maximizes consumer attention with efficiency, whilst ensuring their interest is retained for longer.
- One-Stop Contextual Targeting & Insights Platform: As contextual continues to gain share of wallet, 4D is the only platform a brand needs with advanced targeting and industry-leading insights.

4D Channels and Features:

4D Measurement & Optimisation: By analysing the specific contextual environment where an ad was successfully placed and engaged, 4D can surface recommendations on context optimizations to drive better performance and scale. The platform is designed to help traders, plan for campaigns, create transparent contexts across display, and video to increase ROI.

4D Insights: 4D provides portable contextual insights that can be used to understand where a brand is being seen, what contextual signals are driving engagement, and how to improve results. This powerful data set can also be used to help plan for future campaigns.

4D Video: With 4D Video, brands can leverage advanced computer vision-driven signals to understand the holistic context of the video across Open Web and YouTube. This provides the truest contextual insights to target video advertisements.

4D Display: Advertisers can go beyond traditional targeting by identifying new contexts and keywords to target, and expanding beyond endemic keyword targeting, without sacrificing performance and scale. 4D allows advertisers to gain understanding and intel about their campaigns without actually running a tag with us, making it super easy and efficient to activate.

What Makes 4D Unique?

4D uses advanced (patent pending) techniques to accurately match text, image and video content. Further, by using a tag or logs in active campaigns, 4D can optimise the targeting to deliver increased performance.

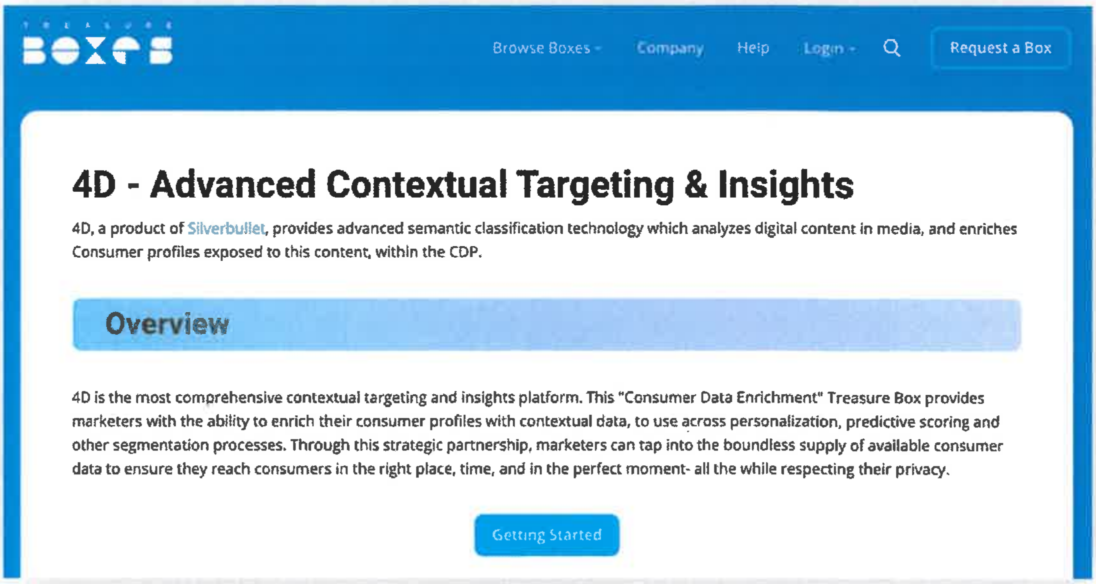
THE COLLECTIVE OFFERING

Combining the ability to unlock first-party data (through Silverbullet's CX services) with privacy-first contextual data available (through the 4D platform), creates an incredibly attractive offering for clients and agencies, by providing a compliant insight and targeting advantage. This subsequently provides the Silverbullet business with a key differentiation when talking to new clients and agencies.

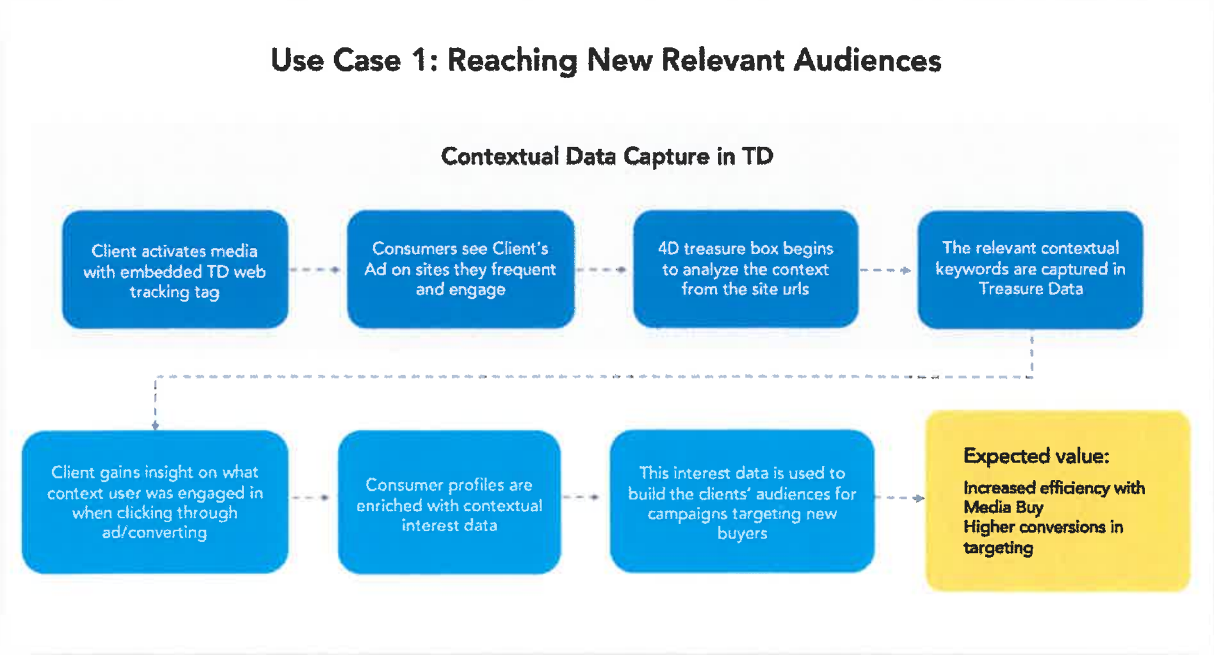
The combined impact per market sector:

- As **consumer demands** continue to move in the direction of improved customer experiences in a privacy-first world, this combination of first-party data and contextual data will become increasingly important to deliver value-centric expectations.
- Further, as **brands** mature in their approach to the use of first-party data for marketing, they are increasingly looking to combine multiple different data assets in order to improve media activation and return on investment. This is creating an increasing number of opportunities to cross-promote the 4D contextual targeting and insights platform to unify multiple different data assets into the programmatic display, video, and CTV campaigns.
- Conversely, **media agencies** who are engaged by their clients to activate media investment are now asking Silverbullet to help them safely manage and onboard their client's data into the programmatic media world.

4D has a unique stance in this combined offering, having undertaken an industry-first bilateral integration that enables first-party data to inform contextual targeting and contextual enrichment of user profiles. The 4D product has integrated with CDP partner, Treasure Data, under their smart collaborative initiative, Treasure Boxes.



Silverbullet is in conversations with a number of clients surrounding the 4D Treasure Box offering, with an intention to launch in the second half of 2023. For further details surround what a typical client use case would look like for the Treasure Box offering, see here:



OUR COMPETITIVE ADVANTAGES.

Product.
Silverbullet's main competitors reside in within its product division, 4D. The three main competitors are Oracle's Grapeshot, Peer39 and GumGum. Silverbullet believes 4D outperforms the competing technology across multiple key aspects, particularly in its video and analytics capabilities. Through advanced technology, 4D can leverage deterministic data that it collects in real-time from campaigns to optimize contextual targeting across both display and video channels. This results in increased performance across key metrics including click-through rate (CTR), view-through rate (VTR), and other relevant engagement metrics. 4D's technology has enabled partners to see marked increased results when measured directly against competitors or third-party data tactics.

Expertise.
Silverbullet has a highly capable team with significant first-party data-focused expertise. Our collective expertise originates from agencies, consultancies, system integrators, technology vendors and brand teams. This crossover of professional backgrounds, expertise, and exposure to different areas of marketing puts us in a unique position in the marketing industry. Further, the 4D team offers, when preferred, a comprehensive full managed media buying service that leverages Contextual Targeting & Insights at its core and removes the heavy lifting from the agencies.

Relationships with technology players.
Silverbullet has strong partnerships with the leading tech players in the industry, and in some cases has secured significant partnership status, placing us as the chosen partner for data and digital transformation.

Relationships with clients.
Silverbullet has deep relationships with its clients across both divisions of the business. Silverbullet delivered Data and Strategic Services to 37 clients in 2022, many of whom are significant blue-chip organisations.

FINANCIAL REVIEW.

A year of great progress for the business in terms of performance, development and structure.

	Year ended December 2022	Year ended December 2021
	£	£
Revenue	5,818,255	3,809,255
Cost of sales	(1,598,973)	(1,024,221)
Gross Profit	**4,219,282**	**2,785,034**
Other operating Income	-	38,328
Distribution costs	(799,272)	(522,306)
Administrative expenses	(10,810,386)	(9,988,875)
Exceptional Items	42,154	(861,085)
Operating Loss	**(7,348,222)**	**(8,548,904)**
Finance Expense	(188,551)	(18,928)
Loss before taxation	**(7,536,773)**	**(8,567,832)**
Tax	314,740	57,150
Loss after taxation	**(7,222,033)**	**(8,510,682)**
Currency translation differences	(84,236)	36,495
Total Comprehensive Loss for the year	**(7,306,269)**	**(8,474,187)**

Revenue and Gross Profit.
Overall revenue of £5.82m represents growth of 53 per cent. compared to 2021. During 2022, our customer experience services division added 16 new client including significant agreements with Mars, Greene King and Entain Group. We also renewed or extended agreements with several existing clients including Heineken and Sony. Having laid the foundations and invested in 4D sales and delivery teams in 2021 4D revenue has grown 633% to £1.52m in 2022.

Gross profit of £4.22m represents growth of 51 per cent. compared to 2021. Gross profit margin has remained constant year on year at 73 per cent. The increase in revenue in customer experience services would have helped to improve the gross profit margin but the this is offset by increased 4D hosting and media costs.

Operating Expenditure.
Total Adjusted Operating Expenditure (Adjusted to exclude depreciation, amortisation, share option expenses, exceptional items) was £9.34m, which represents an increase of 11 per cent. from 2021 (£8.40m).

