

Company Registration No. 09314212 (England and Wales)

JUUCE LIMITED
T/A “EO CHARGING”
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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**JUUCE LIMITED
T/A "EO CHARGING"
COMPANY INFORMATION**

Directors	Mr J C Jardine Mr C H Jardine Mrs K Tew Mr C Campbell Mr S J Horley
Company number	09314212
Registered Office	Tomo House Tomo Road Stowmarket Suffolk IP14 5AY
Auditor	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ
Business Address	Tomo House Tomo Road Stowmarket Suffolk IP14 5AY

JUUCE LIMITED
T/A “EO CHARGING”

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JUUCE LIMITED
T/A "EO CHARGING"

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the Company throughout the period was that of providing electric vehicle charging solutions.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend.

Directors

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

Mr J C Jardine

Mr C H Jardine

Mrs K Tew

Mr C Campbell

Mr S J Horley

(appointed 4 November 2021)

Supplier payment policy

The Company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Company's contractual and other legal obligations.

Auditor

In accordance with the Company's general articles, a resolution proposing that BDO LLP be reappointed as auditor of the Company will be put at a General Meeting.

Statement of disclosure to auditor

Each Director in office at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he / she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

JUUCE LIMITED
T/A "EO CHARGING"

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.


Directors' Indemnities

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2020 financial year and remain in force for all current and past Directors of the Company.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr J C Jardine

Director

Date: 24 December 2021

JUUCE LIMITED
T/A “EO CHARGING”

DIRECTORS’ RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors are responsible for preparing the Directors’ report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing 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; and
- state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**JUUCE LIMITED
T/A “EO CHARGING”**

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of JUUCE Limited (“the Company”) for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates the Directors considerations over going concern. Should the business combination not be successful, the Company will need to raise additional funding to meet its loan repayment obligation and in the event the Company is unable to substantially increase revenues, reduce expenditures, or otherwise generate cash flows for operations, the Company will need to raise additional funding to fund its operations. As stated in note 2.2, these events or conditions, along with other matters as set forth in note 2.2, 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 Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

**JUUCE LIMITED
T/A "EO CHARGING"**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUUCE LIMITED

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. ;or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

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

JUUCE LIMITED
T/A “EO CHARGING”

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED

In preparing the financial statements, the Directors are responsible for assessing the 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory framework applicable to the Company, through discussions with the Directors and management and from our general commercial experience. We determined which laws and regulations were of most significance in the context of the Company and which are directly relevant to specific assertions in the financial statements, being applicable law and international accounting standards in conformity with the requirements of Companies Act 2006.
- We understood how the Company is complying with those legal and regulatory frameworks, by making enquiries to management, and the Directors of known or suspected instances of non-compliance with laws and regulations. We reviewed the financial statement disclosures to assess compliance with the relevant laws and regulations discussed above. We remained alert to any indications of non-compliance throughout the audit.
- We ensured that the audit engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- We assessed the susceptibility of the Company’s financial statements to material misstatement, including how fraud might occur, by discussing with management and the Directors to understand where it is considered there was a susceptibility of fraud.
- We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results, revenue cut-off particularly through the manipulation of contract revenue, and management bias in accounting estimates.

**JUUCE LIMITED
T/A “EO CHARGING”**

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED

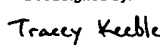
- Audit procedures performed in response to the assessment above included: Discussions with management of known or suspected instances of fraud;
 - Discussions with management of known or suspected instances of fraud;
 - Obtaining an understanding of management’s controls designed to prevent and detect irregularities;
 - Checking assumptions made by management in their significant accounting estimates including in relation to depreciation policies, impairment reviews, classification and recognition of development costs, revenue from contracts with customers, warranty provisions, share warrant obligations and the valuation of ordinary shares;
 - Testing the appropriateness of a sample of journal entries;
 - Evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.

Use of our report

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

DocuSigned by:

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Tracey Keeble (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Ipswich
Date: 24 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

JUUCE LIMITED
T/A “EO CHARGING”

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Revenue	4	15,356,782	4,676,472
Cost of sales		(10,499,440)	(2,801,344)
Gross profit		4,857,342	1,875,128
Other operating income		112,541	5,679
Distribution costs		(87,511)	(92,509)
Administrative expenses		(4,093,026)	(2,283,478)
Other expenses - change in fair value of warrants	25	(10,994,522)	—
Operating loss	5	(10,205,176)	(495,180)
Finance income		228	904
Finance expenses		(19,773)	(11,532)
Loss before taxation		(10,224,721)	(505,808)
Income tax benefit	8	158,474	105,749
Net loss and total comprehensive loss		(10,066,247)	(400,059)
Earnings per share (pence per share)			
Basic and diluted	9	(51,840)	(2,276)

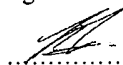
The accompanying notes are an integral part of these financial statements.

JUUCE LIMITED
T/A “EO CHARGING”
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	As at 31 December 2020 £	2019 £	As at 1 January 2019 £
Non-current assets				
Goodwill	10	260,000	—	—
Intangible assets	10	1,712,807	974,921	823,042
Property, plant and equipment	11	565,809	319,005	224,159
Other receivables	14	7,978	—	—
Deferred tax asset	19	1,079	1,079	—
		<u>2,547,673</u>	<u>1,295,005</u>	<u>1,047,201</u>
Current assets				
Inventories	13	1,403,778	592,514	270,407
Trade and other receivables	14	6,718,683	1,493,228	345,190
Current tax recoverable		268,822	110,349	180,045
Cash and cash equivalents		2,861,098	349,788	1,494,822
		<u>11,252,381</u>	<u>2,545,879</u>	<u>2,290,464</u>
Total assets		<u>13,800,054</u>	<u>3,840,884</u>	<u>3,337,665</u>
Current liabilities				
Trade and other payables	17	6,495,800	1,266,473	504,495
Warrants	25	2,117,412	—	—
Current tax liabilities		—	—	789
Borrowings		—	—	5,302
Lease liabilities	18	162,125	63,400	40,621
Contract liabilities	20	355,991	21,083	27,711
		<u>9,131,328</u>	<u>1,350,956</u>	<u>578,918</u>
Non-current liabilities				
Warrants	25	9,881,255	—	—
Lease liabilities	18	227,731	117,020	87,070
Contract liabilities	20	76,116	80,516	—
Total liabilities		<u>19,316,430</u>	<u>1,548,492</u>	<u>665,988</u>
Equity				
Called up share capital	23	197	176	176
Share premium account	24	5,659,377	3,430,243	3,430,243
Accumulated deficit		(11,175,950)	(1,138,027)	(758,742)
Total (deficit)/equity		<u>(5,516,376)</u>	<u>2,292,392</u>	<u>2,671,677</u>
Total (deficit)/equity and liabilities		<u>13,800,054</u>	<u>3,840,884</u>	<u>3,337,665</u>

