



“Brace for the S&P 500 to plunge 50% and a painful recession to strike as the ‘everything bubble’ bursts.”

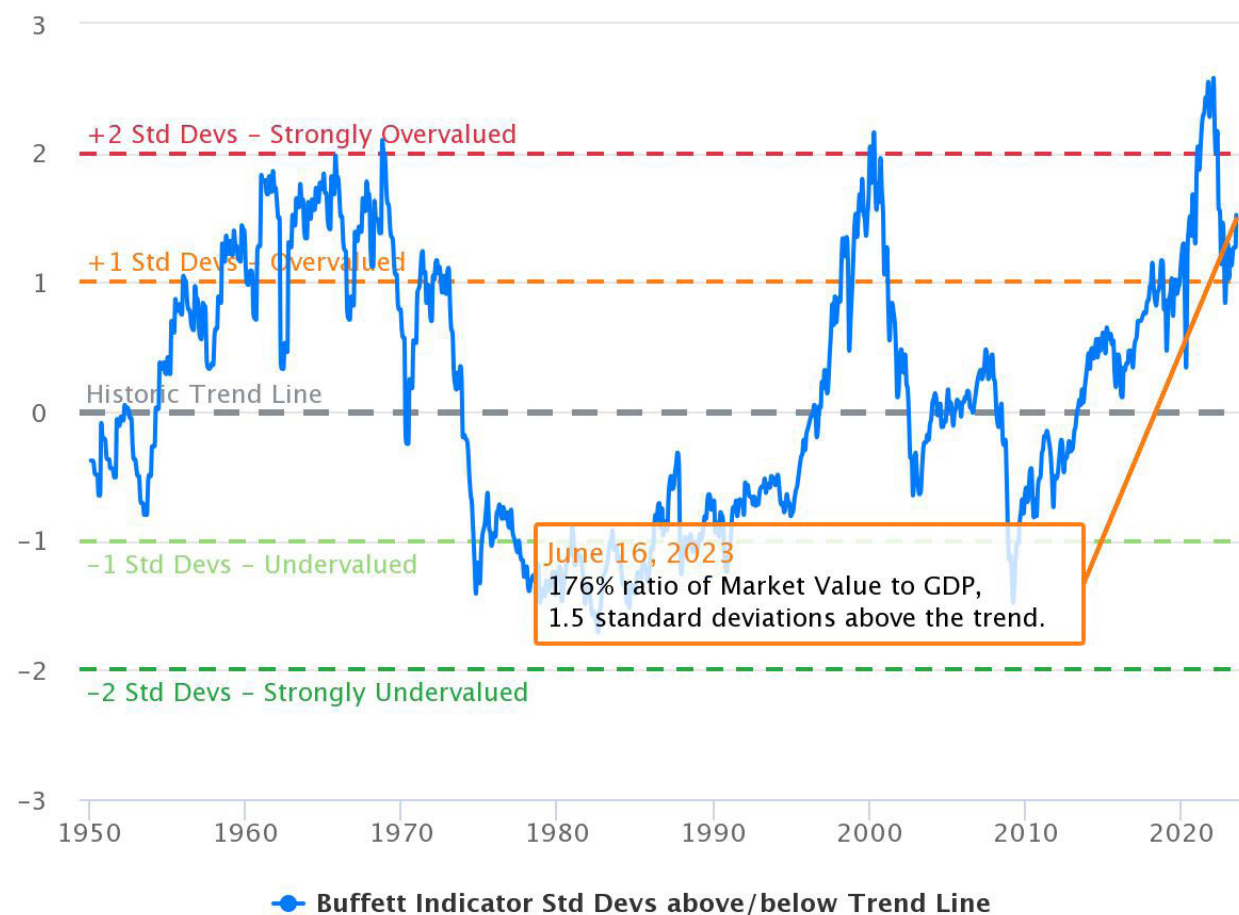
Jeremy Grantham,  
Founder GMO,  
Boston, USA

Annual Report and Accounts

Year to 31 December 2022

### Buffett Indicator: # Standard Deviations from Historic Trend Line

currentmarketvaluation.com



The Buffett Indicator is the ratio of the total United States stock market to GDP. As of June 16, 2023, the ratio is calculated as:

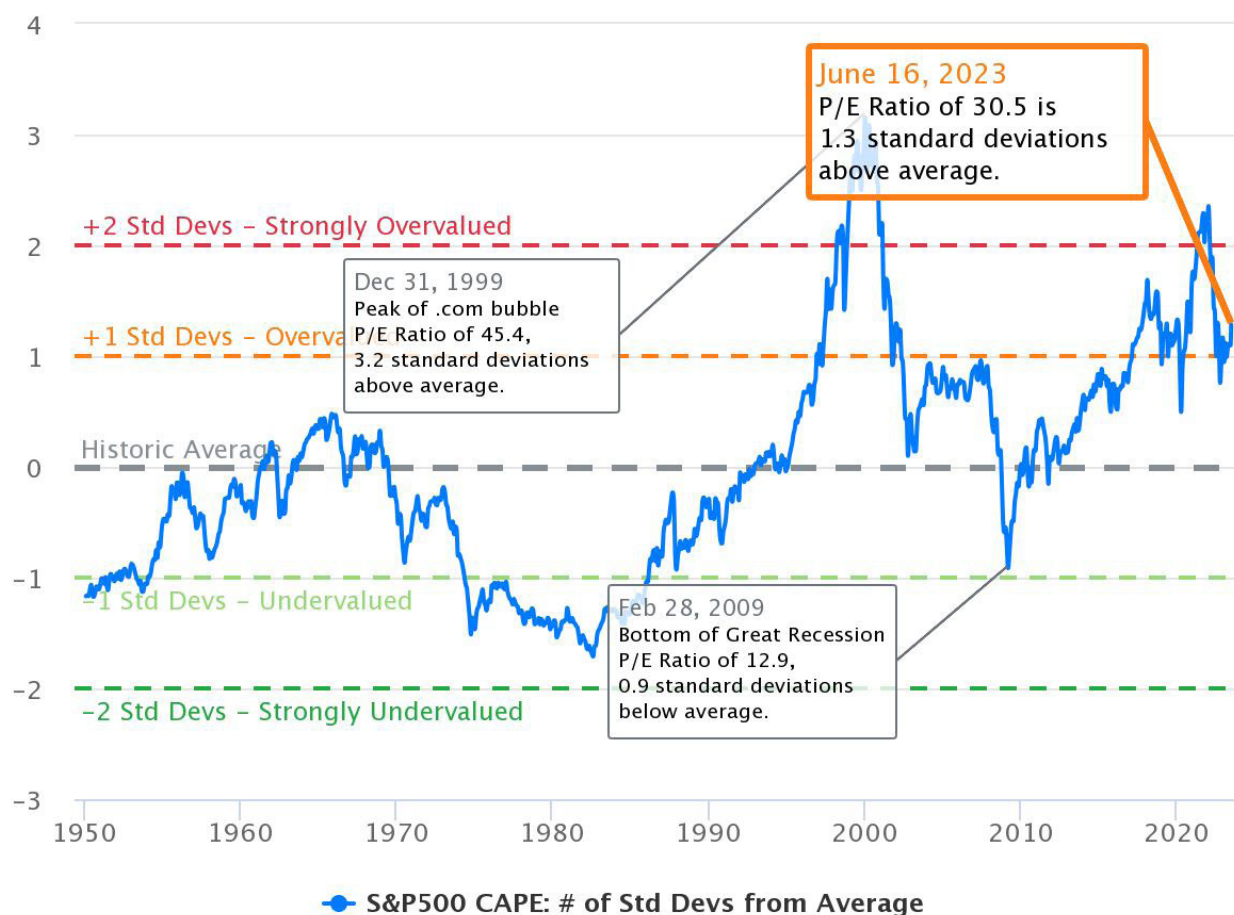
Aggregate US Market Value: \$46.88T  
Annualized GDP: \$26.60T

Buffett Indicator:  $\$46.88\text{T} \div \$26.60\text{T} = 176\%$

This ratio fluctuates over time since the value of the stock market can be very volatile, but GDP tends to grow much more predictably. The current ratio of 176% is approximately 47.06% (or about 1.5 standard deviations) above the historical trend line, suggesting that the stock market is Overvalued relative to GDP.

## S&P500 10-Year P/E (CAPE) Ratio

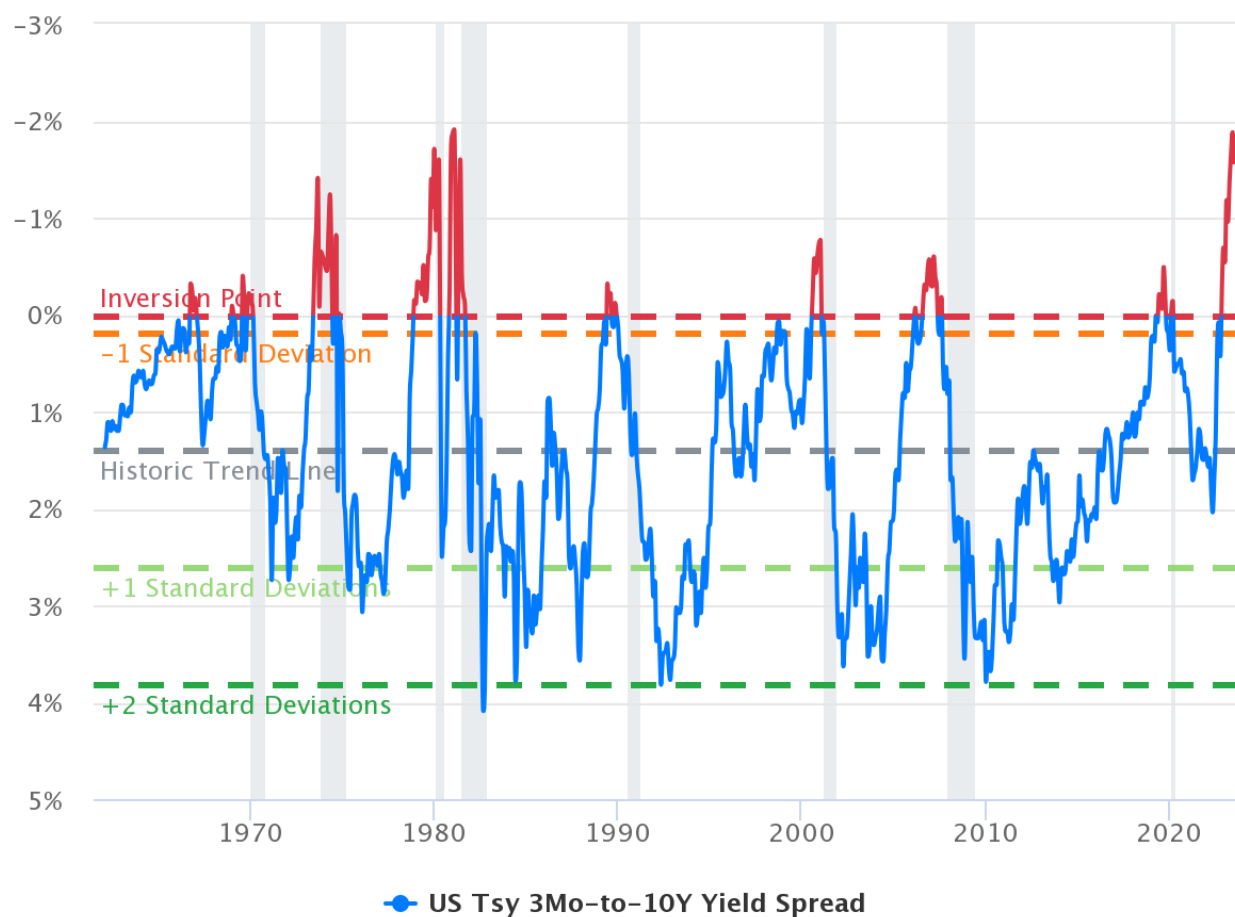
# of standard deviations above/below average