	Year ended December 2022	Year ended December 2021
	£	£
Operating Expenses	11,567,504	11,372,266

Less		
Depreciation	(29,208)	(36,255)
Amortisation	(761,065)	(475,809)
Share option Charge	(1,476,183)	(1,602,025)
Exceptional items	42,154	(861,085)
Adjusted Operating Expenses	**9,343,202**	**8,397,092**

Staff costs of £6.62m (excluding share option expenses) continue to make up the majority of the operating expenses, this is an increase of 22 per cent. on 2021 (£5.42m) largely driven by increased staff costs to deliver the customer experience services and the sales and delivery teams working on the 4D growth. Having developed the 4D product to a position relative maturity in the second half of the 2022 the company reduced the headcount of the product and engineering team. During the year average staff numbers have increased from 69 to 80.

Administrative expenses excluding staff costs have fallen to £2.72m from £2.96m in 2021, this reflects management tightly controlling costs in 2022 whilst delivering significant revenue growth.

Taxation.
As a loss-making group, we do not currently incur corporation tax. We do however benefit from a research and development tax relief related to the development of 4D. The total tax relief for the year was £0.35m.

Balance Sheet and cashflow.
We have continued to develop and invest in 4D our privacy-first contextual targeting and insights platform in 2022 and we are now in a position where we believe the product is reaching development maturity. During the year £1.10m has been added the development intangible asset account. Goodwill relates to the acquisition of Silver Bullet Data Services Limited and Videobeet Italia Srl. We have reviewed the carrying value of these investment and we are comfortable that no impairment is required against these assets.

In June 2022, the Group announced it had successfully raised £4.6m. This comprised of a £2.494m equity subscription at a price of £1 per ordinary share and £2.106m of convertible loan notes (see note 19). At the year end and at today's date a payment £186,000 relating to these convertible loan notes remains outstanding from an individual. The Company has been informed that this amount will be settled and is contact with the relevant subscriber, however the timing of receipt remains uncertain.

Net cash flow used in operating activities was £5.14m (2021: £7.22m). The decrease versus the prior year relates to the reduction in losses during the period largely due to the increased corporate costs in 2021 as a result of listing on the AIM market.

The Group's cash balance decreased by £2.34m to £1.35 million in 2022 (2021: £3.69m).

On 1 June 2023 the company secured additional funding of £0.5m via a new convertible loan note in order to provide the Company with additional working capital to support the significant growth in sales of 4D and its services offering.

Darren Poynton
Chief Financial Officer

OUR PRINCIPAL RISKS AND UNCERTAINTIES.

Managing the risk in our business.
Effective risk management is key to all businesses. Silverbullet recognises that it is exposed to a mixture of risks that have the potential for financial or operational impacts on the business.

Product
4D is a contextual outcomes product that continues to be developed with new features and functions. As a new product in a competitive space we face the risk of failing to deliver the required product on time to meet the client demand or that we are beaten to key features by competitors. We believe that we mitigate this risk by having talented experienced engineers and management who have completed successful product developments and created a unique video product.

Industry contextual demand
It has been well documented that with cookies being phased out, moving to contextual solutions is and will occur. Whilst many platforms such as Safari, Firefox and Apple have deprecated or removed cookies, Google have delayed turning off cookies on their Chrome platform until 2024. This has reduced the pressure on advertisers using Google to move to contextual solutions but given the move by other platforms and the commitment by Google we do not believe this will materially delay the industry-wide move to contextual solutions.

Commercial execution
As a relatively new business we face competing with larger and more established businesses in both the marketing services and contextual solutions space. Whilst our targets are relatively modest compared to the total accessible market, we face the risk of not being able to effectively compete with these larger organisations. We believe that our talented workforce and proven success with blue chip clients mitigates this risk.

Talent
The employees are one of the Group's greatest assets, and its future success is dependent upon recruiting and retaining key personnel. The industry that Silverbullet operates in continues to be very competitive with rival businesses frequently attempting to secure the services of our employees. We pride ourselves on our culture and commitment of staff and to date we have experienced relatively low levels of churn.

Economy
The business relies on demand for digital advertising and marketing service solutions. In an economic downturn both could be impacted which would ultimately impact on revenue and opportunities for the business. By having a diverse client base and focusing on established clients and agencies we mitigate the impact of a downturn to a particular industry and hopefully alleviate the impact of a widespread economic downturn.

Working Capital
The company is currently experiencing fast growth, especially in the US and with 4D related revenues. This growth leads to an increase in working capital pressures, in particular driven by lengthening payments terms requested by some of our significant blue chip clients. Management are taking steps to mitigate this challenge by seeking working capital funding solutions that provide flexibly and support during this period of growth.

S172 Statement
This can be found within the Corporate Governance Report on page 21 is the S172 Statement.

The strategic report is approved by the Board of Directors and is signed on behalf of the Board.

Ian James.

Ian James
Chief Executive Officer
29 June 2023

GOVERNANCE REPORT

Board of Directors

Executive Directors

Ian James (Chief Executive Officer)
Ian James has over 25 years' digital data and technology experience and brings a wealth of industry knowledge to the business. Ian has held a number of leadership roles in Entertainment, FMCG, Media and Technology organisations, where he delivered transformation for businesses such as Chrysalis PLC, Bacardi Corporation, Aegis Group, Starcom MediaVest Group, Acxiom Limited and Verve Inc. Ian is currently a non-executive director at 4Global Consulting Limited and serves on the Board of Local Planet as a non-executive director and fulfils the role of Global Chief Data, Technology and Analytics Officer.

Ian co-founded Silverbullet in 2016 and continues to drive the leadership team and business, while extending into key partnerships and commercial opportunities.

Darren Poynton (Chief Financial Officer)
Darren Poynton is a highly experienced ACA Finance Executive with extensive knowledge of the advertising, media and entertainment industries. Having started his career at KPMG, Darren spent over 10 years with National Geographic Channels Europe and National Geographic Ventures International and was part of the successful management team that led the expansion of the TV channels business across Europe, the Middle East and Africa. Darren was UK CFO for MediaCom Group Limited, WPP Plc's largest media agency and was the UK Group CFO for Havas Media Group.

Darren is a qualified accountant and holds an honours degree in accountancy and financial management from the University of Sheffield.

Umberto Torrielli (Chief Strategy Officer)
Umberto Torrielli is an entrepreneur, thought leader and mentor, with extensive experience in the data and media technologies industry. Prior to co-founding Silverbullet in 2016, Umberto led varied technical and strategic teams and most recently at Bluekai Inc. and Oracle Corporation. Umberto brings a unique technical view of the customer data and technology landscape and helps shape the overall strategy for the Group's products and services division.

Umberto holds a Cum Laude Bachelor of Arts degree from Sacred Heart University, a graduate MBA certificate from Sacred Heart University and an Executive MBA from the Quantic School of Business and Technology.

Non-Executive Directors

Nigel Sharrocks (Non-Executive Chairman)
Nigel Sharrocks has spent over 40 years in the global media industry and is currently chair of several international media companies, including Local Planet. In 2012, Nigel was a key member of the Executive Leadership team that sold Aegis Group, the media buying and digital marketing group, to Dentsu Group Inc. in a US$3.16 billion cash deal. Nigel was previously the Managing Director for Warner Bros. Pictures, UK and, prior to this, Nigel founded MediaCom Group Limited, which is now a cornerstone of WPP plc.

Keith Sadler (Independent Non-Executive Director)
Keith joined the Board on 29 October 2020. He is a non-executive director of Warpaint London PLC where he is chairman of the audit and remuneration committees and Hawkwing plc, for which he chairs the audit committee and Chairman of HR Dept. Limited, a professional services business, and 4GLOBAL PLC where he is CFO. Historically, Keith has been CEO or CFO of a number of quoted companies in the marketing services, telecoms and media industries. Keith is a chartered accountant and holds an honours degree in economics from the University of Kent.

Keith Sadler resigned from his position on 9 March 2023 in order to focus on his other business interests.

Martyn Rattle (Non-Executive Director)
Martyn Rattle is currently Chief Executive Officer and founder of Local Planet and has over 30 years' experience in global media companies. Martyn is also the founder and a director of Marmalade Consultants Limited, a global M&A consultancy company specialising in acquisitions & growth strategies in the independent digital marketing services sector. Prior to this, Martyn was CEO of Global Clients at Aegis Group. Martyn assists the Board to focus on scaling Silverbullet's client relationships and structuring long-term commercial contracts.

Steven Clarke (Independent Non-Executive Director)
Steven is a serial entrepreneur with significant experience in the digital media industry. He is currently Chief Executive Officer and co-founder of Withu Holdings Limited, a technology business in the health and fitness sector. Prior to this he co-founded Mobile5 Media Ltd, which was acquired by Omnicom Media Group in 2018, and served as managing director of Bluestar International Limited. Steven also previously served as Chief Executive Officer of Bluestar Mobile Group plc, which was admitted to AIM in 2005 and sold its trading business to Bluestar International Limited in 2008, and as director of Rivals Digital Media Ltd, a company formed by the merger of 365 PLC with the Internet division of Chrysalis Media Ltd. Steven also co-founded Property Jungle Limited in April 1999, which, at the time, became the largest online property portal in the UK within 12 months of inception, having sold Creative Catering Ltd earlier in 1999, a company he had founded in 1995.

Corporate governance report for the year ended 31 December 2022.

Chairman's Statement

As Chairman of the Board, it is my responsibility to ensure that the Board is performing its role effectively and has the capacity, ability, structure and support to enable it to continue to do so.

We believe that a sound and well understood governance structure is essential to maintain the integrity of the Group in all its actions, to enhance performance and to impact positively on our shareholders, staff, customers, suppliers and other stakeholders.

On admission to AIM in June 2021 the Company adopted the QCA Corporate Governance Code as the benchmark for measuring our adherence to good governance principles. These principles provide us with a clear framework for assessing our performance as a board and as a company, and the report below shows how we apply the Code's ten guiding principles in practice.

Nigel Sharrocks
Chairman

Disclosure of those principles recommended for the Annual Report and Accounts under the QCA Code

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

The Company has a clear strategy to deliver future-proofed solutions for the privacy-first, post-cookie era for marketing and advertising purposes. As described in our strategic report this is focused on providing data-driven transformational services and 4D our proprietary contextual data product.

The Company has an annual operating plan and a rolling three-year detailed strategic plan that is reviewed and approved by the Board.

2. Seek to understand and meet shareholder needs and expectations

The Company provides regular updates to shareholders via the regulatory news services and marketing information via LinkedIn and industry publications. Institutional investor presentations and investor roadshows occur during the year allowing shareholders to meet and engage with management.

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

Our key stakeholder is our talented workforce who drive the business forwards and deliver our product and services. We have generated employee surveys to obtain employee feedback. The Board have engaged in an all company meeting in which all employees are encouraged to ask questions to the management.

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

Risks are considered by the senior management team and the Board as part of our annual planning process. These risks are assessed on a regular basis in monthly meetings.

The principal risks and uncertainties of the Group are summarised on page 15.

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

During 2022, the Board comprised three executive directors, Ian James, Umberto Torrielli and Darren Poynton, supported by four experienced non-executive directors.

The Board has significant experience establishing, financing and growing businesses within the advertising and media sectors. It has a mix of technical expertise, industry knowledge and corporate development experience.

