ARGO BLOCKCHAIN PLC

Company Registration No. 11097258 (England and Wales)

ARGO BLOCKCHAIN PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	M I Shaw R Chopra M Perrella P G Wall (resigned in February 2023) A Appleton (resigned in January 2023) S Gow (resigned in February 2023)
Company secretary	MSP Corporate Services Limited
Company number	11097258
Registered office	Argo Blockchain PLC Eastcastle House, 27/28 Eastcastle Street London, United Kingdom, W1W 8DH
Auditor	PKF Littlejohn LLP 15 Westferry Circus, Canary Wharf London, United Kingdom, E14 4HD
Broker	finnCap Limited 1 Bartholomew Close London, United Kingdom, SW1E 5DH
Bankers	Canadian Imperial Bank of Commerce South Vancouver Island, 1175 Douglas Street, Victoria, BC, Canada, V8W 2E1
Registrar	Computershare Investor Services PLC The Pavilions, Bridgwater Road Bristol, United Kingdom BS13 8AE
Solicitors	Fladgate LLP 16 Great Queen Street London, United Kingdom, WC2B 5DG

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CHAIRMAN'S STATEMENT

2022 was a year of transformation for Argo Blockchain. In the first half of the year, we completed the development and construction of the Helios facility in Dickens County, Texas. We energized Helios in May 2022 and began mining operations, and we increased our total hashrate capacity by more than 50%. However, we faced numerous headwinds as our business model was challenged by sharp declines in Bitcoin price, increases in the global network hashrate, increases in energy prices, and macroeconomic and geopolitical factors. At the end of 2022, we made the strategic decision to sell the Helios facility and use the proceeds to reduce debt on our balance sheet. Following the transaction, we have strengthened Argo's management team, renewed our emphasis on financial discipline and operational excellence, and crafted a strategy to resume our growth. With these steps, we are in a much better position to improve our mining operations and grow the business.

2022 in Review

Our main focus in 2022 was to complete the build out and energization of the Helios facility. In Q1 2022, we raised additional financing in the form of secured debt from NYDIG to complete construction at Helios. On 5 May 2022, we successfully energized Helios and commenced mining operations. With 180 MW of capacity and utilizing 100% immersion-cooling technology, the Helios facility is one of the largest and most technologically-advanced Bitcoin mining facilities in the United States.

In the same month, we began taking delivery of the new Bitmain Antminer S19J Pro machines that we ordered in September 2021. We installed the new machines in monthly batches and grew our total hashrate capacity by more than 50% from 1.6 EH/s in April 2022 to 2.5 EH/s in September 2022.

As we brought operations online at Helios, we began to transition away from our hosted operations at facilities owned by Core Scientific ("Core"). Between May and July 2022, we completed a machine swap with Core, whereby new-in-box Bitmain S19J Pro machines were delivered to Helios in exchange for Core taking over our existing fleet of Bitmain S19 machines hosted in its facilities. This machine swap mitigated the logistical challenges and downtime associated with unplugging and shipping the mining machines from Core's facilities to Helios. After completion of the machine swap in July 2022, 100% of Argo's mining machines were operating in our own facilities.

One of the attributes that made the Helios project an attractive investment for Argo was its location in the Texas Panhandle, where more than 85% of the installed power generation capacity comes from wind and solar. Not only is this strategy consistent with our stated goal of using renewable sources of energy to power our mining operations, but Texas has long been known for having low-cost electricity due to the high percentage of renewable power on its grid.

Several external factors, however, resulted in elevated electricity prices during Q2 and Q3 of 2022 when we were commencing operations at Helios. Russia's invasion of Ukraine and the subsequent sanctions on Russian petroleum exports disrupted the energy markets. This, along with unusually low stocks of natural gas in US storage facilities, resulted in a historic spike in the price of natural gas. While Texas has a large amount of renewable energy generation, it also has a significant amount of natural gas-fired generation. The increased natural gas price also caused an increase in electricity prices, making it cost prohibitive to sign a fixed price power purchase agreement ("PPA"). This had a negative impact on our mining performance and profitability.

Additionally, the global network hashrate continued to increase throughout 2022 despite the material decline in Bitcoin price. The depressed price of Bitcoin and the elevated global hashrate caused hashprice, the primary measure of mining profitability, to reach all-time lows in Q4 2022. The low hashprice and elevated power prices significantly reduced Argo's profitability and ability to generate free cash flow. During Q4 2022, we evaluated several strategic alternatives to restructure our balance sheet and improve our cash flow.

On 28 December 2022, we announced a series of transactions with Galaxy Digital Holdings, Ltd. ("Galaxy") that strengthened our balance sheet, improved our liquidity position, and enabled us to continue mining operations. As part of the transactions, we sold the Helios facility and real property in Dickens County, Texas to Galaxy for £54 million ($65 million) and refinanced existing asset-backed loans via a new £29 million ($35 million), three-year asset-backed loan with Galaxy. The transactions reduced total indebtedness by £34 million ($41 million) and allowed us to simplify our operating structure.

Importantly, we maintained ownership of our entire fleet of more than 27,000 mining machines. Pursuant to a new two-year hosting services agreement with Galaxy, our 23,650 Bitmain S19J Pro mining machines at Helios will remain in operation at that facility. Under the hosting agreement, we have access to the base power rate that Galaxy obtains through its PPA, and we pay them an incremental hosting fee based on our actual electricity usage.

The hosting agreement with Galaxy allowed us to keep our mining machines operating at Helios and mitigated any mining machine downtime from the sale of the Helios facility. Furthermore, we believe that the immersion-cooling system we developed and implemented at Helios provides for a superior operating environment for our mining machines.

After the year end, we completed the transition of operations at Helios over to the Galaxy team, and we have been working closely with them to optimize our mining operations and performance.

We continue to operate both data centers that we own in Quebec, Canada. Our Baie Comeau site is over 40,000 square feet and has 15 MW of 99% renewable power capacity sourced from the nearby Baie Comeau hydroelectric dam. Our Mirabel facility, located adjacent to the Mirabel airport near Montreal, has approximately 30,000 square feet of mining space with 5 MW of 99% renewable power capacity sourced from Hydro-Quebec. We also operate a cleaning and repair center at Mirabel, along with servers and computing equipment for proof-of-stake activities and other blockchain infrastructure needs.

Going forward, in the near term we will be focusing on optimization by improving the operational efficiency of our Quebec facilities and utilizing excess capacity at these sites. Both data centers have access to 99% renewable electricity from hydropower at competitive power prices. Additionally, we are expecting the delivery of 2,870 units of the ePIC Blockchain machine (known as the “BlockMiner” machine), in early Q3 2023. These new BlockMiner machines, representing an incremental 300 PH/s of hashrate capacity, will be deployed at our Quebec facilities.

Financial results

Revenue in 2022 was £47.4 million ($58.6 million) compared to £74.2 million ($100.2 million) in 2021. Adjusted EBITDA was £1.0 million ($1.2 million) compared to £55.0 million ($74.2 million) in 2021. Loss attributable to shareholders totalled £199.5 million ($246.7 million). In 2022, total capital expenditures, net of disposals, were £5.4 million ($6.7 million), with nearly all going towards Helios infrastructure construction and the purchase of mining machines.

Operating results

In line with Argo’s expansion of mining operations in 2022, the Group’s total hashrate capacity increased by more than 50% from 1.6 EH/s in April 2022 to 2.5 EH/s by September 2022. The Group also has 280 Megasols of Z-cash mining capacity on Equihash. Argo’s mining margin averaged 54% for the full year 2022, which is lower than the 84% mining margin achieved in 2021. The decrease in mining margin from 2021 was driven by the decrease in the Bitcoin price, the increase in energy costs, and the increase in global hashrate (and associated increase in network difficulty).

Bitcoin macro environment

The decrease in the price of Bitcoin throughout 2022 was accompanied by a change in monetary policy by central banks and a significant drawdown across all digital assets. In March 2022, the US Federal Reserve raised interest rates for the first time since 2018 as it began to address rising inflation. Assets that were considered higher risk, including high-growth technology stocks and highly-correlated digital assets, including Bitcoin, saw outflows as investors factored in higher forecasted interest rates and reduced market liquidity.

In May 2022, the collapse of the Luna/UST stablecoin caused turmoil in the crypto market into turmoil as forced liquidations continued to put downward pressure on digital assets. Several high-profile collapses subsequently followed, including hedge fund Three Arrows Capital, Celsius, and most significantly FTX and Alameda Ventures. In the midst of this crypto downturn, the price of Bitcoin reached a low of less than $16,000 in November 2022.

Despite the 77% drop in the price of Bitcoin from its all-time highs in November 2021, the network hashrate continued to increase for the twelfth consecutive year. Additionally, even though Bitcoin miners like Argo faced increased network difficulty and lower profitability, they continued to validate transactions and secure the network; in total, ~53,000 blocks were mined in 2022, generating over ~$10 billion in aggregate revenue for Bitcoin miners.

Commitment to Sustainability

Since inception, Argo has always maintained a strong focus on environmental sustainability. This is why we located our mining operations in Quebec, where they are powered by hydroelectricity, and the Texas Panhandle, where more than 85% of the installed generation capacity comes from renewable sources. Since 2021, Argo has been committed to achieving net-zero carbon emissions. The Company has also released a full climate strategy and became the first Bitcoin mining company to announce climate positive status. We achieved this through our use of renewable energy to power mining operations, and by offsetting more scope 2 and 3 greenhouse gas emissions than we emitted in both 2020 and 2021. We are in the process of accounting for our greenhouse gas emissions for 2022.

To our knowledge, we are the first publicly traded cryptocurrency mining company to publish a report in accordance with the Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations and Recommended Disclosures (see page 36).

Leadership changes

In February 2022, Argo expanded its board by appointing Raghav Chopra as an independent non-executive director. In March 2022, the Company hired Seif El-Bakly, CFA as Chief Operating Officer.

Following the end of the period, on 30 January 2023, Chief Financial Officer and Executive Director Alex Appleton resigned from his positions to pursue other opportunities. After a formal recruitment process led by an executive search firm, the Board appointed Jim MacCallum as Chief Financial Officer effective 5 April 2023.

On 9 February 2023, Chief Executive Officer and Interim Chairman Peter Wall resigned from his positions to pursue other opportunities. Matthew Shaw became Chairman of the Board, and the Board appointed Chief Operating Officer Seif El-Bakly to serve as Interim CEO.

Strategic focus in 2023

With the completion of the Helios sale to Galaxy at the end of 2022 and the leadership changes in Q1 2023, Argo is entering a new chapter in its story. As 2023 progresses, we are focused on growing our business with a strong emphasis on operational excellence and financial discipline. Specifically, we intend to:

- Optimize our mining operations across our Quebec facilities and the Helios facility
- Control operating expenses and maximize cash flow
- Strengthen the balance sheet
- Explore organic and inorganic growth opportunities

On behalf of the Board, I would like to thank all of our shareholders and stakeholders. I am excited for Argo to continue in its mission of powering the world’s most innovative and sustainable blockchain infrastructure.

Matthew Shaw

Matthew Shaw

Chairman of the Board

28 April 2023

BOARD OF DIRECTORS

Matthew Shaw (Chairman of the Board)

Matthew Shaw became Chairman of the Board in February 2023. He brings over 25 years' experience as an international banker, corporate adviser and serial entrepreneur. He has been specialising in the blockchain and cryptocurrency sector since 2017. He is currently CEO of Webslinger Advisors, a specialist web3 advisory and administration firm which provides services to Cayman Foundations/DAOs. He previously co-founded Protos Asset Management, a Swiss company that manages a cryptocurrency fund, and co-founded DeFi Yield Technologies, a DeFi firm acquired by Dispersion Holdings (now AQRU). He is also currently CEO of Blimp Technologies and president of a proprietary family investment company.

Raghav Chopra (Non-Executive Director)

Raghav Chopra is an investor with over 16 years of experience and is currently Managing Partner of Tephra Digital, a digital assets focused investment firm. He was most recently a Portfolio Manager for AllianceBernstein LP, and he has over a decade of experience in managing a significant and wide range of technology investments at leading hedge funds. Prior to that, Mr. Chopra was an Associate in private equity at The Carlyle Group and an Analyst in investment banking at Goldman, Sachs & Co. Mr. Chopra serves on the Board of the Harvard Club of New York City Foundation and is a member of the Economic Club of New York.

Maria Perrella (Non-Executive Director)

Maria Perrella most recently served as the Chief Financial Officer of MDA, a Canadian-based international space mission partner, and the previous twelve years at Automation Tooling Systems Inc. (ATS)(ATA.TSX), a TSX-listed automation company with over 4,500 employees across six countries. Her various roles have allowed her to develop skills in financial planning and corporate governance and compliance, and her many years as a Chief Financial Officer have provided her with extensive experience in M&A, capital markets, and strategic corporate finance. Maria is a Chartered Public Accountant in Ontario, Canada

Peter Wall (Former CEO and Interim Executive Chairman)

Alex Appleton (Former CFO and Executive Director)

Sarah Gow (Former Non-Executive Director)

STRATEGIC REPORT

The directors present their strategic report on the Group for the year ended 31 December 2022.

Principal activity

The Group's principal activity is that of cryptocurrency mining.

Review of the business and future developments

Argo Blockchain plc (the "Company") was incorporated on 5 December 2017. Argo Blockchain plc is the parent holding company of the Argo group of companies including Argo Innovation Labs Inc., a British Columbia, Canada Corporation, and Argo Innovation Facilities (US), Inc., a Delaware, United States Corporation (collectively "Argo" or "the Group").

On 3 August 2018 the Company's Ordinary Shares were admitted to the standard segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange. The Company's Ordinary Shares traded on the OTCQB® Venture Market under the ticker symbol "ARBKF" from 13 January 2021 until 23 February 2021, and traded on the OTCQX from 24 February 2021 to 31 December 2022. The Company's American Depositary Shares (ADSs) have traded on the Nasdaq Stock Market ("Nasdaq") since 24 September 2021.

My Chairman's statement provides an in-depth review of 2022; rather than repeating that, I have concentrated on looking forward in this report.

Argo entered 2023 on the heels of a transformational series of transactions with Galaxy. The strategic sale of the Helios facility enabled us to strengthen our balance sheet by reducing debt, increase our liquidity and cash position, and streamline our operations. We also reduced our headcount by 54%, which lowered our G&A expenses. Perhaps most importantly, the transactions with Galaxy allowed us to maintain ownership of our entire mining fleet and to continue with mining operations.

Bitcoin was one of the best performing assets during the first quarter of 2023, with its price appreciating by more than 70% compared to the Nasdaq Composite Index (17%), the S&P 500 (7%), and the FTSE 100 (2%). One factor that may be contributing to Bitcoin's performance is the market expectation that the Federal Reserve is nearing the end of its tightening cycle and may even reduce interest rates within the next year. Additionally, Bitcoin adoption continues to grow globally, as evidenced by the increase in the number of Bitcoin wallet addresses with non-zero balances.

Argo is one of the longest-tenured publicly traded mining companies in the market. We have a rich history, a tremendous culture, and a demonstrated track-record of developing world-class Bitcoin mining facilities. With a seasoned management team in place, the Company looks forward to growing the business with a strong emphasis on operational excellence and financial discipline.

Group strategy and business model

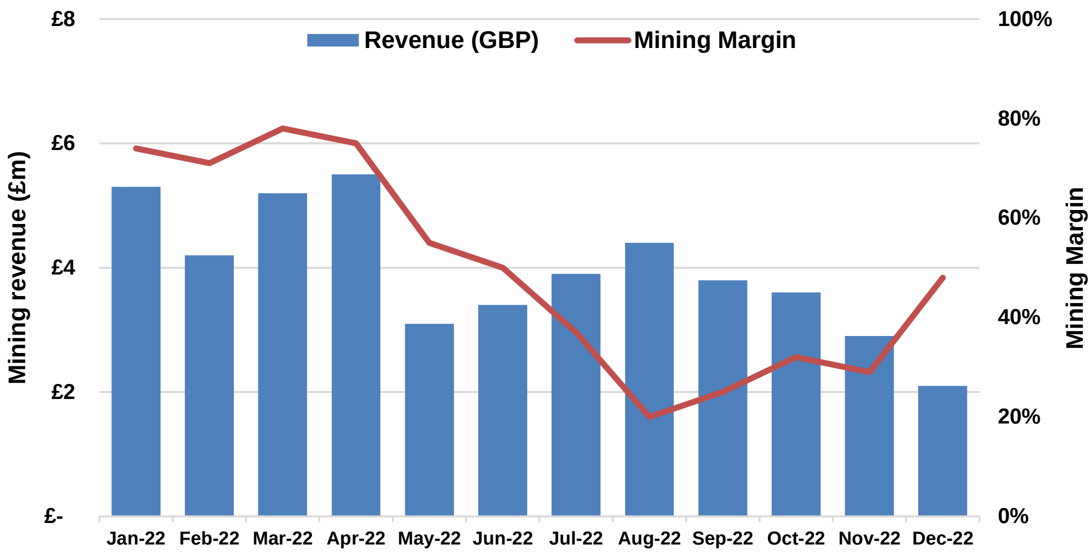
We are targeting a balance between owning and operating our own mining facilities and utilizing third party facilities with access to reliable, low-cost and renewable energy. Throughout the Company's history, we have invested in purchasing, building and operating mining facilities. We will continue to explore the acquisition and development of future mining facilities that provide opportunities to utilize wasted or stranded energy. This could include using mobile and/or modular mining infrastructure. We will continue to evaluate opportunities from hosting providers that would offer reliable, low-cost, renewable power in order to balance the gap between our available capacity and the power needed to run our mining operations.

We believe the combination of increased mining difficulty, driven by greater network hashrate, and the periodic adjustment of reward rates, such as the halving of Bitcoin rewards, will drive the increasing importance of power efficiency in cryptocurrency mining over the long term. As a result, we are focused on deploying our mining machines at locations with access to reliable renewable power sources, as successfully doing so should enable us to reduce our power costs.

Over the long term, we will look to diversify our sources of revenue and value creation by investing in and developing other commercial opportunities at the intersection of energy, finance, and technology. We plan on leveraging our team's expertise and relationships in the industry to invest in or develop mining advisory services, software or financial services related to blockchain technology or to the cryptocurrency mining industry.

Performance of the business during the period and the position at the end of the year

The financial results for 2022 reflect a year in which Bitcoin, along with all digital assets, experienced a major drawdown in price. Mining margin was further impacted by increased energy prices in the United States. Despite these headwinds, Argo grew its mining fleet by 55%, from 1.6 EH/s to 2.5 EH/s. This is compared to an 49% increase in the global hashrate in 2022.



Key performance indicators

The Board monitors the activities and performance of the Group on a continuing basis. The main performance indicators applicable for the Group is mining revenue and mining profit.

KPI	**2022**	**2021**	**% Change**
Mining revenue (£000s)	£47,267	£70,325	(33%)
Mining profit[1] (£000s)	£25,633	£59,268	(57%)
Mining margin	54%	84%	(36%)
Bitcoin mined (number)	2,156	2,045	5%
Total hashrate capacity (EH/s)	2.5	1.605	56%
Average network difficulty (T)	20.3	30.4	49%

1. Mining profit defined as mining revenue minus direct costs (excluding depreciation and amortization of mining equipment).

Non-IFRS Reconciliation

The following table shows a reconciliation of Bitcoin and Bitcoin Equivalent Mining Margin to gross margin, the most directly comparable IFRS measure, for the years ended December 31, 2022 and December 31, 2021.

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Gross profit/(loss)	**(34,460)**	**53,646**
Depreciation of mining equipment	16,549	11,129
Change in fair value of digital currencies	113	(1,191)
Realised loss / (gain) on sale of digital currencies	43,526	(437)
Cryptocurrency management fees	(96)	(3,879)
Mining profit	**25,632**	**59,268**
Bitcoin and Bitcoin Equivalent Mining Margin	**54%**	**84%**

The following table shows a reconciliation of Adjusted EBITDA to net income/(loss), the most directly comparable IFRS measure, for the years ended December 31, 2022 and December 31, 2021.

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Net income/(loss)	**(194,231)**	**30,765**
Interest expense	18,321	2,142
Depreciation / amortisation	23,449	11,521
Income tax (credit) / expense	(361)	8,506
EBITDA	**(152,822)**	**52,934**
Change in fair value of digital currencies	113	(1,191)
Realised loss / (gain) on sale of digital currencies	43,526	(437)
Impairment of assets	45,143	-
Impairment of intangible assets	4,168	535
Loss on sale of subsidiary and investments	44,804	629
Loss on sale of fixed assets	18,779	-
Foreign exchange	(17,250)	589

Legal and restructuring fees related to restructuring	9,590	-
Share based payment charge	4,928	1,938
Adjusted EBITDA	**979**	**54,997**

Principal risk and uncertainties

While the Group focuses on self-mining, the Board considers the principal risks for the Group to be volatility in the cryptocurrency market, specifically downside risk to Bitcoin, energy price risk, access to the capital markets, and general sentiment regarding crypto assets as a whole. The Group operates in an uncertain environment and is subject to a number of risk factors. The Board considers the following to be of particular relevance, but this is by no means an exhaustive list as there may be other risk factors not currently known.

Market conditions

Market conditions, including the cryptocurrency market values and general economic conditions and their effect on exchange rates, interest rates and inflation rates, may impact the ultimate value of the Group regardless of its operating performance. The Group also faces competition from other organisations, some of which may have greater resources.

Cyber risk

The Group holds digital assets via software and hardware which may prove to be vulnerable to data security breaches in the future. Data security breach incidents may compromise the confidentiality, integrity or availability of data such that the data is vulnerable to access or acquisition by unauthorised persons. These data security breaches may result in the unrecoverable loss of digital assets. The Group's hardware devices and remote servers holding the Group's data may be breached and result in the loss of valuable data. Loss of the private keys required to access the digital assets may result in irrecoverable loss of access to the digital assets, which may not be covered by insurance (whether in full or part). In order to mitigate these risks, the Group holds its assets with third party specialist crypto-currency custodians with a number of security measures in place.

Cryptocurrency price volatility

Revenues are denominated in cryptocurrency or tokens. These 'digital assets' can be subject to high levels of volatility, and it may not always be possible for the Group to trade out or effectively hedge its position. The Group will always seek to manage the price volatility risk and actively monitor its portfolio of digital assets. The majority of the Group's crypto assets (as per note 22) are stored in Bitcoin, which dominates the crypto market. Cryptocurrency exchange rates have exhibited strong volatility. Many factors outside of the control of the Group can affect the market price of cryptocurrencies, including, but not limited to, national and international economic, financial, regulatory, political, terrorist, military, and other events, adverse or positive news events and publicity, and generally extreme, uncertain, and volatile market conditions. Extreme changes in price may occur at any time, resulting in a potential loss of value of our entire portfolio of cryptocurrencies, complete or partial loss of purchasing power, and difficulty or a complete inability to sell or exchange our digital currency.

Capital Raising

The Group's activities are capital intensive, and the Company may need to raise additional capital to fund its operations, pursue growth strategies, including potential acquisitions of complementary businesses, and respond to competitive pressures or unanticipated working capital requirements. The Company has previously raised equity and debt, however may not be able to obtain additional debt or equity financing on favourable terms, if at all, which could impair its growth and adversely affect its existing operations. The Group may be required to accept terms that restrict its ability to incur additional indebtedness or to take other actions including terms that require it to maintain specified liquidity or other ratios. In order to mitigate these risks, the Company keeps its financing requirements under review and actively manages its activities and operations within the resources available to it.