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the board of Directors and authorized for issue on ...24/12/21... and are signed on its behalf by:



Mr J C Jardine

Director

Company Registration No. 09314212

JUUCE LIMITED
T/A “EO CHARGING”
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

		Share capital	Share premium account	Accumulated deficit	Total
	Notes	£	£	£	£
1 January 2019	28	176	3,430,243	(758,742)	2,671,677
Comprehensive loss					
Net loss		—	—	(400,059)	(400,059)
Total comprehensive loss		<u>176</u>	<u>3,430,243</u>	<u>(1,158,801)</u>	<u>2,271,618</u>
Contributions by and distributions to owners					
Share based payments	22	—	—	20,774	20,774
Total contributions by and distributions to owners		<u>—</u>	<u>—</u>	<u>20,774</u>	<u>20,774</u>
31 December 2019		<u>176</u>	<u>3,430,243</u>	<u>(1,138,027)</u>	<u>2,292,392</u>
Comprehensive loss					
Net loss		—	—	(10,066,247)	(10,066,247)
Total comprehensive loss		<u>—</u>	<u>—</u>	<u>(10,066,247)</u>	<u>(10,066,247)</u>
Contributions by and distributions to owners					
Issue of fully paid shares	24	16	1,728,812	—	1,728,828
Shares issued as consideration in business combination and in settlement for services	24	5	500,322	—	500,327
Share based payments	22	—	—	28,324	28,324
Total contributions by and distributions to owners		<u>21</u>	<u>2,229,134</u>	<u>28,324</u>	<u>2,257,479</u>
31 December 2020		<u>197</u>	<u>5,659,377</u>	<u>(11,175,950)</u>	<u>(5,516,376)</u>

The accompanying notes are an integral part of these financial statements.

JUUCE LIMITED
T/A “EO CHARGING”
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Net loss		(10,066,247)	(400,059)
Adjustments for:			
Income tax benefit	8	(158,474)	(105,749)
Finance expenses		19,773	11,532
Finance income		(228)	(904)
Amortisation of intangible assets	10	204,657	158,786
Depreciation of property, plant and equipment	11	161,598	110,102
Write off of intangible assets	10	29,928	—
Non-cash compensation cost		206,452	—
Change in fair value of warrants	25	10,994,522	—
Non-cash amortisation of warrant asset		292,774	—
Share-based payment expense		28,324	20,774
ECL provision	15	20,068	3,334
		1,733,147	(202,184)
Movements in working capital:			
Increase in inventories	13	(811,264)	(322,107)
Increase in warrant asset	25	(1,004,146)	—
Increase in trade and other receivables		(4,508,581)	(1,151,372)
Increase in trade and other payables		6,233,472	761,978
Increase in deferred revenue outstanding		330,508	73,888
		1,973,136	(839,797)
Cash generated from (used in) operating activities		1,973,136	(839,797)
Tax received		—	173,577
		1,973,136	(666,220)
Cash flows from investing activities			
Purchase of intangible assets	10	(972,471)	(310,665)
Purchase of property, plant and equipment		(118,514)	(98,672)
Interest received		228	904
		(1,090,757)	(408,433)
Cash flows from financing activities			
Proceeds from issue of shares		1,745,180	—
Share issue costs	24	(16,030)	—
Repayment of bank loans		—	(5,302)
Payment of principle on lease liabilities	18	(100,219)	(65,079)
		1,628,931	(70,381)
Net cash generated from (used in) financing activities		1,628,931	(70,381)
Net increase (decrease) in cash and cash equivalents		2,511,310	(1,145,034)
Cash and cash equivalents at beginning of year		349,788	1,494,822
		2,861,098	349,788
Significant non-cash transactions investing and financing			
Non-cash equity issuance for business combination	26	260,000	—

The accompanying notes are an integral part of these financial statements.

JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 General information and basis of preparation

1.1 General information

JUUCE Limited (the ‘Company’ or ‘JUUCE’) and its subsidiary is primarily involved in development, manufacture and retail of innovative solutions for charging electric vehicles. The Company’s subsidiary Company, EO Charging Limited, is dormant. The Company is a private Company limited by shares incorporated in England and Wales. The registered office is Tomo House, Tomo Road, Stowmarket, Suffolk, IP14 5AY, United Kingdom.

2 Accounting Policies

2.1 Accounting Convention

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (IFRS).

These financial statements are the first financial statements prepared by the Company in accordance with IFRS. Note 28 includes further information on how the transition to IFRS affected the Company's previously reported financial position and financial performance for the year ended 31 December 2019.

The Company has taken advantage of the exemption under s402 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2.2 Going concern

Based on the forecasts prepared, the accompanying financial statements of the Company have been prepared assuming the Company will continue as a going concern for at least a period of one year after the date these financial statements are issued and contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced recurring losses since its inception. The Company incurred a net loss of £10.1 million (2019: £0.4 million) and generated £2.0 million (2019: used £0.8 million) in cash from operations during 2020, and had an accumulated deficit of £11.2 million (2019: £1.1 million). As of 31 December 2020 the Company had cash and cash equivalents of £2.9 million (2019: £0.3 million).

In addition, since March 2020, the COVID-19 pandemic has had an impact on our sales and revenues. Many domestic customers have not been willing or proactive in having chargers installed, meaning that the Company’s affinity, installer and wholesaler channels slowed down considerably. In addition, delays in deliveries of EVs have also impacted the phasing of sales. COVID-19 has negatively impacted both the availability of EVs, especially vans, and the ability of the Company’s staff and its contractors to access sites in order to carry out installation services. At the date of issuance of these financial statements, our manufacturing facilities and premises are open.

Since inception, the Company has primarily financed its activities from regular financing injections from its majority shareholders. Management expects to incur additional losses and cash outflows in the foreseeable future in connection with development of its operating activities.