Directors are expected to attend monthly board meetings, committee meetings where required and ad hoc meetings with management when required.

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

As noted above the Board has an appropriate mix of executive and non-executive members. Within the Board there is significant experience operating and supporting numerous listed and successful companies. The Board is satisfied that its Directors have an appropriate balance of skills and experience in order to carry out its duties and responsibilities effectively.

The Directors background and experience are described on pages 17 to 18.

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

The Board sets clear objectives on its role to support and manage the company. The Chairman regularly consults with board members outside of the board meetings to ensure all matter or issues are considered.

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

We are committed to supporting our employees not just in their day-to-day jobs and career progression but also as individuals. The Company has stated its clear objective around its culture and values. These are:
- Be Bold with Integrity
- Diversity of Thought, Equal in Passion
- Captivated by our Clients and each other
- Work hard and play hard together

The Company actively works on cultural and ethical initiatives driven by many members of the workforce.

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

The Board is responsible for the overall management the Group. The Board meets monthly and where required to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progression.

The Company has established an Audit Committee and a Remuneration Committee, each with formally delegated duties and responsibilities and with written terms of reference. At this stage of the Company's development the Board does not consider it appropriate to establish a Nominations Committee. The merits of constituting a separate nominations committee will be kept under review.

Keith Sadler, a Non-Executive Director of the Company, takes responsibility for ensuring that the Group's procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and MAR and that each meeting of the Board includes a discussion of AIM matters and assesses whether the Directors are aware of their AIM responsibilities from time to time and, if not, ensure that they are appropriately updated on their AIM responsibilities and obligations. Keith Sadler resigned from his position on 9 March 2023 and the Company is seeking to appoint a new Independent Non Executive Director in the near future.

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

Through our AIM Admission Document, website disclosure and our annual report we communicate how the Company is governed. We will also communicate further information at our shareholder meetings.

Section 172(1) Statement

The Directors consider, both individually and collectively that they have taken decisions in a manner they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its stakeholders, having regard to the matters set out in s172(1) of the Companies Act 2006:

The likely consequences of any decision in the long term

The Group prepares plans on an annual basis, and this is reviewed regularly throughout the year, with a focus on a three-year period, with the long-term success of the Group a factor when assessing strategic decisions.

The interests of the company's employees

As a supplier of services, the employees are one of the Group's greatest assets, and its future success is dependent upon recruiting and retaining key personnel. The industry that Silverbullet operates in is very competitive with and rival businesses frequently attempt to secure the services of its employees. We take their wellbeing and development very seriously and direct engagement supports the responsive nature of the work we undertake. We pride ourselves on our culture and commitment of staff and to date we have experienced relatively low levels of churn.

The need to foster the company's business relationships with suppliers, customers and others

The Board recognises that the success of the Group is reliant upon all stakeholders in its business. The Group seeks to treat suppliers fairly and adhere to contractual payment terms and to develop a working relationship which benefits all parties. The Group tries to maintain an effective relationship with our customers with regular contacts across organisations.

Shareholders are also important stakeholders in the business. The Group provides regular updates to shareholders via the regulatory news services and marketing information via LinkedIn and industry publications. Institutional investor presentations and investor roadshows occur during the year allowing shareholders to meet and engage with management.

The impact of the company's operations on the community and environment

The Directors are aware of the impact of the Group's business on the environment and community but believe this to be negligible due to the nature of its operations.

The desirability of the company maintaining a reputation for high standards of business conduct

The Group actively works on cultural and ethical initiatives driven by many members of the workforce. The Board believes corporate integrity and good governance is central to how the Group should behave and ensure that management operates in responsible manner, exercising a high level of personal leadership.

The need to act fairly as between members of the company

Through our listing document, website and our annual report we communicate how the company is governed. We will also communicate further information at our AGMs. Consequently, all members become privy to any price sensitive information at the same time and are treated equally in all respects and no single set of stakeholders is prioritised over another.

Audit Committee

The Board has established the Audit Committee with formally delegated duties and responsibilities and with written terms of reference. During the year the Audit Committee comprised of two Non-Executive Directors: Keith Sadler (Chair) and Steven Clarke. Keith Sadler resigned from his position on 9 March 2023 and the Company is seeking to appoint a new Independent Non Executive Director in the near future who will join Steven Clarke on the audit committee.

The Audit Committee receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

They have met with the Auditors to formally review the audit findings noted in the Auditors report, see page 30.

The key responsibilities of the Committee are to:

- Review the significant issues and judgements of management, and the methodology and assumptions used in relation to the Group's financial statements and formal announcements on the Group's financial performance;
- Review the Group's going concern assumptions;
- Assess the effectiveness of the Group's system of internal controls, including financial reporting and financial controls;
- Consider and make recommendations to the Board on the appointment, reappointment, dismissal or resignation and remuneration of the external auditor; and
- Assess the independence and objectivity of the external auditor and approve and monitor the application of the external auditor business standard.

External auditor

Crowe was appointed by the Board as the Company's external auditor on 11 August 2022 for the 2022 reporting period and it is their intention to put them forward at the AGM to stand as auditors for the next financial period. There are no contractual obligations that restrict the Committee's choice of external auditor.

The Group paid £72,000 to Crowe for audit services in 2022, relating to the statutory audit of the Group and Company financial statements, the audit of Group subsidiaries. In addition, the Group paid to Crowe in 2022, £5,000 for services relating to the half year review. No accounting advice has been provided as part of these fees.

The Directors have considered the requirement for an internal audit function but due to the stage and size of the business it has been decided that this is not appropriate at this time.

Remuneration Committee

The Board has established the Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference. During the year the Remuneration Committee comprised of two Non-Executive Directors: Keith Sadler (Chair) and Steven Clarke. Keith Sadler resigned from his position on 9 March 2023 and the Company is seeking to appoint a new Independent Non Executive Director in the near future who will be part of the remuneration committee.

The Remuneration Committee is responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Company's Executive Directors, and such other members of the executive and senior management as it is designated to consider.

The Remuneration Committee aim to ensure that there is an appropriate balance between fixed and variable pay for all staff including the Executives. It also aims to ensure whilst considering key risk factors, that pay, conditions and services contracts are appropriate for all staff in all locations. The Executives entered into standard service agreements on 21 June 2021, which include appropriate terms and conditions and notice periods of between 3 and 6 months.

Due to the size of the Group, the Directors have decided that issues concerning the nomination of Directors will be dealt with by the Board rather than a committee, but will regularly reconsider whether a Nominations Committee is required.

Report of the Directors for the year ended 31 December 2022

The Directors present their report and the audited financial statements for Silver Bullet Data Services Group PLC for the year ended 31 December 2022.

The preparation of financial statements is in accordance with UK adopted International Accounting Standards, interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"), and the Companies Act 2006.

Business Review

The review of the period's activities, operations, future developments and key risks is contained in the Strategic Report on pages 3 to 16.

Principal Activities

The principal activities of Silver Bullet Data Services Group PLC and its subsidiaries (together "the Group") are the provision of data and digital transformation services and tools that seek to deliver future-proofed solutions for the privacy-first, post-cookie era for marketing and advertising purposes.

Dividends

The Directors do not recommend a final ordinary dividend for the period (2021: £nil).

Post Balance Sheet Events

On 1 June 2023 the Company secured additional funding of £0.5m via a new convertible loan note in order to provide the Company with additional working capital to support the significant growth in sales of 4D and its services offering. The convertible loan notes have a term of three years attract interest at a rate of 12% per annum. The convertible loan notes are unsecured and convertible into new ordinary shares of 1p in the Company at the price of £0.50 per new Ordinary Share. Information relating to events since the end of the year is also disclosed in note 28 to the financial statements.

Going Concern

The Directors have prepared and reviewed detailed budgets and forecasts covering the period to 31 December 2025 which are based on the strategic business plan. These take into account all reasonably foreseeable circumstances and include consideration of trading results, cash flows and the level of facilities the Group requires on a month-by-month basis.

Whilst the directors have plans in place to manage any reasonably foreseeable circumstances, they forecast there will be a need for additional funding in the short-term. The directors are confident that the Group will be able to raise any required funds to meet their strategic objectives however there is an uncertainty over how much funding may be raised when required. However as securing new funding cannot be assured, a material uncertainty exists related to the group or company's ability to continue as a going concern.

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein, the Directors have a reasonable expectation that the company and the Group has or will be able to secure adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

Share Issues

The issued share capital of the Company is set out in Note 22 to the accounts.

Directors Interests

The Directors who held office during the period and their interest in the share capital of the Company were:

	Ordinary Shares	
Name	**31 December 2022**	**31 December 2021**
Nigel Sharrocks	26,905	11,905
Ian James	458,522	433,522
Umberto Torrielli	143,433	133,433
Darren Poynton	14,015	4,015
Keith Sadler	10,000	-
Martyn Rattle	10,000	-
Steven Clarke	30,525	20,525

Ordinary shares of £0.01 each with full voting rights

The Directors' interests in share options in the Company were:

Name	Number of Options	Exercise price	Date of Grant	Initial Vesting Date*	Final Vesting Date*	Date of Expiry
Nigel Sharrocks	25,510	0.01	25/06/2021	25/06/2021	25/06/2021	25/06/2028
Ian James	102,500	0.01	02/06/2021	01/03/2022	01/03/2024	02/06/2028
	200,000	2.57	25/06/2021	28/06/2022	28/06/2024	25/06/2028
Umberto Torrielli	105,000	0.01	02/06/2021	01/03/2022	01/03/2024	02/06/2028
	200,000	2.57	25/06/2021	28/06/2022	28/06/2024	25/06/2028
Darren Poynton	50,000	0.01	02/06/2021	01/03/2022	01/03/2024	02/06/2028
	80,000	2.57	25/06/2021	28/06/2022	28/06/2024	25/06/2028
Keith Sadler	25,510	0.01	25/06/2021	25/06/2021	25/06/2021	25/06/2028
Martyn Rattle	25,510	0.01	25/06/2021	25/06/2021	25/06/2021	25/06/2028

Share options are awarded to directors to align the interests of the directors with the achievement of the Company's strategy.

The Executive share options vest over a three-year period. One third of the option vest with effect from the 1st anniversary of the grant date, one third of the option vest with effect from the 2nd anniversary of the grant date and the final third of the option vest with effect from the 3rd anniversary of the grant date.

The Non-Executive share options vested on the date of grant.

Directors Remuneration

	Salary and Fees £	Pension Contributions £	Bonus £	**2022 Total £**	2021 Total £
Executive Directors:					
Ian James	225,000	6,750	-	**231,750**	308,813
Umberto Torrielli	218,237	8,729	-	**226,966**	303,699
Darren Poynton	170,000	5,047	-	**175,047**	172,142
Non-executive Directors:					
Nigel Sharrocks	37,500	-	-	**37,500**	51,875
Keith Sadler	37,500	-	-	**37,500**	54,150
Martyn Rattle	55,420	-	-	**55,420**	29,167
Steven Clarke	37,500	-	-	**37,500**	29,167
Jeffrey Thomas	-	-	-	-	25,000
Total	781,157	20,526	-	**801,683**	974,013

Darren Poynton was a full-time employee of the Group throughout 2021 but he was appointed to the Board on 27 May 2021. Accordingly, the above amounts in 2021 show amounts paid to him pro-rata for the period that he was director of the Group.