Property and development risk

The Group's strategy is to balance its operations between owning and operating its own mining facilities and utilising third party facilities with access to reliable, low cost and renewable energy. The development and maintenance of our own properties could incur unexpected costs, delays or problems, or the properties may have insufficient capacity for our future expansion. As further capacity is required, we will be reliant on implementing upgrades and further development at our property which may be constrained by local laws, consents or other approvals which may create delays, unexpected problems or issues that could adversely affect the Group’s ability to develop or operate the facility. While the Group will take prudent precautions to minimise the risks in such development and expansion, these may not be successful.

Hosting counterparty risk

The Group relies upon a third-party facility to host a majority of its machines and is therefore reliant on the third party for the provision of hosting and related services, including maintenance. Should the third party not fulfil its obligations to the Group, or should that third party suffer an insolvency or related event, the Group’s operations may be materially and adversely affected. The Group has sought to limit this risk by entering into contracts with an established third party with a proven track record, however this is not a guarantee of future performance. The Group has also entered into other agreements with its host, and there is a risk that non-performance under one agreement could adversely affect the performance under other agreements with the same counterparty.

Climate change

The Group is aware that Bitcoin mining is power intensive and has an environmental impact as a consequence. The Board engaged Guidehouse, a leading consultancy and solutions provider, to research and advise on science-based solutions towards Argo's long-term strategy to eliminate its climate impact. This work provided a full climate action plan to achieve Argo's goal of becoming a net zero greenhouse gas (GHG) company. The full climate action reports for 2021 are available on the Company’s website, and the report for 2022 is forthcoming.

Additionally, the Company is the first publicly traded cryptocurrency miner to publish a report in accordance with the Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations and Recommended Disclosures (see page 36).

Electricity supply and price

The Group’s activities require substantial and sustained electrical provision and its profitability is dependent on securing acceptable electricity prices. Should electricity not be available in the quantities the Group’s operations require (whether intermittently or for a sustained period) or should the service be unreliable, the Group’s operations, revenue and profitability may be materially adversely affected. If the price of electricity increases (whether as a result of local, national or international events or pressures), the Group’s profitability may be materially adversely affected.

Technology and supply risks

Argo operates within a highly technological environment where software and hardware are consistently updated. To ensure the Group remains as a leading provider and stays ahead of its competitors, it needs to continue to invest in its technology, software, and hardware which requires a large amount of capital. The Group procures its software and hardware from third party providers and is reliant on those third parties complying with their obligations to the Group. Should a third party fail to comply with its obligations to the Group, the Group’s operations, revenue and profitability may be materially adversely affected.

Risk relating to the Group’s business strategy

The Group is dependent on the ability of the directors to identify suitable opportunities and to implement the Group’s strategy. There is no assurance that the Group’s activities of mining for itself will continue to be successful even though internal forecasts continue to suggest otherwise.

Dependence on key personnel and management risks

The Group’s business is dependent on retaining the services of a small executive management team, and the loss of a key individual could have an adverse effect on the future of the Group’s business. The Group’s future success will also depend in large part upon its ability to attract and retain highly skilled personnel. This risk is managed by offering salaries and share options that are competitive in the current market.

Regulatory risk

The Group operates in a rapidly evolving sector, the regulatory approach to which is not always certain and is still developing. The Group seeks to comply with all applicable law and regulation, however breach of any regulatory requirements may give rise to reputational, financial, or other sanctions against the Group. The Board considers these risks seriously and designs, maintains, and reviews the policies and processes so as to mitigate or avoid these risks. While the Board has a good record of compliance, there is no assurance that the Group's activities will always be compliant.

Litigation risk

The Company is currently subject to a class action lawsuit over alleged misleading statements made by Argo during the initial public offering of its American depositary shares on Nasdaq in 2021. The case, *Murphy vs Argo Blockchain plc et al*, was filed in the Eastern District of New York on 26 January 2023. The Company refutes all of the allegations and believes that this class action lawsuit is without merit. Argo is vigorously defending itself against the action.

Gender composition

At the end of the year the Company had the following gender composition of employees and directors:

Gender Composition	Male	Female
Directors	4	2
Senior Management	8	1
Employees	25	14

Promotion of the Company for the benefit of the members as a whole

The directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the directors to:

- Consider the likely consequences of any decision in the long term
- Act fairly between the members of the Company
- Maintain a reputation for high standards of business conduct
- Consider the interests of the Company's employees
- Foster the Company's relationships with suppliers, customers and others
- Consider the impact of the Company's operations on the community and the environment

The Company operates as a crypto mining business, which is inherently speculative in nature and, with volatile revenue, at times may be dependent upon fund-raising for its continued operation. The nature of the business is well understood by the Company's members, employees, and suppliers, and the directors are transparent about the cash position and funding requirements.

The application of the s172 requirements can be demonstrated in relation to the most significant decision made during 2022, in addition to the disclosures made in the Directors' Report and the Strategic Report:

Strategic Sale of Helios facility

During the year under review, the Group faced significant headwinds stemming from challenging economic conditions. During the year, the Group faced a significant increase in electricity costs as a result of global disruption to energy and fossil fuel markets, depressed cryptocurrency prices and higher network hashrate resulting in greater competition for mining cryptocurrencies. All of these factors, taken together, reduced the Group's free cash generation and resulted in pressure on the Group's finances.

In Q4 2022, the Group explored a number of strategic options to address the challenging economic conditions and to seek to ensure the long term success of the Group. Among other options, an equity raise from a strategic investor, a restructuring of debt obligations, joint ventures, asset sales, and strategic consolidation were considered by the Board.

In considering the options available to the Group, the Board considered, amongst other factors, the factors set out in s172 of the Companies Act 2006. The Board was particularly focused on ensuring that the decision was in the best long term interests of the Company's shareholders, its counterparties, employees, and the communities in which the Group operated. The Board sought advice from legal and financial advisers and carefully weighed the options available to the Group.

Ultimately, the Board considered a strategic sale of Helios to Galaxy provided the Group with the best path forward and the best outcome for all stakeholders. In particular:

- the sale of Helios to Galaxy provided operational certainty to the Group's future operations, through the entry into a hosting agreement with a well capitalised counterparty;
- Galaxy provided certainty to the Group's employees that were engaged at the Helios site, and by extension to the Group's remaining employees through greater certainty of the Group's continued operations;
- the sale provided a route for the Group to remain solvent and avoid bankruptcy and debt restructuring, which could have negatively impacted the Group's shareholders, creditors and counterparties; and
- Galaxy agreed to continue the Group's engagement with the local community at Helios, and to continue to fund (in accordance with the Group's existing commitments) community projects.

Responsibilities to local communities

As a crypto mining company with operations in Canada and the United States, the Board is mindful of its responsibilities to the communities and environments in which it works. The Group sources its electricity from predominantly renewable sources (hydropower in Canada and wind in Texas) and participates in demand response programmes to curtail usage in peak times to assist in ensuring resilience of the local power grid. In addition, the Group has explored ways to capture and usefully utilise the heat generated from its operations, both to improve efficiency and provide added value. The Group has also taken steps to offset its carbon emissions, and it has taken steps to improve overall efficiency of its operations. Further details are set out in the Group's report on the TCFD Recommendations on page 36 of this Annual Report.

Employees

The interests of employees are a primary consideration for the Board; in March 2023 (after the end of the financial year under review), all employees were granted equity in the Company in order to align incentives and enable employees to share in the future success of the Group. Personal development opportunities are encouraged and supported.

This report was approved by the Board on 28 April 2023 and signed on its behalf by:

Matthew Shaw

Matthew Shaw

Chairman of the Board

DIRECTORS' REPORT

General Information

The directors present the Annual Report and audited consolidated financial statements for the year ended 31 December 2022.

The Company was incorporated on 5 December 2017. Argo Blockchain plc is the parent holding company of the Argo group of companies including Argo Innovation Labs Inc., a British Columbia, Canada Corporation, and Argo Innovation Facilities (US), Inc., a Delaware, United States Corporation.

On 3 August 2018 the Company's Ordinary Shares were admitted to the standard segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange. The Company's Ordinary Shares traded on the OTCQB® Venture Market under the ticker symbol "ARBKF" from 13 January 2021 until 23 February 2021, and traded on the OTCQX from 24 February 2021 to 31 December 2022. The Company's American Depositary Shares have traded on Nasdaq since 24 September 2021.

Future developments

The Group continues to focus its strategy on self-mining cryptocurrencies as detailed further in the Strategic Report.

Dividends

The directors do not propose a dividend in respect of the period ended 31 December 2022.

Directors

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board including, when circumstances permit, whether the payment of dividends, issue or buy back of shares is appropriate.

Attendance at Board meetings:

Member	Meetings attended
Peter Wall	60 of 60
Matthew Shaw	60 of 60
Alex Appleton	59 of 60
Maria Perrella	59 of 60
Sarah Gow	58 of 60
Raghav Chopra	58 of 58*

* Raghav Chopra was appointed to the Board on 23 February 2022.

The Board met 60 times in 2022, including 50 times over the last four months of the year, as Argo evaluated several strategic alternatives to restructure our balance sheet and improve our cash flow, ultimately consummating in the transaction with Galaxy.

The Board leads the Company within a framework of appropriate and effective controls. The Board has responsibility for establishing, operating, and monitoring the corporate governance values of the Company. The Board also has overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business. The Board has taken appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules and (notwithstanding that they only apply to companies with a Premium Listing) the Premium Listing Principles as set out in Chapter 7 of the Listing Rules.

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets regularly and has a schedule of matters specifically reserved to it for decision. Management supplies the Board with appropriate and timely information and the directors are free to seek any further information they consider necessary. All directors have access to advice from the General Counsel and independent professionals at the Company's expense. Training is available for new directors and other directors as necessary.

All directors are subject to re-election every three years and, on appointment, at the first AGM after appointment. In 2021, the Company established a nomination committee. Prior to this, and given the size of the Board, all director appointments were approved by the Board as a whole.

Communications with shareholders

Communications with shareholders are given a high priority. In addition to the publication of an annual report and an interim report, there is regular dialogue with shareholders and analysts. The Annual General Meeting is viewed as a forum for communicating with shareholders, particularly private investors. Shareholders may question the Chairman and other members of the Board at the Annual General Meeting. All published information for shareholders is also available on the Company website, including annual and interim reports, circulars, announcements and significant shareholdings.

Accountability and audit

The Board presents a balanced and understandable assessment of the Company's position and prospects in all interim and price sensitive reports to regulators as well as in the information required to be presented by statutory requirements.

The Company's Audit Committee has responsibility to supervise and review the Company's audit and financial procedures. In relation to the activities of the Audit Committee during the year, please see the Audit Committee Report in this Annual Report.

Internal control

The Board has responsibility for designing and implementing systems of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Company failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss. As the Group has expanded, the Company has reviewed and developed its internal systems and processes and will continue to do so going forwards.

Political donations and political expenditure

The Group did not make any political donations or expenditure.

Directors' and officers' liability insurance and directors' indemnities

The Company maintains directors' and officers' liability insurance, which gives appropriate cover for legal action brought against its directors. Qualifying third-party indemnity provisions for the benefit of the Company's directors, secretary and other officers were in force during the year ended 31 December 2022 and to the date of this report. In addition, the Company has agreed to indemnify former directors of the Company in respect of their appointments as directors

Financial Instruments

Information about the use of financial instruments by the Company and its subsidiaries is given in note 27 to the financial statements.

Activities in the field of research and development

During the year under review, the Group did not have any material activities in the field of research and development.

Post balance sheet events

Effective 30 January 2023, Alex Appleton resigned from his positions as Chief Financial Officer and executive director to pursue other opportunities.

Effective 8 February 2023, Sarah Gow resigned from her position as non-executive director on the board of directors due to health reasons.

Effective 9 February 2023, Peter Wall resigned from his positions as Chief Executive Officer and Interim Chairman of the board of directors to pursue other opportunities.

Effective 9 February 2023, the Company appointed Matthew Shaw as the Chairman of the Board.

Effective 9 February 2023, the Board appointed Seif El-Bakly as the Company's Interim Chief Executive Officer; he retained his position as the Company's Chief Operating Officer.

Effective 5 April 2023, the Company appointed Jim MacCallum as the Company's Chief Financial Officer.

Directors and directors' interests

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Director	Appointment/resignation during the year
Peter Wall	Appointed 1 January 2020 Resigned 9 February 2023
Matthew Shaw (Chairman of the Board, Chair of the Nomination Committee)	Appointed 17 July 2019
Alex Appleton	Appointed 29 July 2021 Resigned 30 January 2023
Maria Perella (Chair of the Audit and Remuneration Committees, Member of the Nomination Committee)	Appointed 29 July 2021
Sarah Gow	Appointed 29 July 2021 Resigned 8 February 2023
Raghav Chopra (Member of the Audit and Remuneration Committees)	Appointed 23 February 2022

Directors' share holdings

Director	Ordinary Shares and ADSs at 31 December 2022	Percentage of Issued Share Capital
Maria Perella	6,000 ADSs	0.01%
Matthew Shaw	137,289 Ordinary Shares	0.03%
Peter Wall*	1,560,000 Ordinary Shares	0.32%
Alex Appleton**	39,415 Ordinary Shares	0.001%
Sarah Gow***	2,760,000 Ordinary Shares	0.58%

* Peter Wall resigned as a director with effect from 9 February 2023.

** Alex Appleton resigned as a director with effect from 30 January 2023.

*** Sarah Gow resigned as a director with effect from 8 February 2023.

Directors' option holdings

Name	Date of Grant	Aggregate number of options over Ordinary Shares granted	Exercise Price	Exercise Conditions	Lapse Date
Peter Wall*	25 July 2018	1,000,000	16 pence	1/3 on the first anniversary of admission, 1/36 of the total options	25 July 2024

				monthly thereafter	
Peter Wall*	5 Feb 2020	3,270,000[1]	7 pence	1/12 per month commencing of 4th month from issue	Feb 2030
Matthew Shaw	17 July 2019	537,037	16 pence	1/3 on the first anniversary of admission, 1/36 of the total options monthly thereafter	17 July 2025
Matthew Shaw	5 Feb 2020	294,048	7 pence	1/12 per month commencing of 4th month from issue	4 Feb 2030
Alex Appleton**	3 Feb 2021	158,898	94 pence	1/24/month starting on 4th month from issue	2 Feb 2031
Alex Appleton**	22 Sept 2021	1,250,000	157 pence	6/36th after 6 month anniversary, 1/36th thereafter	21 Sept 2031
Matthew Shaw	22 Sept 2021	250,000	157 pence	6/36th after 6 month anniversary, 1/36th thereafter	21 Sept 2031
Sarah Gow***	22 Sept 2021	500,000	157 pence	6/36th after 6 month anniversary, 1/36th thereafter	21 Sept 2031
Maria Perrella	22 Sept 2021	500,000	157 pence	6/36th after 6 month anniversary, 1/36th thereafter	21 Sept 2031
Raghav Chopra	23 May 2022	500,000	49 pence	6/36th after 6 month anniversary, 1/36th thereafter	23 May 2032

* Peter Wall resigned as a director with effect from 9 February 2023.

** Alex Appleton resigned as a director with effect from 30 January 2023.

*** Sarah Gow resigned as a director with effect from 8 February 2023.

1. Peter Wall exercised 430,000 shares options on 23 May 2022.

Going Concern

The directors, having made due and careful enquiry, are of the opinion that the Group has adequate working capital to meet its obligations over the next 12 months. The directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have adopted the going concern basis of accounting in the preparation of the annual financial statements, more detail can be found in the accounting policies. However, the Board notes that the significant debt service requirements and the volatile economic environment indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption, and the auditors have made reference to this in their audit report. (Note 3).

Financial Risk Management

The Group has a simple capital structure and its principal financial assets are cash and digital assets. The Group is subject to market risk by way of being exposed to volatility in crypto asset value and variations in foreign exchange rates. The Group has little exposure to credit risk due to holding its reserves with credible institutions. The Group may also be exposed to liquidity and capital risk, due to the nature of operations and the requirements for mining hardware acquisition. The Group manage these risks through portfolio management and maintenance of sufficient working capital. Further details of risks can be seen within the Strategic Report or in the Notes to the accounts.

Capital Structure

The Company's capital structure is comprised of one class of ordinary shares. There are no restrictions on the transfer of the ordinary shares, and there are no persons holding securities carrying special rights regarding the control of the Company. The rights over shares under the Company's employee share schemes are set out in Note 22 of the financial statements. There are no restrictions on voting rights nor, so far as the Company is aware, any agreements between holders of securities that may restrict the transfer of securities or voting rights.

Substantial shareholders

There are no substantial shareholders as at the date of the report.

Controlling shareholder

The Group does not have a controlling shareholder.

Directors

The Company's directors are appointed in accordance with, and have the powers and authorities set out in, the Company's articles of association.

Takeovers

There are no significant agreements that take effect, alter or terminate on a change of control of the Company following a takeover. Other than the entitlement to a notice period and reimbursement of expenses in the normal manner, there are no agreements with the Company and its directors or employees for compensation for loss of office or employment as a result of a takeover bid.

Greenhouse gas emissions

Details about the Group's greenhouse gas emissions, energy consumption, energy efficiency disclosures, and broader climate risk management strategies are included in the TCFD Report on page 36.

Employee and business relationships

The Group consists of the Chief Executive Officer (interim), the Chief Financial Officer, 3 Non-executive directors and 8 (including the Chief Executive Officer (interim) and the Chief Financial Officer) key management personnel, which facilitates the direct and frequent communication between all parties and thereby the interests of all concerned are considered on a regular basis. Due to the nature of a small team and the wide and varied skills possessed, key strategic business decisions are generally discussed and analysed by all concerned.

A significant part of any business is maintaining a good relationship with its suppliers and the Group is well aware of the need to ensure that its current main supplier Galaxy, which provides hosting services for the Group's machines at Helios and has provided the Group an asset-backed loan, is managed carefully. We maintain a close working relationship with Galaxy with regular meetings and an open dialogue, and we continue to meet our accounts payable as they fall due. As a result, the Group has considered the strategic and longer term impact of decisions relating to its current and future relationships with its material suppliers and lenders and has sought to ensure that any decisions made appropriately balance the short, medium and long term objectives of the Group, with a view to generating and maintaining long term shareholder value.

Diversity Policy

The Company does not currently have a formal written policy on diversity as it was previously not of a size or stage of development to warrant one. However, all decisions made during the year under review were made on merit and without regard to protected characteristics. The Company will consider the adoption of a formal diversity policy in due course, having regard to the nature and scope of the Group's operations.

Provision of Information to Auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, PKF Littlejohn LLP have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

This report was approved by the Board on 28 April 2023 and signed on its behalf by:

Matthew Shaw

Matthew Shaw

Chairman of the Board

DIRECTORS' REMUNERATION REPORT

2022 key achievements:

- adoption of new equity incentive plan to provide flexibility to offer suitably tailored equity incentivisation to the Group's employees across the globe;
- comprehensive review of remuneration, including benchmarking of peers, to enable the Group to attract, retain and develop talent in a competitive labour market while remaining mindful of challenging market conditions; and
- successfully managing retention during a period of uncertainty and change in the Group's operations.

2023 areas of focus:

- administration of the new equity incentive plan;
- continue with comprehensive review of remuneration; and
- refine and improve employee retention strategies.

Letter from the Chair of the Remuneration Committee

Dear Shareholder,

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 December 2022.

The Remuneration Committee met three times during the financial year, and all of the Directors on the Committee attended all of these meetings. Its role is to formally oversee matters relating to compensation, including benchmarking remuneration against comparable peers, the adoption of a new equity incentive plan, and the grant of awards under that plan to align the remuneration of our team with the interests of our shareholders.

The Remuneration Committee consists of myself, as Chair, and Raghav Chopra as member. In February 2023, I became Chair, replacing Sarah Gow who stepped down (as detailed below), Matthew Shaw moved off the Committee, and Raghav Chopra was appointed as his replacement. The Committee has discretion to invite members of the executive management of the Company to the meetings as required and considers the input and recommendation of executive management to be critical to ensuring a well-developed remuneration strategy. Therefore, executive management were invited to present to the committee at the appropriate junctures during the year. In order to ensure appropriate scrutiny of decisions, no director was present when their own remuneration was considered or approved / voted on their own remuneration.

The Group's primary remuneration challenge is the different market norms and expectations between the jurisdictions in which it operates. The reward markets in the UK and US have significant differences, particularly in the technology sector, and market expectations in the UK can present challenges to the Group in structuring attractive remuneration packages, particularly for the Company's senior executive leadership. More generally, the Group is also competing against significantly larger and better capitalised companies in the cryptoasset sector, who do not have the same limitations.

During the year under review, the Company's remuneration strategy was to deliver remuneration packages consistent with the Company's Remuneration Policy and market norms that provide a balanced structure of short-, medium- and longer-term remuneration. Remuneration packages typically comprised a competitive base salary, appropriate annual bonuses and longer-term equity incentivisation. In addition, the Company has offered competitive benefit and pension offerings based on the market norms in the country in which the relevant team member is engaged.

The Committee took the following key decisions in relation to remuneration during the year:

- recommended seeking shareholder approval of the Company's new equity incentive plan at the 2022 AGM (such approval was subsequently obtained);
- designed and oversaw implementation of retention bonuses for key personnel in line with typical market norms to reflect the effect of both the challenging market conditions and the significant uncertainty in the sector and the impact of the proposed disposal of Helios on the Group; and
- in recognition of the additional time, effort, and commitment required in connection with the admission of the Company's shares to Nasdaq in 2021, during 2022 the Company awarded cash bonuses to Peter Wall and Alex Appleton.

The Committee has also considered the impact of inflationary pressures on both the Group and its staff and made cost of living salary increases for each of its staff in respect of fiscal year 2023.

The Committee remains focused on ensuring that the Group's remuneration policy is implemented through an appropriate remuneration strategy that enables the Group to attract, retain and develop appropriately skilled and experienced staff sufficient for the Group's present and anticipated requirements. The Committee is also determined to ensure that remuneration incentivises staff to deliver on both financial and non-financial objectives.

Following the end of the financial year:

- Peter Wall and Alex Appleton resigned as CEO and CFO of the Company, respectively;
- Sarah Gow stepped down as a non-executive director of the Company;
- Seif El-Bakly was appointed as Interim CEO; and
- Jim MacCallum was appointed as the Company's CFO.

Following the year under review, the Company made payments in lieu of notice of CAD 834,850 to Peter Wall in respect of his resignation and £145,833 to Alex Appleton in respect of his resignation. Sarah Gow waived her entitlement to notice pay in connection with her resignation. Details of these payments will be included in the Company's next annual report.

The Committee determined Mr. El-Bakly's and Mr. MacCallum's remuneration for serving as Interim CEO and CFO, respectively, based on a review of benchmarking against relevant comparables in the market.For the coming year, the Committee considers the following are the key strategic remuneration priorities:

- oversight and administration of the new equity incentive plan and
- continue with comprehensive review of employee remuneration, award and retention strategies, including long term equity-based remuneration.

Maria Perrella

Maria Perrella

Chair of the Remuneration Committee

28 April 2023

Directors Remuneration Report

Membership of the Remuneration Committee

During the year, the Company's Remuneration Committee consisted of Matthew Shaw, Maria Perrella and Sarah Gow. Sarah Gow served as Chair of the committee.

Following the end of the year under review, Sarah Gow resigned as a director of the Company and Maria Perrella was appointed as the Chair of the Remuneration Committee. The Committee would like to thank Sarah for her contribution to the Committee during the year.