The Company is subject to a number of risks similar to those of other similar stage companies, including dependence on key individuals, successful development, marketing and branding of products; uncertainty of product development and generation of revenues; dependence on outside sources of financing; risks associated with research, development; dependence on suppliers and subcontractors; protection of intellectual property; and competition with larger, better-capitalized companies. Ultimately, the attainment of profitable operations is dependent on future events, including obtaining adequate financing to fulfil its development activities and generating a level of revenues adequate to support the Company’s cost structure.

JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2.2 Going concern

To support the Company’s financial performance, management has undertaken several initiatives, including the raising of additional financing subsequent to the year end:

- In August 2021, the Company entered into a business combination agreement with First Reserve Sustainable Growth Corp., a Delaware corporation (First Reserve), (the “Business Combination Agreement”), and certain other agreements related thereto. (See Note 29 Subsequent Events). First Reserve, the Company, EO Charging, an exempted company incorporated with limited liability in the Cayman Islands (“EO”), and Charge Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of EO (“Merger Sub”), entered into a Business Combination Agreement and Plan of Reorganization (the “Business Combination Agreement,”), pursuant to which, among other things and subject to the terms and conditions contained therein, (i) the shareholders of Juuce would contribute all of the issued and outstanding ordinary shares of Juuce (“Juuce Shares”) to EO in exchange for ordinary shares of EO valued at \$10.00 per share (“EO Ordinary Shares”) to be issued simultaneously with the issuance of EO Ordinary Shares in connection with the Merger and, if available cash exceeds a specified level, certain cash consideration (the “Share Contribution”) and (ii) Merger Sub will merge with and into First Reserve, with First Reserve surviving as a wholly owned subsidiary of EO (the “Merger”). In connection with the Merger, the obligations of Juuce, EO and Merger Sub to consummate the transactions contemplated by the Business Combination Agreement are subject to the condition that First Reserve has cash in the trust account of not less than \$91,392,864, and;
- In August 2021, the Company entered into an interim credit agreement with Barclays Bank PLC (“Barclays Bank”) pursuant to which Barclays Bank made available a £7.7 million term facility which was drawn down in full by the Company on 16 August 2021. (See note 29, Subsequent Events). The loan is repayable 364 days from the date of the interim credit agreement and upon the occurrence of certain specified events, including the completion of the Business Combination, the loan will be mandatorily repayable in full of the loan at par.

If results of operations for 2021 do not meet management’s expectations, or additional capital through the proposed business combination or other alternative capital markets access is not available, management believes it has the ability to reduce certain expenditures. The precise amount and timing of the funding needs cannot be determined accurately at this time, and will depend on a number of factors, including, the outcome of the Business Combination, the market demand for the Company’s products and services, the quality of product development efforts, management of working capital, and continuation of normal payment terms and conditions for purchase of services. The Company is uncertain whether its cash balances and cash flow from operations will be sufficient to fund its operations for the next twelve months. Should the business combination not be successful, the Company will need to raise additional funding to meet its loan repayment obligation and in the event the Company is unable to substantially increase revenues, reduce expenditures, or otherwise generate cash flows for operations, the Company will need to raise additional funding to fund its operations to continue as a going concern through its major shareholders, or through other avenues. There can be no assurance however that such financings will be available in sufficient amounts, when and if needed, on acceptable terms or at all.

Therefore these events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. The Directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that may be required if the Company were unable to continue as a going concern.

JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2.3 Standards issued not yet applied

The following IFRS standards, amendments and interpretations have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2020 that the Company has decided not to adopt early. The Company does not believe these standards, amendments and interpretations will have a material impact on the financial statements once adopted.

- Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2 (effective date January 1, 2021);
- Amendments to IAS 37: Onerous contracts - Cost of Fulfilling a Contract (effective date January 1, 2022);
- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use (effective date January 1, 2022);
- Amendments to IFRS 1, IFRS 9 and IAS 41: Annual Improvements to IFRS Standards 2018 - 2020 (effective date January 1, 2022);
- Amendments to IFRS 3: Reference to the Conceptual Framework (effective date January 1, 2022);
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective date January 1, 2023); and
- IFRS 17 Insurance Contracts (effective date January 1, 2023).

2.4 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets acquired, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

The Company applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Company. 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 Company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any noncontrolling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

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2 Accounting policies (continued)

In certain cases, consideration is dependent on the continued employment of the vendor, and in other cases these are not dependent on employment condition. These amounts have been determined at acquisition date based on the terms of the purchase agreements and the expected future performance based on the information available at the reporting period and may vary depending on actual results.

Goodwill represents the excess cost of a business combination over the Company’s interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Direct costs of acquisition are recognised immediately as an expense in the statement of comprehensive income.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the statement of comprehensive income.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed.

2.5 Revenue

The Company recognises revenue from two main revenue streams:

- Sales of hardware and software to distributors, wholesalers, installers, commercial customers and non-commercial consumers; and
- Sales of full turnkey solutions including hardware, installation, software, and support and maintenance to commercial customers.

To determine whether to recognise revenue, the Company follows a five-step process:

- Identifying the contract with the customer;
- Identifying the performance obligations;
- Determining the transaction price;

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2 Accounting policies (continued)

- Allocating the transaction price to the performance obligations; and
- Recognise revenue as performance obligations are satisfied.

For sales of hardware and software to distributors, wholesalers, installers, commercial customers and consumers the contract with the customer is defined by a purchase order made by the customer and accepted by the Company. Acceptance of the purchase order indicates enforceable rights and obligations to the contract. The performance obligations under these types of sales are split across hardware, software and warranties to be provided under the purchase order. The transaction price for each performance obligation is based on the standalone selling price for which the Company would sell the hardware, and software to similar customers under similar terms. There is no variable consideration under these arrangements. The performance obligations associated with hardware are satisfied at a point in time when control of the hardware is passed to the customer. Revenue from performance obligations associated with software are satisfied over time on a straight-line basis over the agreed period of the right-of-access granted under the purchase order.

The Company offers a right to cancel the contract within 14 days under the above contracts with consumers. A right of return is not a separate performance obligation, but it affects the estimated transaction price for transferred goods. Historical experience enables the Company to estimate reliably the value of orders that will be cancelled and restrict the amount of revenue that is recognised such that it is highly probable that there will not be a reversal of previously recognised revenue when goods are returned. Revenue is therefore recognised in full.