The annual basic salary of Ian James, Umberto Torrielli and Darren Poynton are £225,000, US$270,000 and £170,000 respectively.

Executive Directors are appointed on standard executive service agreements with notice periods between 3 and 6 months. In addition to the share options awards, Executive Directors are eligible for discretionary annual bonuses subject to personal and corporate performance criteria. Standard other benefits include pension contributions, healthcare and life assurance schemes.

Non-Executive Directors are appointed on standard non-executive service agreements with a notice period of 3 months.

Related Party Transactions

A number of related party transactions occurred between the Group and companies linked to Directors. See note 25 to the Financial Statements.

Financial Risk Management and Financial Instruments

Information relating to the financial risks of the Group have been included within note 21 to the financial statements.

Environment

The Group's environmental impact is relatively low as the company encourages working from home and uses leased offices in a limited number of locations. The Group continues to monitor its environmental footprint.

Substantial shareholdings

The Company has been advised of the following interests in more than 3% of its ordinary share capital as at 31 December 2022

Shareholder	Percentage
Gresham House	12.8%
Mr Keith Morris	10.7%
Mr Neil Donovan	6.6%
Chelverton Asset Management	4.9%
Mr Nicholas Mason	3.8%
Octopus Investments	3.5%
Total	**42.1%**

Directors Indemnity Arrangements

During the year the Company purchased Directors' and Officers' liabilities insurance in respect of itself and its Directors.

Political Donations

There were no political and charitable donations made by the Group during the year (2021 - £nil).

Statement of Disclosure to the Auditor

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditor for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Auditor

The auditor, Crowe U.K. LLP, has indicated its willingness to continue in office and a resolution concerning re-appointment will be proposed at the AGM.

Statement of Directors Responsibilities

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. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted International Accounting Standards, interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"), and the Companies Act 2006.

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 of the company for that period. In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 report is approved by the Board of Directors and is signed on behalf of the Board.

Ian James.

Ian James
Chief Executive Officer
29 June 2023

Independent auditors report to the shareholders of Silver Bullet Data Services Group Plc

Opinion

We have audited the financial statements of Silver Bullet Data Services Group Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2022, which comprise:

- the Consolidated statement of comprehensive income for the year ended 31 December 2022;
- the Consolidated and parent company statements of financial position as at 31 December 2022;
- the Group and parent company statements of cash flows for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards, and as regards the parent company, as applied in accordance with the provision of then Companies Act 2006.

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 31 December 2022 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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.

Material uncertainty relating to going concern

We draw attention to the section headed Going Concern on note 1 of the financial statements, which details the factors the Company and Group has considered when assessing the going concern position. As detailed in note 1, the uncertainty surrounding the availability of funds indicates the existence of a material uncertainty that may cast significant doubt on the Company's and group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and company's ability to continue to adopt the going concern basis of accounting included:

- Discussions with management in relation to the future plans of the Company and Group.
- Reviewing activity after the year end to the date of singing the financial statements.
- Reviewing the directors' going concern assessment including the cash flow model, agreeing the mathematical accuracy and challenging the assumptions made.
- Assessing the cash flow requirements of the Company and Group based on forecast income and administrative expenditure for the period to 31 December 2025.
- Reviewing management's forecasts which show continued growth in both revenue and profitability. Our assessment therefore considered whether this was feasible in light of past losses and the recent economic conditions; considering the accuracy of past budgeting and trading history, as well as a review of the April management accounts compared to forecast; and

- Understanding what forecast expenditure is committed and what could be considered discretionary.
- Considering the options available to management for further fundraising, or additional sources of finance.
- Considering potential downside scenarios and the resultant impact on funding requirements and the Company and Groups ability to raise such funds.
- Considering the cash position of the business along together with the post year end fund raise as disclosed in note 27 along with current facilities available.

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

Overview of our audit approach

Materiality

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

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £275,000, based on the loss before tax for the business, exclusive of exceptional items. This represents 4% of the loss before tax. We believe this to be an appropriate benchmark for materiality as this is one of the ultimate key performance measures for the Group.

Overall company materiality was set at £150,000 based on the net assets of the business. The materiality was set based on using a guideline of 3% of net assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Our performance materiality was £192,500 for the group and £105,000 for the company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £15,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The audit procedures have been carried out solely by Crowe U.K. LLP. We performed an audit of the complete financial information of Silver Bullet Data Services Group Plc. UK subsidiaries claimed a subsidiary audit exemption and therefore were audited for the purposes of the consolidation only. Overseas subsidiaries were audited using group materiality for the purposes of the consolidation. No component auditors were utilised.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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) that 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.

We considered going concern to be a key audit matter. Our observations on this area are set out in the Material uncertainty relating to Going Concern section of the audit report.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Intangible assets, as detailed in the accounting policy note (note 2) and the intangible assets note (note 12). The value of goodwill and intangible assets are significant and assessing the value and amortisation rates used to amortise the intangible assets is complex and involves a degree of subjectivity. Although any impairment would not impact on EBITDA, impairment charges would impact upon the profit for the year and distributable reserves. The impairment calculations are based upon discounted cash flows. The significant inputs into the model include the cashflows in the current period and the discount rate applied.	We audited the model provided by management and challenged them on the assumptions used. Our procedures included: • Auditing the cashflows used to ensure that only those cashflows relevant to the intangible assets acquired had been included and ensuring the cash generating units to which the intangible has been included is correct. • Challenging management over whether the forecast growth in income is achievable. • Ensuring that the period over which cashflows were assessed remained reasonable. • Whether the assumptions used to calculate the discount rate were reasonable and supportable • Sensitising management's key assumptions

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

Other information

The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 28, 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 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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the recognition of revenue. Our audit procedures to respond to these risks included:

- enquiry of management regarding compliance with laws and regulations and if there are any known instances of non-compliance.
- examining supporting documents for all material balances, transactions and disclosures.
- review of the board meeting minutes.
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions.
- detailed testing of a sample of sales made during the year and around the year and agreeing these through to invoices and despatch records for hardware.
- testing the appropriateness of a sample of significant journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available 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.

Mark Sisson.

Mark Sisson (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

40-46 High Street

Maidstone

Kent

ME14 1JH, UK

29 June 2023

Silverbullet

Consolidated statement of comprehensive income
Year ended 31 December 2022

	Note	Group 2022 £	2021 £
Continuing operations			
Revenue	3, 4	5,818,255	3,809,255
Cost of sales		(1,598,973)	(1,024,221)
Gross profit		**4,219,282**	**2,785,034**
Other operating income	5	-	38,328
Distribution costs		(799,272)	(522,306)
Administrative expenses		(10,810,386)	(9,988,875)
Exceptional items	6	42,154	(861,085)
Operating (loss)	7	**(7,348,222)**	**(8,548,904)**
Finance expense	10	(188,551)	(18,928)
(Loss) before taxation		**(7,536,773)**	**(8,567,832)**
Taxation	11	314,740	57,150
(Loss) after taxation		**(7,222,033)**	**(8,510,682)**
Other comprehensive income / (loss) net of taxation			
Currency translation differences		(84,236)	36,495
Total comprehensive (loss) for the year		**(7,306,269)**	**(8,474,187)**
Total comprehensive (loss) attributable to:			
Equity shareholders of the company		(7,307,215)	(8,479,438)
Non-controlling interest		946	5,251
		(7,306,269)	**(8,474,187)**
(Loss) after taxation attributable to:			
Equity shareholders of the company		(7,222,979)	(8,479,438)
Non-controlling interest		946	5,251
		(7,222,033)	**(8,474,187)**
Earnings per share			
Basic earnings	26	**(0.49)**	**(0.73)**
Diluted earnings	26	**(0.49)**	**(0.73)**

Silverbullet

Consolidated and company statement of financial position
Year ended 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Note	£	£	£	£
Non-current assets					
Goodwill	12	4,349,662	4,349,662	-	-
Intangible assets	12	2,544,739	2,206,742	-	-
Investments	13	4,999	-	8,354,094	6,872,911
Tangible assets	14	53,809	42,115	-	-
Total non-current assets		**6,953,209**	**6,598,519**	**8,354,094**	**6,872,911**
Current assets					
Trade and other receivables	16	2,487,844	2,264,972	285,574	78,522
Cash and cash equivalents	17	1,352,221	3,687,809	8,572	60
Total current assets		**3,840,065**	**5,952,781**	**294,146**	**78,582**
Total Assets		**10,793,274**	**12,551,300**	**8,648,240**	**6,951,493**
Current liabilities					
Trade and other payables	18	2,311,754	2,609,028	3,827,087	2,049,262
Loans and other borrowings	19	41,227	16,061	-	-
Total current liabilities		**2,352,981**	**2,625,089**	**3,827,087**	**2,049,262**
Non-current liabilities					
Loans and borrowings	19	1,797,992	143,644	1,687,697	-
Deferred tax liability	20	632,190	547,892	-	-
Total non-current liabilities		**2,430,182**	**691,536**	**1,687,697**	-
Total liabilities		4,783,163	3,316,625	5,514,784	2,049,262
Net assets		**6,010,111**	**9,234,675**	**3,133,456**	**4,902,231**
Equity					
Share capital	22	159,367	134,227	159,367	134,227
Share premium		10,821,021	8,639,593	10,821,023	8,639,592
Share option reserve	23	2,396,396	1,275,363	2,396,396	1,275,363
Other reserves	24	398,954	-	398,954	-
Retained Earnings		(7,679,183)	(811,354)	(10,642,334)	(5,147,001)
Capital redemption reserve		50	50	50	50
Foreign exchange reserve		(92,741)	(8,505)	-	-
Equity attributable to the equity shareholders of the company		**6,003,864**	**9,229,374**	**3,133,456**	**4,902,231**
Non-controlling interest		6,247	5,301	-	-
Total equity		**6,010,111**	**9,234,675**	**3,133,456**	**4,902,231**

The total comprehensive loss for the company for the year was £5,850,480 (2021: £12,054,638).
The financial statements were approved by the Board for issue on 29 June 2023.

Ian James.