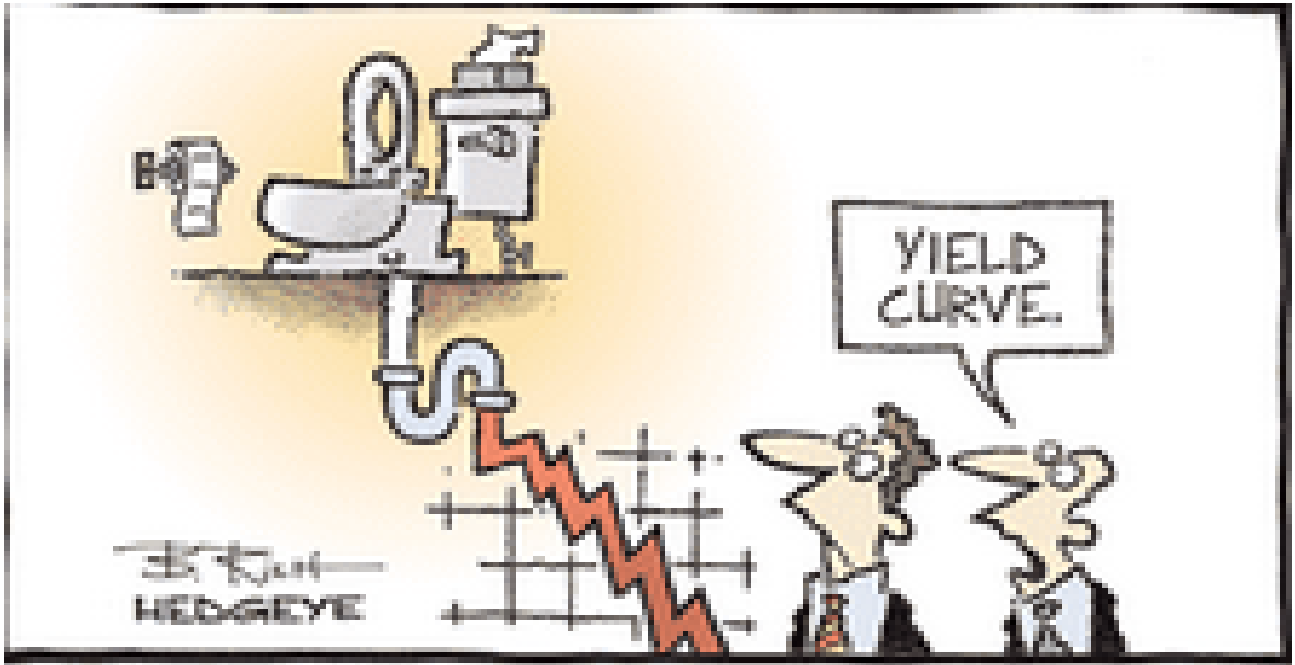
The P/E ratio is a classic measure of a stock's value indicating how many years of profits (at the current earnings rate) it takes to recoup an investment in the stock. The current S&P500 10-year P/E Ratio is 30.5. This is 50.8% above the modern-era market average of 20.2, putting the current P/E 1.3 standard deviations above the modern-era average. This suggests that the market is Overvalued.

## USA Treasury Yield Spread: 10Year to 3Month Spread

[currentmarketvaluation.com](https://currentmarketvaluation.com) (click chart to zoom, menu at top right to download/share)



As of June 16, 2023, the S&P500 P/E ratio is 50.8% (or 1.3 standard deviations) above its modern era average. By this valuation, **the market is Overvalued**



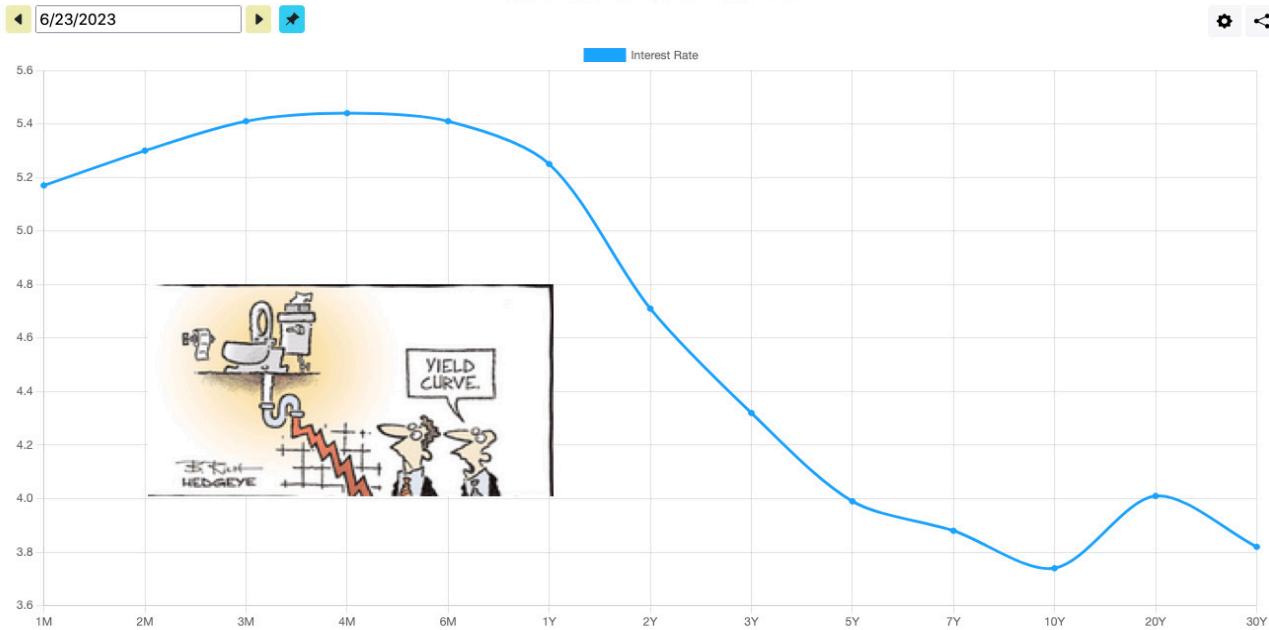
Courtesy Bob Rich, Hedgeye

# The Toilet Indicator

alternatively referred to as ...

## US Treasuries Yield Curve

An app for exploring historical interest rates





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# 2022 HIGHLIGHTS

## Group Results 2022 versus 2021 GBP

	GBP
• Profit /(Loss) after tax for the year	(£1.45m) vs £0.46m
• Group Earnings Per Share (basic and diluted)* <sup>1</sup>	(£0.18) vs £0.06
• Book value per share* <sup>2</sup>	£1.30 vs £1.40
• Investment Holdings	£8.4m vs £9.2m
• Cash	£0.6m vs £5.4m

\*<sup>1</sup> based on weighted average number of shares in issue of 7,945,838 (2021: 7,945,838)

\*<sup>2</sup> based on actual number of shares in issue as at 31 December 2022 of 7,945,838 (2021: 7,945,838)

## 2022 HIGHLIGHTS

- £3m investment in Tappit written off.
- Chairman has agreed to contribute up to £3m from sale of personal property.
- Board still reviewing legal avenues to recover Tappit losses from Directors. Chairman had warned them in writing that the policies they were following would lead to financial disaster.
- 2022 results benefitted from ~£471K contribution from realised hedging gains.
- 2021, Chairman waived consultancy; 2022, Chairman's consultancy accrued, pending performance review.



# CHAIRMAN'S STATEMENT

## Results

2022 results were negatively impacted by the previously announced write off of the Company's investment in Tappit. As also previously announced, I take responsibility for the decision and have offered £3m from the proceeds of the sale of property I own.

The Company was fortunately well hedged during 2022 and realised gains of ~£471,000, somewhat reducing the Tappit loss.

## Outlook - Weather Forecast

"Cloudy with a chance of Meatballs"

2023 got off to a flying start; investors parked their 2022 losses and piled straight back into equities, notwithstanding the fastest increase in US interest rates on record.

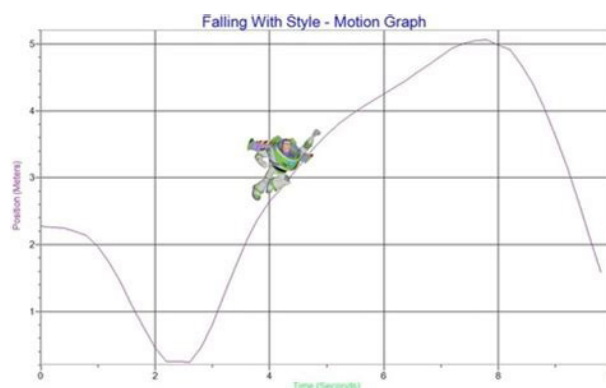
I have updated the table below to reflect 2022 and YTD 2023 performance.

- NASDAQ 100 (NDX) registered
  - ±39% gain thru 3 July 2023
  - ± (33%) loss in 2022
  - ± 27% gain in 2021
  - ± 48% gain in 2020,
  - ± 38% in 2019,
  - ± (1%) loss in 2018,
  - ± 32% in 2017,
  - ± 6% in 2016,
  - ±8% in 2015,
  - ±18% in 2014,
  - ±35% in 2013
  - ± 17% in 2012
  - ± 3% in 2011
  - ± 19% in 2010
  - ± 54% in 2009
  - ± (42%) loss in 2008

The first half of 2023 saw the S&P 500, NASDAQ Composite (CCMP) and NASDAQ 100 (NDX) rally back into Bull Market territory (> 20%), this time led by Tech stocks, the six largest of which now represent ~50% of the NDX (weighted by mkt cap) and have accounted for most of the overall performance (± 80%) of this year's NDX performance. Major performance contributions came from NVDA + 188.3% (Trailing 12M P/E 204.91x), TSLA +108.31% (Trailing 12M P/E 74.59x) and AMZN +53.96% (Trailing 12M P/E 139.42x)

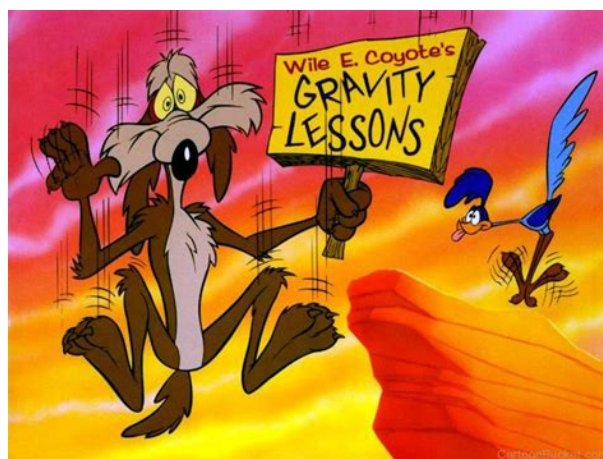
I would refer to these stocks as

Buzz Lightyear Stocks "To infinity and Beyond,"



or ...

Wile E. Coyote Stocks



# CHAIRMAN'S STATEMENT CONTINUED

## Ignore the Bond Market at your Peril

It is key to note is that the bond market is the tail that wags the stock market's dog — it leads...and it is screaming recession...again, as it did in 1990, 2000 and 2007. And with P/E ratios back in nose-bleed territory a recession will only increase P/E multiples which will portend earnings declines and the inevitable collapse in asset prices.

NASDAQ	P/E (TTM)	CAPE* <sup>1</sup> Ratio
23.06.23	30.92	30.35
12.31.22	23.72	34.20
12.31.21	39.00	59.53
12.31.20	39.46	55.33
12.31.19	27.29	41.65
12.31.18	20.34	35.19

\*<sup>1</sup> Cape Ratio: the Cyclically Adjusted P/E ratio otherwise known as the Schiller CAPE ratio.

Whilst the market may currently look cheap, I would point out that in 2020, interest rates were hovering around 0%; today, short term Treasuries are yielding in excess of 5% and the Inverted Yield Curve is screaming recession.

For distracted readers, Jeremy Grantham provides the following summary of "bubble rules." Sigma is how GMO measures deviation from the mean.