In arrangements involving turnkey solutions to corporate customers, the Company often enters into Master Services/Supply Agreements (“MSA”), which will govern the contractual relationship between the Company and the customer. The performance obligations are then defined more specifically through a work order and/or purchase order, which is created within the terms of the MSA. Therefore, an enforceable right to revenue is created on acceptance of a work order and/or purchase order by the customer and the Company. The types of performance obligations that could be included within these work orders and/or purchase orders includes hardware and embedded firmware, installation, software, operation and maintenance services, and other professional services, being project management, surveys and design. Each of these would represent a separate performance obligation under the work order. The transaction price for each performance obligation is fixed under the terms of the work order and/or purchase order and is based on the standalone selling price at which the Company would sell each item to similar customers under similar terms. While some contracts include service level credits, the Company has historically delivered to expected service levels and therefore does not consider variable consideration within these types of contracts with customers. The performance obligations associated with hardware are satisfied at a point in time when control of the hardware is passed to the customer, which in most cases is when the equipment is fully commissioned. For installation services, the Company recognises revenue at completion of the service. Revenue from performance obligations associated with software are satisfied over time on a straight-line basis over the agreed period of the right-of-access granted under the purchase order. Operation and maintenance services and other professional services are transferred over a period of time and are indicative of a stand ready performance obligation, as the customer benefits from these services evenly over the contract term. Therefore, the performance obligation is satisfied over a period of time and the input method currently best depicts the transfer of benefit.

Under both types of contracts, the Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as a contract liability in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives consideration, the Company recognises either a contract asset or receivable in the statement of

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2 Accounting policies (continued)

financial position, depending on whether something other than the passage of time is required before the consideration is due.

Invoices for goods or services transferred are due upon receipt by the customer. For stand-alone sales of goods, control transfers at the time in which the goods are dispatched.

Amounts recognised in revenue under both streams identified above are not adjusted for the effects of significant financing components as the Company expects that at contract inception the period in which the goods and/or services are transferred to the customer and when the customer pays for such goods and/or services will be one year or less. Similarly, the Company recognises any costs incurred in obtaining a contract with a customer as an expense in the year in which incurred as the underlying asset in relation to the contract is expected to be one year or less.

Commissions are paid to incentivise the sale of the Company’s products. These commissions are however only paid on the sale of hardware to customers. As the sale of hardware is satisfied once the customer obtains control thereof the Company applies the practical expedient in IFRS 15 and expenses these costs as incurred.

Included within the contracts with the customers, the Company provides a standard 1 or 3 year warranty as a standard assurance for the equipment. The warranty is standard in all equipment purchase contracts and may not be purchased separately. The warranty provides assurance that a product will function as expected and in accordance with certain specifications. All products sold come with this 1 or 3 year warranty, with the option for the customer to extend for another 1 to 2 years. When the optional extended warranty is purchased, a separate performance obligation is identified and revenue is recognised over the life of the warranty extension. The Company includes a provision for expected warranty obligation costs within cost of sales. Note 3 provides further information on how this expected amount is calculated.

2.6 Operating segments

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to allocate resources and in assessing performance. The CODM has been identified as the Chief Executive Officer (“CEO”). The Company operates as one operating segment because it’s CEO, reviews its financial information on a basis for purposes of making decisions regarding allocating resources and assessing performance. The Company has no segment managers who are held accountable by the CEO for operations, operating results, and planning for levels of components below the unit level.

2.7 Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Research costs are expensed as incurred. Development costs, including the design, construction and testing of EV charging software and hardware, are only recognised as internally-generated intangible assets if all recognition criteria according to IAS 38, Intangible Assets, are met. Expenses that can be directly allocated to development projects are capitalised provided that:

- the completion of the intangible asset is technically feasible;
- the Company has the intention to complete the intangible asset and to use or to sell it;

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2 Accounting policies (continued)

- the intangible asset can be sold or used internally;
- the intangible asset will generate future benefits in terms of new business opportunities, cost savings or economies of scale;
- sufficient technical and financial resources are available to complete the development and to use or sell the intangible asset; and
- expenditures can be measured reliably. Direct costs include not only the personnel expenses for the development team, but also the costs for external consultants and developers.

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

- Development costs – 20% straight-line

Amortisation charges are recognised within administrative expenses in the income statement when a project is complete.

2.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation and impairment charges are recognised within administrative expenses in the statement of comprehensive income.

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

Leasehold improvements	Over the shorter of the lease term or useful economic life
Right of use Asset	Straight-line over the lease term
Fixtures, fittings & equipment	20% reducing balance
Plant & machinery	25% straight-line
Computer equipment	33% straight-line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in administrative expenses in the statement of comprehensive income.

2.9 Impairment of tangible and intangible assets

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

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2 Accounting policies (continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

2.10 Inventories

Inventories are initially recognised at cost, and subsequently stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

2.12 Financial assets

Financial assets are recognised in the Company’s statement of financial position when the Company becomes party to the *contractual provisions of the instrument*. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit or loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit or loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to

2 Accounting policies (continued)

customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary. The effects of discounting within the effective interest method are omitted if immaterial. Where the contractual cash flows of the financial asset are renegotiated or otherwise modified the financial asset is recalculated at the present value of the modified contractual cash flows discounted at the financial asset's original effective interest rate.

2.13 Expected credit losses

Expected credit loss impairments are recognised in respect of financial assets measured at amortised cost immediately on initial recognition of the respective financial asset. The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers.

All trade receivables were categorised into two main buckets, these being private and business customers. For each group of receivables an historical period of sales were reviewed to determine the value of cash losses. The historical data used was of a sufficient period to ensure that this was a valid representation of loss patterns to determine the historical default rate for each bucket, the payment profile for the receivables arising in the historical period of sales was reviewed. The historical loss rate was determined by dividing the ultimate loss by the outstanding amount in the relevant bucket at that point in time.

A review was then undertaken to reflect current and forward looking information that might affect the ability of customers to settle the receivable. Factors considered were, the client base, the fact that we have stringent credit checks in place, with a number of clients required to pay in advance until they have built up good credit history with the Company, consideration was also given to the impact of changes in the economic, regulatory and technological environment for example industry outlook, GDP and other external market indicators. No adjustment was deemed necessary following this review.