Role of the Remuneration Committee

The Remuneration Committee's role is to determine and operate a remuneration policy that supports the Company's strategy and promotes long-term sustainable success and aligns the interests of directors with shareholders.

The Remuneration Committee's primary responsibilities include:

- identifying, reviewing and proposing policies relevant to executive officer compensation;
- evaluating each executive officer's performance in light of such policies and reporting to the Board;
- determining any equity long-term incentive component of each executive officer's compensation in line with the remuneration policy and reviewing its executive officer compensation and benefits policies generally; and
- reviewing and assessing risks arising from the Company's compensation policies and practices.

Advisors to the Committee

None.

Directors' remuneration (audited)

Details of directors' remuneration during the year ended 31 December 2022 is as follows:

Director	Salary and fees	Bonus	Gain on exercise of options/ warrants	Loss of office	2022 Total	Fixed element	Variable element
	£	£	£	£	£	£	£
Executive Directors							
P Wall*	339,223	150,883[1]	180,600	-	670,706	339,223	331,483
A Appleton**	281,023	97,139[1]	-	-	387,162	281,023	97,139
Non-executive Directors							
S Gow ***	70,399	-	-	-	70,399	70,399	-
M Perrella	121,391	-	-	-	121,391	121,391	-
M Shaw	118,030	-	-	-	118,030	118,030	-
R Chopra	105,492	-	-	-	105,492	105,492	-
Total	1,035,558	248,022	180,600	nil	1,464,180	1,464,180	428,622

* Peter Wall resigned as a director with effect from 9 February 2023.

** Alex Appleton resigned as a director with effect from 30 January 2023.

*** Sarah Gow resigned as a director with effect from 8 February 2023.

1. Amounts shown reflect the discretionary cash bonuses that our Board awarded to the Executive Directors in 2022 for performance in 2021.

Details of directors' remuneration during the year ended 31 December 2021 is as follows:

Director	Salary and fees	Bonus	Gain on exercise of options/ warrants	Loss of office	2021 Total	Fixed element	Variable element
	£	£	£	£	£	£	£
Executive Directors							
P Wall	221,404	221,404	3,611,369	-	4,054,177	221,404	3,832,773
A Appleton	66,968*	148,877	-	-	215,844	66,968	148,877
I MacLeod	77,000	-	2,014,087	132,100	2,223,187	77,000	2,146,187
Non-executive Directors							
S Gow	16,282	-	-	-	16,282	16,282	-
M Perrella	16,282	-	-	-	16,282	16,282	-
M Shaw	36,769	-	1,203,810	-	1,240,579	36,769	1,203,810
M D'Attansio	25,000	-	-	-	25,000	25,000	-
J Savage	25,577	-	-	-	25,577	25,577	-
C Sullivan	-	-		-	-	-	-
Total	485,282	370,281	6,829,266	132,100	7,816,929	485,282	7,331,647

Note – there were no taxable benefits or pension paid to any of the directors during the year

*Fees from when he became a director on 29 July 2021

Ian MacLeod resigned on 28 July 2021, Marco D'Attanasio and James Savage both resigned on 29 July 2021, Colleen Sullivan resigned on 8 November 2021. Please refer to Directors' Report for dates of appointments during the 2021 financial year.

Ian MacLeod's compensation for loss of office was calculated in accordance with giving 12 month's notice, which is in line with other executive directors and is comparable with other publicly listed entities.

Details of the share options and warrants granted to the directors during the period are included within the Directors' Report. These shares were issued in accordance with the terms of the relevant scheme or deed governing their grant.

The option awards to directors are based on a fixed exercise price and, once vested in accordance with their terms, are not subject to further adjustment in light of share price appreciation or depreciation. The awards to the directors were not based on a target share price, and therefore share price has not been considered in determining vesting of the awards.

Total pension entitlements (audited)

The Company does currently not have any pension plans for any of the directors and does not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any directors or past directors.

Payments to past directors (audited)

The Company has not paid any compensation to past Directors.

Statement of directors' shareholding and share interests (audited)

The Directors who held office at 31 December 2022 and who had beneficial interests in the Ordinary Shares of the Company are summarised as follows:

Director	Position
Peter Wall*	Chief Executive Officer and Chairman
Alex Appleton**	Chief Financial Officer
Sarah Gow***	Non-Executive Director
Maria Perrella	Non-Executive Director
Matthew Shaw	Non-Executive Director

* Peter Wall resigned as a director with effect from 9 February 2023.
** Alex Appleton resigned as a director with effect from 30 January 2023.
*** Sarah Gow resigned as a director with effect from 8 February 2023.

Details of these beneficial interests can be found in the Directors' Report.

Service Agreements and Letters of Appointment

On 21 March 22, the Company entered into an employment contract with Seif El-Bakly, pursuant to which Mr. El-Bakly serves as our Chief Operating Officer (the "EB Employment Agreement"). Under the terms of the EB Employment Agreement, Mr. El-Bakly is entitled to receive a base salary annually, participate in the Company's group health benefits, participate in the Company's group employer-match RRSP program, and earn a bonus as determined by the Board. Mr. El-Bakly's compensation increased when he accepted the role of Interim CEO.

Under the EB Employment Agreement, we may terminate Mr. El-Bakly's employment by providing Mr. El-Bakly with the minimum (i) notice, or pay in lieu thereof, or some combination of the two, (ii) severance pay (if applicable), (iii) period of benefits continuation, (iv) vacation pay, and (v) other entitlements, if any, as required by Employment Standards Act within the Province of Quebec, and in each case, subject to the severance provision with the EB Employment Agreement, provided that we may terminate the services of Mr. El-Bakly at any time with immediate effect for certain reasons including misconduct, criminal offense, or other reasons "for cause" under the Employment Standards Act within the Province of Quebec. Mr. El-Bakly may terminate his contract with us by providing the company with a minimum of 3 months notice. The EB Employment Agreement also contains restrictive covenants pursuant to which Mr. El-Bakly has agreed to refrain from competing with us or soliciting any persons who could materially damage our interests if involved in a competing business, for a period of twelve months following his termination of services.

Prior to their respective resignations, the service contracts with Peter Wall and Alex Appleton were on a continuous basis, subject to customary termination provisions, and terminable upon 12 months' and 4 weeks' notice, respectively, given by either party.

The appointments of Maria Perrella, Matthew Shaw and Raghav Chopra are subject to a 3 year term and to termination upon 3 months' notice given by either party. Prior to her resignation, Sarah Gow was engaged on the same terms.

Terms of appointment

The services of the directors engaged during the year under review were provided under the terms of agreement with the Group are dated as follows:

Director	Year of appointment	Number of years completed	Date of current engagement letter
Peter Wall (resigned 9 February 2023)	2020	4	14 January 2020
Matthew Shaw	2019	4	7 September 2019
Alex Appleton (resigned 30 January 2023)	2021	2	4 September 2020
Maria Perrella	2021	2	21 July 2021
Sarah Gow (resigned 8 February 2023)	2021	2	21 July 2021

Raghav Chopra	2022	1	23 February 2022

Performance relative to market index

Comparing the total shareholder return of an ordinary share in Argo Blockchain plc against the total shareholder return of the FTSE All-share index. For the year ended 2022, ARB saw a fall in share price from 97.8p to 6.3p, a 94% decrease. In the same period, FTAS fell from 4,208.02 to 4,075.13, a decrease of 3%.

UK 10-year CEO table and UK percentage change table

The directors have considered the requirement for a UK 10-year CEO table and UK percentage change table. The directors do not currently consider that including these tables would be meaningful because, the CEO remuneration is not currently linked to performance, therefore any comparison across years or with the employee group would be significantly skewed and would not add any information of value to shareholders. The CEO's remuneration is disclosed in full in the directors' remuneration section. The directors will review the inclusion of this table for future reports.

Relative importance of spend on pay

The directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends this would not provide meaningful disclosure to shareholders.

Description	**2022**
	£'000
Wages, salaries and remuneration	**1,036**
Bonus	**248**
Compensation for loss of office	nil
Share based payment	**1,522**
Total	**2,806**

Consideration of shareholder views

The Board will consider shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Group's annual policy on remuneration.

At the general meeting held on 6 September 2021 the following votes were cast on the remuneration policy, equity incentive plan and equity awards for non-executives:

Resolution	**For**	**Against**
To approve the remuneration policy	77%	23%
To approve the equity incentive plan	33%	67%
To approve equity awards for non-executives	82%	18%

In light of shareholder feedback, the Company amended the equity incentive plan and put it to shareholders at the Company's 2022 AGM, where the votes cast were as follows:

Resolution	**For**	**Against**
To approve the equity incentive plan	71%	29%

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Board may agree that the Group will meet certain relocation and/or incidental expenses as appropriate.

Other matters

The Company does not currently have any annual or long-term incentive schemes in place for any of the directors and as such there are no disclosures in this respect. The share options granted are discussed above.

Maria Perrella

Maria Perrella

Chair of the Remuneration Committee

28 April 2023

ARGO BLOCKCHAIN PLC

NOMINATION COMMITTEE REPORT

Letter from the Chair of the Nomination Committee

Dear Shareholder,

I am pleased to present the Nomination Committee's report for the year ended 31 December 2022.

The Nomination Committee met three times during the financial year under review. and all of the directors on the Committee attended all three of these meetings. At a high level, its role is to:

- draw up selection criteria and appointment procedures for board members;
- recommend nominees for election to its Board and its corresponding committees; and
- assess the functioning of individual members of Board and executive officers and reporting the results of such assessment to the Board.

Composition of the Committee

The Nomination Committee as originally constituted consisted of myself, as Chair, Sarah Gow and Maria Perrella. Sarah Gow resigned as a director following the end of the year under review, and we thank Sarah for her contribution to the Committee. The Nomination Committee met three times during the financial year, and all of the directors on the Committee attended all of these meetings.

In light of the current structure of the Board, in the near term the Nomination Committee will be comprised of me, as Chair, and Maria Perrella. The membership of the committee will be reviewed on an ongoing basis, particularly in light of the wider composition of the Board, and any changes announced in due course.

The Committee has discretion to invite members of the executive management of the Company to its meetings as required and considers the input and recommendation of executive management to be critical to ensuring the Committee's activities reflect the ongoing needs of the Company. Therefore executive management were invited to present to the committee at the appropriate junctures during the year.

Focus of the Committee

During the year under review, the Committee's focus was on:

- the appropriate size and makeup of the Board;
- any appropriate changes and/or additions to the Board;
- and the identification, recruitment and screening of potential candidates.

On an ongoing basis, the Committee carefully considers the structure of the Board and executive management and ensures that the Board and executive management have an appropriate balance of skills, expertise and talent. The Committee and the Board are committed to ensuring that appointments are based on merit and objective criteria aligned with the Company's needs, and that every effort is made to ensure equality, diversity and inclusion are at the heart of the appointment process.

Appointments

During the year under review, Raghav Chopra was appointed as a non-executive director of the Company filling a vacancy following Colleen Sullivan's resignation in 2021. Mr. Chopra brought a wealth of experience within the capital markets and financial technology sectors that complemented the skillsets of the remaining members of the Board.

Following the year under review, Peter Wall and Alex Appleton resigned as CEO and CFO respectively, and Sarah Gow resigned as a non-executive director of the Company. Following consideration of the Company's immediate requirements by the Committee and the Board, Seif El-Bakly was appointed as Interim CEO and Jim MacCallum was appointed as the Company's new Chief Financial Officer. As these are not currently board roles, neither Seif nor Jim will be subject to re-election at the upcoming AGM.

Matthew Shaw was appointed as a director of the Company by shareholders at the Company's 2020 AGM, and as such each must retire and seek re-appointment at the Company's 2023 AGM.

Equality, Diversity and Inclusion

The Company does not currently have a formal written policy on diversity as it was previously not of a size or stage of development to warrant one. However, all decisions made during the year under review were made on merit and without regard to protected characteristics. The Company will consider the adoption of a formal diversity policy in due course, having regard to the nature and scope of the Group's operations.

Future Work

As part of its work during the coming year, the Committee will consider the Company's present and near future requirements and will review the composition of the Board, succession planning for management, the role of the CEO and the structure of the overall management of the Company going forwards. Further announcements will be made in due course.

Matthew Shaw

Matthew Shaw

Chair of the Nomination Committee

28 April 2023

ARGO BLOCKCHAIN PLC

AUDIT COMMITTEE REPORT

Letter from the Chair of the Audit Committee

Dear Shareholder,

I am pleased to present the Audit Committee's report for the year ended 31 December 2022.

The Audit Committee met six times during the financial year under review, and all of the directors on the Committee attended all of these meetings. At a high level, the Audit Committee is responsible for, among other things:

- the appointment, compensation, retention and oversight of the work and termination of any independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit services;
- pre-approving the audit services and non-audit services to be provided by its independent auditor before the auditor is engaged to render such services;
- evaluating the independent auditor's qualifications, performance and independence, and presenting its conclusions to the full Board on at least an annual basis;
- reviewing and discussing with the executive officers, the Board and the independent auditor its financial statements and its financial reporting process;
- approving or ratifying any related person transaction (as defined in its related person transaction policy) in accordance with its related person transaction policy;
- reviewing and overseeing the adequacy and effectiveness of its financial reporting and internal control policies and systems; and
- reviewing and recommending amendments to the Code of Business Conduct and Ethics.

Composition of the Committee

The Audit Committee as originally constituted consisted of myself, as Chair, Matthew Shaw and Sarah Gow. Sarah Gow resigned as a director following the end of the year under review, and we thank Sarah for her contribution to the Committee.

In light of the current structure of the Board, in the near term the Audit Committee will be comprised of myself, as Chair, Raghav Chopra, and Matthew Shaw. Brief biographies of each of the members of the Committee, including their professional experience and qualifications are set out on page 8.

As required by the Disclosure Guidance and Transparency Rules (DTRs), Nasdaq Rule 5605(c)(2)(A)(ii), section 301 of the Sarbanes-Oxley Act 2002 and Rule 10A-3 of the Exchange Act the Committee comprises:

- a majority of independent directors;
- at least one member with competence in accounting or auditing, or both;
- as a whole, competence relevant to the sector in which the Group is operating.

The Board considers that, in light of their respective professional experience and expertise, the members of the committee have recent and relevant financial experience, including competence in accounting matters relevant to the sector of operation, and operational experience in businesses at a similar stage of development.

Committee Meetings

The Committee has discretion to invite members of the executive management of the Company to its meetings as required and considers the input and recommendation of executive management to be critical to ensuring the Committee's activities reflect the ongoing needs of the Company. Therefore, executive management were invited to present to the committee at the appropriate junctures during the year.

Where the Committee considers matters relating to the audit of the Group, the Committee invited David Thompson, the lead audit partner for the Group at PKF Littlejohn LLP, to attend the meeting. His attendance was critical to ensuring the Committee has access to Mr Thompson's independent judgement and ensuring the Committee can solicit his views on matters to be considered or addressed as part of the audit.

The Committee also meets independently to consider matters relating to financial management and audit, providing a forum for discussion of the agenda for the year ahead and strategic priorities for the Committee.

Focus of the Committee

During the year under review, the Committee's focus was on:

- reviewing the Company's financial reporting processes, taking into account changes to the business during the year under review;
- working with the Group's auditors to consider matters arising from the Group's previous audit and the measures necessary to address them;
- monitoring the effectiveness of the internal control and risk management systems adopted by the Group, regarding financial reporting of the Group;
- reviewing the audit of the Group, in particular noting areas for potential improvement;
- considering the independence and suitability for reappointment of the Group's auditors, PKF Littlejohn LLP;
- communicating with the Board the findings of the audit, and its contribution to the integrity of the Group's financial reporting;
- considering the integrity of the Company's and the Group's financial statements, the processes and procedures for the Company's monthly operational updates and reviewing significant financial issues and judgments contained in them;
- reviewing the Group's internal financial reporting function, in particular its structure, staffing and resources; and
- considering the Group's management and internal reporting metrics.

As a result of its work, the Committee brought in a new CFO subsequent to 31 December 2022 and recommended the reappointment of PKF Littlejohn LLP.

Following the year under review, the Audit Committee has considered its priorities for the year ahead. The sale of Helios to Galaxy resulted in a significant change to the nature and scale of the Group's operations, and therefore the Audit Committee will consider the impact of the transaction on the Group's systems, processes and controls with a view to ensuring they remain appropriate for the Group's ongoing requirements.

Performance Evaluation

The year under review was the first year the Group had established a formal audit committee. As such, the year under review was the first opportunity for the Audit Committee establish its processes and approach to delivering on its responsibilities. Given the significant change to the Group at the year end, the Audit Committee intends to review its performance and objectives in light of the Group's ongoing requirements. Given the nature and scope of the Group, the Committee does not currently consider an external performance review would be of significant benefit to the Group, however the Committee will continue to review the appropriateness of such a review on an ongoing basis.

Significant Judgment in relation to financial statements

The Committee has considered the following matters, being significant accounting areas which required the exercise of judgement or a high degree of estimation during the year, together with details of how these were addressed. Some of the matters considered were of a one-off nature, while others will have a continuing applicability to the Group's business.

Significant issue and explanation	*Work undertaken by the Committee*
Impairment for Mining Machines The Group is required to perform impairment reviews of its capital assets on an annual basis to determine the appropriate value of those assets. Following the disposal of Helios, the Group's principal capital assets are its data centres in Canada and its fleet of mining machines. While properties are long life assets, mining machines have a finite useful life, and therefore it is imperative the Group correctly accounts for the impairment based on the	The Committee has considered management's assessments of the appropriate value of the Company's mining machines at the reporting date. This included specifically considering and approving the predicted useful life remaining, the market value of the machines, the relative profitability of the machines compared with other alternatives available in the market. Impairment was also a significant issue for the Group's auditors, who reported its findings to us.

Group's current expectations of the machines' useful life.	
Going concern basis for the financial statements and viability statement	The Committee reviewed and challenged management's assessment of forecast cash flows, including applying appropriate sensitivities, and the potential impact of future uncertainties, the Group's financial resources and potential sources of additional liquidity. The Committee was satisfied that the application of the going concern basis for the preparation of the financial statements remained appropriate.

External Audit

During the year, the Audit Committee assessed the independence and effectiveness of PKF Littlejohn LLP and considers that that they remain independent from the Group and provide an effective external audit of the Group. The Committee has therefore recommended that PKF Littlejohn LLP be proposed for reappointment at the upcoming Annual General Meeting.

PKF Littlejohn LLP has been the auditor of the Company since its inception in December 2017, and David Thompson, lead audit partner for the Group at PKF Littlejohn has lead the Group's audit since 2020. While retendering and change of personnel is not currently required as a result of these requirements, the Group and PKF Littlejohn LLP will comply with the restrictions and limitations applicable to re-appointment of auditors and maximum terms of audit personnel, which require PKF Littlejohn LLP to rotate audit personnel engaged on the Group's audit and impose a maximum engagement period for PKF Littlejohn LLP as the Company's auditor.

Non-audit services

During the year, PKF Littlejohn did not provide any non-audit services to the Group and therefore no issues regarding the objectivity or independence of PKF Littlejohn LLP arose from the provision of non-audit services.

Maria Perrella

Maria Perrella

Chair of the Audit Committee

28 April 2023

ARGO BLOCKCHAIN PLC

CORPORATE GOVERNANCE REPORT

The QCA 10 Principles of Corporate Governance

The board of directors of Argo Blockchain PLC recognises the importance of corporate governance and has decided to apply the Corporate Governance Code published by the Quoted Companies Alliance (the "QCA Code"). A copy of the QCA Code is available at https://theqca.com/corporate-governance/. The QCA Code sets out a standard of best practice for small and midsize quoted companies. The QCA's ten principles of corporate governance are set out below, along with a description of the Company's approach to the relevant principle.

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The Group is a UK based provider of cryptocurrency mining with its mining operations located in Canada and the US. The business focusses on acquiring the most up to date and efficient hardware to support its mining facilities with a focus on return on investment and prioritises the utilisation of renewable energy sources (wherever possible) at the most competitive prices.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Group seeks to communicate with shareholders to ensure that its financial performance and strategy are clearly understood. This is achieved through regular updates by RNS to the London Stock Exchange, filings with the Security and Exchange Commission in the United States and meetings with various shareholders. The Group attends investor conferences in the UK and USA and ensures its website provides accurate information and is kept up to date.

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

Our stakeholder groups include our employees in Canada, the United Kingdom, United States of America and our business partners. Employees are kept informed of the Company's progress and development by way of semi-monthly meetings and have access to the Board at all times. We aim to recruit and retain our staff by ensuring our pay and conditions are competitive in the marketplace and offer training and career development where appropriate. We seek to maintain a good business relationship with our business partners who are well-respected experts in their field.

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

The Group considers robust systems and controls will enhance the Group's ability to manage and respond to challenges and opportunities. The Group previously had a small number of employees and had adopted systems and controls commensurate with the nature and scale of its operations. During the year under review, the Group significantly increased its headcount, particularly in connection with the development of Helios. As such, the Group developed more defined and robust systems, controls and processes to provide the ability to continue to scale as necessary. With the sale of Helios to Galaxy, the Group is in the process of adopting revised systems and controls in line with its agreements with Galaxy, while simultaneously reviewing its systems for its owned and managed properties to ensure they remain appropriate for the size and nature of operations.

The Board is responsible for overall supervision of the Group's operations while the Company's CEO and CFO are responsible for the implementation of the systems and controls across the Group and recommending improvements and revisions to the Board for consideration. As part of its systems and controls, the Group has adopted clearly defined roles and responsibilities, with clear lines of reporting and supervision. Given the Group's current stage of development, the Group considers the processes and procedures adopted provide the necessary framework for effective risk management throughout the organisation, while retaining flexibility and the opportunity to continue to develop in line with the Group's future strategy.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the chair

The Board is led by Matthew Shaw as the Company's Chairman, supported by the senior management team and other non-executive directors. Matthew Shaw was appointed as the Company's Chairman following the departure of the Company's previous Interim Chairman, Peter Wall, in February 2023. He is supported by Seif El-Bakly, the Company's Interim Chief Executive Officer, Jim MacCallum, the Company's Chief Financial Officer, and the Company's two other non-executive directors. Members of the Company's senior management team are invited to Board meetings as necessary and appropriate. The Board considers that each director has the required level of expertise and experience in his or her field, and regular Board meetings are held to discuss all key matters and the Board functions well and is appropriately led.

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

The Board is comprised of individuals with appropriate expertise and experience, each of whom brings a differing but complementary skillset to the Board. All the directors receive regular updates on the Group's operational and financial performance and attend frequent Board meetings where key issues are discussed at length. The Board is responsible for the appointment, removal and re-election of directors and when such a decision is required it will take account of the Company's need for a balance of market, operational and financial expertise. All directors have the ability to take independent professional advice at the Company's expense where they consider it necessary to ensure they fulfil their duties in an appropriate manner.

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

The Board is constantly reviewing the Group's and its own performance based on internally set performance indicators and utilises those performance evaluations and indicators to identify areas of success and the potential for improvement.

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

The Board, together with the Company's senior management team is conscious to impart and maintain a forward-looking corporate culture throughout the Group, based on ethical values and respect for the contributions of the Company's staff. The Board leads by example and sets high standards and expectations for the Company's staff.

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

As a company with a Standard Listing, the Company is not required to comply with the provisions of the Corporate Governance Code published by the Financial Reporting Council. However, in the interests of observing best practice on corporate governance, the Company intends to comply with the provisions of the QCA Code insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board.