1. All 2-sigma equity bubbles in developed equity markets have burst — all the way back to trend. The U.S. reached the 2-sigma level in the summer of 2020.
2. But some of them went to 3-sigma or more before they burst — producing longer and deeper pain. The U.S. reached 3-sigma in late 2021.
3. **Timing is uncertain and when you get to 3-sigma superbubbles, such as we have now, there are few examples. Yet they have all shown certain characteristics before they broke:**

- A speculative investor frenzy that generated stories for distant decades;
- A penultimate blow-off phase where stock gains accelerate, as we had in 2020 (and again in the first half of 2023, this time led by AI Tech Stocks);
- And the ultimate narrowing phase — unique to these few superbubbles — where a decreasing number of very large blue chips (or, as currently in 2023, Mega-Cap Tech Stocks masquerading as Blue Chips) go up as even riskier and more speculative stocks underperform or even decline, as they did in 1929 and 2000, and 2022.

For readers interested in Jeremy Grantham's musings please follow the link below...

[https://www.gmo.com/americas/research-library/after-a-timeout-back-to-the-meat-grinder\\_viewpoints/](https://www.gmo.com/americas/research-library/after-a-timeout-back-to-the-meat-grinder_viewpoints/)

## Holdings

- ARL

The Flying Node bespoke seismic sensor development project, supported by Net Zero Technology Centre (NZTC) and two major Energy Companies, was completed in 2022. Extensive field testing and analysis of the seismic data was performed which culminated in an offshore trial at Fort William in Scotland. During this trial, the Flying Node seismic sensor was benchmark tested against industry standard ocean bottom nodes and comparison of the resulting data sets concluded excellent performance of the ARL design.

The mechanical design of the Flying Node was also modified to optimise the seismic sensor performance and an updated battery system was also developed. This resulted in the build and test of a MK2 version of the Flying Node which was used for the trials.

The software team also progressed the development of the in-house node control and navigation software. Initial in water testing of the software will start in the 2<sup>nd</sup> quarter of 2023.



**Duncan Soukup**

Chairman

**4 July 2023**

# FINANCIAL REVIEW

## GROUP RESULTS

### Continuing Operations

**Total Revenue** from continuing operations for the year to 31 December 2022 was £0.30m (2021: £0.14m) related to grant income for ARL and rental income in Switzerland.

**Cost of Sales** on continuing operations were £0.10m (2021: £0.06m), resulting in a Gross Profit of £0.20m (2021: Gross Profit £0.08m).

**Administrative Expenses** on continuing operations before exceptional costs were £0.5m (2021: £1.4m) and **Depreciation** £0.3m compared to £0.1m in 2021.

**Operating Loss** was therefore £0.6m (2021: loss £1.4m).

**Net Financial Income/(Expense)** of £0.2m included net foreign exchange income, net interest expense and net income from financial investments including fair value adjustments (2021: expense £(0.4)m).

**Other Losses** were £0.9m (2021: loss of £0.02m).

**Share of Losses of Associated Entities** was £0.24m (2021: £0.01).

**Loss Before Tax** on continuing operations was £1.5m (2021: £1.8m).

**Tax** on continuing operations for the period was a credit of £0.05m relating a R&D tax credit (2021: credit £0.1m).

**Loss for the year from Continuing Operations** was therefore £1.45m (2021: £1.7m).

### Discontinued Operations

In 2021 id4 AG was sold to Anemoi International Ltd during the year. During 2022 there were no discontinued operations (2021: loss £0.3m), with a gain on disposal of nil (2021: £2.4m).

### Profit/(Loss) for the year

This resulted in a Group loss for the year of £1.45m (2021: profit £0.5m).

**Net Assets** at 31 December 2022 amounted to £10.3m (2021: £11.2m) resulting in net assets per share of £1.30 based on 7,945,838 shares in issue versus £1.40 in 2021 including cash of £0.6m equivalent to £0.06 per share (2021: £1m and £0.12 per share).

**Net Cash Flow** from operations amounted to an inflow of £0.2m as compared to £1.9m outflow in 2021.

**Net Cash from Investing Activities**, amounted to an outflow of £1.2m (2021 £2.5m) relating to continuing operations in the purchase of available for sale investments.

**Net Cash Outflow from Financing Activities** amounted to £4.3m (2021: inflow £2.5m) relating to the settlement of the credit facility.

**Net Decrease in Cash and Cash Equivalents** was £5.4m resulting in Cash and Cash Equivalents at 31 December 2022 of £0.6m (2021: £5.4m).

# DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

## RESULTS AND DIVIDENDS

The Group made a loss attributable to shareholders of the parent for the year ended 31 December 2022 of £1.4m (2021: profit £0.5m). The Directors do not recommend the payment of a dividend.

## DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company who held office during the year and to date, including details of their interest in the share capital of the Company, are as follows:

Name	Date Appointed	Date Resigned	Shares held	Share options
<b>Executive Director</b>				
C Duncan Soukup	26 September 2007		2,396,970	-
<b>Non-Executive Directors</b>				
Graham Cole	2 April 2008		39,870	-
David M Thomas	2 April 2008		-	-
Kenneth Morgan	24 May 2022		-	-

## DIRECTORS' REMUNERATION

	2022		2021	
	Director Fees £	Consultancy Fees £	Director Fees £	Consultancy Fees £
<b>Executive Directors</b>				
Duncan Soukup	133,000	174,076	272,597	221,025
<b>Non-Executive Directors</b>				
Graham Cole	10,307	-	18,419	-
David Thomas	20,635	-	18,419	-
Kenneth Morgan	5,091	-	-	-
<b>Total remuneration</b>	<b>169,033</b>	<b>174,076</b>	<b>309,435</b>	<b>221,025</b>

## SUBSTANTIAL SHAREHOLDINGS

As of 31 December 2022, the Company had been advised of the following substantial shareholders

Name	Holding	%
Duncan Soukup	2,396,970	30.2%
THAL Discretionary Trust*	2,042,720	25.7%
Mark Costar	530,807	6.7%
Interactive Investor Services Nominees Limited	396,732	5.0%
Vidacos Nominees Limited	303,074	3.8%
Lynchwood Nominees Limited	263,353	3.3%
Other	2,012,182	25.3%
<b>Total number of voting shares in issue</b>	<b>7,945,838</b>	<b>100.0</b>

\* C.Duncan Soukup is a trustee of THAL Discretionary Trust

## SHARE BUY-BACK

There were no share buy backs during the year ended 31 December 2022, nor for the year ended 31 December 2021.

## RELATED PARTY TRANSACTIONS

Details of all related party transactions are set out in note 22 to the financial statements.

## OPERATIONAL RISKS

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, an investment target, which may limit its operational strategies.

The Company is dependent upon the Directors, and in particular, Mr C. Duncan Soukup, who serves as the Executive Chairman, to identify potential acquisition opportunities and to execute any acquisition. The unexpected loss of the services of Mr Soukup or other Directors could have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute an acquisition.

The Company may invest in or acquire unquoted companies, joint ventures or projects which, amongst other things, may be leveraged, have limited operating histories, have limited financial resources or may require additional capital.

## FINANCIAL RISKS

Details of the financial instrument risks and strategy of the Group are set out in note 23.

## GLOBAL ECONOMIC RISK

Whilst the long term impact of Brexit is still currently uncertain and may have an impact on the Company's investments, the Ukraine conflict has clouded the true effect. The Board continues to evaluate the effects of these impacts on the investments and will act accordingly to mitigate any potential loss.

# DIRECTORS' REPORT CONTINUED

## RISKS AND UNCERTAINTIES

A summary of the key risks and mitigation strategies is below:

	<b>Risk</b>	<b>Mitigation</b>
1.	Insufficient cash resources to meet liabilities, continue as a going concern and finance key projects.	Short term and annual business plans are prepared and are reviewed on an ongoing basis. Use of various hedging instruments in order to mitigate major financial risks.
2.	Loss of key management/staff resulting in failure to identify and secure potential investment opportunities and meet contractual requirements.	Regular review of both the Board's and key management's abilities. Review of salaries and benefits including long term incentives and ongoing communication with key individuals.
3.	Failure to maintain strong and effective relations with key stakeholders in investments resulting in loss of contracts or value.	The Board and senior management seek to establish and maintain an open and transparent dialogue with key stakeholders.
4.	Failure to comply with law and regulations in the jurisdictions in which we operate.	Key management are professionally qualified. In addition the Company appoints relevant professional advisers (legal, tax, accounting etc) in the jurisdictions in which we operate.
5.	Significant changes in the political environment, including the impact of Brexit, Covid-19 and the Ukraine conflict, results in loss of resources/market and/or business failure.	The Company's current investments are not expected to be adversely impacted and Management is continuing to monitor the wider political environment to ensure that steps are taken to mitigate political risk.

## DIRECTORS' RESPONSIBILITIES

The Directors have elected to prepare the financial statements for the Group in accordance with UK Adopted International Accounting Standards ("IFRS").

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable UK Adopted International Accounting Standards ("IFRS"). A fair presentation also requires the Directors to:

- select and apply appropriate accounting policies;

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs as applied by the UK is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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 auditors 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.

The financial statements are published on the Group's website. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein

## AGM

The Annual General Meeting was held at Anjuna, 28 Avenue de la Liberté, 06360 Éze France on 29 June 2023 at 11.00 (CEST).

## AUDITORS

A resolution to confirm the appointment RPG Crouch Chapman as the Company's auditors was submitted to the shareholders at the Annual General Meeting.

**Approved by the Board and signed on its behalf  
by**



**C.Duncan Soukup**

Chairman

**4 July 2023**

# CORPORATE GOVERNANCE STATEMENT

The Company's shares are admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market. The Board recognises the importance and value for the Company and its shareholders of good corporate governance. The Company Statement on Corporate Governance is available at <https://thalassaholdingsltd.com/investor-relations/corporate-governance/> and repeated in full below.

## BOARD OVERVIEW

In formulating the Company's corporate governance framework, the Board of Directors have reviewed the principles of good governance set out in the QCA code (the Corporate Governance Code for Small and Mid-Sized Quoted Companies 2018 published by the Quoted Companies Alliance) so far as is practicable and to the extent they consider appropriate with regards to the Company's size, stage of development and resources. However, given the modest size and simplicity of the Company, at present the Board of Directors do not consider it necessary to adopt the QCA code in its entirety.

The purpose of corporate governance is to create value and long-term success of the Group through entrepreneurship, innovation, development and exploration as well as provide accountability and control systems to mitigate risks involved.

## COMPOSITION OF THE BOARD AND BOARD COMMITTEES

As at the date of this report, the Board of Thalassa Holdings Ltd comprises of one Executive Director and two Non-Executive Directors, which complies with the QCA Code.

On the 24 May 2022, Kenneth Morgan was appointed to the board as a further Non-executive Director.

## BOARD BALANCE

The current Board membership provides a balance of industry and financial expertise which is well suited to the Group's activities. This will be monitored and adjusted to meet the Group's requirements. The Board is supported by the Audit Committee, Remuneration Committee and Regulatory Compliance Committee, all of which have the necessary character, skills and knowledge to discharge their duties and responsibilities effectively.

Further information about each Director may be found on the Company's website at <https://thalassaholdingsltd.com/investor-relations/board-directors/>. The Board seeks to ensure that its membership has the skills and experience that it requires for its present and future business needs.

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed. The Board has a procedure allowing Directors to seek independent professional advice in furtherance of their duties, at the Company's expense.

## RE-ELECTION OF DIRECTORS

In line with the QCA code, all Directors are subject to re-election each year, subject to satisfactory performance.

## BOARD AND COMMITTEE MEETINGS

The Board meets sufficiently regularly to discharge its duties effectively with a formal schedule of matters specifically reserved for its decision.

The Board held three full meetings for regular business during 2022, in addition to a number of informal ones. These included meetings of the Audit Committee, the Remuneration Committee and the Regulatory Compliance Committee as required.

Director	Meetings attended
Duncan Soukup	3
Graham Cole	2
David Thomas	3
Kenneth Morgan	1

## AUDIT COMMITTEE

During the financial period to 31 December 2022, the Audit Committee consisted of Graham Cole and any other one director.