A separate review was also undertaken for any receivable where the Company felt that there was no reasonable expectation of recovering the debt in its entirety.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the change in the risk of a default occurring over the expected life of the instrument between the reporting date and the date of initial recognition. A financial instrument is considered to have experienced a significant increase in credit risk if the counterparty meets one or more of the following criteria:

- Significant increase in credit spread;
- Significant adverse changes in business, financial and/or economic conditions in which the counterparty operates;
- Actual or expected forbearance or restructuring;
- Actual or expected significant adverse change in operating results of the counterparty;

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2 Accounting policies (continued)

- Significant change in collateral values (secured facilities only) which is expected to increase risk of default;
- Early signs of cash flow / liquidity problems.

A backstop is applied and the financial instrument is considered to have experienced a significant increase in credit risk if the borrower is more than 90 days past due on its contractual payments.

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the borrower is more than 90 days past due on its contractual payments and/or the borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty.

These are instances where:

- The issuer or obligor is in significant financial difficulty.
- There is a breach of contract, such as a default or delinquency in interest or principal payments.
- The lender, for economic or legal reasons relating to the borrower’s financial difficulty, grants the borrower a concession that would not otherwise be considered.
- It is probable that the borrower will enter bankruptcy or other financial re-organisation.
- The borrower is insolvent or facing liquidity, business and financial risk exposures.

The above criteria are applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default, exposure at default and loss given default throughout the Company’s expected credit loss calculations.

An instrument is considered to no longer be in default when it no longer meets any of the default criteria for a consecutive period of 6 months. The period of 6 months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after curing using different possible cure definitions.

An instrument will transition from stage 2 to stage 1 when it no longer meets the criteria for significant increase in credit risk, upon approval by the Company’s treasury team.

Measurement of Expected Credit Losses

Expected credit losses are an unbiased probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive discounted at the asset’s original effective interest rate. The probabilities are assigned to economic scenarios, and the expected credit loss is the probability-weighted average of the credit loss calculation of the economic scenarios. Expected credit losses are measured as follows:

Financial assets that are not credit-impaired at the reporting date:

Stage 1: as the present value of all cash shortfalls over the expected life of the financial asset due to default events within the next 12 months, discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that Juuce expects to receive.

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2 Accounting policies (continued)

Stage 2 (underperforming): as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate.

Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that Juuce expects to receive.

Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Expected credit losses are calculated using three main components, probability of default, exposure at default and loss given default. These parameters are generally derived from internally developed statistical models combined with historical, current and forward-looking customer and macro-economic data. The 12-months and lifetime probability of default represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk. The exposure at default represents the expected exposure at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of a facility. The loss given default represents expected loss conditional on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money.

The 12-months expected credit loss is equal to the discounted sum over the next 12-months of monthly probability of default multiplied by loss given default and exposure at default. Lifetime expected credit loss is calculated using the discounted sum of monthly probability of default over the full remaining life multiplied by loss given default and exposure at default.

Forward-looking information

The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. This analysis considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of expected credit losses. Macro-economic factors taken into consideration are unemployment rates, gross domestic product and inflation, and require an evaluation of both the current and forecast direction of the macro-economic cycle. Incorporating forward-looking information increases the degree of judgement required as to how changes in these macro-economic factors will affect expected credit losses.

As the relationship between forward-looking economic scenarios and their associated credit losses are non-linear, in accordance with IFRS 9, a range of forward-looking economic scenarios will be considered to ensure a sufficient unbiased representative sample of the complete distribution is included in determining expected loss.

The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

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2 Accounting policies (continued)

The assessment of significant increase in credit risk incorporates the above forward-looking information and is performed annually.

Modifications of contractual cash flows

Modifications of the contractual cash flows of a financial asset might result in de-recognition of the existing instrument if the existing agreement is cancelled and a new agreement made on substantially different terms or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different instrument. The date of the modification is the date of initial recognition for the new financial asset when applying the impairment requirements of IFRS 9.

Where a modification does not result in de-recognition, the gross carrying amount of the modified asset is adjusted to reflect the revised contractual cash flows. The new gross carrying amount is determined as the present value of the estimated future modified contractual cash flows discounted at the asset's original effective interest rate. The resulting adjustment is charged to the statement of comprehensive income as a gain or loss on modification.

Modified assets are assessed to determine whether a significant increase in credit risk has occurred. The Company considers the credit risk at the reporting date under the modified contractual terms of the asset. This is compared to the credit risk at *initial recognition* under the *original unmodified contractual terms* of the financial asset. If this comparison does not show a significant increase in credit risk, the loss allowance is measured at a 12-month expected credit loss.

Write-off

The gross carrying amount of a financial asset will be reduced when Juuce has no reasonable expectations of recovering the asset. Write-offs can relate to a financial asset in its entirety or to a portion thereof. Such assets are written off against the related credit allowance. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the statement of comprehensive income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

2.14 Financial liabilities

The Company recognises financial liabilities when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value include share warrant obligations and are measured at fair value through profit or loss. Fair value is determined using the Black Scholes valuation model. Further information has been provided at Note 2.15. The inputs used by the Company in such model are detailed further in Note 3

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2 Accounting policies (continued)

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognised in profit or loss. The cashflow regarding financial liabilities are presented gross in the cashflow statement regardless of their maturity date.

2.15 Share warrant obligations

The Company accounts for warrants to purchase its common shares in accordance with the provisions of IAS 32 – Financial Instruments: Presentation and IFRS 9 – Financial Instruments. The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net-cash settle the contract if an event occurs and if that event is outside the control of the Company) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement).

The Company assessed the classification of the warrant as of the date it was issued and determined that such instruments met the criteria for liability classification. The warrant is reported on the statement of financial position as a liability at fair value using the Black-Scholes valuation method. The initial value was recorded as a current liability on the statements of financial position with the common shares underlying the warrant which have vested recorded as contra revenue and the remainder recorded to current assets.

The total fair value of the warrant liability is determined at the end of each reporting period by multiplying the fair value of a warrant by the total number of warrants that are expected to vest under the arrangement based on the satisfaction of the specified revenue milestones provided in the warrant. The total number of warrants that are expected to vest is based upon the cumulative revenues that are expected, as determined at the end of each reporting period, to be earned from the customer during a period of 8 years until they expire ending on 10 August 2028. The change in fair value of warrants are recorded through other expenses in the statement of comprehensive income.

The warrant asset is amortised pro rata over the life of the vesting period of the warrant based on actual and projected revenues. The Company recorded contra revenue of £0.3 million during the year ended 31 December 2020 (2019: Nil). The balance of the warrant asset as of 31 December 2020 was £0.7 million.