The Company's Standard Listing means that it is also not required to comply with those provisions of the Listing Rules which only apply to companies on the Premium List. The UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

Principle 10: Communicate how the Company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders

The Company is proactive in communicating with shareholders and other relevant stakeholders, on an annual basis by way of the Annual Report and the financial statements, and more regularly through the half year Interims, monthly operational updates and regulatory announcements. Outside of formal communications, the Company engages with shareholders and interested parties through Q&A sessions and other informal updates. The Company maintains a comprehensive website, which is available at https://argoblockchain.com.

ARGO BLOCKCHAIN PLC

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) REPORT

Argo recognizes the adverse effects caused by climate change and is committed to assessing and managing both the impact of climate change on our operations and our impact on the planet. Investors, employees, regulators, members of the community in which we operate and other stakeholders want to understand how we are planning for and adapting to climate change. The Task Force on Climate-related Disclosures (TCFD) provides a framework that enables companies to communicate climate-related financial risks to this audience.

At Argo, our stakeholders have high expectations of how we operate as a business. Since the Company's inception, Argo has been committed to sustainability which includes the objectives of minimizing our waste and carbon footprint as well as creating disclosures on an annual basis that align with our stakeholders' expectations. We have made considerable progress with our climate strategy since 2020, whose adoption and acceptance have been well received by our organization and external stakeholders, and we became a climate positive company in 2021.

In compliance with Listing Rule 14.3.27(2)R, our climate-related financial disclosures are set out below. These are a mixture of fully and partially compliant with the TCFD Recommendations and Recommended Disclosures. We have structured the report so that it follows the 4 TCFD pillars with the 11 recommended disclosures set out in Figure 4 of Section C of the TCFD Annex entitled "Guidance for All Sectors". When drafting this report, we also reviewed whether any of the sector-specific Supplemental guidance within Section E of the TCFD Annex entitled "Supplemental Guidance for Non-financial Groups" was relevant; however it was deemed that Argo could not be categorised within one of the sectors provided within these supplements. All TCFD related disclosures are included below and our sustainability report for 2022 will be produced as a standalone report later in 2023. The Company has decided not to gain assurance for the content of this report nor the GHG emissions or other KPIs included within.

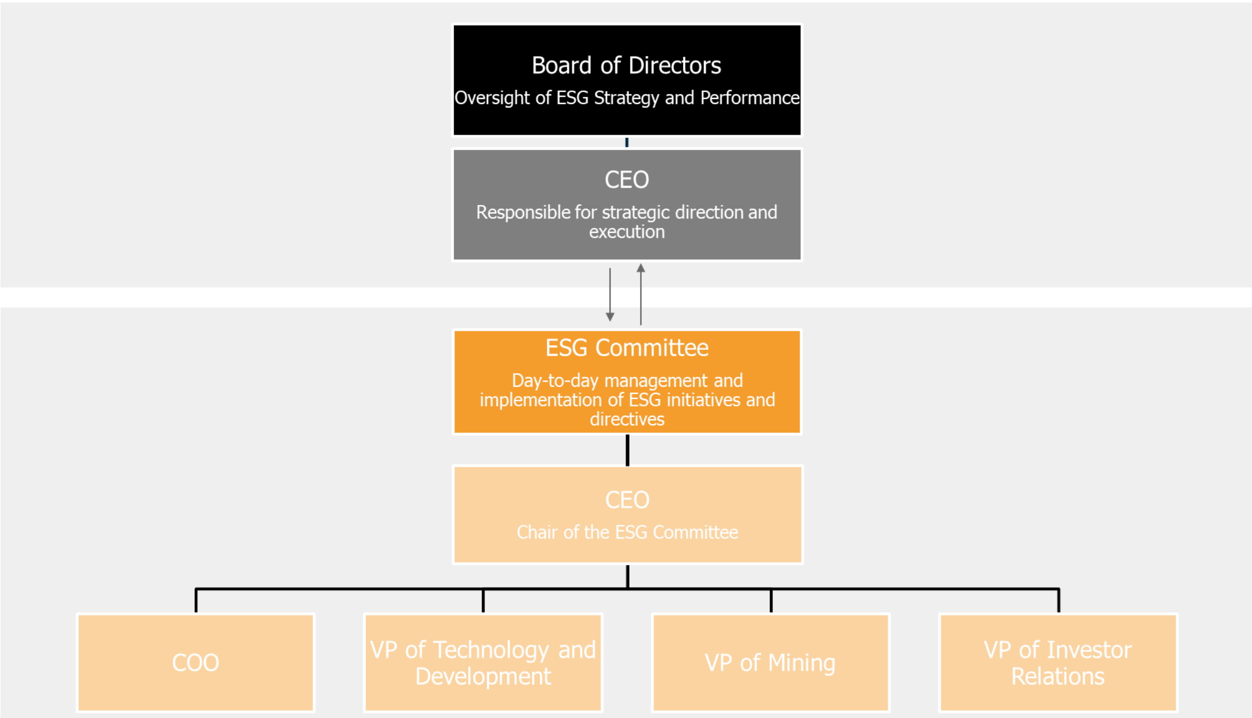
The Company consists of a small team and hence is still developing the resources in order to be fully compliant with all the TCFD's Recommendations and Recommended Disclosures. Since this is our first year publishing a TCFD-aligned report, we recognize the gaps that we must cover in order to achieve full compliance with the TCFD's Recommendations and Recommended Disclosures. In the future, we intend to evaluate our practices and consider opportunities to enhance our disclosures on an ongoing basis consistent with our objective to incorporate and expand our best practice reporting. Over the next year we will create a roadmap to full compliance, whilst acknowledging that it is not only the Company's reporting that can be improved. We need to build on what we have done this year and ensure the Company is implementing the necessary strategies, structures, resources, and tools to manage the risks and opportunities posed by climate change. We will also consider the work being conducted by the Transition Plan Taskforce so that we are aligning our climate-related reporting with best practices, which goes beyond our regulatory obligations. By next year, the Company expects to have made progress against the Governance, Strategy and Risk Management pillars. This is expected to be done by further formalizing the Company's ESG-related Governance structure, developing the Scenario Analysis conducted and by expanding the Company's risk management process.

In accordance with LSE Listing Rule 14.3.27(2)R, the table below sets out whether Argo has made disclosures fully or partially consistent with the TCFD recommended disclosures:

TCFD Pillar	TCFD Recommended Disclosures	Compliance Status	Disclosure Location (page)
Governance	Board's oversight of climate-related risks and opportunities	Partial	37
	Management's role in assessing and managing climate-related risks and opportunities	Partial	38
Strategy	Climate-related risks and opportunities the organization has identified over the short, medium and long term	Full	38
	Impact of climate-related risks and opportunities on the business, strategy, and financial planning	Partial	42
	Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Full	44
Risk Management	Organization's processes for identifying and assessing climate-related risks	Partial	46
	Organization's processes for managing climate-related risks	Partial	46

	Processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Partial	46
Metrics and targets	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Partial	46
	Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Partial	47
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	Partial	48

Governance



Recommended disclosure: a. Describe the Board's oversight of climate-related risks and opportunities

The board of directors monitors the Company's overall sustainability performance against its stated ambition and targets. It therefore has oversight responsibility for Argo's climate strategy and performance, whereas the CEO has ultimate responsibility for setting Argo's ESG strategy and performance objectives as well as oversight of its implementation and execution.

The Board is informed about the Company's climate-related progress through Board meetings and annual reports from the ESG Committee. It is the CEO who reports to the Board on ESG and climate-related issues at each Board meeting on an ad-hoc basis as required.

The Board uses climate-related issues to guide them when:

- Finalising annual budgets (purchase of Renewable Electricity Credits (RECs), Verifiable Emissions Reductions (VERs) as well as the costs associated with efficiency gains, data collection and calculation).
- Monitoring Implementation and Performance (with regards to the metrics outlined on page 48)
- Overseeing major capital expenditures (ensuring our facilities are located on low carbon emission grids and built to be as efficient as possible)

Recommended disclosure: b. Describe management's role in assessing and managing climate-related risks and opportunities

The CEO is responsible for achieving Argo's strategy and ESG objectives, whereas day-to-day responsibility for such tasks is delegated to the ESG Committee. The ESG Committee is chaired by the CEO and includes the COO, VP of Technology and Development, VP of Mining and VP of Investor Relations. The ESG Committee has climate-related expertise and is supported by external climate experts on a regular basis providing the Company with both data proficiency and strategic advisory. The committee is responsible for the management and implementation of ESG initiatives and directives. To do this, the committee meets semi-monthly to (i) assess climate-related issues, (ii) develop and discuss the status of ongoing climate-related initiatives and (iii) monitor and track progress against certain KPIs.

One of the major challenges that the Bitcoin mining industry faces is its reputation regarding energy consumption and GHG emissions. Hence, over the past year the ESG Committee has taken a stakeholder focus and created initiatives focused on supporting, and in some cases educating, certain stakeholder groups to ensure that the Company's climate change strategy is in line with their expectations. We identify key stakeholders according to Argo's impact on their interests as well as their ability to influence our strategy and objectives. Hence, management's role is to engage with our key stakeholders which includes shareholders, suppliers, employees, local communities, society, and local governments on climate-related issues.

Strategy

Recommended disclosure: a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

We recognise that climate-related risks and opportunities present a potential material impact to our business and are committed to taking the necessary steps recommended by the TCFD to assess the severity of the business risks and the value of the opportunities on our business.

This year we worked with a third-party consultant to conduct a climate screening and opportunity exercise, including interviews with key internal stakeholders across the group. The process involved exploring the range of climate impacts that may present material risks and opportunities across three-time horizons:

- Short-term (0-1 years): Aligned to our financial planning cycle.
- Medium-term (Up to 5 years): This period is considered the timeframe for major product and market shifts.
- Long-term (5 - 25 years): This time-horizon helps to capture the potential physical / transitional risks and opportunities that reflect the commitments made by national governments and the long-term damages associated with climate change.

The tables below generally describe the climate-related risks that are considered by the Company over the timeframes described above. We expect this list to grow as we further evaluate these risks and the associated business impacts:

Climate-related Risks

Transition Risks			
Climate Risk Drivers	Summary Description and Business Impact	Mitigation and Adaptation	Main Affected Time Horizon
Policy & Legal Increased costs for energy from carbon pricing	Federal authorities may pursue and implement legislation and regulation that seeks to limit the amount of carbon dioxide produced from electric generation, which would affect the availability and price of electricity sourced from power grids that are dependent upon fossil fuel-fired sources of power generation. Where we purchase electricity from the grid, this could impact us in a potentially material adverse manner. The bankruptcy or insolvency of any power generator or wholesale market supplier from whom we expect to obtain supply for our mining operations could also result in a curtailment or loss of supply, which would have a material adverse effect on our ability to continue mining operations.	We are focused on deploying our mining machines at locations with access to low-cost and reliable renewable power sources, as successfully doing so should enable us to reduce our power costs. Our Quebec facilities are primarily powered using renewable hydroelectric power, and our operations in Texas are in the Texas Panhandle, where more than 85% of the installed electricity generation capacity comes from renewable sources. We will continue to work with power grids and electric generators who have an abundance of remote renewable electricity because this aligns with the Company sustainability principles and climate strategy. As an additional benefit, the use of lower-emission sources reduces our risk exposure to the potential introduction of carbon pricing and associated reduced availability of fossil fuel-fired electric generation.	Medium to Long term
Market Increased Costs of ASIC mining machines	There are risks related to the potential disruption of our global supply chain by climate-related issues for cryptocurrency mining hardware, and difficulty in obtaining new mining machines that may have a negative effect on our business.	While we have typically purchased our mining machines from Bitmain, we have diversified our access to mining machines by establishing a relationship with ePIC Blockchain Technologies (“ePIC”). We are purchasing ePIC’s new mining machines that utilize Intel’s Blockscale ASIC chip. We will continue to assess our supply chain management and opportunities to reduce our risk exposure to any disruption to our key suppliers.	Medium to Long term

Reputational Damage	Increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by Argo or other companies in our industry could harm our reputation. This could therefore have a material adverse effect on our financial position, results of operations and cash flows.	Argo's stakeholders and society in general are becoming increasingly climate conscious. Argo recognizes this – we have always been, and always will be, committed to promoting sustainability. We routinely emphasize our commitment to sustainability through our ongoing PR and communications efforts. Additionally, we are involved in several initiatives that focus on educating these stakeholders on the positive impact that Bitcoin mining operations can have for the energy transition, including the incentivization of renewable energy development and stabilization of power grids via demand response. We have also put in place an ambitious climate strategy and attained a climate positive status in 2021.	Short to Long term

Physical Risks			
Climate Risk Drivers	Summary Description and Business Impact	Mitigation and Adaptation	Main Affected Time Horizon
Acute Disruptions to our facilities and operations	Extreme weather events have the potential to disrupt or damage Argo's operations. Flooding, heatwaves, wildfires, droughts, and rising sea levels could all impact the business. Insufficiently prepared facilities could be unable to deal with more frequent and intense occurrences of such events.	Due to the nature of our operations and facility ownership structure, Argo is in a position to be able to locate its operations in areas that are of relatively lower risk or relocate mining machines if there are ongoing operational disruptions related to acute weather disruptions. We will explore assessing the risk exposure of our current sites and develop location-specific Business Continuity Plans (BCP).	Medium to Long term
Chronic	An increasing number of volatile weather conditions, particularly unusually hot (cold) or mild (warm) summers could impact the price of energy. Due to Argo's electricity demand from the grid, it could be that Bitcoin mining companies are requested to shut down leading to a material adverse effect on the Company's revenue.	Variability in weather conditions have already impacted Argo's operations. In Quebec, Argo curtails its operations in the winter months to help stabilize the power grid. In Texas, Argo voluntarily curtails operations when electricity prices are high, which often occurs during extreme weather events. While our property strategy takes climate-related issues into account, we will seek to explore incorporating these weather-related risks into our potential site location decisions.	Short to Long term

Climate-related Opportunities

Transition Opportunities			
Climate Risk Drivers	Summary Description and Business Impact	Mitigation and Adaptation	Main Affected Time Horizon
Resource Efficiency	Enhancing our Bitcoin mining operational efficiency presents an opportunity to reduce operating costs and bolster our reputation. We compete against our peers on the efficiency of our operations and hence improving it is a cornerstone to our strategy.	Our mining hardware primarily consists of Bitmain Antminer T17, S17, S19, and Z11 machines, featuring the latest application-specific integrated circuits ("ASICs") for cryptocurrency mining. These machines offer superior speed and efficiency in cryptocurrency mining compared to general computing hardware. In addition, our operations in Texas utilize immersion cooling technology, which improves efficiency, extends the lifespan of the mining machines, and reduces costs. Due to the infancy of these machines, moving forward Argo will continue to explore the large opportunities for improvement with regards to efficiency.	Short to Long term
Energy Source Renewable energy procurement and deployment	Bitcoin miners may have the potential to enhance the shift toward decentralized energy generation by co-locating near renewable energy producers and acting as a sink for excess energy production. Serving as a sink or flexible load is valuable as it provides a market mechanism for use of excess electricity, allowing generators to increase intermittent renewable energy generation into the grid without fear that it won't be used and uncompensated for. This may reduce operating costs and increase revenue, capital availability, and reputation. Bitcoin mining's unique ability to serve as a buyer of last resort for excess energy encourages further investment in renewable projects. This, in conjunction with demand response, enhances grid resilience.	Bitcoin mining can play a valuable role in the transition to a low carbon economy. Bitcoin mining has the capability to balance the grid and hence provide value to power producers who deploy renewable energy generation. In the short-term, Texas provides the greatest opportunity for this as the grid operator, ERCOT, has worked with Bitcoin miners to assist with increased integration of renewable energy into the grid. Bitcoin mining therefore indirectly supports the deployment of additional renewable electricity and in the long-term could be deployed in other regions. We will continue to explore opportunities to foster strategic relationships with independent power producers.	Short to Long term

New Products and Services	Argo's stakeholders and society in general are increasingly climate conscious. Those who invest in Bitcoin may want to be assured that the cryptocurrency they buy has a low-carbon intensity. This has led to the development of market-based tools to incentivize sustainable production of Bitcoin.	Argo has actively explored and pursued various opportunities to promote the sustainable production of Bitcoin. In 2021, we announced the creation of the world's first Bitcoin mining pool powered by clean power, Terra Pool.	Short to Long term
Markets Ability to form new and strategic partnerships	As the world is transitioning its energy system there will be pressure on companies to reduce their GHG emissions and by-products that impact the environment negatively. In order to deal with these impacts, companies will need to collaborate with each other to find solutions and reduce the risk of regulatory action and reputational damage.	Argo has a unique opportunity to enable the transition to a net zero economy through the use of its Bitcoin mining operations. Below are three examples of potential strategic partnerships that the Company is exploring: • Independent Power Producers • Oil & gas producers • Local municipalities Please see below for an expansion of how Argo can and foster these relationships.	Short to Long Term

Recommended disclosure: b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

In 2020 we defined our climate-related goals and ambitions with specific targets identified to guide our activities, and we set our objective of being a climate positive company. Our strategy to be a climate positive company is based on 6 steps:

1. Minimising emissions at the outset – intentionally locating our own operations on grids with low emissions as well as investing in energy saving and efficiency measures at our own facilities.
2. Scope 1 emissions – No scope 1 emissions as we have no power generation or generator use at our own facilities.
3. Scope 2 emissions – Minimise scope 2 emissions through the use of low-emission grids. For any residual scope 2 emissions, RECs are purchased at owned (Argo) or hosted facilities for emissions created by electricity use.
4. Scope 3 emissions – VERs purchased for emissions resulting from all Argo activities in its value chain.
5. Additional VERs – Additional VERs purchased to become climate positive.
6. Third-party verification – Argo assessment validated by an accredited third-party verification consultant.

In alignment with these targets, we are focused on addressing the risks and opportunities identified above by integrating climate considerations in our:

- Strategic Partnerships

Argo continually seeks potential opportunities and looks for new ways for our Bitcoin mining operations to provide value to other corporations, utility companies, and government agencies. Below is a non-exhaustive list of some examples of ideas that we are in the process of evaluating:

- **Electricity generators or independent power producers** – We are evaluating opportunities to co-locate our mining operations with renewable energy producers in order to gain access to “behind the meter” electricity. This type of relationship with a power generator can be symbiotic because we can gain access to low-cost electricity and the power producer will have a buyer of last resort for its electricity regardless of the market price obtainable through the power grid.

- **Local municipalities** – Exploring partnerships with local municipalities to use waste heat from our facilities and provide this heat to the municipality or nearby facilities such as greenhouses that can make use of the heat. This creates a savings for the greenhouse as they can reduce the heat they need. In addition to creating an economic opportunity for both parties, this also saves energy and reduces our collective environmental impact.

- **Oil & gas Producers** – There is potential for partnerships with oil & gas companies who produce natural gas as an unwanted by-product of their oil production. Currently, oil & gas producers typically dispose of the unwanted natural gas via venting or flaring, which releases methane into the atmosphere. On a 100-year timescale, methane has 28 times greater global warming potential than carbon dioxide and is 84 times more potent on a 20-year timescale. Instead of venting or flaring the waste gas, it can be combusted in a generator to provide electricity for Bitcoin mining operations. Combusting the natural gas reduces methane emissions by up to 99% when compared to venting or flaring. This therefore provides an opportunity for both parties since a Bitcoin miner can help reduce the methane emissions of oil & gas producers whilst the Bitcoin miner gains access to low-cost energy for its Bitcoin mining machines.

  - Energy/Resource Efficiency

Additionally, we have worked on becoming more efficient with the energy we use through purchasing more energy-efficient technologies. These initiatives have included:

- Locating the Helios site in the West Load Zone of Texas where more than 85% of the installed generation capacity is renewable.
- Constructing the Helios facility so that it uses high-efficiency immersion cooling technology.
- Purchasing the most efficient Bitcoin mining machines on the market.

These initiatives ensure that we keep pace with the transition to a net-zero economy by proactively complying with evolving regulation, providing energy efficient technology and maintaining a strong reputation amongst our stakeholders.

  - Stakeholder engagement

We have taken a proactive approach to developing a more efficient and cleaner industry through the promotion of transparency, sharing of best practice and education to the public about the benefits of Bitcoin and Bitcoin mining. We have done this through several avenues:

- Argo is a founding member of the Bitcoin Mining Council, which educates the public on the increasing amount of renewable energy used for Bitcoin mining. It also seeks to improve reporting and increase the amount of data available on the use of renewable energy within the sector.

- Argo is a signatory of the Crypto Climate Accord, which is a private sector-led initiative for the entire crypto community focused on achieving net-zero emissions from electricity consumption by 2030 for its signatories.

- Argo is a member of the UNFCCC Climate Neutral Now initiative, committing the Company to measure, reduce, contribute, and report emissions on a yearly basis.

- Engage with regulators and policymakers at the state and federal level to educate them on the benefits of Bitcoin mining

  - Site location

Our property strategy includes criteria that considers the availability of renewable electricity and the sites’ exposure to the physical risks of climate change.

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Recommended disclosure: c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We conducted a climate-related scenario analysis this year with the aid of a third-party consultant to further validate our climate strategy. This year we carried out a scenario-based climate change risk assessment exercise to determine potential implications of climate risks on our business and strengthen the resilience of our strategy moving forward.

In building our scenarios, we used the Intergovernmental Panel on Climate Change (IPCC) warming scenarios, which provides pathways for assessing the physical impacts of climate change from varying degrees of GHG emissions in the atmosphere. Since many of the publicly-available climate-related scenarios that exist focus on transitions in heavy-emitting sectors (e.g. utilities, heavy industry), the majority of the assumptions in these existing scenarios do not directly impact Argo. As such, we drafted three qualitative transition scenarios, drawing from existing scenarios and trends, and combined them with three warming scenarios:

Assumptions:

<u>Business-as-usual</u>

RPC 8.5 - Extremely high emissions scenario with global mean temperature expected to rise by 3.7°C (2.6-4.9°C) by end of the century. The scenario assumes high dependence on fossil fuels and no policy-driven mitigation.

Qualitative assumptions – Limited regulation and impact of climate risks and emissions performance on the Company's reputation. There is uneven pressure regarding climate action and emission reduction targets, with limited investment in renewable electricity. Insurance becomes increasingly expensive and demand for RECs begins to outstrip supply resulting in much higher prices to purchase these RECs. Investors in crypto have limited interest in acquiring currencies that have been produced with fewer emissions.

<u>Delayed transition</u>

RPC 6.0 – High emissions scenario with global mean temperature expected to rise by 2.2 °C (1.4-3.1°C) by end of the century, which assumes emissions peak around 2080 and then decline.

Qualitative assumptions – There is uneven regulatory action from state to state in the US and globally, with some setting stringent climate expectations and others not incorporating ESG into regulatory standards. This means that some regions decarbonize quicker and employ renewable electricity whilst others fail to do so. Prices of RECs vary by region.

<u>Net-zero</u>

RPC 2.6 – A stringent pathway with a large regulatory push and the development of new technologies enable the likelihood of keeping global temperature rises below 2°C by 2100.

Qualitative assumptions – Strong local, state, and national-level regulation and action on building performance standards and energy benchmarking, which includes high penalties for non-compliance. Potential high investment costs to bring manufacturing locations in line with state, local, and national laws. Strong impact of emissions performance on company reputation and market value, which is seen worldwide in nearly all geographies and across investors, potential employees, and society. Nearly 100% of electricity generation globally is from renewable electricity sources and societies have adapted to become more electrified.