Ian James
Chief Executive Officer

Company Number: 08525481

Consolidated and company statement of cash flows
Year ended 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Note	£	£	£	£
Cash flows from operating activities					
(Loss) after tax from continuing operations		(7,222,033)	(8,510,682)	(5,850,480)	(12,054,638)
Adjustments for:					
Depreciation	14	29,209	36,255	-	-
Amortisation	12	761,065	475,809	-	-
Impairments	25	-	-	5,450,737	11,815,479
Foreign exchange		(84,236)	36,495	-	-
Net finance expense	10	188,551	18,928	166,650	-
Share option charge	23	1,476,183	1,602,025	-	-
Taxation expense	11	(314,740)	(57,150)	-	-
(Increase) in trade and other receivables	16	(80,151)	(541,692)	(64,332)	(78,522)
(Decrease) / increase in trade and other payables	18	(383,543)	(841,335)	(195,363)	317,741
Increase in deferred tax liability	20	84,298	323,971	-	-
Cash used in operations		**(5,545,397)**	**(7,457,376)**	**(492,788)**	**60**
Taxation refunded		401,008	235,412	-	-
Net cash used in operating activities		**(5,144,389)**	**(7,221,964)**	**(492,788)**	**60**
Cash flows from investing activities					
Purchase of tangible assets	14	(40,903)	(41,430)	-	-
Purchase of intangible assets	12	(1,099,062)	(1,459,274)	-	-
Purchase of investments	13	(4,999)	-	(4,999)	-
Acquisition of non-controlling interest		-	50	-	-
Net cash used in investing activities		**(1,144,964)**	**(1,500,654)**	**(4,999)**	**-**
Cash flows from financing activities					
Proceeds from borrowings	19	1,516,126	-	-	-
Repayment of borrowings	19	(3,263)	(28,865)	-	-
Equity in convertible loan notes issued	24	398,954	-	-	-
New equity issued (net of transaction costs)	22	2,063,848	11,803,428	-	-
Intercompany transactions		-	-	506,299	-
Interest paid		(21,900)	(18,928)	-	-
Net cash from financing activities		**3,953,765**	**11,755,635**	**506,299**	**-**
Net increase / (decrease) in cash and cash equivalents		(2,335,588)	3,033,017	8,512	60
Cash and cash equivalents at beginning of period		**3,687,809**	**654,792**	**60**	**-**
Cash and cash equivalents at end of period		**1,352,221**	**3,687,809**	**8,572**	**60**

Consolidated statement of changes in equity attributable to the shareholders

Group

	Share Capital	Share premium	Share Option Reserve	Other reserves	Retained earnings	Capital redemption reserve	Foreign exchange reserve	Total equity attributable to shareholders	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£
As at 1 January 2021	8,256	35,387,853	1,192,653	-	(32,240,404)	-	(44,999)	4,303,359	-	4,303,359
Total comprehensive loss for the year	-	-	-	-	(8,515,932)	-	36,494	(8,479,438)	5,251	(8,474,187)
Non-controlling interest in subsidiary share capital	-	-	-	-	-	-	-	-	50	50
Share buyback and cancellation	(50)	-	-	-	-	50	-	-	-	-
Bonus issue of shares	87,255	(87,255)	-	-	-	-	-	-	-	-
Capital reduction	-	(38,425,667)	-	-	38,425,667	-	-	-	-	-
Share option charge	-	-	1,602,025	-	-	-	-	1,602,025	-	1,602,025
Share options exercised	312	19,111	(469,533)	-	469,533	-	-	19,423	-	19,423
Share options forfeited/lapsed	-	-	(1,049,782)	-	1,049,782	-	-	-	-	-
Shares issued during period (net of transaction costs)	38,454	11,745,551	-	-	-	-	-	11,784,005	-	11,784,005
As at 31 December 2021	**134,227**	**8,639,593**	**1,275,363**	**-**	**(811,354)**	**50**	**(8,505)**	**9,229,374**	**5,301**	**9,234,675**
Total comprehensive loss for the year	-	-	-	-	(7,222,979)	-	(84,236)	(7,307,215)	946	(7,306,269)
Convertible loan notes issued	-	-	-	398,954	-	-	-	398,954	-	398,954
Share option charge	-	-	1,476,183	-	-	-	-	1,476,183	-	1,476,183
Share option exercised	200	-	(46,739)	-	46,739	-	-	200	-	200
Share options lapsed	-	-	(308,411)	-	308,411	-	-	-	-	-
Shares issued during period (net of transaction costs)	24,940	2,181,428	-	-	-	-	-	2,206,368	-	2,206,368
As at 31 December 2022	**159,367**	**10,821,021**	**2,396,396**	**398,954**	**(7,679,183)**	**50**	**(92,741)**	**6,003,864**	**6,247**	**6,010,111**

Company

	Share Capital	Share premium	Share Option Reserve	Other reserves	Retained earnings	Capital redemption reserve	Total equity
	£	£	£	£	£	£	£
As at 1 January 2021	8,256	35,387,855	1,192,653	-	(33,037,348)	-	**3,551,416**
Total comprehensive loss for the year	-	-	-	-	(12,054,638)	-	**(12,054,638)**
Share buyback and cancellation	(50)	-	-	-	-	50	-
Bonus issue of shares	87,255	(87,255)	-	-	-	-	-
Capital reduction	-	(38,425,667)	-	-	38,425,667	-	-
Share option charge	-	-	1,602,025	-	-	-	**1,602,025**
Share options exercised	312	19,111	(469,533)	-	469,533	-	**19,423**
Share options forfeited/lapsed	-	-	(1,049,782)	-	1,049,782	-	-
Shares issued during period (net of transaction costs)	38,454	11,745,551	-	-	-	-	**11,784,005**
As at 31 December 2021	**134,227**	**8,639,595**	**1,275,363**	**-**	**(5,147,004)**	**50**	**4,902,231**
Total comprehensive loss for the year	-	-	-	-	(5,850,480)	-	**(5,850,480)**
Convertible loan notes issued	-	-	-	398,954	-	-	**398,954**
Share option charge	-	-	1,476,183	-	-	-	**1,476,183**
Share options exercised	200	-	(46,739)	-	46,739	-	**200**
Share options lapsed	-	-	(308,411)	-	308,411	-	-
Shares issued during period (net of transaction costs)	24,940	2,181,428	-	-	-	-	**2,206,368**
As at 31 December 2022	**159,367**	**10,821,023**	**2,396,396**	**398,954**	**(10,642,334)**	**50**	**3,133,456**

Notes to the financial statements

1. Description of business, basis of preparation and going concern

GENERAL INFORMATION

Silver Bullet Data Services Group PLC ("SBDS") was incorporated on 13 May 2013. SBDS is a public limited company incorporated in England and Wales and domiciled in the UK. The address of the registered office is The Harley Building, 77 New Cavendish Street, London, England, W1W 6XB.

SBDS is the ultimate parent company to the subsidiaries listed at Note 15, together referred to as "the Group". The principal activity of the SBDS Group is marketing services through the application of big data technologies to reduce friction.

Silver Bullet Data Services Group PLC is registered with Companies House (Company Number: 08525481).

BASIS OF PREPARATION

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards, interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"), and the Companies Act 2006. The accounting policies have been applied consistently throughout the period.

The Company has taken advantage of the exemption under S408 of the Companies Act 2006 not to include a separate Statement of Comprehensive Income as group statements have been prepared.

The consolidated financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The presentational currency of the Group is GBP with functional currencies of the subsidiaries disclosed at Note 15 being GBP, EUR, AUD, and USD.

GOING CONCERN

The directors have prepared detailed budgets and forecasts covering the period to 31 December 2025 which are based on the strategic business plan. These take into account all reasonably foreseeable circumstances and include consideration of trading results, cash flows and the level of facilities the group requires on a month-by-month basis.

Whilst the directors have plans in place to manage any reasonably foreseeable circumstances, they forecast there will be a need for additional funding in the short-term. The directors are confident that the Group will be able to raise any required funds to meet their strategic objectives however there is an uncertainty over how much funding may be raised when required. However as securing new funding cannot be assured, a material uncertainty exists related to the group or company's ability to continue as a going concern.

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein, the directors have a reasonable expectation that the company and the group has or will be able to secure adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

2. Significant accounting policies

REVENUE RECOGNITION

IFRS 15 - Revenue from Contracts with Customers has been applied for all periods presented within the financial statements. The timing of all revenue recognised by the Group during the reporting period was satisfied over time in accordance with IFRS 15 recognition criteria. None of the Group's activities result in the transfer of control of a product at a point in time for revenue recognition purposes.

During the period under review the Group recognised revenue from the following activities:

Customer Experience Services
Revenue relating to service contracts is invoiced according to milestones defined within each contract, the terms of which vary on a case-by-case basis. In all cases the revenue is recognised in line with the provision of the services or, where the quantum and timing of the services cannot be reliably predicted, rateable over the period of the agreement.

Invoices against services contracts are raised on a monthly basis with adjustments for accrued or deferred income where the agreed invoicing timescale does not match the valuation of provision of services.

4D contextual targeting and insights platform
Amounts received or receivable for campaigns, typically invoiced on a monthly basis, recognise revenue in proportion to the quantum of advertising units delivered according to the contracted service. Units and metrics deliverable under each contracted services will vary on a case-by-case basis.

Contract liabilities
Contract liabilities are recognised when payment from a customer is received in advance of performance obligations being satisfied. Contract liabilities are recognised in trade and other payables.

BUSINESS COMBINATIONS

Silver Bullet Data Services Group PLC applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3, 'Business Combinations'.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by Silver Bullet Data Services Group PLC. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of Silver Bullet Data Services Group PLC's share of the identifiable net assets acquired is recorded as goodwill. All transaction-related costs are expensed in the period they are incurred as exceptional operating expenses.

TAXES

Corporation tax, where payable, is provided on taxable profits at the current rate.

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. 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 taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

FOREIGN CURRENCY TRANSLATION

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Subsidiaries using a functional currency other than the presentation currency of the group are retranslated at each period end. Any translation differences are held within the group foreign exchange reserve.

INTANGIBLE ASSETS AND GOODWILL

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the fair value of the net assets acquired, and any previous interest held over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible assets (other than goodwill)

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	-	Straight line basis over 5 years
Customer lists	-	Straight line basis over 4 years

PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses. Cost comprises purchase cost together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Computer equipment	-	Straight line over 3 years
Fixtures, fittings and equipment	-	Reducing balance over 4 years

IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Development costs relate to the 4D Platform developed internally by the group which are expected to generate future revenue streams.

FINANCIAL INSTRUMENTS

Silver Bullet Data Services Group PLC classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on the date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not a fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on the settlement date when the Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables and trade and other payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. Impairments of the trade receivable balances are based on a review of individual receivable balances, their ageing and management's assessment of realisation.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Contract assets

Contract assets are recognised when revenue is recognised but payment is conditional on a basis other than the passage of time. Contract assets are included in trade and other receivables.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose only on the cash flow statement.

PROVISIONS

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

EMPLOYEE BENEFITS

During the period the Group operated a defined contribution money purchase pension scheme under which it pays contributions based upon a percentage of the members' basic salary. The Group also paid other employee benefits including medical insurance.

All employee benefits are charged to the Statement of Comprehensive Income and differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

LEASES

The Group leases a number of properties in various locations in Europe, Australia, USA, and the UK from which it operates.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
– Leases of assets below £1,000; and
– Leases with a duration of twelve months or less.

All leases signed by the Group during the reporting period were for a period of less than twelve months so no right-of-use assets have been recognised.