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2 Accounting policies (continued)

2.16 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs where these have been offset against the share premium account. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.17 Derivatives

Derivatives embedded in other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

2.18 Taxation

The tax income represents the sum of the tax currently repayable.

Current tax

Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s asset 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. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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 enacted at the year-end that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, 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.

2.19 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 the cost of inventories or non-current assets.

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2 Accounting policies (continued)

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.

2.20 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.21 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 conditions 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.

On cancellations or settlements (including those resulting from employee redundancies) the share options lapse immediately.

2.22 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Low value assets; and
- Leases with a duration of 12 months or less.

Low value leases have been considered as £3,700 or lower. At inception, the Company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. 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. Where a tangible asset is acquired through a lease, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment.

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 and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2 Accounting policies (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. 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 unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

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 arising from a change in an index or rate; the Company’s estimate of the amount expected to be payable under a residual value guarantee; or the Company’s assessment of whether it will exercise a purchase, extension or termination option. 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.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

2.23 Grants

Grants are recognised in relation to Covid-19 government furlough schemes. The Company notes there is reasonable assurance that the grant conditions have been or will be met and the grants will be received. Government grants are not repayable and have been recognised within other operating income in the statement of comprehensive income.

2.24 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 denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2.25 Research and development expenditure

Research and development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized within administrative expenses in the statement of comprehensive income as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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3 Significant accounting estimates and judgements

The preparation of financial statements under IFRS requires the Company to make estimates and judgements that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated along with other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Included below are the areas that management believe require estimates, judgements and assumptions which have the most significant effect on the amounts recognized in the financial statements.

Going concern

These financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of one year after these financial statements are issued and contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business.

The Company experienced net losses and significant cash outflows from cash used in operating activities over the past years as we have been investing significantly in growing our operational capabilities and investing in the development of our products and services. During the year ended December 31, 2020, the Company incurred a net loss of £10.1 million. As at December 31, 2020, we had an accumulated deficit of £11.2 million and cash and cash equivalents of £2.9 million.

In assessing the going concern basis of preparation of the financial statements, the Company have taken into consideration the cash position at year-end 2020, the detailed cash flow forecasts after year end 2020 and the additional external funding received after year-end in the form of a credit facility for £7.7 million issued in August 2021 respectively (See Note 29.)

Since inception, the Company has primarily financed its activities from regular financing injections from its majority shareholders. Management expects to incur additional losses and cash outflows in the foreseeable future in connection with development of its operating activities. If results of operations for the next 12 months do not meet management’s expectations, or additional capital through the proposed business combination or other alternative capital markets access is not available, management believes it has the ability to reduce certain expenditures. The precise amount and timing of the funding needs cannot be determined accurately at this time, and will depend on a number of factors, including, the outcome of the Business Combination, the market demand for the Company’s products and services, the quality of product development efforts, management of working capital, and continuation of normal payment terms and conditions for purchase of services. The Company is uncertain whether its cash balances and cash flow from operations will be sufficient to fund its operations for the next twelve months. Should the business combination not be successful, the Company will need to raise additional funding to meet its loan repayment obligation and in the event the Company is unable to substantially increase revenues, reduce expenditures, or otherwise generate cash flows for operations, then the Company will need to raise additional funding to fund its operations to continue as a going concern through its major shareholders, or through other avenues.

Based on the above, the financial statements have been presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, we continue to adopt the going concern basis in preparing our financial statements for the year ended December 31, 2020.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Significant accounting estimates and judgements (continued)

Impairment of assets

Goodwill and other non-current assets are tested for impairment at cash-generating-unit level (“CGU”) on an annual basis or if an event occurs or circumstances change that could reduce the recoverable amount of a CGU below its carrying value. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or sale or disposition of a significant portion of a reporting unit.

The Company makes judgments about the recoverability of non-current assets with finite lives whenever events or changes in circumstances indicate that an impairment may exist. Recoverability of these assets with finite lives is measured by comparing the carrying amount of the asset to the future undiscounted cash flows that asset is expected to generate. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the recoverable amount of the impaired asset. Assumptions and estimates about future values and remaining useful lives of our non-current assets are complex and subjective. They can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts.

In order to determine the recoverable amount, the Company estimates expected future cash flows from the assets and apply an appropriate discount rate to calculate the present value of these cash flows. Future cash flows are dependent on whether the budgets and forecasts are achieved, whereas the discount rates depend on the interest rate and risk premium associated with each of the Company.

There was no impairment of goodwill or non-current assets for the years ended December 31, 2020 and 2019 (See Note 10). The carrying value of assets subject to impairment reviews at the year-end is £2,538,616 (2019: £1,293,296).

Classification of costs between development costs to capitalise and research costs to expense

The Company reviews expenditures, including wages and benefits for employees, incurred on development activities and based on their judgment of the costs incurred assesses whether the expenditure meets the capitalization criteria set out in IAS 38 and the intangible assets accounting policy within Note 10 to the Company’s financial statements. The Company specifically considers if additional expenditure on projects relates to maintenance or new development projects. Development costs capitalised in the year totaled £972,471 (2019: £310,665) for a total cost value of £2,143,374 (2019: £1,170,903), before write-offs of £29,928 (2019: Nil).

Revenue from contracts with customers

The Company develops, manufactures and retails charging solutions for EVs, which includes electronic chargers and other services.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

For all turnkey contracts a full review of the contract is undertaken to assess the performance obligations contained within it. This review will identify what the distinct goods and services are that are providing the client with specific benefits either in their own right or combined with other fulfilled obligations and that these are not integrated or dependent on other goods or services already provided in the contract.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Significant accounting estimates and judgements (continued)

Sale of Chargers

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally when the charger leaves the Company’s warehouse. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of chargers, the Company considers the effects of variable consideration (if any).

Sale of Services

Revenue from contracts with customers for installations services is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The sale of installation services is always in combination with the sale of a charger but considered as distinct performance obligations. Delivery of the charger and the installation services do not always happen at the same time leading in some cases to chargers delivered to customers with pending installation and, therefore, to deferred revenue when invoicing both prior to rendering the installation services.

Warranty Provision

Juuce includes a provision in the accounts in respect of warranties. The provision is calculated on the basis of 2% of the total cost of sales as per the management accounts less warranty costs already invoiced in the year. The costs of future warranty claims is uncertain but is based upon an assessment of actual returns records and projections of future claims.