<u>Business Impacts</u>

Below is a table that summarizes the results of the scenario analysis in which we identified how each scenario may impact Argo's business and operations:

	RCP 8.5 / Business-as-usual	RCP 6.0 / Delayed Transition	RCP 2.6 / Net-zero

Physical climate risks	Increased chances of property damage due to floods and increased wildfires Increased energy usage as a result of increased cooling required at our facilities due to increase in ambient temperature. Increased risk of heatwaves and droughts affecting energy prices and supply chain.		Impacts of flooding and droughts on the semiconductor industry, already being observed within supply chain.
Transition Climate risks	The Company has very low potential exposure to carbon pricing and the associated policy/legal risks. However, Argo will see an increase in insurance payments, the price of RECs and disruptions to its supply chain due to the reduced supply in raw materials.	Heightened legal and regulatory risks due to uneven application. This makes it more difficult for Argo to operate in certain regions as legal and regulatory action is highly uncertain. Argo's climate strategy sees a higher cost due to the price of RECs but there is a low exposure to carbon pricing. There is limited reputational damage.	The Bitcoin mining industry's reputation is increasingly scrutinized and Argo as a result has a higher risk exposure to reputational damage as well as policy/legal risks. There is a relatively larger risk exposure to indirect carbon pricing with the price of fossil-fuel based electricity increasing in the short-term.
Transition opportunities	Opportunities for strategic partnerships are limited due to a lack of investment in renewables and the lack of appetite to reduce flare / methane gas emissions. Markets associated with green Bitcoin gain little interest.	There are certain geographies where Argo can locate its operations where the Company can make use of strategic partnership opportunities. Green Bitcoin gains interest but only in the medium to long term.	There is a large demand for technologies that enable demand response initiatives to help balance the supply and demand of electricity on the grid, which boosts Argo's ability to develop strategic partnerships. Argo is presented with opportunities to benefit from renewable electricity deployment and the requirements to decrease flare / methane gas emissions. Green Bitcoin also gains the most interest as investors are climate conscious with their decision making.

Company Resilience to Climate Risk

In all scenarios there is a focus on energy efficiency because this is a key variable on which Argo competes with its peers.

The Company has set a climate strategy that approaches the risks and opportunities associated with each scenario, however, the greatest opportunities are presented from the Net Zero scenario where Argo Blockchain is positioned to help enable the energy transition with the increased deployment of renewable electricity and demand response. This is why the Company has positioned itself as a climate leader and why it is encouraging other companies to follow suit.

We are therefore currently trying to manage these risks so that we are well-prepared across these different types of scenarios and will try to incorporate these insights into our climate strategy moving forward. However, this is only our first climate-related scenario analysis, and we will work over the next year to expand this analysis and in the next 4 years will work to quantify the financial impacts of these different scenarios.

Although these are the risks and opportunities that currently face the Company, we will continue to identify new and emerging climate-related risks that could impact the Company.

Risk Management

Recommended disclosure: a. Describe the organization's processes for identifying and assessing climate-related risks.

Argo identifies and assesses risks associated with climate change across all transition risks (policy and legal, technology, market changes and reputation) and physical risks (both acute and chronic). Processes that help identify climate-related risks and opportunities include:

- Monitoring changes in the external policy environment, including existing and emerging legislation, and national and international government announcements.
- Observing market developments, such as advances in technology that may reduce our operating costs, or changes in perception about the industry's impact on the environment
- Internal and external judgement using resources such as regulatory guidance, industry reports and peer comparisons.

We use these and other processes to identify risks relating to climate change, and to determine their significance.

The Company has yet to formalize a process in which climate-related risks are assessed in terms of their significance relative to other principal risks and assessing the potential size and scope of the risk.

Recommended disclosure: b. Describe the organization's processes for managing climate-related risks.

Risk management is undertaken by the board of directors. The Board recognizes climate change as a financial risk and has delegated responsibility to the management team to monitor and report climate-related risks as well as lead the response across the organization. The management team will also track as to where any new climate-related risks may arise. This has resulted in targets being set so that management can track climate-related KPIs and report progress to the Board.

Recommended disclosure: c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

The Board has assigned climate change as a Principal Risk because it is aware that Bitcoin mining is power intensive and has an environmental impact as a consequence. Climate change is integrated into the Company's overall risk management programme, which seeks to minimise potential adverse effects on the Company's financial performance.

In addition, due to the nature of the climate-related risks to our business and strategy, many elements are already captured within other Principal Risks, such as Electricity Supply and Price, and Technology and Supply risks. This approach enables us to capture a more holistic picture of the climate-related risks.

Metrics and Targets

Recommended disclosure: a. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.

In addition to measuring and disclosing our absolute scope 1, 2 and 3 emissions, we internally track and monitor climate-related metrics and KPIs to further help us manage climate-related risks and opportunities:

- Electricity consumption (kWh)
- Renewable Energy consumption (kWh)
- Hashrate (EH)
- Mining Efficiency (EH/GW)
- Emissions intensity (kgCO2e/$1 revenue)

The Company has not yet set an internal or external carbon price as we have minimal exposure, nor have we incorporated climate-related metrics into the Company's remuneration policy.

We plan to expand our climate-related scenario analysis and disclosure in the future to better quantify climate-related risks and opportunities achieved.

Recommended disclosure: b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks

A full view of our greenhouse gas emissions data for the last 3 years can be found below. We use energy to power our ASIC mining machines, as well as light and cool the facilities in which our machines operate. Since 2020 we have been focused on reducing our operational emissions through investing in energy saving and efficiency measures at our own facilities and by locating our operations on grids with relatively low emission electricity supply.

Most of the Group's emissions come from the electricity that is used to power our ASIC mining machines in North America. As the Group does not have any mining operations in the UK, there were minimal GHG emissions in the UK However, along with our host, Argo purchased Renewable Electricity Credits (RECs) in 2021 for these emissions, which supports our electricity suppliers in their deployment of renewable electricity. While our emissions increased by 62% from 2020 to 2021, due to the significant growth of the Group and the building of the Helios facility, Argo's overall mining efficiency improved by 34%. Argo is in the process of calculating its 2022 emissions and hence are unable to disclose the figures within this report.

Argo has previously published its emissions as part of the Company's annual sustainability report, which has customarily been published outside of and subsequent to the Annual Report. Argo is therefore in the process of calculating its 2022 emissions and hence are unable to disclose the figures within this report. We will disclose the Group's emissions for the 2022 financial year later this year within the Company's annual sustainability report.

The Group is cognisant that our stakeholders would prefer reporting is consolidated within and released at the same time as the Annual Report, together with the supplementary climate-related financial information included throughout this report. As this is the first year the Group has reported in line with the TCFD Recommendations and Recommended Disclosures, its internal processes and data collection periods have previously been tailored for the later publication date of the Group's annual sustainability report. Over the coming year the Group will work to revise its processes to enable the Group's 2023 emissions to be included within the Company's Annual Report.

Categories	2020 Total Emissions (MTCO2e)	2021 Total Emissions (MTCO2e)
Scope 2	46,880	61,077
Electricity Use	46,880	61,077
Scope 3	10,389	31,819
C1: Purchased Goods and Services	89	378
C2: Capital Goods	281	20,597
C3: Fuel & Energy	7,705	7,653
C4: Upstream T&D	2,314	3,191
Total Scope 1, 2 and 3	57,269	92,896

The GHG data boundary includes our operations in the US and Canada. The GHG emissions have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol. The data presented above uses a market-based approach which accounts for >99% of the GHG emissions and energy consumption in respect of activities where we are the operator.

A GHG verification assessment was undertaken using recognized assessment tools and approaches (i.e., The GHG Protocol Corporate Accounting and Reporting Standard with reporting, information, and data collected and provided by Argo) and complies with the requirements and general guidance for companies compiling and reporting on corporate-level GHG emissions inventory.

Scope 1 emissions are not reported due to no power generation or generator use at our own facilities. Our Greenhouse Gas reporting period is from January 1st to December 31st for 2020 and 2021.

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Recommended disclosure: c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

In 2020, Argo set the objective of being a climate positive company and in 2021 Argo reached this goal, releasing a full climate strategy and becoming the first Bitcoin mining company to announce climate positive status through its use of renewable energy to power mining operations, and by offsetting more scope 2 and 3 greenhouse gas emissions than we emitted in 2020and 2021 Although we are yet to be climate positive for the year 2022, we are in the process of calculating the Group’s 2022 emissions and once that is complete, we will purchase the necessary RECs and VERs.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent company financial statements in accordance UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit and loss of the Group and Company for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible to make a statement that they consider the Annual Report and financial statements taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Group's and Company's position and performance, business model and strategy.

Website publication

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group and Company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4 (Disclosure and Transparency Rules)

The directors confirm to the best of their knowledge:

- The Group and Company financial statements have been prepared in accordance with UK-adopted international financial reporting standards and give a true and fair view of the assets, liabilities, financial position and profit or and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and Company; and
- The Annual Report includes a fair review of the development and performance of the business and financial position of the Group and Company together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board:

Matthew Shaw

Matthew Shaw
Chairman

28 April 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARGO BLOCKCHAIN PLC

Opinion

We have audited the financial statements of Argo Blockchain plc (the 'parent company') and its subsidiaries (the "group") for the year ended 31 December 2022 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that due to the group's debt service obligations and the exposure to Bitcoin, power and hashprice price which have shown significant volatility over recent years, resulting in a current loss recorded for the year. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included a review of management's cash flow forecasts to June 2024, along with an assessment of the "disaster scenario" forecast as well as its likelihood. The audit team performed sensitivity analysis on the hashprice applied throughout the assessment period. We have reviewed all key inputs into the cash flow forecasts, with particular emphasis on those areas of judgement and estimation uncertainty such as the hashprice, power costs and hashpower, and ensured they are appropriate and no evidence of management bias exists.

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

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

The group materiality for the financial statements as a whole was set at £763,000 (2021: £758,400). This was calculated based on an average of 1% of total revenue for the year and 2.5% of the loss before tax (2021: 1% of total revenue for the year). The change in the basis for calculation was a result of the change in the focus during the year following a decrease in hashprice, increased power costs and the resulting sale of the Helios facility due to position the entity was in, and therefore the key factor in determining performance has been to assess not just revenues but results for the year. The percentage used is a reflection of the perceived risk in the industry and the significant growth of the group, which therefore enabled greater coverage of revenue from the audit procedures undertaken.

The parent company materiality for the financial statements as a whole was set at £457,800 (2021: £118,700). This was calculated based on 2% of total expenditure, which was same benchmark was used in the prior year. However, as per ISA 600 requirements, this has been capped at an amount lower than group materiality, which we assessed in line with the group performance materiality threshold. We have determined this to be the principal benchmark of the parent company, as revenue is generated solely through its subsidiaries. A key management target is to minimise parent company expenditure, in order to maximise the utilisation of funds within the trading subsidiary. In addition to this, legal and professional fees have significant increased in the year through the sale of Helios and other advice obtained, and is the key figure within expenses in the current year. Materiality for the subsidiaries has been calculated on individual levels either on the same basis as that of the group, capped at group performance materiality, 2% of net assets and 1% of Gross assets.

These significant components of the group, were audited to a level of materiality ranging from £44,174 to £457,800. Performance materiality was set at 60%.

Performance materiality for the group financial statements was set at £457,800 (2021: £455,000) and the parent company was set at £274,680 (2021: £83,000), being 60% of materiality for the financial statements as a whole. The performance materiality for the group and all subsidiaries is based on our assessment of the relevant risk factors e.g. previous experience of misstatements, management's attitude towards proposed adjustments, and the level of estimation inherent within the group and the subsidiaries including the parent company. We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £38,150 (2021: £37,920) for the group and for the parent company a value in excess of £22,890 (2021: £5,935). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. In particular, we looked at areas involving significant accounting estimates and judgement by the Directors, and those areas assessed to be Key Audit Matters as presented below. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We assessed all components of the group for their significance in order to determine the extent of the work to be performed on them in order to obtain sufficient and appropriate audit evidence on which to base the group audit opinion. Those entities of the group which were considered to be significant components, being Argo Blockchain plc, Argo Innovation Labs Inc, Argo Innovation Facilities (US) Inc., GPU.One 9377-2556 Inc., GPU.One 9366-5230 Inc and Argo Operating US LLC. were subject to full scope audit procedures by PKF Littlejohn LLP. Procedures were performed to address the assessed risks of material misstatement.

We did not rely on the work of any component auditors.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Recognition and valuation of cryptocurrency assets (Note 21) This is considered a Key Audit Matter because the crypto assets' value at reporting date is subject to management judgement and estimation uncertainty for those holdings which are not frequently or not yet traded. In addition to this, the group holds different tokens for different purposes which attracts differing accounting treatments, and therefore the incorrect treatment applied may have a material impact on the financial statements. The volatility of the crypto assets' values increases the valuation risk also. Moreover, the crypto assets are held across numerous wallets both internal and external, which gives rise to increased completeness and existence risks. The group during the year entered into material transactions involving the purchase, mining and disposal of crypto assets. The type and form of these assets can differ significantly with regard to the ability to make payments, trade or exchange. In addition, not all crypto assets have an active market whereby transactions in the digital currencies take place with sufficient frequency and volume in order to provide pricing information on an ongoing basis. Crypto assets can be subject to high levels of volatility. Therefore, there is a significant risk of material misstatement of said assets, due to both the significant management estimate involved and the volatility attributed to crypto assets.	In responding to the identified key audit matter we completed the following audit procedures: • Confirming good title to and quantities of the Crypto assets within the Group's wallets and obtaining direct confirmation from relevant custodians; • Reviewing and testing underlying agreements giving rise to the receipt of Crypto assets; • Performing an assessment of the fair values attributed to the Crypto assets at the transaction date and year end date, by vouching the value of quantities held to a third party website; • Assessing the Crypto portfolio held at the year end and ensuring that only the Crypto currencies traded on an active liquid markets have been measured at Level 2 on the fair value hierarchy table; • For those Digital Assets which arise from Single Agreements For Future Tokens ("SAFTs"), parachain auction funds, and staked tokens with vesting periods, obtaining evidence of the contribution made and assessing for evidence of impairment or future trading; • Performing an assessment of the liquidity of the tokens held and any impact on the subsequent measurement thereto; and • Discussing with management the strategy for the holding of said digital assets and reviewing the relevant accounting treatment applied. **Key observations:** We are satisfied that those currencies which are actively traded are recorded at their fair value based on an active market, and those which are not are recorded at a true reflection of their fair value. We are satisfied that the group has title to the digital assets as recorded within these financial statements.
Accounting treatment of the disposal of Helios and accounting implications of the subsequent hosting agreement including an assessment of whether this meets the criteria of a Right of Use asset under IFRS	In responding to the identified key audit matter we completed the following audit procedures:

16 (Note 19) At the end of the year, the group entered into an agreement with Galaxy to dispose of the Helios facility in order to reduce the level of debt on the Argo balance sheet in order to continue to trade as a going concern. A hosting agreement has been agreed with Galaxy as part of this disposal to host the Argo machines within the Helios facility. As part of this agreement, management need to assess whether this meets the requirements of IFRS 16 – Leases, and therefore a Right of Use asset to be recognised along with a supporting lease liability. The asset may also be subject to an impairment test. There is a risk that the incorrect accounting treatment has been applied and the disposal inadequately treated which could give rise to a material misstatement.	• Vouching the consideration relating to the disposal to supporting documentation; • Obtaining managements calculation of the disposal of the Helios facility and performing a recalculation of the resulting gain or loss through vouching to the purchase agreement; • Obtaining a copy of the Hosting agreement and reviewing managements technical accounting paper of whether the criteria of IFRS 16 is met and challenging thereto; and • Reviewing the post year end performance of the group following the implementation of the Hosting agreement to ensure consistency with conclusions reached by management in respect of the Right of Use asset. **Key observations:** We are satisfied that management have appropriately reflected the disposal of the Helios facility and the new hosting agreement in place with Galaxy does not meet the criteria for a Right of Use asset to be calculated and recognised, and therefore is appropriately reflected in the financial statements.
Carrying value of mining machines (Note 19) The group holds a significant value of mining machines as the year end, which is made up of newly acquired machines in the year as well as those in place from prior periods. The machines acquired in the current year were at a significantly higher price than the current value of the same machine. This is directly a result of the crash in the price of bitcoin during the year. The prices fluctuate based on the hashpower rating and the price of bitcoin. The acquisitions were made whilst the price of bitcoin was high, and they were delivered and installed following the price crash. In addition to this, there has been a significant increase in power costs incurred within the Helios facility, which therefore gives rise to longer payback periods, which has triggered an impairment indicator under IAS 36, and thus management are required to prepare an assessment of the recoverable amount of said machines, being the higher of their fair value less costs to sell and the value in use. This was deemed to be a Key Audit Matter as a result of the areas of management judgement and estimation uncertainty into the value in use calculation.	In responding to the identified key audit matter we completed the following audit procedures: • Reviewing the technical accounting memo and value in use calculations prepared by BDO, challenging the assumptions made thereto including obtaining both corroborative and contradictory evidence of the key inputs; • Obtaining evidence of current selling prices of new and used machines in order to assess the recoverable value if the machines were to be sold to a third party and to also assess the validity of the salvage value as part of the VIU calculation; • Performing sensitivity analysis on the key inputs in the value in use calculations prepared; • Engaging the PKF internal valuation team to perform a WACC calculation to compare against the discount rate applied by management in their assessment; and • Reviewing the disclosures in the financial statements and ensuring they provide a true and fair view of management's assessment performed.

	Key observations: We are satisfied that the inputs into this model reflect management's best assessment of the carrying value and have been appropriate applied and disclosed.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report[29]. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - Companies Act 2006
    - Canada Business Corporations Act
    - Securities Law
    - Anti Money Laundering Legislation
    - Disclosure Rules and Transparency rules for listed entities
    - SEC regulations
    - Local tax laws and regulations
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - A review of the Board minutes throughout the year and post year-end
    - A review of the RNS announcements
    - A review of general ledger transactions
    - Discussion with management
    - Obtained confirmation from legal advisors
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the risk relating to the valuation of digital assets and the impairment assessment of property, plant, and equipment to be an area of potential for management bias. The valuation of the digital assets held at the year-end have been classified as "level 2" in the fair value hierarchy table, and supporting evidence has been obtained from a relevant trading platform to support the fair value of assets held.
- In all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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*. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board on 26 February 2021 to audit the financial statements for the period ending 31 December 2020 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the periods ending 31 December 2018 to 31 December 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

David Thompson

28 April 2023

15 Westferry Circus

Canary Wharf

London E14 4HD

ARGO BLOCKCHAIN PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

Continuing operations	Note	Year ended December 2022 £'000	Year ended December 2021 £'000
Revenues	**7**	47,363	74,204
Direct costs	**8**	(38,183)	(22,186)
Change in fair value of digital currencies	**21**	(43,640)	1,628
Gross (loss)/profit		**(34,460)**	**53,646**
Operating costs and expenses	**8**	(27,534)	(8,887)
Share based payment charge	**22**	(4,928)	(1,938)
Gain on hedging	**7**	1,695	-
Operating (loss)/profit		**(65,227)**	**42,821**
Fair value revaluation of variable consideration	**25**	4,038	236
Fair value (loss)/gain of investments	**15**	(328)	183
Loss on sale of subsidiary and investment	**14**	(44,804)	(629)
Loss on disposal of fixed assets	**19**	(18,779)	-
Finance costs	**8**	(18,321)	(2,142)
Other income	**7**	3,012	-
Impairment of tangible fixed assets	**19**	(45,143)	-
Impairment of intangible assets	**18**	(4,168)	-
Equity accounted loss from associate	**16**	(4,872)	(1,198)
(Loss)/profit before taxation		**(194,592)**	**39,271**
Tax credit/(expense)	**13**	361	(8,506)
(Loss)/profit after taxation		**(194,231)**	**30,765**
Other comprehensive income			
Items which may be subsequently reclassified to profit or loss:			
- Currency translation reserve		1,735	(410)
- Equity accounted OCI from associate	**16**	(6,571)	6,571
- Fair value gains on intangible digital assets		(414)	414
Total other comprehensive (loss)/income, net of tax		**(5,250)**	**6,575**
Total comprehensive (loss)/income attributable to the equity holders of the Company		**(199,481)**	**37,340**
Earnings per share attributable to equity owners (pence)			
Basic (loss)/earnings per share		(40.98p)	7.7p
Diluted (loss)/earnings per share		(40.98p)	7.4p

The income statement has been prepared on the basis that all operations are continuing operations.

ARGO BLOCKCHAIN PLC

GROUP STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2022 £'000	As at 31 December 2021 £'000
ASSETS			
Non-current assets			
Investments at fair value through profit or loss	**15**	344	403
Investments accounted for using the equity method	**16**	2,374	13,817
Intangible fixed assets	**18**	1,744	5,604
Property, plant and equipment	**19**	63,850	111,604
Right of use assets	**19**	435	350
Total non-current assets		**68,747**	**131,778**
Current assets			
Trade and other receivables	**20**	5,641	63,359
Digital assets	**21**	368	80,759
Cash and cash equivalents		16,662	11,803
Total current assets		**22,671**	**155,921**
Total assets		**91,418**	**287,699**
EQUITY AND LIABILITIES			
Equity			
Share Capital	**23**	478	468
Share Premium	**23**	143,748	139,581
Share based payment reserve	**24**	6,801	1,905
Fair value reserve	**24**	-	414
Currency translation reserve	**24**	1,768	33
Other comprehensive income of equity accounted associates	**24**	-	6,571
Accumulated surplus/(loss)	**24**	(141,393)	52,838
Total equity		**11,402**	**201,810**
Current liabilities			
Trade and other payables	**25**	8,310	15,245
Contingent consideration	**25**	-	8,071
Loans and borrowings	**26**	9,624	23,391
Income tax	**13**	-	7,679
Deferred tax	**13**	2,196	286
Lease liability		4	7
Total current liabilities		**20,134**	**54,679**
Non-current liabilities			
Deferred tax	**13**	6,586	541
Issued debt - bond	**27**	31,356	26,908
Loans	**26**	21,492	3,391
Lease liability		448	370
Total liabilities		**59,882**	**85,889**
Total equity and liabilities		**91,418**	**287,699**

ARGO BLOCKCHAIN PLC

The Group financial statements were approved by the Board of Directors on 28 April 2023 and authorised for issue; they are signed on its behalf by:

Seif El-Bakly **Chief Executive Officer (Interim)**
The accounting policies and notes on pages 69 to 109 form part of the financial statements.

Registered number: 11097258

ARGO BLOCKCHAIN PLC

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	As at December 2022 £'000	As at December 2021 £'000
ASSETS			
Non-current assets			
Investment in subsidiaries	**14**	53,495	12,181
Investments at fair value through profit or loss	**15**	73	73
Investments accounted for using the equity method	**16**	2,374	13,817
Tangible fixed assets	**18**	1,821	-
Total non-current assets		**57,763**	**26,071**
Current assets			
Trade and other receivables	**20**	456	8,598
Intercompany receivable, net	**20**	8,572	175,859
Cash and cash equivalents		115	126
Total current assets		**9,143**	**184,583**
Total assets		**66,906**	**210,654**
EQUITY AND LIABILITIES			
Equity			
Share Capital	**23**	478	468
Share Premium	**23**	143,748	139,581
Share based payment reserve	**24**	6,801	1,905
Other comprehensive income of equity accounted associates	**24**	-	6,571
Accumulated (loss)/surplus	**24**	(120,113)	18,986
Total equity		**30,914**	**167,511**
Current liabilities			
Trade and other payables	**25**	4,636	8,164
Contingent consideration	**25**	-	8,071
Total current liabilities		**4,636**	**16,235**
Non-current liabilities			
Loans and borrowings	**26**	31,356	26,908
Total liabilities		**31,356**	**43,143**
Total equity and liabilities		**66,906**	**210,654**

ARGO BLOCKCHAIN PLC

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's total comprehensive loss for the year was £139.1m (2021: loss of £3.6m). The Group financial statements were approved by the board of directors on 28 April 2023 and authorised for issue; they are signed on its behalf by:

Seif El-Bakly
Chief Executive Officer (Interim)
The accounting policies and notes on pages 69 to 109 form part of the financial statements.