GRANT INCOME

Grant income is recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

SHARE-BASED PAYMENTS

The Group operates a share option programme which allows employees of the subsidiary companies to be granted options to purchase shares in this company. The fair value of options granted is recognised as an employment expense with a corresponding increase in equity.

The fair value of the options is measured at the grant date and spread over the vesting period. The fair value is measured based on an option pricing model taking into account the terms and conditions upon which the instruments were granted.

Vesting periods in each share option agreement vary from vesting immediately on grant date to vesting over a period of four years.

EXCEPTIONAL ITEMS

Where items of income and expense included in the statement of comprehensive income are considered to be material and exceptional in nature, separate disclosure of their nature and amount is provided in the financial statements. These items are classified as exceptional items. The Group considers the size and nature of an item both individually and when aggregated with similar items when considering whether it is material, for example impairment of intangible assets or restructuring costs.

FINANCE INCOME AND EXPENSES

Finance expenses comprise interest payable and leases liabilities recognised in the statement of comprehensive income using the effective interest method, and unwinding of the discount on provisions.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

ADOPTION OF NEW AND REVISED STANDARDS

The following standards and interpretations relevant to the Group are in issue but are not yet effective and have not been applied in the financial statements. In some cases these standards and guidance have not been endorsed for use in the United Kingdom.

- IAS 1 Presentation of liabilities as current or non-current
- IAS 1 Disclosure of accounting policies
- IAS 8 definition of accounting estimates

The above standards are not expected to materially impact the Group.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires the Directors to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the financial statements. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

Critical accounting estimates:

Amortisation
The assessment of the useful economic lives, residual values and the method of depreciating or amortising intangible (excluding goodwill) fixed assets requires judgement. Amortisation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets. Useful economic lives and residual values are re-assessed, and amended as necessary, when changes in their circumstances are identified.

Capitalised development costs
Development costs incurred in building the Group's key platform for future expansion have been capitalised in accordance with the requirements of IAS38. The majority of these costs consist of salary expenses to which an estimated proportion of development time has been applied.

Impairment of intangible fixed assets
Impairment tests have been undertaken in respect of goodwill and intangible fixed assets using an assessment of the value in use of the respective cash generating units (CGUs). This assessment requires a number of assumptions and estimates to be made including the allocation of assets of CGUs, the expected future cash flows from each CGU and also the selection of a suitable discount rate in order to calculate the present value of those cash flows. Impairments of intangible assets are explained in more detail at note 12.

Impairment of trade receivables
The Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.

Critical accounting judgements:

Convertible loan note

The equity portion of the convertible loan note has been valued using the Black-Scholes model. This gives an equivalent discount rate on the liability component of 21%. The directors consider this rate to be an approximation of the rate on a similar loan without the conversion feature.

Going concern
As discussed more fully in the Directors' Report these financial statements have been prepared on the going concern basis. This treatment is based on management's judgement that cashflow requirements for the continued development can be achieved through operating activities and through additional fundraising if required.

3. Operating segments

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Board of Directors is the chief operating decision maker for the Group.

The Group has two key business segments outlined below. The business analyses these streams by revenue and gross margin. Overheads, assets and liabilities are not separately allocated across the business streams.

The business monitors operating segment profitability using their Earnings (or Profit) Before Interest, Tax, Depreciation and Amortisation (EBITDA). This is used as a metric to represent operating cashflow generated by the business.

	2022		2021	
	Revenue	*Gross profit*	*Revenue*	*Gross profit*
	£	£	£	£
Customer Experience Services	4,302,431	4,011,972	3,602,505	2,895,650
4D Platform	1,515,824	207,310	206,750	(110,616)
Total	5,818,255	4,219,282	3,809,255	2,785,034

	2022	2021
EBITDA from continuing operations		
Operating (loss)	(7,348,222)	(8,548,904)
Depreciation and amortisation	790,274	512,064
Total	**(6,557,948)**	**(8,036,840)**

4. Geographical analysis

Revenue analysed by geographical market:

	2022	2021
	£	£
United Kingdom	1,066,801	1,078,128
Rest of Europe	1,553,243	1,901,162
Rest of the world	3,198,211	829,965
	5,818,255	**3,809,255**

The timing of all revenue recognised by the Group during the reporting period was satisfied over time in accordance with IFRS 15 recognition criteria. None of the Group's activities result in the transfer of control of a product at a point in time for revenue recognition purposes.

Two major customers are included within revenue totalling £1,512,875, each representing 13% of total group revenue (2021: one major customer totalling £497,717, being 13%).

Non-current assets analysed by geographical market:

	2022	2021
	£	£
United Kingdom	6,934,199	6,586,473
Rest of Europe	4,506	4,104
Rest of the world	14,504	7,942
	6,953,209	**6,598,519**

5. Other operating income

	Group 2022	Group 2021
	£	£
Grant income	-	38,328
	-	**38,328**

6. Exceptional items

	Group 2022	Group 2021
	£	£
Professional fees on initial public offering	-	520,180
Losses incurred / (recovered) as a result of fraud	(42,154)	340,905
	(42,154)	**861,085**

Reported loss before tax for the group is reconciled to the headline loss before tax as follows:

	Group 2022	Group 2021
	£	£
Reported (loss) before tax	(7,536,773)	(8,567,832)
Share option charges	1,476,183	1,602,025
Professional fees on initial public offering	-	520,180
Losses incurred / (recovered) as a result of fraud	(42,154)	340,905
Headline (loss) before tax	**(6,102,744)**	**(6,104,722)**

7. Operating (loss)

The operating loss is arrived at after charging/(crediting):

	Group 2022	Group 2021
	£	£
Depreciation of property plant and equipment	29,209	36,255
Amortisation of intangible assets	761,065	475,809
Short-term leases	237,388	214,972
Foreign exchange losses	24,334	80,005
Auditor's remuneration in respect of:		
- audit of the consolidated financial statements	72,000	60,000
- other audit related assurance services	5,000	193,750

8. Staff costs

	Group 2022	Group 2021
	£	£
Wages and salaries	5,594,877	4,523,434
Share-based payments	1,476,183	1,602,025
Social security costs	786,795	715,282
Pension costs – defined contribution	215,546	129,079
Termination payments	19,598	56,272
	8,092,999	**7,026,092**

Average number of staff

	Group 2022	Group 2021	Company 2022	Company 2021
Customer Experience Services	36	34	-	-
4D Platform	32	23	-	-
Central	12	12	-	-
	80	**69**	-	-

9. Directors' remuneration

Key management personnel are considered to be the directors and their remuneration, employer's national insurance, and pension contributions are disclosed below:

	Group 2022	Group 2021
	£	£
Directors' remuneration	763,237	957,855
Share-based payments	637,430	376,994
Social security costs	79,133	97,494
Pension costs – defined contribution	20,526	19,589
Invoiced services	17,920	71,650
	1,518,246	**1,523,582**

The directors are remunerated, in respect of their services to the Group, through subsidiary companies. During the year three directors (2021: four) were accruing benefits under the company defined contribution pension scheme.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	Group 2022	Group 2021
	£	£
Directors' remuneration	225,000	273,375
Share-based payments	229,757	104,901
Social security costs	29,744	36,507
Pension costs – defined contribution	6,750	5,438
Invoiced services	-	30,000

10. Finance expenses

	Group 2022	2021
	£	£
On convertible loan notes	166,651	-
On bank overdrafts and loans	21,900	16,926
On other credit arrangements	-	2,002
	188,551	**18,928**

11. Income tax provision

A deferred tax asset in respect of the Group's losses to date has not been recognised due to the uncertainty of the timing of future loss relief.

	Group 2022	2021
Current tax	**£**	**£**
UK corporation tax credits for R&D from prior years	(41,009)	(21,121)
UK corporation tax credits for R&D for current year	(360,000)	(360,000)
Foreign taxation	1,971	-
Total current tax	**(399,038)**	**(381,121)**
Deferred tax	84,298	323,971
Total tax credit	**(314,740)**	**(57,150)**

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%).

	Group 2022	2021
	£	£
Loss on ordinary activities before taxation	(7,512,440)	(8,567,832)
Loss on ordinary activities by rate of tax	(1,427,364)	(1,627,888)
Non-allowable expenses	150,152	139,632
Enhanced R&D expenditure	(360,000)	(360,000)
Change in deferred tax rate applied	-	131,494
Deferred tax movement on intangible assets	84,298	323,971
Movement in deferred tax not recognised	1,277,212	1,356,762
Adjustments in respect of prior periods	(41,009)	(21,121)
Foreign taxation	1,971	-
Tax on loss	**(314,740)**	**(57,150)**

Deferred tax assets have not been recognised on cumulative losses for the group totalling £40,012,779 (2021: 34,655,101).

12. Goodwill and intangible assets

	Customer lists	Development Costs	Goodwill	Total
	£	£	£	£
COST				
At 1 January 2021	595,708	1,058,170	4,330,222	**5,984,100**
Additions	-	1,439,834	19,440	**1,459,274**
At 31 December 2021	**595,708**	**2,498,004**	**4,349,662**	**7,443,374**
At 1 January 2022	595,708	2,498,004	4,349,662	**7,443,374**
Additions	-	1,099,062	-	**1,099,062**
At 31 December 2022	**595,708**	**3,597,066**	**4,349,662**	**8,542,436**
AMORTISATION				
At 1 January 2021	213,863	197,298	-	**411,161**
Amortisation charge	148,927	326,882	-	**475,809**
Write off	-	-	-	-
At 31 December 2021	**362,790**	**524,180**	-	**886,970**
At 1 January 2022	362,790	524,180	-	**886,970**
Amortisation charge	148,927	612,138	-	**761,065**
At 31 December 2022	**511,717**	**1,136,318**	-	**1,648,035**
NET BOOK VALUE				
At 31 December 2021	232,918	1,973,824	4,349,662	**6,556,404**
At 31 December 2022	83,991	2,460,748	4,349,662	**6,894,401**

Amortisation is charged within administrative expenses in the Statement of Comprehensive Income.

Intangible assets with indefinite useful lives

Following initial recognition, goodwill is subject to impairment reviews at least annually and measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income.

There are three steps to performing an impairment review:
1. Allocating the goodwill to the relevant cash generating unit (CGU) or multiple CGUs.
2. Determining the recoverable amount of the CGU to which the goodwill belongs.
3. Recognising any impairment losses after performing an impairment review of the CGU or CGUs.

Goodwill acquired in a business combination represents future economic benefits arising from assets that are not capable of being individually identified and separately recognised. Goodwill does not generate cash flows independently from other assets or groups of assets and so the recoverable amount of goodwill as an individual asset cannot be determined. Therefore, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's CGUs or Groups of CGUs that are expected to benefit from the synergies of the business combinations.

The definition of a CGU is "the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Groups of assets" (per IAS 36).

In accordance with IAS 36, a CGU to which goodwill has been allocated shall be tested for impairment annually and whenever there is indication of impairment by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognise an impairment loss.

The recoverable amount is the higher of a CGU's fair value less costs to sell and its value in use. In brief the fair value less costs to sell is likely to involve a valuation of the CGU if sold at an arm's length and deducting the costs of disposal.