Share warrant obligations

In August 2020, the Company granted 4,216 warrants over Class C ordinary shares to a third party customer, which vest, subject to the terms and conditions as agreed, based on the aggregate qualifying amount of spending by the customer on the Company’s products or services. The warrants have an exercise price of £2,185.95. For more information about the warrants, see Note 25.

JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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3 Significant accounting estimates and judgements (continued)

The Company have determined that the warrants are a derivative instrument and should be classified as a liability in accordance with IAS 32 – Financial Instruments (“IAS 32”); Presentation and IFRS 9 – Financial Instruments. The vested portion is initially recorded at fair value and then revalued at each reporting date. The initial fair value of the warrants of £1,004,146 was recorded as a share warrant obligation with a corresponding long-term asset recognized at inception. The corresponding asset recognized at inception will be amortized as a reduction of revenues on a percentage per pound of revenue generated with the customer. The fair value of the share warrant obligation was revalued as of 31 December 2020. The fair value of the warrants was determined based on the Black-Scholes option pricing model taking into account the following assumptions:

	31 December 2020	At Inception
Exercise price (£)	2,185.95	2,185.95
Fair value of shares (£)	5,774.36	2,027.88
Volatility	65%	60%
Risk-free interest rate	0.01%	(0.13)%
Expected warrant life (in years)	0.50	0.83

Further explanations of such assumptions above are as follows:

Share price: As the Company’s shares are not publicly traded as of 31 December 2020, the Company must estimate the fair value of the shares, as discussed in “Valuations of ordinary shares” below.

Expected warrant life: The Company calculated the weighted-average expected life of the warrants to be 0.83 years at inception and 0.5 years at 31 December 2020 based on management’s best estimates regarding the effect of vesting schedules. The warrants granted may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution.

Volatility: Since there is no trading history for the Company’s shares as of 31 December 2020, the expected price volatility for the shares was estimated using the average historical volatility of the shares of similar listed entities within the Company’s industry as of the grant date over a period of history commensurate with the expected life of the awards. To the extent that volatility of the share price increases in the future, the estimates of the fair value of the awards to be granted in the future could increase, thereby increasing share-based payment expense in future periods. When making the selection of the industry peers to be used in measuring implied volatility of the warrants, the Company considered the similarity of their products and business lines, as well as their stage of development, size and financial leverage. The Company intends to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of the Company’s own share price becomes available, or unless circumstances change such that the identified companies are no longer similar to the Company, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.

Valuation of ordinary shares

Given the absence of an active market for the Company’s ordinary shares, the Company was required to estimate the fair value of its ordinary shares at the time of grant. The Company considered objective and subjective factors in determining the estimated fair value of its ordinary shares on the grant date. Factors considered by the Company included the following:

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3 Significant accounting estimates and judgements (continued)

- third-party valuations of the Company’s shares;
- the lack of marketability of Company’s shares;
- the Company’s historical and projected operating and financial performance;
- the Company’s stage of development;
- the global economic outlook and its expected impact on the business;
- the market performance of comparable companies; and
- the likelihood of achieving a liquidity event for the shares underlying the awards, such as an initial public offering or sale of the Company, given prevailing market conditions.

The Company determined valuations of its shares for purposes of granting awards through a two-step valuation process described below. The Company first estimated the value of its equity. The Company utilized the income and market approaches to estimate its equity value. Then, the Company’s equity value was allocated across the Company’s various equity securities to arrive at a value for each share class. The income approach, which relies on a discounted cash flow (“DCF”) analysis, measures the value of a company as the present value of its future economic benefits by applying an appropriate risk-adjusted discount rate to expected cash flows, based on forecasts of revenue and costs.

The Company used the guideline public company method (the “GPCM”) to determine a fair market value for its equity.

The GPCM involves the review of pricing and performance information for public companies deemed generally similar to a subject company and subject to similar industry dynamics. The valuation conclusion was based on the income approach (using DCF analysis) and GPCM. The Company assigned more weight to the DCF as it better reflected the Company’s operations and placed less weight to the GPCM.

For each valuation report, the Company first prepared a financial forecast to be used in the computation of the enterprise value using the income approach. The financial forecasts took into account our past experience and future expectations. Second, the risks associated with achieving these forecasts were assessed in selecting the appropriate discount rate. There is inherent uncertainty in these estimates. Third, the Company allocated the resulting equity value among the securities that comprise our capital structure. The aggregate value of the ordinary shares was then divided by the number of ordinary shares outstanding to arrive at the per share value.

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3 Significant accounting estimates and judgements (continued)

The key assumptions used in the valuation were the pre-tax discount rate (31%) and variable year on year revenue growth. The values assigned to the key assumptions represent management’s assessment of future trends in the relevant industry segments in which the Company operates. The forecast assumptions are based on historical data and market trends.

Since the fair value of the Company’s common shares has been determined partially by using the DCF analysis, the valuations have been heavily dependent on the Company estimates of revenue, costs and related cash flows. These estimates are highly subjective and may change frequently based on both new operating data as well

as various macroeconomic conditions that impact the Company’s business. Each of the valuations was prepared using data that was consistent with the Company’s then-current operating plans that the Company was using to manage its business.

In addition, the DCF calculations are sensitive to highly subjective assumptions that the Company was required to make relating to its financial forecasts and the selection of an appropriate discount rate, which was based on the Company’s estimated cost of equity.

The Company’s discount rate was determined based on the stage of development at each valuation date and was quantified based on a risk-free discount rate for government debt, capital markets risk, the Company’s sector and size.

4 Revenue

	For the years ended 31 December	
	2020	2019
	£	£
Revenue analysed by class of business		
Sale of hardware and software	6,740,142	3,580,390
Sale of full turnkey solutions	8,616,640	1,096,082
	<u>15,356,782</u>	<u>4,676,472</u>
	For the years ended 31 December	
	2020	2019
	£	£
Revenue analysed by geographical market		
United Kingdom	11,039,087	2,235,793
Norway	1,824,053	1,325,224
Rest of Europe	1,759,079	571,055
Rest of World	734,563	544,400
	<u>15,356,782</u>	<u>4,676,472</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Revenue (continued)

	2020 £	2019 £
Warrant Assets		
At 1 January	—	—
Amount recognised during the year	1,004,146	—
Released against revenue	<u>(292,774)</u>	<u>—</u>
At 31 December	<u>711,372</u>	<u>—</u>

A Warrant Asset was recognised during the year upon inception of a partnership with a third-party customer. The Warrant Asset was initially recorded at grant as £1 million. The asset will amortize on a pro rata basis based on actual spend compared to expected spend. The Company recorded a reduction to revenue of £292,774 in the year ended 31 December 2020. The current value of the warrant asset at 31 December 2020 is £711,372.