Registered number: 11097258

ARGO BLOCKCHAIN PLC

GROUP STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Share Premium £'000	Currency translation reserve £'000	Share based payment reserve £'000	Fair Revaluation Reserve £'000	Other comprehensive income of associates £'000	Accumulated surplus/ (deficit) £'000	Total £'000
Balance at 1 January 2022	468	139,581	33	1,905	414	6,571	52,838	201,810
						-		
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	-	-	(194,231)	(194,231)
Other comprehensive income	-	-	1,735	-	(414)	(6,571)	-	(5,250)
Total comprehensive income for the period	-	-	1,735	-	(414)	(6,571)	(194,231)	(199,481)
Transactions with equity owners:								
Share capital issued	10	4,167	-	-	-	-	-	4,177
Share based payment charge	-	-	-	4,928	-	-	-	4,928
Share options/warrants exercised	-	-	-	(32)	-	-	-	(32)
Total transactions with equity owners	10	4,167	-	4,896	-	-	-	9,073
Balance at 31 December 2022	478	143,748	1,768	6,801	-	-	(141,393)	11,402

ARGO BLOCKCHAIN PLC

GROUP STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Currency translation reserve	Share based payment reserve	Fair Revaluation Reserve	Other comprehensive income of associates	Accumulated surplus/ (deficit)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2021	304	1,540	443	75	-	-	21,965	24,327
Total comprehensive income for the period:								
Profit for the period	-	-	-	-		-	30,765	30,765
Other comprehensive income	-	-	(410)	-	414	6,571	-	6,575
Total comprehensive income for the period	-	-	(410)	-	414	6,571	30,765	37,340
Transactions with equity owners:								
Share capital issued	164	150,977	-	-	-	-	-	151,141
Issue costs of share capital	-	(12,936)	-	-	-	-	-	(12,936)
Share based payment charge	-	-	-	1,938	-	-	-	1,938
Share options/warrants exercised	-	-	-	(108)	-	-	108	-
Total transactions with equity owners	164	138,041	-	1,830	-	-	108	140,143
Balance at 31 December 2021	468	139,581	33	1,905	414	6,571	52,838	201,810

ARGO BLOCKCHAIN PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Share based payment reserve	Other comprehensive income of associates	Accumulated surplus/ (deficit)	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	468	139,581	1,905	6,571	18,986	167,511
Total comprehensive income for the period:						
Loss for the period	-	-	-	-	(139,098)	(139,098)
Other comprehensive income	-	-	-	(6,571)	-	(6,571)
Total comprehensive income for the period	-	-	-	(6,571)	(139,098)	(146,830)
Transactions with equity owners:						
Share capital issued	10	4,167	-	-	-	4,177
Share based payments charge	-	-	4,928	-	-	4,928
Share options/warrants exercised	-	-		-		-
Total transactions with equity owners	10	4,167	4,896	-	-	9,073
Balance at 31 December 2022	**478**	**143,748**	**6,801**	**-**	**(120,112)**	**30,915**

	Share Capital £'000	Share Premium £'000	Share based payment reserve £'000	Other comprehensive income of associates £'000	Accumulated surplus/ (deficit) £'000	Total £'000
Balance at 1 January 2021	304	1,540	75	-	22,429	24,348
Total comprehensive income for the period:						
Loss for the period	-	-	-	-	(3,551)	(3,551)
Other comprehensive income	-	-	-	6,571	-	6,571
Total comprehensive income for the period	-	-	-	6,571	(3,551)	3,020
Transactions with equity owners:						
Share capital issued	164	150,977	-	-	-	151,141
Issue costs of share capital	-	(12,936)				(12,936)
Share based payments charge	-	-	1,938	-	-	1,938
Share options/warrants exercised	-	-	(108)	-	108	-
Total transactions with equity owners	164	138,041	1,830	-	108	140,143
Balance at 31 December 2021	**468**	**139,581**	**1,905**	**6,571**	**18,986**	**167,511**

ARGO BLOCKCHAIN PLC

GROUP STATEMENT OF CASH FLOWS

	Note	Year ended December 2022 £'000	Year ended December 2021 £'000
Cash flows from operating activities			
(Loss)/profit before tax		(194,592)	39,271
Adjustments for:			
Depreciation/Amortisation	**18, 19**	23,449	11,511
Foreign exchange movements		(17,250)	589
Loss on disposal of tangible assets		18,779	-
Finance cost		18,321	2,142
Loss on sale of subsidiary and investment	**14**	44,804	629
Fair value change in digital assets through profit or loss	**21**	43,640	(1,628)
Impairment of intangible digital assets	**18**	4,168	535
Impairment of property, plant and equipment	**19**	45,143	-
Investment fair value movement	**15**	328	(183)
Share of loss from associate	**16**	4,872	1,198
Non-cash settlement of management fees	**8**	-	(1,561)
Revaluation of contingent consideration	**25**	(4,038)	(236)
Derecognition of contingent consideration		-	(352)
Hedging gain		(1,695)	-
Share based payment expense	**22**	4,928	1,938
Working capital changes:			
(Increase)/decrease in trade and other receivables	**20**	(15,250)	(13,628)
Increase/(decrease) in trade and other payables	**25**	(83,021)	12,289
Decrease/(increase) in digital assets	**21**	36,751	(80,331)
Net cash generated/(used in) from operating activities		**(70,663)**	**(27,817)**
Investing activities			
Investment at fair value through profit or loss	**15**	-	(220)
Acquisition of subsidiaries, net of cash acquired	**17**	-	(664)
Cash disposed of on disposal of subsidiary	**19**	(1,357)	-
Investment in associate	**16**	-	(7,353)
Proceeds from sale of investment	**15**	-	772
Purchase of tangible fixed assets	**19**	(87,353)	(78,972)
Proceeds from disposal of tangible fixed assets		10,028	-
Purchase of digital assets	**21**	-	(15,009)
Proceeds from sale of digital assets	**21**	84,225	11,308
Mining equipment prepayment		-	(47,426)
Net cash generated from/(used in) investing activities		**5,543**	**(137,564)**
Financing activities			
Increase/(decrease) in loans		78,418	22,239
Proceeds from issue of loan in conjunction with the disposal of subsidiary	**14**	8,033	-
Lease payments		(75)	(7,379)
Loan repayments		-	(1,196)
Interest paid		(18,321)	(122)
Proceeds from debt issue – net of issue costs	**26**	-	26,908

Proceeds from shares issued – net of issue costs	**23**	-	134,684
Net cash (used in)generated from financing activities		**(68,055)**	**175,133**
Net increase in cash and cash equivalents		**2,935**	**9,752**
Effect of foreign exchange on cash and cash equivalents		1,924	-
Cash and cash equivalents at beginning of period		11,803	2,051
Cash and cash equivalents at end of period		**16,662**	**11,803**

Material non-cash movements:

- The Group sold its Helios facility during the year, in exchange for paying down existing debt and obtaining new debt. See Note 19 for additional details.
- In March 2022, the Group entered into an agreement to exchange mining machines and terminate a hosting agreement. See Note 19 for additional details.

Group - net debt reconciliation		**Year ended 31 December 2022 £'000**	**Year ended 31 December 2021 £'000**
Current loans and borrowings	**26**	(9,624)	(23,391)
Current lease liability		(4)	(7)
Non-current issued debt – bonds	**26**	(31,356)	(26,908)
Non-current loans and borrowings	**26**	(21,492)	(3,391)
Non-current liability – lease		(448)	(370)
Cash and cash equivalents		16,662	11,803
Total net debt		**(46,262)**	**(42,264)**

The directors also consider their digital assets of £2.1m (2021 - £80.7m) as a liquid holding and as such net funds/(debt) would be £(44.2m) (2021 – £65.4m).

ARGO BLOCKCHAIN PLC

COMPANY STATEMENT OF CASH FLOWS

	Note	Year ended December 2022 £'000	Year ended December 2021 £'000
Cash flows from operating activities			
Loss before tax		(138,633)	(3,551)
Adjustments for:			
Share of loss from associate		4,872	1,198
Fair value adjustment on contingent consideration		(4,038)	(409)
Foreign exchange movements		(6,158)	-
Share based payment expense		4,928	1,938
Loss on disposal of investment in subsidiary		104,252	-
Impairment of assets		15,120	-
Working capital changes:			
(Increase)/decrease in trade and other receivables	**20**	8,142	(8,411)
Increase/(decrease) in trade and other payables	**25**	(3,328)	7,741
Net cash used in operating activities		**(14,843)**	**(1,494)**
Investing activities			
Purchase of investments	**8**	-	(7,353)
(Increase)/decrease in loan to subsidiary	**13**	14,832	(154,075)
Net cash (used in(/generated from investing activities		**14,832**	**(161,428)**
Financing activities			
Proceeds from debt issue – net of issue costs	**26**	-	26,908
Proceeds from shares issued – net of issue costs		-	134,684
Net cash generated from financing activities		**-**	**161,592**
Net (decrease)/increase in cash and cash equivalents		**(11)**	**(1,330)**
Cash and cash equivalents at beginning of period		126	1,456
Cash and cash equivalents at end of period		**115**	**126**

Company - net debt reconciliation		**Year ended 31 December 2022 £'000**	**Year ended 31 December 2021 £'000**
Non-current loans and borrowings	**26**	(31,356)	(26,908)
Cash and cash equivalents		115	126
Total net (debt) / asset		**(31,241)**	**(26,782)**

ARGO BLOCKCHAIN PLC

NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY INFORMATION

Argo Blockchain PLC ("the company") is a public company, limited by shares, and incorporated in England and Wales. The registered office is Eastcastle House, 27-28 Eastcastle Street, London, W1W 8DH. The company was incorporated on 5 December 2017 as GoSun Blockchain Limited and changed its name to Argo Blockchain Limited on 21 December 2017. Also on 21 December 2017, the company re-registered as a public company, Argo Blockchain plc. Argo Blockchain plc acquired a 100% subsidiary, Argo Innovation Labs Inc. (together "the Group"), incorporated in Canada, on 12 January 2018.

On 4 March 2021 the Group acquired 100% of the share capital of DPN LLC and was merged into new US entity Argo Innovation Facilities (US) Inc (also 100% owned by Argo Blockchain plc).

On 11 May 2021 the Group acquired 100% of the share capital of 9377-2556 Quebec Inc and 9366-5230 Quebec Inc. These are held by Argo Innovation Labs Inc. (Canada).

On 22 November 2022, the Group formed Argo Operating US LLC and Argo Holdings US Inc.

On 21 December 2022, Argo Innovation Facilities (US) Inc became Galaxy Power LLC. On 28 December 2022, the Group sold Galaxy Power LLC.

The principal activity of the group is that of Bitcoin mining.

The common shares of the Group are listed under the trading symbol ARB on the London Stock Exchange. The American Depositary Receipt of the Group are listed under the trading symbol ARBK on Nasdaq. The Group bond is listed on the Nasdaq Global Select Market under the trading symbol ARBKL.

The financial statements cover the year ended 31 December 2022.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, except for the measurement to fair value certain financial and digital assets and financial instruments as described in the accounting policies below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand GBP. Argo Innovations Labs Inc., 9377-2556 Quebec Inc, and 9366-5230 Quebec Inc.'s functional currency is Canadian Dollars; Argo Operating US LLC and Argo Holdings US Inc.'s functional currency is United States Dollars; all entries from these entities are presented in the Group's presentational currency of Sterling. Where the subsidiaries functional currency is different from the parent, the assets and liabilities presented are translated at the closing rate as at the Statement of Financial Position date. Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

Critical accounting judgements and key sources of estimation uncertainty
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are disclosed in Note 6.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Going Concern

The preparation of consolidated financial statements requires an assessment on the validity of the going concern assumption. 2022 was a challenging year for Bitcoin miners: the depressed price of Bitcoin and the elevated global hashrate caused hashprice, the primary measure of mining profitability, to reach all-time lows in Q4 2022. In addition, global events resulted in disruption to fossil fuel energy markets which resulted in a significant increase in electricity prices. The low hashprice and elevated power prices significantly reduced Argo's profitability and its ability to generate free cash flow. During Q4 2022, the Group evaluated several strategic alternatives to restructure our balance sheet and improve our cash flow.

On 28 December 2022, the Group announced a series of transactions with Galaxy Digital Holdings, Ltd. ("Galaxy") that improved the Group's liquidity position and enabled the Group to continue its mining operations. As part of the transactions, Argo sold the Helios facility and real property in Dickens County, Texas to Galaxy for £54 million and refinanced existing asset-backed loans via a new £29 million, three-year asset-backed loan with Galaxy. The transactions reduced total indebtedness by £34 million and allowed Argo to simplify its operating structure.

While the Galaxy transactions strengthened the Group's balance sheet, material uncertainties exist that may cast significant doubt regarding the Group's ability to continue as a going concern and meet its liabilities as they come due. The significant uncertainties are:

1) The Group's debt service obligations of approximately £22 million to 30 June 2024. Please see the net debt tables under the Group and Company cash flow statements for further information of the Group's exposure to liabilities and net position at the year end.

2) The Group's exposure to Bitcoin prices, power prices, and hashprice, each of which have shown volatility over recent years and have a significant impact on the Group's future profitability. The Group may have difficulty meeting its liabilities if there are significant declines to the hashprice assumption or significant increases to the power price, particularly where there is a combination of both factors. The Directors' assessment of going concern includes a forecast drawn up to 30 June 2024 using the Group's estimate of the forecasted hashprice. Power costs are now also partially fixed per kilowatt hour as Galaxy has hedged the majority of the power obligations at Helios and, as per the hosting agreement in place, the Group has access to this power. Anticipated power costs based on this arrangement are reflected in the forecast prepared.

Offsetting these potential risks to the Group's cash flow are the Group's current cash balance, the Group's ability to generate additional funds by issuing equity for cash proceeds and selling certain non-core Group assets.

Based on information from Management, as well as independent advisors, the Directors have considered the period to 30 June 2024, as a reasonable time period given the variable outlook of cryptocurrencies and the Bitcoin halving due in May 2024. Based on the above considerations, the Board believes it is appropriate to adopt the going concern basis in the preparation of the Financial Statements. However, the Board notes that the significant debt service requirements and the volatile economic environment, indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption and the auditors have made reference to this in their audit report.

Revenue and Other Income Recognition

Mined income: The Group recognised revenue during the period in relation to mined crypto. The Group enters into contracts with the mining pool. The performance obligation is identified to be the delivery of crypto into the Group's wallet once an algorithm has been solved. The transaction price is the fair value of crypto mined, being the fair value per the prevailing market rate for that crypto currency on the transaction date, and this is allocated to the number of crypto mined. These criteria for performance obligation are assessed to have occurred once the crypto has been received in the Group's wallet. Mining earnings are made up of the baseline block reward and transaction fees of between 5% to 10%, however, these are bundled together in the daily deposits from mining and therefore are not capable of being analysed separately.

Management fees: The Group recognised management fees on the services provided to third parties for management of mining machines on their behalf, ensuring the machines are optimised and mining as efficiently as possible. The performance obligation is identified as the services are performed, and thus revenue is recorded over time.

Other Income: The Group receives credits and or coupons for the purchase and use of "Application-Specific Integrated Circuits ("ASICs") on a periodic basis for Bitcoin Mining. These credits are provided to the Group after it purchases ASICs based on the variance between the price paid by the Group versus the reduction in ASIC prices. The credits are transferable. The Group elects to sells the credits at the market rate to willing buyers upon receipt of the credits. Other income is recognised at the date the sale is completed.

Derivative Contracts – Hedging: In 2022, the Group used derivatives contracts in connection with some of its lending activities and its treasury management. Derivative contracts are susceptible to additional risks that can result in a loss of all or part of the investment. The Group's derivative activities and exposure to derivative contracts are subject to interest rate risk, credit risk, foreign exchange risk, and macroeconomic risks. In addition, Argo is also subject to additional counterparty risks due to its potential inability of its counterparties to meet the terms of their contracts. The Group participates in both Future and Forward contracts as well as option contracts. Some of these derivatives are listed on exchange whereas some of these are traded over the counter.

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The group consists of Argo Blockchain plc and its wholly owned subsidiaries Argo Innovation Labs Inc, Argo Operating US LLC and Argo Holdings US Inc., 9366-5230 and 9377-2556 and Argo Innovation Labs Ltd. Argo Innovation Labs Ltd has been dormant since incorporation.

In the parent company financial statements, investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Argo Blockchain plc and all of its subsidiaries (i.e., entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. On the basis that Argo Innovation Labs Limited was dormant during the year and is immaterial to the Group, it was not included in these consolidated financial statements.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Business Combinations

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Gains and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO or equivalent. The directors consider that the Group has only one significant reporting segment being crypto mining which is fully earned by a Canadian and USA subsidiary for the financial year ended 31 December 2022.

Loans and issued debt

Loans and issued debt are recognised initially at fair value, net of transaction costs incurred. Loans and issued debt are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method. Loans and issued debt are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Loans and borrowings and issued debt are classified as current liabilities unless the Group has an unconditional right to defer settlement of a liability for at least 12 months after the end of the reporting period.

Intangible assets

Intangible fixed assets comprise of the Group's website and digital assets that were not mined by the Group and are held by Argo Labs (our internal team) as investments. The Group's website is recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recorded within administration expenses. Digital assets recorded under IAS 38 have an indefinite useful life initially measured at cost, and subsequently measured at fair value.

Argo's primary business is focused on cryptocurrency mining. Argo Labs is an in-house innovation arm focused on identifying opportunities within the disruptive and innovative sectors of the broader cryptocurrency ecosystem. Argo Labs uses a portion of Argo's crypto assets to deploy into various blockchain projects.

Increases in the carrying amount arising on revaluation of digital assets are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the fair value reserve directly in equity; all other decreases are charged to the income statement.

The fair value of intangible cryptocurrencies on hand at the end of the reporting period is calculated as the quantity of cryptocurrencies on hand multiplied by price quoted on www.coingecko.com, one of the leading crypto websites, as at the reporting date.

Costs relating to the development of website are capitalised once all the development phase recognition criteria of IAS 38 "Intangible Assets" are met. Amortisation is charged on a straight-line basis over the estimated useful life of 5 years. The useful life represents management's view of the expected period over which the Group will receive benefits from the Website, as well as anticipation of future events which may impact their useful life, such as changes in technology.

Goodwill is initially measured at cost (being the excess of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held of the net identifiable assets acquires and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the difference is recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Tangible fixed assets

Tangible fixed assets comprise of right of use assets, office equipment, mining and computer equipment, data centres, leasehold improvements, and electrical equipment.

Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Office equipment assets are measured at cost, less any accumulated depreciation and impairment losses. Office equipment is depreciated over 3 years on a straight-line basis.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of amortisation and any impairment losses. Cost includes the original purchase price of the asset and any costs attributable to bringing the asset to its working condition for its intended use. An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably.

Data centres: Depreciation on the data centres is recognised so as to write off the cost or valuation of assets less their residual values over their estimated useful lives of 25 years on a straight-line basis from when they are brought into use. Depreciation is recorded in the Income Statement within general administrative expenses once the asset is brought into use. Any land component is not depreciated.

Mining and computer equipment and leasehold improvements: Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their estimated useful lives. It is 3 to 4 years in the case of mining and computer equipment and 5 years in the case of the leasehold improvements, on a straight-line basis. Depreciation is recorded in the Statement of Comprehensive Income within direct costs.

Electrical equipment: Depreciation is recognised on a straight-line basis to write off the cost less their residual values over their estimated useful lives of 3 years.

Management assesses the useful lives based on historical experience with similar assets as well as anticipation of future events which may impact their useful life.

Impairment of non-financial assets

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

Digital assets

Digital assets consist of mined bitcoin, and do not qualify for recognition as cash and cash equivalents or financial assets and have an active market which provides pricing information on an ongoing basis.

The Group has assessed that it acts in a capacity as a commodity broker-trader as defined in IAS 2, Inventories, in characterising its holding of Digital assets as inventory. If assets held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin, such assets are accounted for as inventory, and changes in fair value (less costs to sell) are recognised in profit or loss. Digital assets are initially measured at fair value. Subsequently, digital assets are measured at fair value with gains and losses recognised directly in profit or loss.

Digital assets are included in current assets as management intends to dispose of them within 12 months of the end of the reporting period. Digital assets are cryptocurrencies mined by the Group. Cryptocurrencies not mined by the Group are recorded as Intangible Assets (see note 18).

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value. The Group considers the credit risk on cash and cash equivalents to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Financial instruments

Financial assets: Financial assets are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition. Financial assets are subsequently measured at amortised cost, fair value through OCI, or fair value through profit and loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement: For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Equity Instruments: The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

Financial assets at amortised cost (debt instruments): This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include other receivables and cash and cash equivalents.

Derecognition: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated Balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets: The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For the years ended 31 December 2022 and 2021 the Group has not recognised any ECLs.

For other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company has an Intercompany loan due from its 100% Canadian subsidiary for which there is no formal agreement including payment date and therefore it cannot be considered to be in breach of an agreement and accordingly the loan is not subject to adjustments and is maintained at its book value in the financial statements.

Financial liabilities: Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement: The measurement of financial liabilities depends on their classification, as described below:

Loans and trade and other payables: After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income. This category generally applies to trade and other payables.

Derecognition: A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss or other comprehensive income.

Equity instruments: Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Taxation

The tax expense represents the sum of tax currently payable or receivable and deferred tax.

Current tax: The tax currently payable or receivable is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax: Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The group does not have any pension schemes.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and condition of equity settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

As a result of the increase in share price and the impact of the estimation of share-based payments the Group has now recognised an expense for the outstanding share options and warrants.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are determined in foreign currencies are retranslated at the rates prevailing on the reporting end date - Gains and losses arising on translation are included in the income statement for the period. At each reporting end date, non-monetary assets and liabilities that are determined in foreign currencies are retranslated at the rates prevailing on the opening balance sheet date. Gains and losses arising on translation of subsidiary undertakings are included in other comprehensive income and contained within the foreign currency translation reserve.

Earnings per share

Basic earnings per share is calculated by dividing:

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

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

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

4. FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. Risk management is undertaken by the Board of Directors.

Market Risk

The Group is dependent on the state of the cryptocurrency market, sentiments of crypto assets as a whole, as well as general economic conditions and their effect on exchange rates, interest rates and inflation rates. During the year the Group sold its digital assets held at 31 December 2021 at a significant loss. The Group now sells its Bitcoin production as it is mined to reduce the impact of Bitcoin prices.