The value in use will involve a discounted cash flow ('DCF') calculation estimating the future cash inflows and outflows to be derived from the continuing use of the CDU. The DCF calculation would include the estimated net cash flows, if any, to be received for the disposal of the CGU at the end of its useful life.

Impairment review of amortised intangible assets

Amortisation rates applied to intangibles acquired and internally generated are assessed according to management's best estimates of their useful economic lives, at rates disclosed in the accounting policies Note 2.

Intangible assets are reviewed annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The net present value of cash flows for each CGU is reviewed against the carrying value at the reporting date.

Cash Generating Unit (CGU) impairment reviews

The Group has identified two CGUs: Customer Experience Services and 4D Platform (as reported in Note 3). The intangible assets are allocated to these CGUs as follows:

	Customer list	Goodwill	Development costs	Total
Customer Experience Services	83,991	3,076,826	-	**3,160,817**
4D Platform	-	1,272,836	2,460,748	**3,733,584**
	83,991	4,349,662	2,460,748	**6,894,401**

1. Customer Experience Services

The key assumptions for the value in use calculation are considered separately below.

Number of years of cash flows used and budgeted growth rate
The recoverable amount is based on a value in use calculation using specific cash flow projections over a five-year period and a terminal growth rate thereafter. The five-year forecast is prepared considering the directors' expectations based on market knowledge, numbers of new engagements and the pipeline of opportunities.

Discount rate
The Group's pre-tax weighted average cost of capital has been used to calculate a discount rate, which reflects current market assessments of the time value of money for the period under review and the risks specific to the Group. A discount rate of 20% was applied for each of the periods under review.

Terminal growth rate
An appropriate terminal growth rate is selected, based on the directors' expectations of growth beyond the five-year period. The terminal growth rate used for the period following the detailed forecast period is 2%, which is within the expected growth for the industry.

The discounted cashflows expected compare to the carrying value as follows:

	Net Book Value	Recoverable Amount	Impairment Headroom
As at 31 December 2021	3,309,744	6,917,972	3,608,228
As at 31 December 2022	3,160,817	13,788,238	10,627,421

Sensitivity analysis has been conducted on each of management's key assumptions to assess the volatility of the impairment head room against the Group's sole identifiable Cash Generating Unit.

A discount factor of 20% has been applied by management in order to calculate the net present value of each CGUs recoverable amount. For the Impairment Headroom to reduce to £nil this discount factor would need to increase to 64% (2021: 27%). This discount factor is an estimate of the Group's cost of capital based on the capital asset pricing model using similar listed businesses for benchmarking.

Management have used a sales pipeline to assess likely revenue for the proceeding three years, with a medium-term sales growth rate at 10% for two financial years with a terminal growth rate forecast at 2%. Sensitivity analysis on these revenue estimates show that a reduction in forecast revenue of 18% would not result in any impairment.

For the purposes of reviewing goodwill valuations, the tangible fixed assets acquired in business combinations are not considered to be material.

2. 4D Platform

The carrying value of amortised intangible assets and the key assumptions used in performing the annual impairment assessment and sensitivities are disclosed below:

	Net Book Value	**Recoverable Amount**	**Impairment Headroom**
	£	**£**	**£**
As at 31 December 2021	3,246,660	25,541,411	22,294,751
As at 31 December 2022	3,733,584	4,557,679	824,095

The key assumptions applied by management in assessing these recoverable amounts are:

- a discount rate of 20% to calculate the present value of future cashflows;
- revenue growth assumptions used in the customer list valuation assessed by customer of 10% with 5% attrition; and
- revenue growth assumptions used in development costs averaging 62% per year over the first three years to Dec-25.

Sensitivity analysis has been conducted on these management assumptions to show that an increase of 5% to discount rate applied would not result in any impairments being recognised.

Cashflow forecasts used in this analysis have been prepared by management based on best estimates of future activity and expected profit margins. Reduction of future revenue streams by a factor of 8% would not result in any impairment.

13. Investments

All investments held by the group relate to investments in trading companies as detailed in Note 15.

COST	Group	Company
At 1 January 2021	-	5,270,836
Additions	-	1,602,075
At 31 December 2021	**-**	**6,872,911**
At 1 January 2022	-	6,872,911
Additions	4,999	1,481,183
At 31 December 2022	**4,999**	**8,354,094**

Impairment review of investments
Using the assumptions applied in reviewing intangible assets for impairment (see Note 12) the Company's investments in subsidiaries have also been compared to the discounted future cashflows expected from the subsidiary CGUs.

At the period end no impairment charges (2021: £nil) were necessary given the headroom below:

	Net Book Value	Recoverable Amount	Impairment Headroom
As at 31 December 2021	**£**	**£**	**£**
Investments in subsidiaries	6,872,911	30,380,747	23,507,836
	6,872,911	**30,380,747**	**23,507,836**
As at 31 December 2022			
Investments in subsidiaries	8,354,094	18,345,917	10,391,655
	8,354,094	**18,345,917**	**10,391,655**

14. Tangible assets

	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£
COST			
At 1 January 2021	13,672	103,065	**116,737**
Additions	1,770	39,660	**41,430**
Disposals	(7,145)	-	**(7,145)**
At 31 December 2021	**8,297**	**142,725**	**151,022**
At 1 January 2022	8,297	142,725	**151,022**
Additions	11,814	29,089	**40,903**
Disposals	-	-	**-**
At 31 December 2022	**20,111**	**171,814**	**191,925**
DEPRECIATION			
At 1 January 2021	10,684	69,113	**79,797**
Charge for the period	1,434	34,821	**36,255**
Disposals	(7,145)	-	**(7,145)**
At 31 December 2021	**4,973**	**103,934**	**108,907**
At 1 January 2022	4,973	103,934	**108,907**
Charge for the period	4,237	24,972	**29,209**
Disposals	-	-	**-**
At 31 December 2022	**9,210**	**128,906**	**138,116**
NET BOOK VALUE			
At 31 December 2021	**3,324**	**38,791**	**42,115**
At 31 December 2022	**10,901**	**42,908**	**53,809**

Depreciation is charged to administrative expenses within the Statement of Comprehensive Income.

15. Investments in subsidiaries

As at 31 December 2022 Silver Bullet Data Services Group PLC owned an interest in the ordinary share capital of the companies below.

All companies are 100% owned with the exceptions of joint ventures Local Planet Data Services Ltd (51% owned) and Silver Bullet Data Science Limited (49.99% owned).

Silver Bullet Data Science Limited has not been consolidated in to these financial statements as the Group does not exercise control over the company's activities.

Subsidiary undertaking	*Country of incorporation*	*Registered office*	*Principal activity*
Silver Bullet Media Services Limited	England and Wales	The Harley Building, 77 New Cavendish Street, London, W1W 6XB	Marketing services and data technologies
IOTEC Native Limited	England and Wales	The Harley Building, 77 New Cavendish Street, London, W1W 6XB	Dormant
Silver Bullet Data Services Limited	England and Wales	The Harley Building, 77 New Cavendish Street, London, W1W 6XB	Marketing services and data technologies
Silver Bullet Data Services GmbH	Germany	Herzogspitalstraße 24, 80331, Munich	Marketing services and data technologies
Silver Bullet Data Services Pty Ltd	Australia	452 Flinders St, Melbounre, 3000, Victoria	Marketing services and data technologies
Silver Bullet Data Services S.r.l	Italy	20161, Via Gian Rinaldo, Carli n. 47, Milan	Marketing services and data technologies
Technobeet S.r.l.	Italy	20161, Via Gian Rinaldo, Carli n. 47, Milan	Dormant
Silver Bullet USA Inc.	United States of America	1250 Broadway, 36th Floor, New York, New York, 10001	Marketing services and data technologies
Local Planet Data Services Ltd	England and Wales	The Harley Building, 77 New Cavendish Street, London, W1W 6XB	Marketing services and data technologies

16. Trade and other receivables

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade receivables	1,307,790	1,333,272	-	-
Other receivables	448,798	202,623	227,439	75,965
Prepayments	225,537	151,749	58,135	2,557
Contract assets	170,855	217,328	-	-
Corporation tax receivable	334,864	360,000	-	-
	2,487,844	**2,264,972**	**285,574**	**78,522**

In determining the recoverability of accounts receivable, the Group considers any changes in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date.

Those receivable balances that are passed due have been assessed by management on an individual basis and provisions for bad debts has been made as necessary.

Contract assets represent agreements with customers against which revenue has been recognised but not yet invoiced in accordance with the contract terms. All accrued revenue at each period end has been invoiced within a maximum of three months of the reporting period.

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank	1,352,221	3,687,809	8,572	60
	1,352,221	**3,687,809**	**8,572**	**60**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

18. Trade and other payables

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade payables	530,257	525,267	34,448	35,129
Tax and social security	497,631	558,799	20,613	20,613
Other payables	345,496	317,018	5,050	50
Accruals	647,382	1,007,845	4,609	10,467
Contract liabilities	290,988	200,099	-	-
Amounts owed to group undertakings	-	-	3,762,367	1,983,003
	2,311,754	**2,609,028**	**3,827,087**	**2,049,262**

The fair value of trade and other payables approximates to book value at each year-end. Trade payables are non-interest bearing and are normally settled monthly.

Contract liabilities represent agreements with customers against which revenue has not yet been recognised for invoices raised during the report period. All such deferred revenue at each period end has been released to the Statement of Comprehensive Income within a maximum of three months of the reporting period.

19. Loans and borrowings

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Current liabilities				
Bank loans	41,227	16,061	-	-
	41,227	**16,061**	**-**	**-**

	2022 £	2021 £	2022 £	2021 £
Non-current liabilities				
Convertible loan notes	1,687,697	-	1,687,697	-
Bank loans	110,295	143,644	-	-
	1,797,992	**143,644**	**1,687,697**	**-**

As at 31 December 2022 the Group had bank loans of £151,522 (2021: £177,104) accruing interest at 1.95% repayable over six years to 2026, with repayments due from 31st August 2022.

Convertible loan notes were issued during the reporting period which are convertible into new ordinary shares at the price of £1.10 per new ordinary share at any point during the three-year term of the loan.

The loan notes attract interest at a rate of 12% per annum, which is payable commencing on the date of issue either:

i) at the Company's option of 8% per annum paid monthly plus 4% payable via the issue of additional Convertible Loan Notes as payment in kind.
ii) 12% payable via the issue of additional Convertible Loan Notes as payment in kind.

The loan notes may be redeemed in cash at the option of company at any point at a premium equal to 15% of the principal amount of the Notes.

The equity element of the convertible loan note is recognised within other reserves (see Note 24). A market interest rate of 21% has been applied to calculate the residual equity value of the financial instrument.

20. Deferred tax liability

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Movements in the year:				
Liability brought forward	547,892	223,921	-	-
Charge to profit or loss	84,298	323,971	-	-
Liability carried forward	**632,190**	**547,892**	**-**	**-**

All deferred tax liabilities are recognised in respect of intangible and tangible asset timing differences. No deferred tax assets have been recognised by the Group.