The key functions of the audit committee are for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Committee has formal terms of reference.

Former auditor, Jeffreys Henry LLP unexpectedly resigned in December 2022. In the first quarter of 2023 therefore, the Group experienced a delay in the audit process. New auditor, RPG Crouch Chapman, was appointed on 19 April 2023. The Company has indicated its independence to the Board.

At present, the Group does not have an internal audit function. However, the committee believes that management has been able to gain assurance as to the adequacy and effectiveness



of internal controls and risk management procedures. There is no policy held on auditor rotation.

## REMUNERATION COMMITTEE

During the financial period to 31 December 2022, the Remuneration Committee consisted of David Thomas and any other one director. It is responsible for determining the remuneration and other benefits, including bonuses and share based payments, of the Executive Directors, and for reviewing and making recommendations on the Company's framework of executive remuneration. The Committee has formal terms of reference.

The remuneration committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on the terms and conditions of service of the executive Directors, including their remuneration and grant of options.

## REGULATORY COMPLIANCE COMMITTEE

During the financial period to 31 December 2022, the Regulatory Compliance Committee consisted of Graham Cole and any other one director. The committee is responsible for ensuring that the Company's obligations under the Listing Rules are discharged by the Board. The Committee has formal terms of reference.

## STATEMENT ON CORPORATE GOVERNANCE

The corporate governance framework which Thalassa has implemented, including in relation to board leadership and effectiveness, remuneration and internal control, is based upon practices which the board believes are proportionate to the risks inherent to the size and complexity of Thalassa's operations.

The Board considers it appropriate to adopt the principles of the Quoted Companies Alliance Corporate Governance Code ("the QCA Code") published in April 2018. The extent of compliance with the ten principles that comprise the QCA Code, together with an explanation of any areas of non-compliance, and any steps taken or intended to move towards full compliance, are set out below:

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

The Company is a Holding Company which has in the past and will in the future seek to acquire assets which in the opinion of the Board should generate long term gains for its shareholders. The current strategy and business operations of the Company are set out in the Chairman's Statement on

page 6. Shareholders and potential investors must realise that the objectives set out in that document are simply that; "objectives" and that the Company may without prior notification change these objectives based upon opportunities presented to the Board or market conditions.

The Group's strategy and business model and amendments thereto, are developed by the Executive Chairman and his senior management team and approved by the Board. The management team, led by the Executive Chairman, is responsible for implementing the strategy and overseeing management of the business at an operational level.

The Board is actively considering a number of opportunities and, ultimately, the Directors believe that this approach will deliver long-term value for shareholders. In executing the Group's strategy, management will seek to mitigate/hedge risk whenever possible.

As a result of the Board's view of the market, the Board has adopted a five-pronged approach to future investments:

1. **Opportunistic:** where an acquisition or investment exists because of price dislocation (the price of a stock collapses but fundamentals are unaffected) or where the Board identifies a special "off market" opportunity;
2. **Finance:** The Board is currently investigating opportunities in the FinTech sector;
3. **Property:** The Company held a strategic stake in Alina Holdings Plc (formerly The Local Shopping REIT plc). The Company's divestment is more comprehensively described in the Letter to Shareholders dated 28 September 2020 published in the Reports and Documents section of the Company's website;
4. **Education:** There are few businesses that offer the same longevity and predictability of earnings as Education; and
5. **R&D:** Development situations such as ARL where the Board sees an opportunity to participate in disruptive, early-stage technology.

The above outlined strategy is subject to change depending on the Board's findings and prevailing market conditions.

2. Seek to understand and meet shareholder needs and expectations.

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. All reports and press releases are published in the Investor Relations section of the Company's website.

# CORPORATE GOVERNANCE STATEMENT

## CONTINUED

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

The Group is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Group's consultants, employees, partners, suppliers, regulatory authorities and entities with whom it has contracted. The Group's operations and working methodologies take account of the need to balance the needs of all of these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Group for the benefit of its members as a whole. The Group endeavours to take account of feedback received from stakeholders, making amendments where appropriate and where such amendments are consistent with the Group's longer-term strategy.

The Group takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. Through the various procedures and systems it operates, the Group ensures full compliance with health and safety and environmental legislation relevant to its activities. The Group's corporate social responsibility approach continues to meet these expectations.

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

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are designed to manage and whenever possible minimise or eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Audit Committee, the effectiveness of these internal controls is reviewed annually.

A budgeting process is completed once a year and is reviewed and approved by the Board. The Group's results, compared with the budget, are reported to the Board on a regular basis.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meet regularly to consider new risks and opportunities presented to the Group, making recommendations to the Board and/or Audit Committee as appropriate.

The Board has an established Audit Committee, a summary of which is set out in the Board of Directors section of the Company's website.

The Company receives comments from its external auditors on the state of its internal controls.

The more significant risks to the Group's operations and the management of these have been disclosed in the Chairman's statement on page 6.

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

The Board currently comprises two non-executive Directors and an Executive Chairman. Directors' biographies are set out in the Board of Directors section of the Company's website.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and will continue to seek re-election every year.

The Board is responsible to the shareholders for the proper management of the Group and, in normal circumstances, meets at least four times a year to set the overall direction and strategy of the Group, to review operational and financial performance and to advise on management appointments.

A summary of Board and Committee meetings held in the year ended 31 December 2022 is set out above.

The Board considers itself to be sufficiently independent. The QCA Code suggests that a board should have at least two independent Non-executive Directors. Both of the Non-executive Directors who currently sit on the Board of the Company are regarded as independent under the QCA Code's guidance for determining such independence.

Non-executive Directors receive their fees in the form of a basic cash fee based on attendance at board calls and board meetings. Directors are eligible for bonuses. The current remuneration structure for the Board's Non-executive Directors is deemed to be proportionate.

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

The Board considers that the Non-executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities, and bring considerable experience in technical, operational and financial matters.

The Company has put in place an Audit Committee as well as Remuneration and Listing Compliance Committees. The

responsibilities of each of these committees are described in the Board of Directors section of the Company's website.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the on-going development of the Group.

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Company Secretary and various external advisers on a number of regulatory and corporate governance matters.

Directors' service contracts or appointment letters make provision for a Director to seek personal advice in furtherance of his or her duties and responsibilities, normally via the Company Secretary.

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

The Board's performance is measured by the success of the Company's acquisitions and investments and the returns that they generate for shareholders and in comparison to peer group companies. This performance is presented in the Group's monthly management accounts and reported, discussed and reviewed with the Board regularly.

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

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees in the Group. An open culture is encouraged within the Group. The management team regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area.

Thalassa has a strong ethical culture, which is promoted by the actions of the Board and management team. The Group has an anti-bribery policy and would report any instances of non-compliance to the Board. The Group has undertaken a review of its requirements under the General Data Protection

Regulation, implementing appropriate policies, procedures and training to ensure it is compliant.

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

The Board has overall responsibility for promoting the success of the Group. The Chairman has day-to-day responsibility for the operational management of the Group's activities. The non-executive Directors are responsible for bringing independent and objective judgment to Board decisions. Matters reserved for the Board include strategy, investment decisions, corporate acquisitions and disposals.

There is a clear separation of the roles of Executive Chairman and Non-executive Directors. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-executive Directors are properly briefed on matters. Due to its current size, the Group does not require nor bear the cost of a chief executive. The Company's subsidiary ARL is led by two directors.

The Chairman has overall responsibility for corporate governance matters in the Group but does not chair any of the Committees. The Chairman also has the responsibility for implementing strategy and managing the day-to-day business activities of the Group. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Audit Committee normally meets at least once a year and has responsibility for, amongst other things, planning and reviewing the annual report and accounts and interim statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

A summary of the work of the Audit Committee undertaken in the year ended 31 December 2022 is set out above. The Committee has formal terms of reference, which are set out in the Board of Directors section of the Company's website.

The Remuneration Committee, which meets as required, but at least once a year, has responsibility for making recommendations to the Board on the compensation of

# CORPORATE GOVERNANCE STATEMENT

## CONTINUED

senior executives and determining, within agreed terms of reference, the specific remuneration packages for each of the Directors. It also supervises the Company's share incentive schemes and sets performance conditions for share options granted under the schemes.

A summary of the work of the Remuneration Committee undertaken in the year ended 31 December 2022 is set out above. The Committee has formal terms of reference.

The Directors believe that the above disclosures constitute sufficient disclosure to meet the QCA Code's requirement for a Remuneration Committee Report. Consequently, a separate Remuneration Committee Report is not presented in the Group's Annual Report.

The Listing Compliance Committee, which meets as required, is responsible for ensuring that the Company's obligations under the Listing Rules are discharged by the Board. The Committee has formal terms of reference set out in the Board of Directors section of the Company's website.

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

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. The Annual Report includes a Corporate Governance Statement which refers to the activities of both the Audit Committee and Remuneration Committee. All reports and press releases are published in the Investor Relations section of the Group's website.

The Group's financial reports and notices of General Meetings of the Company can be found in the Reports and Documents section of the Company's website. The results of voting on all resolutions in future general meetings will be posted to this website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.



**C. Duncan Soukup**

Chairman

**4 July 2023**

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD

## OPINION

We have audited the financial statements of Thalassa Holdings Ltd and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards as adopted in the United Kingdom (IFRS).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRS.

## 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.

## CONCLUSIONS RELATING TO GOING CONCERN

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

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of the expected cashflows for a period of 12 months from the report date compared with the liquid assets held by the Group.

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

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

## OUR APPROACH TO THE AUDIT

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

## 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 we identified (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. The matter identified was 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.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD CONTINUED

Key audit matter	How our audit addressed the key audit matter
<p><b>Capitalisation of development costs</b></p> <p>The Group held £1.2m (2021: £0.8m) of development costs at the balance sheet date.</p> <p>This relates to the development of Autonomous Nodes which are not currently amortised as they are not yet ready for use. Management have considered all criteria for capitalization to have been met.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> <li>• Reviewing the recognition criteria under IAS 38;</li> <li>• Vouching a sample of costs to supporting documentation;</li> <li>• Recalculating costs where these have been allocated on a percentage basis; and</li> <li>• Reviewing management's assessment of the percentages applied and enquiring as to the current status of the project.</li> </ul>
<p><b>Carrying value of investment in associates</b></p> <p>The Group carrying value of the investment in associates stood at £2.36m (2021: £2.33m) at the balance sheet date.</p> <p>The directors are required to review the carrying value of investments for impairment annually.</p> <p>Given the subjective nature of the related estimates and judgements, we consider the carrying value of available for sale investments to be a key audit matter.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> <li>• Obtaining management's basis for impairment reviews;</li> <li>• Reviewing current year performance of the associated companies and expected future cashflows; and</li> <li>• Reviewing calculations of the fair values used to support the carrying value of investments.</li> </ul>

<p><b>Carrying value of loans receivable</b></p> <p>The Group held £5.5m (£5.7m) of loans at the balance sheet date. Loans should initially be held at amortised costs, plus accrued interest, less any provisions for bad debt identified.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> <li>• Obtaining and reviewing loan agreements to ensure year end balances have been accurately reflected;</li> <li>• Assessing each loan for recoverability;</li> <li>• Reviewing provisions provided for bad debts; and</li> <li>• Recalculating interest receivable in the year via a proof in total by reference to the underlying loan agreement.</li> </ul>
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## OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We consider gross assets to be the most significant determinant of the Group's financial performance used by the users of the financial statements. We have based materiality on 1.5% of gross assets for each of the operating components. Overall materiality for the Group was therefore set at £0.2m. For each component, the materiality set was lower than the overall group materiality.

We agreed with the Audit Committee that we would report on all differences in excess of 5% of materiality relating to the Group financial statements. We also report to the Audit Committee on financial statement disclosure matters identified when assessing the overall consistency and presentation of the consolidated financial statements.



## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 15 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Group operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error; as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

## OTHER MATTERS THAT WE ARE REQUIRED TO ADDRESS

We were appointed on 19 April 2023, and this is the first year of our engagement as auditors for the Group.