The Group is also subject to market fluctuations in foreign exchange rates. The subsidiary (Argo Innovation Labs Inc.) is based in Canada, and transacts in CAD$, USD$ and GBP. 9377-2556 Quebec Inc. and 9366-5230 Quebec Inc. are based in Canada and transact in CAD. Argo Innovations Facilities (US) Inc., Argo Holdings US Inc. and Argo Operating US LLC are located in the United States of America and transacts in USD. The Group bond is denominated in USD. Cryptocurrency is primarily convertible into fiat through USD currency pairs and through USD denominated stable coins and is the primary method for the Group for conversion into cash. The Group maintains bank accounts in all applicable currency denominations.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonable possible change in USD and CAD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in USD rate	Effect on profit before tax £'000	Effect on pre-tax equity £'000
2022	+/-10%	+/- 4,302	-
2021	+/-10%	+/-250	+/-87

	Change in CAD rate	Effect on profit before tax	Effect on pre-tax equity
		£'000	£'000
2022	+/-10%	+/- 1,471	-
2021	+/-10%	+/-1,611	+/-3,208

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on the portion of the loans and borrowings affected. With other variables held constant, the impact on the Group's profit before tax is affected through the impact on floating rate borrowings, as follows.

	Increase/decrease in basis points	Effect on profit before tax £'000
2022	+/-180	+/-522
2021	0%	+/-0

Credit risk

Credit risk arises from cash and cash equivalents as well as any outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit risk on cash and cash equivalents to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. However, the banking sector is not currently favourable toward crypto based businesses in all of the jurisdictions that the Group operates and as such the Group has opened accounts with a number of Tier 2 banks in order to mitigate the risk of an account being deactivated or closed by the bank. Management continues to assess various opportunities to partner with FDIC-insured banks and or financial institutions.

The Company considers the intercompany loan to its subsidiary (Argo Innovation Labs Inc.) to be fully recoverable based on review of projected cash flows and acceptance of regular payments directly to the Company's creditors.

The carrying amount of financial assets recorded in the financial statements represent the Group's and Company's maximum exposure to credit risk. The Group and Company do not hold any collateral or other credit enhancements to cover this credit risk.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Management updates cashflow projections on a regular basis and closely monitors the cryptocurrency market on a daily basis. Accordingly, the Group's controls over expenditure are carefully managed, in order to maintain its cash reserves. The Treasury committee meets on a weekly basis to make decisions around future cashflows and working capital requirements. Decisions may include considering debt/equity options alongside selling Bitcoin.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings, based on the remaining period at the Statement of Financial Position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group complied with all covenants during the year and through to the reporting date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2022				
Loans	9,624	11,314	10,178	-
Lease liabilities	4	8	12	424
Issued debt – bonds	-	-	31,356	-
At December 2021				
Loans	23,901	2,188	693	-
Lease liabilities	21	42	63	251
Issued debt – bonds	-	-	26,908	-

Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group carefully monitors its EBITDA vs. debt, net assets vs. debt and market capitalisation vs. debt ratios. Please see the net debt tables below the cashflows and note 27 showing the fair value hierarchy of liabilities.

5. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The Group has adopted all recognition, measurement and disclosure requirements of IFRS, including any new and revised standards and Interpretations of IFRS, in effect for annual periods commencing on or after 1 January 2022. The adoption of these standards and amendments did not have any material impact on the financial result or position of the Group.

At the date of authorisation of these financial statements, the following Standards and Interpretation, which have not yet been applied in these financial statements, were in issue but not yet effective:

Standard or Interpretation	Description	Effective date for annual accounting period beginning on or after
IAS 1	Amendments – Presentation and Classification of Liabilities	TBC
IFRS 16	Amendments – Lease liability in a sale and leaseback	TBC
IAS 1	Amendments – Disclosure of Accounting Policies	1 January 2023
IAS 8	Amendments – Definition of Accounting Estimates	1 January 2023
IAS 12	Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 17	Amendments – Insurance Contracts	1 January 2023

The Group has not early adopted any of the above standards and intends to adopt them when they become effective.

6. KEY JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Valuation of tangible and intangible fixed assets – Notes 18 and 19

The directors considered whether any impairments were required on the value of the property, plant and equipment. In doing so they made use of forecasts of revenues and expenditure prepared by the Group and came to the conclusion that impairment of those assets were required based on current forecasts. Key assumptions include Bitcoin production, hashprice and the discount rate.

The assets held within Argo Labs are classified as intangible assets. Any impairment of these assets is reflected in the income statement and any increases in fair value are reflected in the fair value reserve. Argo Labs is an in-house innovation arm focused on identifying opportunities within the disruptive and innovative sectors of the broader cryptocurrency ecosystem. Argo Labs uses a portion of Argo's crypto assets to deploy into various blockchain projects.

Valuation of investments in subsidiaries and amounts due from group companies – Note 20

The Board considered amounts due from group companies and whether any further impairments were required on their carrying value. When considering these amounts they made use of forecasts of the profitability of the subsidiary and of their revenues and expenditure and concluded that impairment of those assets was unnecessary based on current forecasts and performance during the first part of 2023.

The forecasts to support this were built using our existing internal models showing positive cash contribution and profitability of the subsidiaries and their future value to the Group as a whole. Both pre and post year end these models continue to show that the contribution to the Group is at least the carrying value of these investments and as such no impairment has been recognised.

Share-based payments – Note 24

During the year (and in previous years) share based payments were made based on the fees due to certain individuals for services to be performed by them in the future. In calculating these payments, where possible the Directors consulted with professional advisers to establish the market rate for these services. In addition to this, the company has also issued warrants and options to Directors, consultants and employees which have been valued in accordance with the Black Scholes model. Significant estimation and judgement is required by the directors when using the Black Scholes method. Further details of these estimates are available in note 22.

Investments accounted for using the equity method – Note 16

The Group holds significant influence over certain entities that are accounted for under the equity method of accounting. The shareholdings and nature of relationship details are in Note 16. The equity accounted loss has been calculated based on the latest management accounts made available by the investee company, which were unaudited.

Contingent liabilities – Notes 13 and 28

The Group is subject to tax liabilities as assessed by the tax authorities in the jurisdictions in which it operates. The Group has recorded its tax liabilities based on the information which it has available, as described in Note 13. However, a tax authority could challenge our allocation of income and transfer pricing, or assert that we are subject to a tax in a jurisdiction where we believe we have not established a taxable connection. If successful, these challenge could increase our expected tax liability in one or more jurisdictions. The Group is also subject to a class action lawsuit as described in Note 28 and no accrual has been made as there is no basis to estimate any liability.

7. REVENUES

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Crypto currency mining - worldwide	47,267	70,325
Crypto currency management fees – United States	96	3,879
Total revenue	**47,363**	**74,204**

Due to the nature of Cryptocurrency mining, it is not possible to provide a geographical split of the revenue stream.

Cryptocurrency mining revenues are recognised at a point in time.

Cryptocurrency management fees are services recognised over time.

Other Income

Argo held 2,441 Bitcoin (fair valued at £80m as at 31 December 2021) on its Balance Sheet at the beginning of 2022. The Group used up to 1,504 Bitcoins as collateral with Galaxy Digital LP for a short-term payable on demand loan of USD$30 million (£22.2m) taken out on December 23, 2021. To protect its Bitcoin holdings used as collateral for the loan and reduce overall exposure, Argo took positions in the markets which resulted in a net hedge gain of £1.7m for 2022.

Gain on Hedging	2022 £'000	2021 £'000
Gain on Hedging	1,695	-
Total gain on hedging	**1,695**	**-**

8. EXPENSES BY NATURE

Direct Costs	2022 £'000	2021 £'000
Depreciation of mining hardware	16,549	11,129
Hosting and other costs	21,634	11,057
Total direct costs	**38,183**	**22,186**

Administrative expenses	2022 £'000	2021 £'000
Legal, professional, and regulatory fees	12,763	1,533
Salary and other employee related costs	9,610	2,662
Depreciation and amortisation	6,900	382
Insurance	6,027	1,408
Indirect taxes	3,684	-
Freight, postage & delivery	1,314	-
Consulting fees	828	684
Repairs and maintenance	863	692
Office general expenses	840	424
Travel	678	128
Public relations and associated activities	519	699
Impairment of intangible assets	-	535
Hedging costs	-	326
Carbon credits	-	252
Audit fees	310	239
Bank charges	240	247
Capital loss	116	-
Research costs	91	-
Write off of variable contingent consideration	-	(352)
Settlement re Crypto mining management fees	-	(1,561)
Foreign exchange gain (loss)	(17,250)	589
Total operating costs and administrative expenses	**27,533**	**8,887**

Finance Costs	2022 £'000	2021 £'000
Interest on loans, including associated prepayment penalties	18,321	2,142
Total finance costs	**18,321**	**2,142**

9. AUDITOR'S REMUNERATION

	2022 £'000	2021 £'000
In relation to statutory audit services	251	170
Other audit assurance services	59	52
Total auditor's remuneration	**310**	**222**

10. EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the period was:

	2022 Number	2021 Number
Directors and employees	82	26

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	8,934	2,286
Social security costs	646	199
Pension costs	30	25
Share based payments	4,928	1,392
	14,538	**3,902**

The average monthly number of persons (including directors) employed by the company during the period was:

	2022 Number	2021 Number
Directors and employees	6	4

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	1,072	406
Social security costs	44	8
Pension costs	12	1
Share based payments	4,928	330
	6,056	**745**

11. DIRECTOR'S REMUNERATION

	2022 £'000	2021 £'000
Director's remuneration for qualifying services	1,284	856
Senior management loss of office	-	132
Share based payments	1,522	431
Total remuneration for directors and key management	**2,806**	**1,419**

The amounts above are remunerated through both salaries (of which, some are included in 10) and through service companies (as disclosed in note 29). Further details of Directors' remuneration are available in the Remuneration report. The highest paid director during the year earned £588k (2021: £455k).

12. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of shares in issue.

The Group and Company has in issue 18,698,304 warrants and options at 31 December 2022 (2021: 17,688,897).

	2022	2021
Net profit/(loss) for the period attributable to ordinary equity holders from continuing operations (£'000)	(194,321)	30,765
Weighted average number of ordinary shares in issue ('000)	473,930	397,513
Basic earnings (loss) per share for continuing operations (pence)	(40.98)	7.7

Net profit/(loss) for the period attributable to ordinary equity holders for continuing operations (£'000)	(194,321)	30,765
Diluted number of ordinary shares in issue ('000)	473,930	415,201
Diluted earnings (loss) per share for continuing operations (pence)	(40.98)	7.4

The diluted loss per Ordinary Share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to consider the impact of options, warrants and other dilutive securities. As the effect of potential dilutive Ordinary Shares in the current year would be anti-dilutive, they are not included in the above calculation of dilutive earnings per Ordinary Share for 2022.

13. TAXATION

Current tax:	2022 £'000	2021 £'000
Current tax on (loss)/profit for the year	(8,316)	7,679
Adjustments in respect of prior periods	-	-
Total current tax	**(8,316)**	**7,679**

Deferred tax:	2022 £'000	2021 £'000
Origination and reversal of temporary differences	7,955	827
Total deferred tax liability	**7,955**	**827**
Total tax (credit)/charge	**(361)**	**8,506**

No deferred tax has been recognised on the losses brought forward and carried forward on the UK, Canada and US losses given the uncertainty on the generation of future profits.

Income tax expense

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2022 £'000	2021 £'000
Profit (loss) before taxation	(194,592)	39,271
Expected tax charge (recovery) based on a weighted average of 25% (2021 - 25%) (UK, US and Canada)	(48,648)	9,746
Effect of expenses not deductible in determining taxable profit	26,406	1,779
Capital allowances in excess of depreciation	6,848	(3,770)
Other tax adjustments	205	(137)
Other timing differences	-	(385)
Origination and reversal of temporary differences	(827)	827
Unutilised tax losses carried forward	15,655	445
Taxation charge in the financial statements	**(361)**	**8,506**

The group has tax losses available to be carried forward and used against trading profits arising in future periods of approximately £34,000,000 (2021 - £10,476,000).

The weighted average applicable tax rate was 25% (2021: 25%).

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	2022 £'000	2021 £'000
Digital assets	(286)	286
Gain on fair value of property acquired (see note 17)	442	442
Share of other comprehensive income of associates	-	99
Property, plant and equipment	8,626	-
Total deferred tax	**8,782**	**827**
Current portion	**2,196**	**286**
Non-current	**6,586**	**541**

A tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, Her Majesty's Revenue & Customs ("HMRC"), the IRS or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions.

14. INVESTMENT IN SUBSIDIARIES AND LOSS ON SALE OF SUBSIDIARY

Company

Details of the Company's subsidiaries at 31 December 2022 and 31 December 2021 are as follows:

Name of Undertaking	Country of Incorporation	Ownership Interest (%)	Voting Power Held (%)	Nature of Business
Argo Innovation Labs Inc.	Canada	100%	100%	***
Argo Innovation Labs Limited	UK	100%	100%	Dormant
Argo Innovation Facilities (US) Inc.	USA	100%	100%	*
9377-2556 Quebec Inc.	Canada	100%	100%	**
9366-5230 Quebec Inc.	Canada	100%	100%	**
Argo Holdings US Inc.	USA	100%	100%	****
Argo Operating US LLC	USA	100%	100%	*

* The provision of cryptocurrency mining services

** The provision of cryptocurrency mining sites

*** Converted from the provision of cryptocurrency mining services to cost centre in 2022

**** Holding company

Investment in subsidiaries	2022 £'000	2021 £'000
At 1 January	12,181	-
Additions	53,494	12,181
Disposals	(12,181)	-
At 31 December	**53,494**	**12,181**

The cost of the investment above is in respect of the DPN LLC acquisition further detail can be found in note 19.

9377-2556 Quebec Inc. and 9366-5230 Quebec Inc. are the GPUone subsidiaries acquired on 11 May 2021 with registered addresses of 8 avenue William Dobell, Baie-Comeau, Quebec G4Z 1T7 and 10205 Irene Vachon, Mirabel, Quebec J7N 3E3 respectively. More information on this acquisition can be found in note 17.

Argo Holdings US Inc. was incorporated on November 22, 2022, with a registered office of 1209 Orange Street, Wilmington, Delaware, USA, 19801. The company contributed shares in Argo Innovation Facilities (US) valued at £53.5m.

Argo Operations US LLC was formed on November 22, 2022, with a registered office of 1209 Orange Street, Wilmington, Delaware, USA, 19801.

Argo Innovation Facilities (US) Inc was incorporated on 25 February 2021 with a registered address of 2028 East Ben White Blvd. Austin, TX 78740. This entity held the Helios facility and real property in Dickens County, Texas. On 21 December 2022, Argo Innovation Facilities (US) Inc. was converted to Galaxy Power LLC . Galaxy Power LLC was sold on 28 December 2022 pursuant to an equity purchase agreement. The proceeds received for the sale were £53.0 million against a book value £97.8 million resulting in a loss on sale for the Group of £44.8 million.

The effects of the disposal of Galaxy Power LLC on the cash flows of the Group were:

	Group At 28 December 2023 £000
Carrying amounts of assets and liabilities as at the date of disposal:	
Cash and bank balances	1,357
Property, plant and equipment	104,888
Trade and other debtors	297
Total assets	**106,542**
Trade and other creditors	9,764
Total liabilities	**9,764**
Net assets disposed of	**96,778**
Cash flows arising from disposal:	
Proceeds used to paydown existing debt	45,298
Proceeds used for new loans	6,676
Total Proceeds	51,974
Net assets disposed of (as above)	96,778
Loss on disposal	(44,804)

15. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Non-current Group	2022 £'000	2021 £'000
At 1 January	403	1,393
Foreign exchange movement	20	-
Additions	249	219
Fair value through profit or loss	(328)	183
Disposals	-	(1,392)
At 31 December	**344**	**403**

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2022 £000's	2021 £000s
Opening balance	13,817	-
Acquired during the period	-	8,444
Share of loss	(4,872)	(1,198)
Share of fair value (losses)/gains on intangible assets through other comprehensive income	(6,571)	6,571
Closing balance	**2,374**	**13,817**

Set out below are the associates of the Group as at 31 December 2022, which, in the opinion of the Directors, significant influence is held. The associate as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

Nature of investment in associates:

Name of entity	Address of the registered office	% of ownership interest	Nature of relationship	Measurement method
Emergent Entertainment PLC (Previously Pluto Digital plc)	Hill Dickinson LLP, 8th Floor The Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW	19.94%	Refer below	Equity

On 3 February 2021 Argo invested in Pluto Digital PLC ("Pluto"), a crypto venture capital and technology company. The investment was satisfied with 75,000 Polkadot with a fair value at that date of £1.1m. Further to this in a second round of funding the Group invested an additional £7.4m on 8 March 2021.

In addition, Argo holds 121,666,666 warrants at a price of £0.12 each and 35,450,000 warrants at a price of £0.06 each. If Pluto was fully diluted Argo's ownership would be 33.26% as at 31 December 2022 including the exercise of the share warrants.

The warrants expired unexercised in February and March 2023. In October 2022, Pluto merged with Maze Theory to become Emergent Entertainment PLC ("Emergent").

Argo owns 19.94% (2021 - 24.65%) of the total share capital and voting rights of the business. The Group retains the right to appoint a board member from Argo on Emergent's board based on its current ownership percentage.

Emergent Entertainment PLC is a next-generation entertainment company that brings storytellers and their audiences closer together by harnessing new technologies including virtual reality, augmented reality, artificial intelligence and blockchain.

Emergent Entertainment is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in the associates.

The audited financial information for the period ended 30 September 2021, together with the unaudited management accounts for the period from 1 October 2021 to 31 December 2022, have been made available by Emergent to the Group and the figures in the above represent Argo's share of the loss for the period and movements in the fair value of net assets (net of deferred tax).

Summarised financial information for associates

Set out below is the preliminary, unaudited financial information for Emergent Entertainment PLC which is accounted for using the equity method.

Summarised Statement of Financial Position

Current	**As at December 31, 2022 £000's**	**As at December 31, 2021 £000's**
Cash and cash equivalents	2,964	1,759
Other current assets (excluding cash)	3,650	335
Total current assets	6,614	2,094
Trade payables	280	88
Other current liabilities	74	1,494
Total current liabilities	354	1,582
Non-current		
Tangible fixed assets	106	49
Investments and other non-current assets	11,596	56,000
Total non-current assets	11,702	56,049
Financial liabilities	4,809	2,807
Total non-current liabilities	4,809	2,807
Net assets	**13,153**	**53,754**

Summarised Statement of Comprehensive Income, Emergent Entertainment PLC

	2022 £000's	January 12 to December 31, 2021 £000's
Revenue	352	-
Cost of sales	(224)	-
Gross profit	128	-
Operating costs	(12,088)	7,652
Revaluation loss – digital assets	(12,810)	(2,394)
Loss from operations	(24,770)	5,258
Non-operating costs	(209)	-
Income tax expense (recovery)	2,579	575
Post-tax loss	(22,400)	4,867
Other comprehensive income	(26,991)	26,991
Total comprehensive income (loss)	(49,391)	21,824

The information above reflects the amounts presented in the financial statements of the associate (and not Argo Blockchain Plc's share of those amounts) adjusted for differences in accounting policies between the Group and the associate.

Reconciliation of summarised financial information

	2022 £000's	2021 £000's
Summarised financial information (as adjusted)		
Net assets, opening	56,052	-
Acquired during the period	-	34,228
Profit/(loss) for the period	(22,400)	(4,867)
Other comprehensive income	(26,991)	26,691
Closing net assets	6,661	56,052
Interest in associates (2022: 19.94%; 2021: 24.65%)*	2,374	13,818
Goodwill	-	-
Carrying value	2,374	13,818

*The percentage share of the associate profit or loss for the year was calculated and recorded on a month-by-month basis, based on the movements in the percentage ownership, from the unaudited management accounts.

17. BUSINESS COMBINATION

GPUone subsidiaries acquired from GPUone Holding Inc.

On 11 May 2021, the Group acquired 100% of the share capital of GPUone 9377-2556 Quebec Inc. and GPUone 9366-5230 Quebec Inc. from its shareholder GPUone Holding Inc. for a total consideration of £5.5m; consisting of £212k being satisfied in cash and the balance satisfied by the cancellation of certain prepayments and deposits previously paid by Argo to the vendor. Each of these acquired entities owned and operated a data centre within which Argo was the lead tenant.

The acquisition was performed to enable the Group to obtain control of its hosting facility and power costs across its facilities in Canada. From acquisition on 11 May 2021 to 31 December 2021 the GPUone subsidiaries loss amounted to £3.4m which is fully consolidated**.** No revenue has been generated from these entities since acquisition, however both entities have provided hosting services to Argo Innovation Labs Inc. Both GPUone entities were dormant up until the date of acquisition, when the relevant assets and liabilities acquired were transferred by GPUone Holding Inc. to these entities immediately prior to acquisition. There is no difference between the amount consolidated within profit and loss and the amount which would have been consolidated if the acquisition happened on 1 January 2021.

The consideration was negotiated on an arm's length basis and primarily on the basis of the valuation of the land and buildings being acquired. The directors attribute the consideration as fair value of the land and buildings with no goodwill being recognised as currently Argo does not anticipate hosting any third parties at these sites in the medium term.

The fair values of the acquisition date assets and liabilities, together with any separately identifiable intangible assets, have been provisionally determined at 30 September 2021 because the acquisition was completed late in the period. The Group is currently obtaining the information necessary to finalise its valuation. On a £1 for £1 basis certain deposits and other receivables totalling £668k were acquired. The directors consider these amounts fully recoverable and as such these receivables have not been impaired. Liabilities assumed are incorporated at their cost.

The following table summarises the consideration paid for the GPUone subsidiaries and the fair value of assets acquired and liabilities assumed at the acquisition date:

Consideration

	£'000
Cash	213
Payment for deposits	668
Cancellation of prepayment and deposits	4,656
Total consideration	**5,537**

Recognised amounts of identifiable assets acquired, and liabilities assumed

	£'000
Cash and cash equivalents	4
Property, plant and equipment (Note 11)	10,779
Trade and other receivables	387
Trade and other payables	(326)
Property mortgages	(5,010)
Lease liability	(377)
Goodwill	80
Total	**5,537**

Fair value of assets acquired was assessed in line with independent valuations provided by CBRE of the sites. Given the continued demand for power sites and data centres in North America the Directors consider the valuations to be prudent, however they are still in line with the fair value and consideration paid for the entities, primarily (as discussed above) for Argo to gain access to the low cost of power and direct control of management of the miners at those sites. No acquisition costs have been recognised in the above calculations.

18. INTANGIBLE FIXED ASSETS

Group	Goodwill £'000	Digital assets £'000	Website £'000	2022 Total £'000
Cost				
At 1 January 2022	80	5,303	671	6,054
Additions	-	1,728	-	1,728
Disposals	-	(2,058)	-	(2,058)
At 31 December 2022	80	4,973	671	5,724
Amortisation and impairment				
At 1 January 2022	-	121	450	571
Foreign exchange movement		(1,413)	(18)	(1,431)
Fair value movement		4,601	-	4,601
Amortisation charged during the period	-	-	147	147
At 31 December 2022	-	3,309	579	3,888
Balance At 31 December 2022	80	1,664	92	1,836

Group	Goodwill £'000	Digital assets £'000	Website £'000	2021 Total £'000
Cost				
At 1 January 2021	-	-	671	671
Additions	80	18,216	-	18,296
Disposals	-	(12,792)	-	(12,792)
At 31 December 2021	80	5,424	671	6,175
Amortisation and impairment				
At 1 January 2021	-	-	303	303
Foreign exchange movement	-	-	9	9
Impairment	-	535	-	535
Fair value gain		(414)	-	(414)
Amortisation charged during the period	-	-	138	138
At 31 December 2021	0	121	450	571
Balance At 31 December 2021	80	5,303	221	5,604

Digital assets are cryptocurrencies not mined by the Group. The Group held crypto assets during the year, which are recorded at cost on the day of acquisition. Movements in fair value between acquisition (date mined) and disposal (date sold), and the movement in fair value in crypto assets held at the year end, impairment of the intangible assets and any increase in fair value are recorded in the fair value reserve.