21. Financial Instruments

Financial instruments and risk management

The Group's financial instruments may be analysed as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets measured at amortised cost				
Cash and cash equivalents	1,352,221	3,687,809	8,571	60
Trade receivables	1,307,790	1,333,272	-	-
Other receivables	448,798	202,623	227,439	75,965
	3,108,809	**5,223,704**	**236,010**	**76,025**
Financial liabilities measured at amortised cost				
Trade payables	530,257	525,267	34,448	35,129
Accruals	647,382	1,007,845	4,609	10,468
Other payables	345,496	875,812	3,767,417	2,014,133
Loans	1,839,219	159,705	1,687,697	-
	3,362,354	**2,568,629**	**5,494,171**	**2,059,730**

Financial assets measured at amortised cost comprise cash, trade receivables and other receivables.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, other loans, trade payables, convertible loan notes and other payables.

The debt instruments were initially recognised at fair value, and subsequently they were measured at amortised cost using the effective interest rate method, whereby the fair value of the debt approximates their carrying value.

The Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the Group's financial instruments are classified as loans and receivables.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below:

Credit risk

Generally, the Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised above.

Credit default risk is the financial risk to the Group if a counter party to a financial instrument fails to meet its contractual obligation. The nature of the Group's receivable balances, the time taken for payment by entities and the associated credit risk are dependent on the type of engagement.

Credit risk is minimised substantially by ensuring the credit worthiness of the entities with which it carries on business. Credit terms are provided on a case-by-case basis. The Group's trade and other receivables are actively monitored. The Group has not experienced any significant instances of non-payment from its customers.

Unbilled revenue is recognised by the Group only when all conditions for revenue recognition have been met in line with IFRS 15.

Liquidity risk

Liquidity risk represents the contingency that the Group is unable to gather the funds required with respect to its financial obligations at the appropriate time and under reasonable conditions in order to meet their current obligations. The Group attempts to manage this risk so as to ensure that it has sufficient liquidity at all times to be able to honour its current and future financial obligations under normal conditions and in exceptional circumstances. Financing strategies to ensure the management of this risk include the issuance of equity or debt securities as deemed necessary.

All of the Group's financial liabilities mature within twelve months of both reporting periods, with the exception of non-current liabilities disclosed at note 19. In each of these cases, the financial liabilities matured within five years of the reporting date.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily Australian Dollars, United States Dollars and Euros. The Group monitors exchange rate movements closely and ensures adequate funds are maintained in appropriate currencies to meet known liabilities.

The Group's exposure to foreign currency risk at the end of the respective reporting periods were as follows:

	2022			2021		
	AUD	USD	EUR	AUD	USD	EUR
Assets and liabilities	299,236	244,995	(515,938)	121,403	128,932	302,200

Assets and liabilities include the monetary assets and liabilities of subsidiaries denominated in foreign currency.

The Group is exposed to foreign currency risk on the relationship between its functional currencies and other currencies in which the Group's material assets and liabilities are denominated. The table below summaries the effect on reserves had the functional currencies of the Group weakened or strengthened against these other currencies, with all other variables held constant.

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
10% weakening of functional currency	(7,876)	34,124	-	-
10% strengthening of functional currency	16,539	(71,661)	-	-

The impact of a change of 10% has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements.

22. Share capital and premium

Ordinary share capital Issued and fully paid	No.	£
As at 1 Jan 2022	13,422,687	**134,227**
Shares issued	2,514,000	**25,140**
As at 31 Dec 2022	**15,936,687**	**159,367**

(1) In June 2022 investment funding was raised for 2,494,000 new shares issued at £1.00. At the reporting date deferred share subscriptions were outstanding of £142,720 (2021: £nil) and are held within other receivables. 20,000 share options were also exercised during the financial year at nominal value of £0.01.

23. Share Option Reserve

The Group operates a programme for employees of its subsidiaries to acquire shares in the company under an EMI scheme. All options are settled by the physical delivery of shares once the options have vested and are exercised.

The number and weighted average exercise price of share options during the year were as follows:

	2022		2021	
	Weighted average exercise price	**Share options**	**Weighted average exercise price**	**Share options**
	£	**No.**	**£**	**No.**
Outstanding at start of period	1.56	1,679,607	3.05	250,153
Forfeited/expired during period	1.50	(198,987)	(1.27)	(244,767)
Granted during period	0.27	109,000	1.27	1,705,682
Exercised during period	0.01	(20,000)	(0.30)	(31,461)
Outstanding at end of period	1.49	1,569,620	1.56	1,679,607

Share options have been valued at grant date based on the Black Scholes valuation model using an estimated volatility of 40%. Options vest over varying terms according to individual option agreements from vesting in full on grant date to a period of three years.

All options expire after seven years and an expected take-up rate of 100% has been applied. A dividend yield of 0% has been applied to option valuation models as the Group focuses on capital growth through this period. Risk-free rates have been applied ranging from 0.26% to 3.62% based on UK 10-year gilt rates since 2014.

Other key inputs applied to Black Scholes valuation models are as follows:

Tranche date	**Options outstanding**	**Share price**	**Average exercise price**
	No.	**£**	**£**
01 October 2014	1,325	22.21	0.001
12 January 2015	94	22.21	0.001
15 July 2015	281	24.63	0.001
18 July 2016	2,703	24.63	9.837
12 October 2016	10,000	24.63	24.633
26 January 2018	9,099	8.55	15.462
21 May 2020	21,750	3.64	0.810

09 July 2020	625	3.64	0.810
17 July 2020	2,125	1.96	0.810
24 July 2020	5,000	1.96	0.810
01 October 2020	625	1.96	0.810
21 May 2020	751	1.96	0.810
21 May 2020	998	1.96	0.810
06 July 2020	4,360	1.96	0.810
02 June 2021	716,021	2.57	0.415
25 June 2021	689,863	2.57	2.286
11 August 2022	104,000	0.90	0.277
	1,569,620		

The movement in option valuation during the year ended 31 December 2022 resulted in a staffing cost being recognised by the Group of £1,476,183 (2021: £1,602,025), with a corresponding increase in the Group's equity.

The valuation of options exercised, lapsed, and forfeited during the year totalled £355,150 (2021: £1,519,315) which has been transferred to Retained Earnings.

The contractual life for outstanding options runs for a number of periods, the latest of which being to 11th August 2029.

The total number of exercisable options at the period end was 1,569,620 (2021: 1,679,607), with an average exercise price of £1.49 (2021: £1.56).

24. Other reserves

	2022	2021
	£	£
Convertible loan notes	398,954	-
	398,954	-

Loan notes were issued during the reporting period which are convertible into new ordinary shares at the price of £1.10 per new ordinary share at any point during the three year term of the loan.

The equity element of the convertible loan note is recognised within other reserves. A market interest rate of 21% has been applied to calculate the residual equity value of the financial instrument.

25. Related party transactions

Key management personnel and directors' remuneration is detailed at note 9.

Local Planet International Limited: is a related party to the group by virtue of having Directors in common. Ian James, Martyn Rattle and Nigel Sharrocks are directors of both companies.

Recharges for shared services totalling £146,293 (2021: £107,131) are included in revenue for the year ended 31 December 2022. Amounts outstanding at the year end included in trade receivables totals £29,611 (2021: £37,758).

Recharges for direct costs incurred were processed during the year ended 31 December 2022 totalling £114,009 (2021: £56,000). Amounts outstanding at 31 December 2022 totalled £32,400 (2021: £5,574).

Fluency Media Limited: is a related party to the group by virtue of having Directors in common. Ian James is a director of both companies. Consultancy services were provided during the year ended 31 December 2022 totalling £nil (2021: £90,000). All of these services were provided prior to listing in June 2021 and were settled by the reporting date.

Marmalade Consultants Limited: is a related party to the group by virtue of having Directors in common. Martyn Rattle is a director of both companies Consultancy services were provided during the year ended 31 December 2022 totalling £17,920 (2021: £56,673). Amounts outstanding at 31 December 2022 totalled £nil (2021: £nil).

Educated Solutions Limited: is a related party to the group by virtue of having Directors in common. Ian James and Martyn Rattle are directors of both companies. Revenue was recognised for services provided to the company during the year ended 31 December 2022 totalling £nil (2021: £13,800). Costs of £3,462 (2021: £nil) were also recognised in respect of a profit share agreement. Revenue outstanding at 31 December 2022 totalled £nil (2021: £16,560) and are included within trade receivables.

Umberto Torrielli: A director of the Group company relocated to the USA in order to establish a new presence in this territory in 2020. For this purpose a loan was issued of £150,000 which is held within other debtors at the end of the reporting period (2021: £150,000).

Transactions with group companies

As holding company for the subsidiaries listed at Note 15, all funds raised are distributed to subsidiary companies as required. A summary of balances outstanding at the period end are provided below. All balances are repayable on demand and are lent without security or accruing any interest.

A provision for bad debts has been included in the Company financial statements for all amounts receivable from subsidiaries in both the current and previous year.

Amounts owed to subsidiary companies	**2022**	**2021**
	£	**£**
Silver Bullet Media Services Limited	**2,960,236**	1,180,872
Iotec Native Limited	**802,131**	802,131
	3,762,367	1,983,003

26. Earnings per share

Earnings per share (EPS) is calculated on the basis of profit attributable to equity shareholders divided by the weighted average number of shares in issue for the year. The diluted EPS is calculated on the treasury stock method and the assumption that the weighted average EMI share options outstanding during the period are exercised.

	2022	2021
	£	£
Loss after taxation	(7,222,033)	(8,510,682)
Number of shares		
Weighted average number of ordinary shares in issue	14,889,187	11,684,142
Dilutive effect of in-the-money share options	589,590	792,028
Diluted weighted average number of shares	15,478,777	12,476,170
Earnings per share		
Basic earnings per share	(0.49)	(0.73)
Diluted earnings per share	(0.49)	(0.73)

As there is a loss for the year the options are antidilutive and therefore the basic and the diluted EPS are the same.

27. Other financial commitments

The Company has provided a guarantee in respect of the outstanding liabilities of the subsidiary companies listed below in accordance with Sections 479A - 479C of the Companies Act 2006, as these subsidiary companies of the Group are exempt from the requirements of the Companies Act 2006 relating to the audit of the accounts by virtue of Section 479A of this Act.

Silver Bullet Media Services Limited (06216702)
IOTEC Native Limited (08286180)
Silver Bullet Data Services Limited (10081847)
Local Planet Data Services Ltd (13123941)
Silver Bullet Data Science Limited (14086726)

28. Subsequent events

On 1 June 2023 the company secured additional funding of £0.5m via a new convertible loan note in order to provide the Company with additional working capital to support the significant growth in sales of 4D and its services offering. The convertible loan notes have a term of three years attract interest at a rate of 12% per annum. The convertible loan notes are unsecured and convertible into new ordinary shares of 1p in the Company at the price of £0.50 per new Ordinary Share.

29. Ultimate controlling party

Management consider there is no ultimate controlling part of the Group.