We confirm that we are independent of the Group and have not provided any prohibited non-audit services, as defined by the Ethical Standard issued by the Financial Reporting Council.

Our audit report is consistent with our additional report to the Audit Committee explaining the results of our audit.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD CONTINUED

## USE OF OUR REPORT

This report is made solely to the Group's members, as a body. Our audit work has been undertaken so that we might state to the Group'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 Group and the Group's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Handwritten signature of Mark Wilson in black ink, reading "RPG Crouch Chapman LLP".

**Mark Wilson MA, FCA**

(Senior Statutory Auditor)

**For and on behalf of RPG Crouch Chapman LLP**

Chartered Accountants

Registered Auditors

5th Floor, 14-16 Dowgate Hill

London

EC4R 2SU

**4 July 2023**



# CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2022

	Note	2022 GBP	2021 GBP
<b>Continuing Operations</b>			
Revenue	3	295,968	138,656
Cost of sales		(95,925)	(55,125)
<b>Gross profit / (loss)</b>		<b>200,043</b>	<b>83,531</b>
Total administrative expenses		(531,024)	(1,406,048)
<b>Operating loss before depreciation</b>		<b>(330,981)</b>	<b>(1,322,517)</b>
Depreciation and Amortisation	9&10	(305,848)	(101,462)
<b>Operating loss</b>		<b>(636,829)</b>	<b>(1,423,979)</b>
Net financial income/(expense)	5	249,535	(355,204)
Other gains/(losses)		(881,118)	(22,380)
Share of losses of associated entities		(235,658)	(9,156)
<b>Profit/(loss) before taxation</b>		<b>(1,504,070)</b>	<b>(1,810,719)</b>
Taxation	7	54,167	132,240
<b>Profit/(loss) for the year from continuing operations</b>		<b>(1,449,903)</b>	<b>(1,678,479)</b>
<b>Discontinued Operations</b>			
<b>Profit/(loss) for the year from discontinued operations</b>	<b>6</b>	<b>-</b>	<b>(305,509)</b>
Gain on disposal of subsidiary	6	-	2,440,728
<b>Profit/(loss) for the year</b>		<b>(1,449,903)</b>	<b>456,740</b>
<b>Attributable to:</b>			
Equity shareholders of the parent		(1,449,903)	456,740
Non-controlling interest		-	-
		456,740	681,892
<b>Earnings per share - GBP (using weighted average number of shares)</b>			
Basic and Diluted - Continuing Operations		(0.18)	0.10
Basic and Diluted - Discontinued Operations		0.00	(0.04)
<b>Basic and Diluted</b>	<b>8</b>	<b>(0.18)</b>	<b>0.06</b>

The notes on pages 30 to 49 form an integral part of this consolidated financial information

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	2022 GBP	2021 GBP
<b>Profit/(loss) for the financial year</b>	<b>(1,449,903)</b>	<b>456,740</b>
<b>Other comprehensive income:</b>		
Exchange differences on re-translating foreign operations	594,684	134,698
<b>Total comprehensive income</b>	<b>(855,219)</b>	<b>591,438</b>
<b>Attributable to:</b>		
Equity shareholders of the parent	(855,219)	591,438
Non-Controlling interest	-	-
<b>Total Comprehensive income</b>	<b>(855,219)</b>	<b>591,438</b>

The notes on pages 30 to 49 form an integral part of this consolidated financial information.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Note	2022 GBP	2021 GBP
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	1,319,695	907,531
Property, plant and equipment	10	2,030,733	1,661,081
Loans	12	5,571,412	5,705,273
Investments in associated entities	13	2,356,526	2,325,457
<b>Total non-current assets</b>		<b>11,278,366</b>	<b>10,599,342</b>
<b>Current assets</b>			
Trade and other receivables	14	765,302	809,607
Available for sale financial assets	11	504,877	1,187,346
Cash and cash equivalents		629,215	5,398,208
<b>Total current assets</b>		<b>1,899,394</b>	<b>7,395,161</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	1,210,810	1,113,289
Borrowings	16	158,473	4,475,560
<b>Total current liabilities</b>		<b>1,369,283</b>	<b>5,588,849</b>
<b>Net current assets</b>		<b>530,111</b>	<b>1,806,312</b>
<b>Non-current liabilities</b>			
Long term debt	16	1,510,377	1,252,335
<b>Total non-current liabilities</b>		<b>1,510,377</b>	<b>1,252,335</b>
<b>Net assets</b>		<b>10,298,100</b>	<b>11,153,319</b>
<b>Shareholders' Equity</b>			
Share capital	19	128,977	128,977
Share premium		21,717,786	21,717,786
Treasury shares	19	(8,558,935)	(8,558,935)
Other reserves		(1,696,320)	(1,696,320)
Foreign exchange reserve		4,430,855	3,836,171
Retained earnings		(5,724,263)	(4,274,360)
<b>Total shareholders' equity</b>		<b>10,298,100</b>	<b>11,153,319</b>
<b>Total equity</b>		<b>10,298,100</b>	<b>11,153,319</b>

The notes on pages 30 to 49 form an integral part of this consolidated financial information.

These financial statements were approved and authorised by the board on 4 July 2023.

**Signed on behalf of the board by:**



**C. Duncan Soukup**

Chairman

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	2022 GBP	2021 GBP
<b>Operating profit/(loss) from:</b>			
Continuing operations		(636,829)	(1,435,978)
Discontinued operations		-	(285,509)
<b>Operating profit/(loss) including discontinued operations</b>		<b>(636,829)</b>	<b>(1,721,487)</b>
<b>Adjustments for:</b>			
Impairment losses on goodwill		-	149,992
(Increase)/decrease in trade and other receivables		44,305	(311,077)
(Decrease)/increase in trade and other payables		97,521	347,870
Gain/(loss) on disposal of AFS investments		471,589	117,541
Net exchange differences		(19,253)	(93,995)
Other income		25,486	-
Depreciation and amortisation	9&10	306,497	210,401
Share of losses of associate/gain on disposal		(234,828)	(9,156)
Fair value movement on AFS financial assets		64,817	(704,554)
<b>Cash generated by operations</b>		<b>119,306</b>	<b>(2,014,465)</b>
Taxation		54,167	132,240
<b>Net cash flow from operating activities</b>		<b>173,473</b>	<b>(1,882,225)</b>
<b>Sale/(purchase) of property, plant and equipment</b>		<b>(517,376)</b>	<b>(1,564,752)</b>
<b>Sale/(purchase) of intangible assets</b>		<b>(418,408)</b>	<b>(212,433)</b>
<b>Net (purchase)/sale of AFS financial assets</b>		<b>(245,899)</b>	<b>97,010</b>
<b>Investments in associated entities</b>		<b>(31,071)</b>	<b>(815,428)</b>
<b>Net cash flow in investing activities</b>		<b>(1,212,754)</b>	<b>(2,495,603)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		33,133	354,229
Repayment of borrowings		(4,357,529)	2,167,225
<b>Net cash flow from financing activities</b>		<b>(4,324,396)</b>	<b>2,521,454</b>
<b>Net increase in cash and cash equivalents</b>		<b>(5,363,677)</b>	<b>(1,856,374)</b>
Cash and cash equivalents at the start of the year		5,398,208	7,116,110
Effects of exchange rate changes on cash and cash equivalents		594,684	138,472
<b>Cash and cash equivalents at the end of the year</b>		<b>629,215</b>	<b>5,398,208</b>

The notes on pages 30 to 49 form an integral part of this consolidated financial information.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Attributable to owners of the Company						Non-controlling Shareholders		Total Equity GBP
	Share Capital GBP	Share Premium GBP	Treasury Shares GBP	Other Reserves GBP	Foreign Exchange Reserve GBP	Retained Earnings GBP	Total GBP	Interest GBP	
<b>Balance as at</b>									
<b>31 December 2020</b>	<b>128,977</b>	<b>21,717,786</b>	<b>(8,558,935)</b>	<b>78,716</b>	<b>3,697,697</b>	<b>(5,428,679)</b>	<b>11,635,562</b>	<b>(122,298)</b>	<b>11,513,264</b>
Disposal of subsidiary with NCI	-	-	-	(1,775,036)	-	697,579	(1,077,457)	122,298	(955,159)
Exchange on conversion to GBP	-	-	-	-	3,776	-	3,776	-	3,776
Total comprehensive income	-	-	-	-	134,698	456,740	591,438	-	591,438
<b>Balance as at</b>									
<b>31 December 2021</b>	<b>128,977</b>	<b>21,717,786</b>	<b>(8,558,935)</b>	<b>(1,696,320)</b>	<b>3,836,171</b>	<b>(4,274,360)</b>	<b>11,153,319</b>	<b>-</b>	<b>11,153,319</b>
Total comprehensive income	-	-	-	-	594,684	(1,449,903)	(855,219)	-	(855,219)
<b>Balance as at</b>									
<b>31 December 2022</b>	<b>128,977</b>	<b>21,717,786</b>	<b>(8,558,935)</b>	<b>(1,696,320)</b>	<b>4,430,855</b>	<b>(5,724,263)</b>	<b>10,298,100</b>	<b>-</b>	<b>10,298,100</b>

\* Upon conversion to GBP, the variance between opening and closing rate for the reserves was taken to the Foreign Exchange Reserve

The notes on pages 30 to 49 form an integral part of this consolidated financial information.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022

## 1. GENERAL INFORMATION

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company is a holding company with various interests across a number of industries.

Autonomous Robotics Limited ("ARL" – formerly GO Science 2013 Ltd) is a wholly owned subsidiary of Thalassa and is an Autonomous Underwater Vehicle ("AUV") research and development company.

Apeiron Holdings is a BVI registered business and is a wholly owned by Thalassa. Until the 17 December 2021, it owned 84% of Apeiron AG which is a company registered in Switzerland. Apeiron AG was merged with id4 AG during the period and the resulting company (named id4 AG) was sold to Anemoi International Limited on the 17 December 2021.

Aperion Holdings (BVI) is the 100% shareholder of Alfalfa Holdings AG, a company registered in Switzerland.

WGP Geosolutions Limited is a wholly owned subsidiary of Thalassa which is non-operational and has an additional subsidiary, WGP Group AT GmbH which was dissolved on 24/08/2022.

## 2. ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable UK Adopted International Accounting Standards.

The financial statements are expressed in GBP from 2021 and the comparatives have been restated. Historically the financial statements have been expressed in US dollars being the functional currency of the company and its subsidiaries other than DOA Exploration Ltd, and Autonomous Robotics Limited which have a functional currency of pound sterling, WGP Group AT GmbH and WGP Geosolutions Ltd of Euro and Alfalfa Holdings AG of Swiss francs.

The change to presenting in GBP is due to the lack of USD as a functional currency in either Thalassa or its subsidiaries.

The following exchange rates were used in the translation of the accounts: -

Year end GBPUSD exchange rate as at 31 Dec 2022: 1.2103 (2021:1.350).

Average GBPUSD exchange rate as at 31 Dec 2022: 1.2802 (2021:1.357).

Year end GBPEUR exchange rate as at 31 Dec 2022: 1.1273 (2021:1.189).

Average GBPEUR exchange rate as at 31 Dec 2022: 1.158 (2021:1.154).

Year end GBPCHF exchange rate as at 31 Dec 2022: 1.1187 (2021:1.234).

Average GBPCHF exchange rate as at 31 Dec 2021: 1.1764 (2021:1.221).

The principal accounting policies are summarised below. They have been applied consistently throughout the period covered by these financial statements.

### 2.1. FUNCTIONAL CURRENCY

The presentational currency of the financial statements is GBP, whereas the functional currency of the Company is US Dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the presentational currency at the spot exchange rate on the balance sheet date. Any resulting exchange differences are included in the statement of comprehensive income. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

### 2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group changed to UK Adopted International Accounting Standards at year-end 2021 from International Financial Reporting Standards (IFRSs) as adopted by the European Union for the year ended 31 December 2020.