The digital assets held below are held in Argo Labs (a division of the Group) as discussed above. The assets are all held in secure custodian wallets controlled by the Group team and not by individuals within the Argo Labs team. The assets detailed below are all accessible and liquid in nature.

As at 31 December 2022	Coins / tokens	Fair value
Crypto asset name		**£'000**
BTC	23	332
Polkadot - DOT	32,964	118
Ethereum - ETH	698	519
USDC (stable coin – fixed to USD)	58,151	48
Alternative coins	-	647
As at 31 December 2022		**1,664**

ARGO BLOCKCHAIN PLC

19. TANGIBLE FIXED ASSETS

Group	Right of use Assets	Office Equipment	Mining and Computer Equipment	Machine compone nts	Assets Under Constructi on	Leasehold Improvements	Data centres	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost									
At 1 January 2022	358	49	58,499	-	61,306	85	10,466	-	130,763
Foreign exchange movement - cost	17	-	2,744	-	7,287	4	560	-	10,612
Additions	75	-	116,520	17,364	-	7	-	86	134,053
Transfers to another class - cost	-	-	--	-	(68,593)	-	68,593	-	-
Disposals	-	(2)	(60,083)	-		-	(68,593)	-	(128,678)
At 31 December 2022	450	47	117,680	17,364	-	96	11,026	86	146,749
Depreciation and impairment									
At 1 January 2022	8	-	18,507	-	-	65	229	-	18,809
Foreign exchange movement	-	-	868	-	-	3	11	-	882
Depreciation charged during the period	7	14	16,549	-	-	19	6,846	12	23,448
Impairment in asset	-	-	29,797	15,121	-	-	225	-	45,143
Disposals	-	-	-	-	-	-	(5,817)	-	(5,817)
At 31 December 2022	15	14	65,721	15,121		87	1,494	12	82,464
Carrying amount									
At 1 January 2022	350	49	39,992	-	61,306	20	10,237	-	111,954
At 31 December 2022	**435**	**33**	**51,959**	**2,244**	**-**	**9**	**9,532**	**74**	**64,285**

Group	Right of use Assets £'000	Office Equipment £'000	Mining and Computer Equipment £'000	Assets Under Construction £'000	Leasehold Improvements £'000	Data centres £'000	Total £'000
Cost							
At 1 January 2021	7,379	-	17,865	-	85	-	25,329
Foreign exchange movement	-	-	(62)	-	-	-	(62)
Acquisition through business combination	358	-	-	12,180	-	10,466	23,004
Additions	-	49	33,317	49,126	-	-	82,492
Transfer to another class	(7,379)	-	7,379	-	-	-	-
At 31 December 2021	358	49	58,499	61,306	85	10,466	130,763
Depreciation and impairment							
At 1 January 2021	-	-	7,443	-	48	-	7,491
Foreign exchange movement	-	-	(65)	-	-	-	(65)
Depreciation charged during the period	3,281	-	7,856	-	17	229	11,383
Transfer to another class	(3,273)	-	3,273	-	-	-	-
At 30 December 2021	8	-	18,507	-	65	229	18,809
Carrying amount							
At 1 January 2021	7,379	-	10,487	-	-	-	17,866
At 31 December 2021	350	49	39,992	61,306	20	10,237	111,954

All property, plant and equipment is owned by the subsidiary, Argo Innovation Labs Inc. During the year, the lease for the right of use assets was settle by purchasing the mining equipment. Book balances were transferred to mining and computer equipment.

Acquisition of DPN LLC

On 8 March 2021 the Group completed the acquisition of DPN LLC to acquire 160 acres (with option to purchase a further 157 acres) of land in West Texas for the construction of a 200MW mining facility for completion mid-2022.

The acquisition of DPN LLC, effectively comprising the land acquisition in West Texas, has been treated as an asset acquisition in the financial statements. The consideration for the acquisition was an initial price of GBP 3.6m, satisfied by the issue and allotment to the shareholders of DPN LLC of 3,497,817 new ordinary shares in Argo, with up to a further 8.6m of shares payable if certain contractual milestones related to the facility are fulfilled.

Initial issue and allotment of GBP 3.6m has been recognised based on estimated fair value of assets received at acquisition in line with IFRS 2 Share based payments. Contingent consideration balance of this business combination has been subsequently measured at fair value with changes recognised in profit and loss in line with IFRS 9. Fair value of assets acquired was assessed in line with independent valuations of site by CBRE as well as external financial due diligence and financial modelling. Financial models used historical power purchase assumptions for the area and the Company's internal hash rate and Bitcoin pricing assumptions to help the Company evaluate the financial benefits of developing a Bitcoin mining operation on the land. Work performed by DPN LLC from August 2019, when it purchased the land, to March 2021, when it sold the land to the Company, to prepare for a Bitcoin mining operation added to the value of the land for that purpose.

Consideration at 8 March 2021

	£'000
Share based payment	3,521
Contingent consideration to be settled in shares	8,659
Total	**12,180**

Allocated as follows

	£'000
Tangible fixed assets (Asset under construction)	12,180
Total	**12,180**

Property, Plant and Equipment Impairments and Loss on Sale of Subsidiary

The Group has a single line of business, crypto mining. As such, the Group has one cash generating unit (CGU). At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If an indication exists, the Group estimates an asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When the carrying value of an asset or CGU exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing fair value of Mining and Computer Equipment, the Group used readily available tera hash pricing ("hashprice") less a 15% discount for used equipment. In assessing value in use, the discounted estimated future cash flows over the useful life of the mining machines using a pre-tax discount rate of 23.28%. As a result of the analysis, an impairment of £24 million was recorded. A 5% change in the hashprice has a £6.1million impact on the impact of the impairment. A 1% change in the discount rate has a of £1.1 million impact on the impairment.

In assessing the recoverable amount of the CGU, the Group calculated the discounted cash flows of the CGU using a terminal growth rate of 3%. The pre-tax discount rate used was 23%. As a result of this analysis, an impairment of £5.8 million was recorded which has also been attributed to Mining and Computer Equipment.

Impairment of Chips

In assessing the fair value of machine components, the Group used readily available chip set prices and management's estimate of other components in the chip sets to determine the value of chips on hand. As a result of this analysis, an impairment of £15 million was recorded.

Loss on Sale

During the year, the Group sold chips that were previously purchased. The proceeds on these chip sales were £10,029 and the group recorded a loss on disposal of fixed assets of £18,779.

Mining Machine Swap

In March 2022, the Group entered into an agreement to exchange mining machines and terminate a hosting agreement. With the completion of Helios, the Group no longer required third party hosting services. The agreement provided the hosting provider with ownership of the Group's machines at their facilities in exchange for new mining machines for our Helios facility. The hash rate between the two groups of mining machines was similar. This transaction lacks commercial substance, therefore, IFRS 16 requires the mining machines acquired be recorded at the book value of the mining machines transferred to the hosting service provider.

20. TRADE AND OTHER RECEIVABLES / INTERCOMPANY

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Trade and other receivables	-	-	13,194	8,008
Mining equipment prepayments	4,958	456	47,426	-
Other taxation and social security	683	-	2,739	590
Total trade and other receivables	**5,641**	**456**	**63,359**	**8,598**

Mining equipment prepayments consist of payments made and due on mining equipment due to arrive in 2023.

Other taxation and social security consist of purchase tax recoverable in Canada. GST and QST debtors are greater than 90 days as at 31 December 2022.

COMPANY - INTERCOMPANY

	Company 2022 £'000	Company 2021 £'000
Amounts due from group companies, net	**8,572**	**175,859**

Funds advanced to group companies were used for operating expenses, settle debt and purchase tangible and intangible assets. There are no terms of repayment. The amounts due are non-interest bearing. The decrease in 2022 is as a result of the debts from Argo Innovation Facilities (US) which were converted to shares to be issued prior to the sale.

21. DIGITAL ASSETS

The Group mined crypto assets during the period, which are recorded at fair value on the day of acquisition. Movements in fair value between acquisition (date mined) and disposal (date sold), and the movement in fair value in crypto assets held at the year end, are recorded in profit or loss.

All of the Group's holding in crypto currencies other than Bitcoin are now classified as intangible assets.

At the period end, the Group held Bitcoin representing a fair value of £528k. The breakdown of which can be seen below:

Group	**2022 £'000**	**2021 £'000**
At 1 January	80,759	4,637
Additions		
Crypto assets purchased and received	207	16,569
Crypto assets mined	47,267	70,325
Total additions	**47,474**	**86,894**
Disposals		
Transferred to/from intangible assets	330	(5,424)
Crypto assets sold	(84,555)	(6,976)
Total disposals	**(84,225)**	**(12,400)**
Fair value movements		
Gain/(loss) on crypto asset sales	(43,526)	437
Movements on crypto assets held at the year end	(114)	1,191
Total fair value movements	**(43,640)**	**1,628**
At 31 December	**368**	**80,759**
Carrying value of digital assets pledged as collateral	**-**	**49,759**

As at 31 December 2022, digital assets comprised 141 Bitcoin equivalents (2021: 2,441 Bitcoin).

22. SHARE OPTIONS AND WARRANTS

The following options and warrants over Ordinary Shares have been granted by the company and are outstanding:

Options/ Warrants	Grant Date	Expiry date	Exercis e Price	Number of options/warrants outstanding 2022 '000	Number of options/warran ts exercisable 2022 '000
Warrants	15 January 2021	15 January 2031	£1.25	240	240
Warrants	19 January 2021	18 January 2026	£0.90	110	110
Warrants	19 April 2021	19 March 2024	£1.35	224	224
Warrants	17 June 2021	19 March 2024	£1.50	22	22
Options	25 July 2018	25 July 2024	£0.16	1,000	1,000
Options	17 July 2019	16 July 2025	£0.16	537	537
Options	5 February 2020	4 February 2030	£0.07	4,362	4,362
Options	3 February 2021	2 February 2031	£0.94	159	151
Options	24 June 2021	23 June 2031	£1.26	1,000	500
Options	27 June 2021	26 June 2031	£1.35	500	250
Options	1 July 2021	30 June 2031	£1.16	500	250
Options	13 July 2021	12 July 2031	£1.00	1,000	500
Options	22 September 2021	22 September 2031	£1.57	4,150	1,758
Options	23 November 2021	23 November 2031	£1.30	500	184
Options	17 December 2021	16 December 2031	£0.86	675	234
Options	19 May 2022	19 May 2032	£0.51	3,350	861
Options	27 June 2022	27 June 2032	£0.34	250	42
Warrants	31 March 2022	31 March 2027	£0.94	60	60
Warrants	31 July 2022	31 July 2027	£1.00	10	10
Warrants	31 August 2022	31 August 2027	£1.04	10	10
Warrants	31 September 2022	31 September 2027	£1.12	10	10
Warrants	31 October 2022	31 October 2027	£1.05	10	10
Warrants	31 November 2022	31 November 2027	£1.02	10	10
Warrants	31 December 2022	31 December 2027	£1.01	10	10
				18,698	11,345

	Number of options and warrants '000	Weighted average exercise price £
At 1 January 2022	17,689	0.81
Granted	5,220	0.50
Exercised	(1,593)	0.07
Lapsed	(2,618)	0.89
Exercisable at 31 December 2022	11,345	0.61

	Number of options and warrants '000	Weighted average exercise price £
At 1 January 2021	42,202	0.13
Granted	10,698	1.63
Exercised	(34,351)	0.12
Lapsed	(860)	0.95
Outstanding at 31 December 2021	17,689	0.81
Exercisable at 31 December 2021	7,596	0.26

The weighted average remaining contractual life of options and warrants as at 31 December 2022 is 93 months (2021 -102 months). If the exercisable shares had been exercised on 31 December 2022 this would have represented 61% (2021 – 2%) of the enlarged share capital.

At the grant date, the fair value of the options and warrants prior to the listing date was the net asset value and post listing determined using the Black-Scholes option pricing model. Volatility was calculated based on data from comparable listed technology start-up companies, with an appropriate discount applied due to being an unlisted entity at grant date. Risk free interest has been based on UK Government Gilt rates for an equivalent term.

Grant date	Grant date share price	Exercise price	Volatility	Life	Risk Free interest rate %	Marketability discount
25 July 2018	0.08	0.16	40%	6 years	0.01	75%
17 July 2019	0.09	0.16	40%	6 years	0.01	90%
5 February 2020	0.07	0.07	40%	6 years	0.01	0%
3 February 2021	0.94	0.94	112%	10 years	0.01	0%
24 June 2021	1.26	1.26	112%	10 years	0.01	0%
27 June 2021	1.35	1.35	112%	10 years	0.01	0%
1 July 2021	1.23	1.16	112%	10 years	0.01	0%
13 July 2021	1.00	1.00	112%	10 years	0.01	0%
22 September 2021	1.57	1.57	112%	10 years	0.01	0%
23 November 2021	1.30	1.30	112%	10 years	0.01	0%
17 December 2021	0.86	0.86	112%	10 years	0.01	0%
19 May 2022	0.51	0.51	112%	10 years	0.01	0%
27 June 2022	0.34	0.34	112%	10 years	0.01	0%

23. ORDINARY SHARES

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Ordinary share capital		
Issued and fully paid		
468,082,335 Ordinary Shares of £0.001 each	468	303
Issued in the period		
9,742,831 Ordinary Shares of £0.001 each	10	165
Fully paid not yet issued		
Ordinary Shares of £0.001 each	-	-
477,825,166 Ordinary Shares of £0.001 each	478	468
Share premium		
At beginning of the period	139,581	1,540
Cancelled during the period	-	-
Issued in the period	4,167	150,977
Issue costs	-	(12,936)
Fully paid not yet issued	-	-
At the end of period	143,748	139,581

24. RESERVES

The following describes the nature and purpose of each reserve:

Reserve	Description
Ordinary Shares	Represents the nominal value of equity shares
Share Premium	Amount subscribed for share capital in excess of nominal value
Share based payment reserve	Represents the fair value of options and warrants granted less amounts transferred on exercise, lapse or expiry
Currency translation reserve	Cumulative effects of translation of opening balances on non-monetary assets between subsidiaries functional currencies (Canadian dollars and US Dollars) and Group presentational currency (Sterling).
Fair value reserve	Cumulative net gains on the fair value of intangible assets
Other comprehensive income of equity accounted associates	The other comprehensive income of any associates is recognised in this reserve
Accumulated surplus	Cumulative net gains and losses and other transactions with equity holders not recognised elsewhere.

25. TRADE AND OTHER PAYABLES

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Trade payables	2,754	1,791	10,259	8,023
Accruals and other payables	5,042	2,845	4,986	141
Other taxation and social security	514	-	-	-
Total trade and other creditors	**8,310**	**4,636**	**15,245**	**8,164**

Within trade payables is £nil (2021: £7,194,000) for amounts due for mining equipment not yet received.

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

Contingent consideration

As part of the acquisition of DPN LLC up to a further £8.6m of shares being payable if certain contractual milestones related to the facility are fulfilled (see note 19).

The amount payable as contingent consideration is payable in shares and as such is revalued as at the balance sheet date and any gain or loss is recognised in profit or loss, which for the year ended 31 December 2021 amounted to £236k.

In June 2022, the Company issued 8,147,831 Ordinary Shares to settle £4m in contingent consideration. The remaining contingent consideration of £4m was not earned and as a result was reversed into profit or loss.

26. LOANS AND BORROWINGS

Non-current liabilities	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Issued debt – bond (a)	31,356	26,908
Galaxy loan (b)	19,183	-
Mortgages – Quebec facilities (c)	2,309	3,391
Lease liability	448	370
Total	**53,296**	**30,669**
Current liabilities		
Galaxy loan (b)	8,819	22,239

Mortgages- Quebec facilities (c)	805	1,152
Lease liability	4	7
Total	**9,628**	**23,398**

(a) Unsecured Bonds:

In November 2021, the Group issued an unsecured 5-year bond with an interest rate of 8.75%. The bonds mature on 30 November 2026. The bonds may be redeemed for cash in whole or in part at any time at the Group's option (i) on or after 30 November 2023 and prior to 30 November 2024, at a price equal to 102% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after 30 November 30 and prior to 30 November 2025, at a price equal to 101% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after November 30, 2025 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption. The Group may redeem the bonds, in whole, but not in part, at any time at its option, at a redemption price equal to 100.5% of the principal amount plus accrued and unpaid interest to, but not including, the date of redemption, upon the occurrence of certain change of control events. The bonds are listed on the Nasdaq Global Select Market under the symbol ARBKL.

(b) Galaxy and related loans

On 23 December 2021 the Group entered into a loan agreement with Galaxy Digital LP for a loan of USD$30 million (£22.2m). The proceeds of the loan were used, in conjunction with funds raised previously, to continue the build-out the Texas data centre, Helios. The short-term loan was a Bitcoin collateralised loan with an interest rate of 8% per annum. This loan was repaid during the 2022 as part of the Galaxy transaction.

In March 2022, the Group entered into loan agreements with NYDIG ABL LLC for loans in the amounts of USD$97 million for the purchase of mining machines and Helios infrastructure, respectively. The loan was repaid during the year as part of the Galaxy transaction.

In May 2022, the Group entered into a loan agreement with Liberty Commercial Finance for a loan of USD$1.2 million (£1.0m) to purchase equipment. The loan is repayable over a period of 36 months with an interest rate of 11.9%. In June 2022, the loan was assigned to North Mill Equipment Finance LLC ("New Mill"). The loan was repaid during the year as part of the Galaxy transaction.

In December 2022, the Group sold Galaxy Power LLC (see note 14) and entered into a loan agreement with Galaxy Digital LLC for USD$35 million (£29m). Proceeds were used to pay off the Galaxy Digital LP, New Mill and NYDIG loans and working capital. The Galaxy Digital LLC loan is payable monthly based on an amortization schedule over 32 months with an interest rate of the secured overnight financing rate by the Federal Reserve Bank of New York plus 11%. The loan is secured by the Group's property, plant and equipment.

(c) **Mortgages – Quebec Facilities**

The mortgages are secured against the two buildings at Mirabal and Baie-Comeau and are repayable over periods from 3 months to 48 months at interest rates between 6.95% and 9.45% respectively.

27. FINANCIAL INSTRUMENTS

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Carrying amount of financial assets				
Measured at amortised cost				
- Mining equipment prepayments	4,958	456	47,426	-
- Trade and other receivables	-	-	13,194	183,867
- Cash and cash equivalents	16,662	115	11,803	126
Measured at fair value through profit or loss	344	73	403	73
Total carrying amount of financial assets	**21,964**	**644**	**72,826**	**184,066**
Carrying amount of financial liabilities				
Measured at amortised cost				
- Trade and other payables	8,310	3,675	10,259	8,163
- Short term loans	9,624	-	23,391	-
- Long term loans	21,492	-	3,391	-
- Issued debt – bonds	31,356	31,356	26,908	26,908
- Lease liabilities	452	-	377	-
Measured at fair value				
- Fair value of contingent consideration	-	-	8,071	8,071
Total carrying amount of financial liabilities	**71,234**	**35,031**	**72,397**	**43,142**

Fair Value Estimation

Fair value measurements are disclosed according to the following fair value measurement hierarchy:

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2022 and 31 December 2021.

Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
- Equity holdings	21	-	73	**95**
- Digital assets	-	368	-	**2,272**
Total at 31 December 2022	**21**	**2,112**	**73**	**2,367**
Liabilities				

Financial liabilities at fair value through profit or loss				
- Deferred contingent consideration	-	-	-	-
Total at 31 December 2022	**-**	**-**	**-**	**-**

Assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit or loss				
- Equity holdings	329	-	73	402
- Digital assets	-	80,759	-	80,759
Total at 31 December 2021	**329**	**80,759**	**73**	**81,161**
Liabilities				
Financial liabilities at fair value through profit or loss				
- Deferred contingent consideration	-	-	8,071	8,071
Total at 31 December 2021	**-**	**-**	**8,071**	**8,071**

All financial assets are in listed and unlisted securities and digital assets.

There were no transfers between levels during the period.

The Group recognises the fair value of financial assets at fair value through profit or loss relating to unlisted investments at the cost of investment unless:

- There has been a specific change in the circumstances which, in the Group's opinion, has permanently impaired the value of the financial asset. The asset will be written down to the impaired value;
- There has been a significant change in the performance of the investee compared with budgets, plans or milestones;
- There has been a change in expectation that the investee's technical product milestones will be achieved or a change in the economic environment in which the investee operates;
- There has been an equity transaction, subsequent to the Group's investment, which crystallises a valuation for the financial asset which is different to the valuation at which the Group invested. The asset's value will be adjusted to reflect this revised valuation; or
- An independently prepared valuation report exists for the investee within close proximity to the reporting date.
- The deferred consideration has been fair valued to the yearend date as the amount is to be paid in Argo shares.

28. COMMITMENTS AND CONTINGENCIES

The Group's material contractual commitments relate to the hosting services agreement with Galaxy Digital Qualified Opportunity Zone Business LLC, which provides hosting, power and support services at the Helios facility. Whilst management do not envisage terminating agreements in the immediate future, it is impracticable to determine monthly commitments due to large fluctuations in power usage and variations on foreign exchange rates, and as such a commitment over the contract life has not been determined. The agreement is for services with no identifiable assets, therefore, there is no right of use asset associated with the agreement.

The Group has entered into an agreement for the purchase of mining machines to be delivered in 2023. A deposit of USD$3.3M (£2.7m) is on account. Payments of USD$438k (£363k) and USD$424k (£352k) will be made prior to delivery of the machines.

As the company disclosed on February 8, 2023, it is currently subject to a class action lawsuit. The case, Murphy vs Argo Blockchain plc et al, was filed in the Eastern District of New York on 26 January 2023. The company refutes all of the allegations and believes that this class action lawsuit is without merit. The company is vigorously defending itself against the action. We are not currently subject to any other material pending legal proceedings or claims.

29. RELATED PARTY TRANSACTIONS

Key management compensation

Key management includes Directors (executive and non-executive) and senior management. The compensation paid to related parties in respect of key management for employee services during the period was made from Argo Innovation Labs Inc., amounting to: £118,030 (2021 - £36,769) paid to POMA Enterprises Limited in respect of fees of Matthew Shaw (Non-executive director); £182,759 (2021 - £566,591) due to Vernon Blockchain Inc in respect of fees of Peter Wall (CEO). Maria Perrella and Raghav Chopra (Non-executive directors) were paid £121,391 and £105,492 as at year end respectively.

From Argo Blockchain PLC, Alex Appleton (CFO) through Appleton Business Advisors Limited was paid £378,161 (2021 - £308,359).

30. CONTROLLING PARTY

There is no controlling party of the Group.

31. POST BALANCE SHEET EVENTS

In January 2023, Alex Appleton resigned from his position as Chief Financial Officer, Executive Director and Secretary of the Group.

In February 2023, Peter Wall resigned from his position as Chief Executive Officer and Interim Chairman, Sarah Gow resigned from her position as non-executive director on the Board.

In April 2023, Jim MacCallum was appointed Chief Financial Officer of the Group.