**Standards issued but not yet effective:** There were a number of standards and interpretations which were in issue during the current period but were not effective at that date and have not been adopted for these Financial Statements. The Directors have assessed the full impact of these accounting changes on the Company. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements. They may

result in consequential changes to the accounting policies and other note disclosures. The new standards will not be early adopted by the Group and will be incorporated in the preparation of the Group Financial Statements from the effective dates noted below.

The new standards include:

IFRS 17	Insurance contracts <sup>1</sup>
IAS 1	Presentation of financial statements and IFRS Practice Statement 2 <sup>1</sup>
IAS 8	Accounting policies, changes in accounting estimates and errors <sup>1</sup>
IAS 12	Income Taxes <sup>1</sup>
IFRS 7	Financial Instruments: Disclosures (Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)) <sup>2</sup>
IFRS 16	Leases (Amendment – to clarify how a seller-lessee subsequently measure sale and leaseback transactions) <sup>2</sup>
IAS 1	Presentation of financial statements (Amendment – Classification of Liabilities as Current or Non-Current) <sup>2</sup>
IAS 1	Presentation of financial statements (Amendment – Non-current Liabilities with Covenants) <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

## 2.3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

## 2.4. JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement areas relate to the carrying value of provisions for loans receivable. Plant and Equipment is reviewed annually for indication of impairment. Intellectual property is amortised and also reviewed annually for indication of impairment. Loans receivable are reviewed for potential recovery and impairments included where necessary. Capitalised research and development costs are reviewed annually for indication if impairment.

Judgement is also made in respect of the accounting treatment of the THAL Discretionary Trust. Management's assessment is based on various indicators including activities, decision-making, benefits and risks of the Trust. Based on this assessment, management consider that the THAL Discretionary Trust should not be consolidated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 2.5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight-line basis between 3 and 15 years from the point at which the asset is put into use.

## 2.6. INTANGIBLE ASSETS

### GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.16) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, 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 based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

As the underlying assets are not yet operational, amortisation of capitalised development has not yet begun.

### DEVELOPMENT COSTS

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. Such intangible assets are carried at cost less amortisation. Amortisation is charged to 'Administrative expenses' in the Statement of Comprehensive Income on a straight-line basis over the intangible assets' useful economic life. The amortisation is based on a straight-line method typically over a period of 1-10 years depending on the life of the related asset.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development costs are capitalised as an intangible asset only if the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefit;
- the development cost of the asset can be measured reliably;
- it meets the Group's criteria for technical and commercial feasibility; and
- sufficient resources are available to meet the development costs to either sell or use as an asset.

### OTHER INTANGIBLE ASSETS

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses



## 2.7. IMPAIRMENT OF ASSETS

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

## 2.8. INVESTMENTS

Available for sale investments are initially measured at cost, including transaction costs. Gains and losses arising from changes in fair value of available for sale investments are recognised at fair value through profit or loss.

## 2.9. REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, is recognised according to the value of work performed in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the costs recognised that are recoverable.

Where payments are received in advance in excess of revenue recognised in the period, this is reflected as a liability on the statement of financial position as deferred revenue.

**Rental income** from investment properties leased out under operating leases is recognised net of VAT, returns, rebates and discounts in the Income Statement on a straight-line basis over the term of the lease. The directors consider this is in line with when the Company's performance obligations are satisfied. Standard payments terms are that services are paid in advance. When the Group provides lease incentives to its tenants the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction to income.

## 2.10. TAXATION

The Company is incorporated in the BVI as an IBC and as such is not subject to tax in the BVI. DOA Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and are therefore subject to UK tax regulations. Alfalfa Holdings AG is incorporated in Switzerland in the canton of Lucerne and are subject to Swiss tax regulations.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 2.11. FOREIGN CURRENCY

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial reporting date. Exchange differences arising are included in the statement of income for the period.

DOA Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and have a functional currency of GBP. Exchange differences on the retranslation of operations denominated in foreign currencies are included in Other Comprehensive Income.

Year end GBPUSD exchange rate as at 31 Dec 2022: 1.2103 (2021:1.350).

Average GBPUSD exchange rate as at 31 Dec 2022: 1.2802 (2021:1.357).

Year end GBPEUR exchange rate as at 31 Dec 2022: 1.1273 (2021:1.189).

Average GBPEUR exchange rate as at 31 Dec 2022: 1.158 (2021:1.154).

Year end GBPCHF exchange rate as at 31 Dec 2022: 1.1187 (2021:1.234).

Average GBPCHF exchange rate as at 31 Dec 2022: 1.1764 (2021:1.221).

## 2.12. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such a time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit and loss in the period incurred.

## 2.13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

**Loans and receivables** are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest, and are reduced by appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

**Available for sale financial assets** comprise investments which do have a fixed maturity and are classified as current assets if they are intended to be held for the medium to long term. They are measured at fair value through profit or loss.

**Trade receivables** are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

**Cash and cash equivalents** comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Trade payables** are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

**Equity instruments** are recorded at fair value, being the proceeds received, net of direct issue costs.

**Share Capital** – Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

**Treasury shares** – Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Borrowings** are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest.

## 2.14. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to any former owners and the equity interests issued by the Group in exchange for control. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests and the fair value of the acquirer's previously held equity interest (if any) over the net of the acquisition-date amounts of the identifiable assets acquired, and the liabilities assumed.

## 2.15. GOING CONCERN

The financial statements have been prepared on the going concern basis as management consider that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business. The Group has fully assessed its financial commitments and at the year-end had net cash reserves of £0.5m plus a further £2.9m of available for sale investments.

## 2.16. INVESTMENT IN ASSOCIATED ENTITIES

Investments in associates are those over which the Group has significant influence. These are accounted for using the equity method of accounting. Significant influence is considered to be participation in the financial and operating policy decisions of the investee and is usually evidenced when the Group owns between 20% and 50% of that company's voting rights.

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the associate after acquisition. At the date of acquisition any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate is recognised as goodwill. The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Group's share of losses exceeds its interest in an associate the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Group has an obligation to make further funding contributions to that associate.

The Group's share of associates' post-acquisition profits or losses is recognised in profit or loss and the post-acquisition movements in other comprehensive income is recognised within other comprehensive income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 3. SEGMENT INFORMATION

Management have chosen to organise the Group information by revenue generated. During the year the Group had one operating segment comprised of rental income through the Aperion Group.

Information related to each reportable segment is set out below.

	<b>Rental Income GBP</b>	<b>Sale of Services GBP</b>	<b>Total Income GBP</b>
Revenue	211,048	-	211,048

Based on these segments, the reportable segments under IFRS 8 is as follows:

	<b>Rental Income GBP</b>	<b>Other segments GBP</b>	<b>Total Continuing Operations GBP</b>
<b>Segment income statement</b>			
Revenue	211,048	84,920	295,968
Expenses	(133,377)	(1,360,813)	(1,494,190)
Depreciation and amortisation	(183,673)	(122,175)	(305,848)
<b>Profit/loss before tax</b>	<b>(106,001)</b>	<b>(1,398,069)</b>	<b>(1,504,070)</b>
Attributable income tax (expense)/credit	(440)	54,607	54,167
<b>Profit/(loss) for the period</b>	<b>(106,441)</b>	<b>(1,343,462)</b>	<b>(1,449,903)</b>

	<b>Rental Income GBP</b>	<b>Other segments GBP</b>	<b>Total Continuing Operations GBP</b>
<b>Segment statement of financial position</b>			
Non-current assets	1,990,862	9,287,504	11,278,366
Current assets	(35,827)	1,935,221	1,899,394
Assets	1,955,035	11,222,725	13,177,760
Current liabilities	574,711	794,572	1,369,283
Non-current liabilities	1,500,532	9,845	1,510,377
Liabilities	2,075,243	804,417	2,879,660
<b>Net assets</b>	<b>(120,208)</b>	<b>10,418,308</b>	<b>10,298,100</b>
Shareholders' equity	(120,208)	10,418,308	10,298,100
<b>Total equity</b>	<b>(120,208)</b>	<b>10,418,308</b>	<b>10,298,100</b>

#### 4. EMPLOYEES

The average number of employees (excluding the Directors) employed by the Group was:-

	2022	2021
Sales	-	-
Development	4	4
Admin	-	5
	<b>4</b>	<b>9</b>

#### 5. NET FINANCIAL EXPENSE

	2022 GBP	2021 GBP
Loan interest receivable	(53,935)	351,714
Loan interest payable	(27,791)	(41,263)
Bank interest receivable	33,133	1,515
Bank interest payable	(1,653)	(3,852)
Lease liability	(91,535)	(29,150)
Gains/(Losses) on investments	435,545	(540,173)
Foreign currency gains/(losses)	(44,229)	(93,995)
	<b>249,535</b>	<b>(355,204)</b>

#### 6. DISCONTINUED OPERATIONS

	2022 GBP	2021 GBP
<b>Analysis of profit for the year from discontinued operations</b>		
Revenue	-	28,000
Expenses	-	(333,509)
<b>Profit before income tax</b>	<b>-</b>	<b>(305,509)</b>
Income tax expense/(credit)	-	-
<b>Profit after income tax of discontinued operations</b>	<b>-</b>	<b>(305,509)</b>
Gain on sale of the subsidiary after income tax	-	2,440,728
<b>Profit from discontinued operation</b>	<b>-</b>	<b>2,135,219</b>
	<b>2022 GBP</b>	<b>2021 GBP</b>
Net cash inflow from operating activities	-	8,519
Net cash outflow from investing activities	-	(418,246)
Net cash inflow from financing activities	-	344,799
<b>Net cash outflow in subsidiary</b>	<b>-</b>	<b>(64,928)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 6. DISCONTINUED OPERATIONS CONTINUED

Details of the sale of the subsidiary	2022 GBP	2021 GBP
<b>Consideration received</b>		
Shares in Anemoi International	-	2,240,000
Carrying amount of assets sold	-	200,728
<b>Gain on sale</b>	<b>-</b>	<b>2,440,728</b>

On 17 December 2021, Apeiron Holdings BVI, a 100% owned subsidiary of Thalassa, successfully completed the sale of its subsidiary id4 AG to Anemoi International Ltd. Consideration consisted of shares in Anemoi International Ltd to the value of £2.24m.

Prior to the disposal of the associate, the loan outstanding from Thalassa and Apeiron BVI was converted to a capital contribution under Swiss and BVI law, this loan was used to finance the losses bought forward in id4 AG of £697,597 and therefore they have been offset resulting in a decrease in capital of £1,077,457 before the removal of non-controlling interest.

## 7. INCOME TAX EXPENSE

	2022 GBP	2021 GBP
Current tax/(credit) from continuing operations	(54,167)	(132,240)
<b>Total Tax/(Credit)</b>	<b>(54,167)</b>	<b>(132,240)</b>

	GBP	GBP
Profit/(loss) before tax from continuing operations	(1,449,903)	(1,678,479)
Tax at applicable rates	(275,482)	(318,911)
Losses carried forward	275,482	318,911
R&D Tax (Credit) relating to current year	(54,167)	(132,240)
<b>Total Tax/(Credit) on continuing operations</b>	<b>(54,167)</b>	<b>(132,240)</b>

	GBP	GBP
Profit before tax from discontinued operations	-	(305,509)
Tax at applicable rates	-	-
<b>Total Tax on discontinued operations</b>	<b>-</b>	<b>-</b>

The applicable tax rates in relation to the Group's profits are BVI 0%, UK 19% & 25% and Swiss 12.3% (2021: 0%, 19% and 12.3%). The Applicable tax rate for the UK changed from 19% to 25% on 1 April 2023.

Autonomous Robotics Ltd has unprovided trading losses carried forward of approximately £4.5m available for utilisation against future trading profits.

## 8. EARNINGS PER SHARE

	2022 GBP	2021 GBP
The calculation of earnings per share is based on the following loss attributable to ordinary shareholders and number of shares:		
Profit/(Loss) for the year from continuing operations	(1,449,903)	762,249
Profit/(Loss) for the year from discontinued operations	-	(305,509)
<b>Profit for the year</b>	<b>(1,449,903)</b>	<b>456,740</b>
<b>Weighted average number of shares of the Company</b>	<b>7,945,838</b>	<b>7,945,838</b>
Earnings per share:		
Basic and Diluted (GBP) from continuing operations	(0.18)	0.10
Basic and Diluted (GBP) from discontinued operations	-	(0.04)
Basic and Diluted (GBP)	(0.18)	0.06
<b>Number of shares outstanding at the period end:</b>		
<b>Number of shares in issue</b>	<b>7,945,838</b>	<b>7,945,838</b>
Recording error	-	-
Treasury shares	-	-
Capital Redemption	-	-
<b>Basic number of shares in issue</b>	<b>7,945,838</b>	<b>7,945,838</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 9. INTANGIBLE ASSETS AND GOODWILL

	Development costs GBP	Patents GBP	Software GBP	Sub-total GBP	Goodwill GBP	Total GBP
<b>At 31 December 2020</b>						
Cost	614,072	81,026	-	695,098	265,154	960,252
Accumulated Impairment	-	-	-	-	(115,162)	(115,162)
<b>Net book amount</b>	<b>614,072</b>	<b>81,026</b>	<b>-</b>	<b>695,098</b>	<b>149,992</b>	<b>845,090</b>

### Full-year ended 31 December 2021

Opening net book amount	614,072	81,026	-	695,098	149,992	845,090
Additions	372,071	45,356	22,550	439,976	-	439,976
Disposal of subsidiaries	(223,785)	-	-	(223,785)	(147,384)	(371,169)
Amortisation charge	-	-	(3,758)	(3,758)	(2,608)	(6,366)
<b>Closing net book amount</b>	<b>762,358</b>	<b>126,382</b>	<b>18,792</b>	<b>907,531</b>	<b>-</b>	<b>907,531</b>

### At 31 December 2021

Cost	762,358	126,382	22,550	911,289	-	911,289
Accumulated Impairment	-	-	(3,758)	(3,758)	-	(3,758)
<b>Net book amount</b>	<b>762,358</b>	<b>126,382</b>	<b>18,792</b>	<b>907,531</b>	<b>-</b>	<b>907,531</b>

### Full-year ended 31 December 2022

Opening net book amount	762,358	126,382	18,792	907,531	-	907,531
Additions	391,289	27,119	-	418,408	-	418,408
Revaluation of c'fwd amount	-	-	2,546	2,546	-	2,546
Amortisation charge	-	-	(8,790)	(8,790)	-	(8,790)
<b>Closing net book amount</b>	<b>1,153,647</b>	<b>153,501</b>	<b>12,548</b>	<b>1,319,695</b>	<b>-</b>	<b>1,319,695</b>

### At 31 December 2022

Cost	1,153,647	153,501	25,096	1,332,243	-	1,332,243
Accumulated Amortisation	-	-	(12,548)	(12,548)	-	(12,548)
<b>Net book amount</b>	<b>1,153,647</b>	<b>153,501</b>	<b>12,548</b>	<b>1,319,695</b>	<b>-</b>	<b>1,319,695</b>

The intangible assets held by the group increased as a result of capitalising the development costs and patent fees of Autonomous Robotics Ltd, alongside the introduction and build of a new finance system in Thalassa Holdings Ltd. in 2021. Systems are being amortised over a three year period. Goodwill related to the acquisition of iD4 Ltd in December 2019 and alongside the development costs of iD4 were removed upon disposal of the subsidiary in December 2021.



## 10. PROPERTY, PLANT AND EQUIPMENT

<b>Cost</b>	<b>Total GBP</b>	<b>Land and buildings GBP</b>	<b>Plant and Equipment GBP</b>	<b>Motor Vehicles GBP</b>
Cost at 1 January 2021	574,510	55,556	137,693	381,261
FX movement	1,713	-	487	1,226
	576,223	55,556	138,180	382,487
Additions	1,460,666	1,357,726	708	102,232
Disposal of Subsidiary	(19,312)	-	(19,312)	-
<b>Cost at 31 December 2021</b>	<b>2,017,577</b>	<b>1,413,282</b>	<b>119,576</b>	<b>484,719</b>
<b>Depreciation</b>				
Depreciation at 1 January	267,781	18,519	117,522	131,740
FX movement	2,215	-	989	1,226
	269,996	18,519	118,511	132,966
Charge for the year on continuing operations	95,116	9,392	3,940	81,784
Foreign exchange effect on year-end translation	(137)	(135)	952	(954)
Disposal of Subsidiary	(8,479)	-	(8,479)	-
<b>Depreciation at 31 December 2021</b>	<b>356,496</b>	<b>27,776</b>	<b>114,924</b>	<b>213,796</b>
<b>Closing net book value at 31 December 2021</b>	<b>1,661,081</b>	<b>1,385,506</b>	<b>4,652</b>	<b>270,923</b>
Cost at 1 January 2022	2,017,577	1,413,282	119,576	484,719
FX movement	201,735	137,001	9,377	55,357
	2,219,312	1,550,283	128,953	540,076
Additions	517,376	515,846	1,530	-
<b>Cost at 31 December 2022</b>	<b>2,736,688</b>	<b>2,066,128</b>	<b>130,483</b>	<b>540,076</b>
<b>Depreciation</b>				
Depreciation at 1 January	356,496	27,776	114,924	213,796
FX movement	36,920	-	9,315	27,605
	393,416	27,776	124,239	241,401
Charge for the year on continuing operations	297,707	192,932	3,695	101,080
Foreign exchange effect on year end translation	14,832	14,832	-	-
<b>Depreciation at 31 December 2022</b>	<b>705,955</b>	<b>235,540</b>	<b>127,934</b>	<b>342,481</b>
<b>Closing net book value at 31 December 2022</b>	<b>2,030,733</b>	<b>1,830,589</b>	<b>2,549</b>	<b>197,595</b>

As outlined in note 2.7, an assessment is made at each financial reporting date as to whether there is any indication of impairment of any asset. An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions, value in use and useful economic life. As a result, there has been no impairment charge in 2022 (2021: \$nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 11. INVESTMENTS – AVAILABLE FOR SALE FINANCIAL ASSETS

The Group classifies the following financial assets at fair value through profit or loss (FVPL):-

AFS investments have been valued incorporating Level 1 inputs in accordance with IFRS7.

Equity investments that are held for trading.

	2022 GBP	2021 GBP
<b>Available for sale investments</b>		
At the beginning of the period	1,187,345	1,417,003
Additions	3,554,617	3,445,080
Unrealised gain/(losses)	87,635	(518,523)
Disposals	(4,461,505)	(3,172,142)
Forex on opening balance	136,785	15,928
<b>At 31 December</b>	<b>504,877</b>	<b>1,187,346</b>

## 12. LOANS AND PORTFOLIO HOLDINGS

	2022 GBP	2021 GBP
Loans at 1 January	1,333,599	1,279,849
Accrued interest	45,235	39,365
Forex on opening balance	153,635	14,385
<b>Loans at 31 December</b>	<b>1,532,469</b>	<b>1,333,599</b>
Portfolio Holdings at 1 January	4,371,674	4,292,777
Issued	746,009	255,607
Interest	325,237	293,767
Repaid	(92)	(475,861)
Forex	28,157	5,384
Written off - Tappit Loan Interest & Option Value	(1,432,041)	-
<b>Portfolio holdings at 31 December</b>	<b>4,038,944</b>	<b>4,371,674</b>
<b>Total of loans and holdings</b>	<b>5,571,412</b>	<b>5,705,273</b>

The Loan is to the THAL Discretionary Trust, interest is payable at 3% per annum (reviewed periodically).

The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

In September 2020 a loan was issued to Tappit Technologies (UK) Ltd for £3m, in the form of a convertible loan note and incurred a non-compounding interest charge of 8% with a maturity date 36 months post agreement date. As of December 31 2022, interest of £424k was accrued. The Tappit Technologies (UK) Ltd loan notes were revalued in 2020 at fair value using a discounted cash flow method at the market rate of 10% on final value. The discount element of the final conversion has been valued using the Black-Scholes method to provide the fair value adjustment noted in the table above. A fair value exercise was undertaken for 2021 under the same method with no adjustment necessary due to there being no new shares or financing. The option was valued at £1,008,294.

Without prior notification, Thalassa was advised on 26 January 2023, that Messrs Taylor and Pitts of Begbies Traynor (Central) LLP had been appointed as administrators of Tappit on the 20 January 2023 and that a sale of Tappit's business and assets by way of a pre-packaged sale to Tap Holdco Limited completed on the same date.

Thalassa announced on 27 January 2023 that the position was being written down to £Nil in the books. The Chairman, commensurately announced that on an exceptional and purely moral basis he would proceeds from the sale of personal property in the amount of Thalassa's initial investment of £3m. As a result, only the value of the accrued interest and Option value, totalling £1,432,041 has been written off, above.

Thalassa is still exploring all options including, but not limited to, possible legal action against the Directors of Tappit.

Upon formation of Anemoi International Ltd, a 10% fixed rate cumulative convertible loan note was issued for \$350k, as per the terms of the agreement the notes were converted to preference shares in December 2021 but prior to the sale of id4 to Anemoi International Ltd on 17 December 2021 – see note 13.

In December 2021 the warrants held by Thalassa for Anemoi International Ltd, were transferred to the Anemoi Discretionary Trust in exchange for a debt of \$345,000. The debt is repayable on the exercising of the warrants by the beneficiaries of the Trust.

### 13. ASSOCIATED ENTITIES

	<b>2022 GBP</b>	<b>2021 GBP</b>
Fair value of investment at 1 January	2,325,457	
Fair value of investment at 17 December 2021		2,086,448
Share of profits/(losses) for the year attributable to the Group	(235,659)	(9,156)
Exchange Variance	266,728	
Conversion of loan notes to preference shares		248,165
	<b>2,356,526</b>	<b>2,325,457</b>

There are no other entities in which the Group holds 20% or more of the equity, or otherwise exercises significant influence over the affairs of the entity.

### 14. TRADE AND OTHER RECEIVABLES

	<b>2022 GBP</b>	<b>2021 GBP</b>
Trade receivables	86,669	123,344
Trade receivables	86,669	123,344
Other receivables	440,181	49,608
Corporation tax	106,663	128,893
Prepayments	131,789	507,762
<b>Total trade and other receivables</b>	<b>765,302</b>	<b>809,607</b>

The Directors consider that the carrying value of trade and other receivables approximate to their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 15. TRADE AND OTHER PAYABLES

	2022 GBP	2021 GBP
Trade payables	677,135	666,526
Other payables	307,259	279,254
Accruals	226,416	167,509
<b>Total trade and other payables</b>	<b>1,210,810</b>	<b>1,113,289</b>

## 16. BORROWINGS

<b>Non-current liabilities</b>	2022 GBP	2021 GBP
Lease liabilities	1,510,377	1,252,335
	<b>1,510,377</b>	<b>1,252,335</b>
<b>Current liabilities</b>	2022 GBP	2021 GBP
Credit facility	-	4,324,649
Lease liabilities	158,473	150,911
	<b>158,473</b>	<b>4,475,560</b>

In December 2020 the group entered into a fixed-term advance GBP currency denominated credit facility.

The total available amount under the facility is GBP£10.3m of which £Nil was drawn down as at 31 December 2022 (2021: £4.4m). The facility carries an interest rate of 0.7547%.

The credit facility was cancelled in December 2022.

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets mandatorily measured at FVPL include the following:-

	2022 GBP	2021 GBP
<b>Non current assets</b>		
Investments in associated entities	2,356,526	2,325,457
Portfolio Holdings	4,038,944	4,371,674
<b>Current assets</b>		
Available for sale financial assets	504,877	1,187,346
<b>At 31 December</b>	<b>6,900,347</b>	<b>7,884,477</b>
<b>Amounts recognised in profit or loss:-</b>	2022 GBP	2021 GBP
Available for sale financial assets	224,420	(502,595)
Investments in associated entities	(235,658)	(213,100)
Portfolio Holdings	101,691	181,563
	<b>90,453</b>	<b>(534,132)</b>

## 18. LEASES AS LESSEE

Thalassa's subsidiary, Autonomous Robotics Ltd, entered into a lease for the rent of the top floor of Eastleigh Court near Warminster in January 2018 for £10,000 per annum. However, the rent is being accrued and will only become payable upon successful completion of the fund-raising exercise. A borrowing rate of 2.5% has been applied to this lease. Previously, this lease was classified as an operating lease under IAS 17.

Thalassa's subsidiary id4 entered into a lease in January 2021, for the buildings surrounding and including Villa Kramerstein on the banks of Lake Lucerne in Switzerland. Prior to the sale of id4, the lease was transferred to another subsidiary of Thalassa, Alfalfa Holdings AG. Since the accounting date, some of the buildings have been sublet and therefore the income matches the expenditure. A borrowing rate of 5% has been applied to this lease. The weighted average incremental borrowing rate of 4.94% was applied to lease liabilities recognised at the initial adoption of IFRS 16. Where applicable, the Group has used the exemption under IFRS 16 regarding the exemption of short-term leases and have excluded from the balance sheet.

### Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 10).

	<b>Land and buildings GBP</b>
Balance at 1 January 2022	1,385,504
Additions	515,846
Depreciation charge for the year	(192,932)
Foreign exchange effect on year-end translation	122,171
<b>Balance at 31 December 2022</b>	<b>1,830,589</b>
<b>Amounts recognised in profit or loss</b>	
<b>2021 - Leases under IFRS 16</b>	<b>GBP</b>
Interest on lease liabilities	(91,535)
Expenses related to short-term leases	(38,486)
Right of use asset	(177,506)
	<b>(307,527)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 19. SHARE CAPITAL

	As at 31 Dec 2022 GBP	As at 31 Dec 2021 GBP
Authorised share capital:		
100,000,000 ordinary shares of \$0.01 each	1,000,000	1,000,000
Exchange Rate for Conversion	1.61674	1.61674
100,000,000 ordinary shares of \$0.01 each in GBP	618,529	618,529
Allotted, issued and fully paid:		
20,852,359 ordinary shares of \$0.01 each	208,522	208,522
Average Exchange Rate for Conversion	1.61674	1.61674
20,852,359 ordinary shares of \$0.01 each in GBP	128,977	128,977

	Number of shares	Number of Treasury shares	Treasury shares GBP
<b>Balance at 31 December 2020</b>	<b>7,945,838</b>	<b>12,906,521</b>	<b>8,558,935</b>
Shares purchased	-	-	-
<b>Balance at 31 December 2021</b>	<b>7,945,838</b>	<b>12,906,521</b>	<b>8,558,935</b>
Shares purchased	-	-	-
<b>Balance at 31 December 2022</b>	<b>7,945,838</b>	<b>12,906,521</b>	<b>8,558,935</b>

Treasury shares represents the cost of the Company buying back its shares. There were 12,906,521 shares held in Treasury as at 31 December 2022 (2021: 12,906,521 shares) which comprised 61.9% of the total issued share capital (2021: 61.9%). No purchase took place in 2022 (2021: nil).

Under the Company's memorandum of association, the Company is authorised to issue 100,000,000 shares of one class with a par value of US\$0.01 each. Under the Company's articles of association, the Board is authorised to offer, allot, grant options over or otherwise dispose of any unissued shares. Furthermore, the Directors are authorised to purchase, redeem or otherwise acquire any of the Company's own shares for such consideration as they consider fit, and either cancel or hold such shares as treasury shares. The directors may dispose of any shares held as treasury shares on such terms and conditions as they may from time to time determine. Further, the Company may redeem its own shares for such amount, at such times and on such notice as the directors may determine, provided that any such redemption is pro rata to each shareholders' then percentage holding in the Company.

Share capital represents 7,945,838 ordinary shares of \$ 0.01 each.

The shares have been translated at the exchange rate at the point of issue and the period end movements taken to the foreign exchange reserve. The average rate noted above therefore reflects the aggregate rate at which the final share capital balance is recognised.

The following describes the nature and purpose of each reserve within equity:

Retained Earnings: All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere

FX Reserves: Gains/losses arising on retranslating the net assets of overseas operations into the reporting currency.

Share Premium: Amount subscribed for share capital in excess of nominal value.

Other Reserves: Other reserves include, 1. Revaluation Reserves (gains/losses arising on the revaluation of the group's property). 2. Capital Contribution related to the merger of id4 AG into Apeiron Holdings AG.

## 20. CAPITAL MANAGEMENT

The Group's capital comprises ordinary share capital, retained earnings and capital reserves. The Group's objectives when managing capital are to provide an optimum return to shareholders over the short to medium term through capital growth and income whilst ensuring the protection of its assets by minimising risk. The Group seeks to achieve its objectives by having available sufficient cash resources to meet capital expenditure and ongoing commitments.

At 31 December 2022, the Group had capital of £10,298,100 (2021: £11,153,319). The Group does not have any externally imposed capital requirements.

## 21. INVESTMENT IN SUBSIDIARIES

Details of the Company's subsidiaries at the year end are as follows:

Name of subsidiary	Place of incorporation	Effective Share holding	
		2022	2021
DOA Alpha Ltd (formerly WGP Group Ltd)	British Virgin Islands	100%	100%
DOA Exploration Ltd (formerly WGP Exploration Ltd)	United Kingdom	100%	100%
DOA Delta Ltd (formerly WGP Survey Ltd)	British Virgin Islands	100%	100%
Apeiron Holdings (BVI) Ltd (formerly Autonomous Holdings Ltd)	British Virgin Islands	100%	100%
Autonomous Robotics Ltd	United Kingdom	100%	100%
WGP Geosolutions Limited	Cyprus	100%	100%
WGP Group AT GmbH – dissolved 24/08/2022	Austria	0%	100%
Alfa Holdings AG	Switzerland	100%	100%

The Group prepares its accounts in accordance with applicable UK Adopted International Accounting Standards ("IFRS"), through application of the appropriate standard the investments in subsidiaries are held at cost within the Group financial statements.

Due to the pre- or early stage revenue producing status, and therefore book value, of Autonomous Robotics Limited the directors of the Group feel that the IFRS cost basis does not represent a market value of the subsidiaries.

## 22. RELATED PARTY TRANSACTIONS

Under the consultancy and administrative services agreement entered into on 3 January 2011 with a company in which the Chairman has a beneficial interest, the Group accrued £307,076 in 2022 (2021: £493,622). Mr Soukup waived the 2021 balance of £478,594 for services provided to the Group.

During the period Graham Cole, non-executive director, invoiced the Group £6,215 of which £Nil was owed as at 31 December 2022 (2021: £6.3k) and £4,092 accrued.

During the period David Thomas, non-executive director, invoiced the Group £Nil of which £Nil was owed as at 31 December 2022 (2021: £18.4k) and £20,635 accrued.

During the period Kenneth Morgan, non-executive director, invoiced the Group £Nil of which £Nil was owed as at 31 December 2022 and £5,091 accrued.

Athenium Consultancy Ltd, a company in which the Group owns shares invoiced the group for financial and corporate administration services totalling £165,000 for the period (Dec 2021: nil).

The Group was due £2,894 (2021: £48,701) from Anemoi International Ltd, a company in which through its subsidiary Apeiron Holdings BVI holds shares and is related by common control through the Chairman, Duncan Soukup. During the year services amounting to £22,013 (2021: £48,701) were charged from Thalassa.

As at the year end the Group was due £17,073 (2021: £7,362) from Alina Holdings Limited, a company under common directorship. During the year services amounting to £91,167 (2021: £123,619) were charged from Thalassa.

ARL owed rent of £10,000 during the period for trading premises from Eastleigh Court Limited. The beneficiaries of Eastleigh Court Ltd include D Soukup, a director during the period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2022

## 23. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents together with various items such as trade and other receivables and trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

### INTEREST RATE RISK

The Group does not undertake any hedging against interest rate risk. The Group finances its operations from the cash balances on the current and deposit accounts. The Group had total borrowings of £Nil as at 31 December 2022 (2021: £4.5m).

#### Interest rate sensitivity

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term credit facilities.

The impact of changes in interest rates on the cost is as follows:

#### For the year ended December 31, 2022

**Change in  
interest  
rate cost  
GBP '000**

Interest rate translations of:

+10 basis points	5
-10 basis points	(5)
+100 basis points	20
-100 basis points	(20)

### FOREIGN EXCHANGE RISK

The Group undertakes FOREX and asset risk management activities from time to time to mitigate foreign exchange risk.

An increase in foreign exchange rates of 5% at 31 December 2022 would have decreased the profit and net assets by £8,718 (2021: £141,705). A decrease of 5% would have had an equal and opposite impact.

As 31 December 2022 approximately 68% (2021: 10%) of amounts owing to suppliers are held in GBP, 8% in EUR (2021: 17%), 6% in USD (2021: 53%), 1% in NOK (2021: 0%) and 17% in CHF (2021: 21%).

### CREDIT RISK

Group credit risk is predominantly a matter of individual corporate risk. However, Group companies also operate in frontier and challenging regions which has the potential to add risk and uncertainty both from an operational and financial point of view. Whenever and wherever possible the Group attempts to mitigate this risk.

In line with other international companies, the Group is exposed to geopolitical risks and the possibility of sanctions which could adversely affect our ability to perform operations or collect receivables from our clients. This risk is uninsurable and unhedgeable.

### LIQUIDITY RISK

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. All financial liabilities are generally payable within 30 days and do not attract any other contractual cash flows. Based on current forecasts the Group has sufficient cash to meet future obligations. The maturity analysis of the current trade and other payables is as follows:



<b>31 December 2022</b>	<b>30 days GBP</b>	<b>30-60 days GBP</b>	<b>60-90 days GBP</b>	<b>90+ days GBP</b>	<b>Total GBP</b>
Finance lease liabilities	13,206	13,206	13,206	118,855	158,473
Trade payables	677,135	-	-	-	677,135
Other payables	30,132	-	-	277,127	307,259
Accruals	43,814	4,110	-	178,492	226,416
	<b>764,287</b>	<b>17,316</b>	<b>13,206</b>	<b>574,474</b>	<b>1,369,283</b>

## 24. SUBSEQUENT EVENTS

Without prior notification, Thalassa was advised on 26 January 2023, that Messrs Taylor and Pitts of Begbies Traynor (Central) LLP had been appointed as administrators of Tappit on 20 January 2023 and that a sale of Tappit's business and assets by way of a pre-packaged sale to Tap Holdco Limited completed on the same date. Please see note 12 for more detail.

## 25. COPIES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are available on the Company's website: [www.thalassaholdingsltd.com](http://www.thalassaholdingsltd.com).

## 26. CONTROLLING PARTIES

There is no one controlling party.

# DIRECTORS, SECRETARY AND ADVISERS

## Directors

C Duncan Soukup, Chairman  
Graham Cole FCA, FCISI, Director (retired 21/10/22)  
David M Thomas, Director  
Kenneth Morgan, Director

## Registered Office

Folio Chambers  
P.O. Box 800, Road Town, Tortola,  
British Virgin Islands

## Company Secretary

Duncan Soukup

## Broker

WH Ireland Limited  
24 Martin Lane, London EC4R 0DR

## Solicitors to the Company (as to English Law)

Locke Lord (UK) LLP  
201 Bishopsgate, London EC2M 3AB

## Solicitors to the Company (as to BVI Law)

Conyers Dill & Pearman  
Romasco Place, Wickhams Cay I PO Box 3140  
Road Town, Tortola  
British Virgin Islands VG1110

## Auditors

RPG Crouch Chapman LLP  
5th Floor, 14-16 Dowgate Hill  
London EC4R 2SU

## Registrars

Link Market Services 12 Castle Street  
St Helier Jersey JE2 3RT

## Company websites

[www.thalassaholdingsltd.com](http://www.thalassaholdingsltd.com)  
[www.autonomousroboticsltd.com](http://www.autonomousroboticsltd.com)





Courtesy Bob Rich, Hedgeye



[www.thalassaholdingsltd.com](http://www.thalassaholdingsltd.com)