Revenue recognised from amounts released from Contract Liabilities in the year totalled £21,083 (2019: £35,717). See note 20 for reconciliation and further details on contract liabilities.

5 Operating loss

Operating Loss for the year is stated after charging/crediting

	For the years ended 31 December	
	2020 £	2019 £
Change in inventories of finished goods and work in progress	(823,883)	(322,106)
Inventories recognised as an expense	4,495,966	2,485,958
Depreciation of property, plant and equipment	77,007	62,625
Amortisation of right-of-use assets	84,591	47,477
Amortisation of intangible assets	204,657	158,786
Impairment of intangible assets	29,928	—
Research and development costs	199,450	165,554
Foreign exchange	1,545	(1,595)
Advertising costs	172,725	69,515
Other operating income	(112,541)	(5,679)

6 Employees

The average monthly number of persons (including Directors) employed by the Company during the year was:

	For the years ended 31 December	
	2020	2019
Total employees	<u>66</u>	<u>35</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees (continued)

Their aggregate remuneration comprised:

	For the years ended 31 December	
	2020	2019
	£	£
Wages and salaries	2,131,901	1,285,163
Social security costs	286,059	140,833
Pension costs	47,983	23,498
Share based payment expense	28,324	20,774
	<u>2,494,267</u>	<u>1,470,268</u>

7 Directors' remuneration

	For the years ended 31 December	
	2020	2019
	£	£
Remuneration for qualifying services	322,300	266,470
Company pension contributions to defined contribution schemes	1,313	2,633
Share based payment expense	12,813	12,428
	<u>336,426</u>	<u>281,531</u>

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

Remuneration for qualifying services	110,000	100,000
Company pension contributions to defined contribution schemes	656	1,266

8 Income tax benefit

	For the years ended 31 December	
	2020	2019
	£	£
Current tax benefit		
Research and expenditure tax credit	(158,474)	(105,749)
Total UK current tax	<u>(158,474)</u>	<u>(105,749)</u>

The credit for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	2020	2019
	£	£
Loss before taxation	<u>(10,224,721)</u>	<u>(505,808)</u>
Expected tax credit based on a corporation tax rate of 19.00% (2019: 19.00%)	(1,942,697)	(95,154)
Effect of expenses not deductible in determining taxable profit	2,117,661	28,872
Change in unrecognised deferred tax assets	(186,302)	4,564
Adjustment in respect of prior years	—	4,600
Effect of change in UK deferred tax rate	(6,720)	537
Capital allowances in excess of depreciation	35,361	696
Research and development tax credit	(175,825)	(50,102)
Other temporary differences	48	238
Taxation credit for the year	<u>(158,474)</u>	<u>(105,749)</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020

8 Income tax benefit (continued)

Corporation tax rates in the UK are changing from 01 April 2023, the main rate of corporation tax will increase to 25% (from 19%). The main rate will apply to companies with taxable profits in excess of £250,000. For companies with taxable profits below £50,000 the corporation tax rate will continue to be 19%, with marginal rate relief applying for companies with profits between £50,000 and £250,000.

9 Loss per share

	For the years ended 31 December	
	2020	2019
Number of shares		
Basic and diluted weighted average number of ordinary shares	<u>19,418</u>	<u>17,576</u>
Net loss (all attributable to equity shareholders of the company) from continuing operations		
Net loss	<u>£(10,066,247)</u>	<u>£(400,059)</u>
Loss per share from continuing operations		
Basic and diluted loss per share (pence per share)	(51,840)	(2,276)

Basic loss per share is calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Warrants and share options that are disclosed elsewhere in the financial statements could have a potentially dilutive effect on earnings per share in the future.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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10 Intangible assets

	Goodwill	Development Costs	Total
	£	£	£
Cost			
At 1 January 2019	—	860,238	860,238
Additions – internally generated	—	310,665	310,665
At 31 December 2019	—	1,170,903	1,170,903
Additions – internally generated	—	972,471	972,471
Additions – on acquisition of business (see note 26)	260,000	—	260,000
Write-offs	—	(29,928)	(29,928)
At 31 December 2020	<u>260,000</u>	<u>2,113,446</u>	<u>2,373,446</u>
Amortisation and impairment			
At 1 January 2019	—	37,196	37,196
Charge for the year	—	158,786	158,786
At 31 December 2019	—	195,982	195,982
Charge for the year	—	204,657	204,657
At 31 December 2020	—	<u>400,639</u>	<u>400,639</u>
Carrying amount			
At 31 December 2020	<u>260,000</u>	<u>1,712,807</u>	<u>1,972,807</u>
At 31 December 2019	—	<u>974,921</u>	<u>974,921</u>
At 1 January 2019	—	<u>823,042</u>	<u>823,042</u>

Development costs represent expenditure on individual projects where future recoverability can be foreseen with reasonable assurance and will be amortised over a period of five years commencing in the month production is completed.

Development costs in progress at the year-end totalled £868,561 (31 December 2019: £370,422, 1 January 2019: £187,958).

The goodwill was acquired as part of the acquisition of the business of Cambridge Computer Services. Please refer to note 26 for further information regarding the acquisition. Goodwill is tested for impairment annually with the recoverable amount being determined from value in use calculations. Intangible assets have been allocated for impairment testing to the cash generating unit (CGU) to which they apply. The Directors have assessed that goodwill applies to all areas of the business and therefore consider the business as a whole as a single CGU for impairment testing purposes.

The value in use calculation is based on cash flow projections from a formally approved 10 year forecast. A period in excess of 5 years has been used as the Company’s performance has fluctuated in recent years and management anticipates varying rates of growth and profitability beyond FY 2026, which suggests that a multiple-period discounting model is appropriate.

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FOR THE YEAR ENDED 31 DECEMBER 2020

10 Intangible assets (continued)

Other major assumptions are as follows:

- Discount rate– Management have used a discount rate of 30.3%, based on a market derived weighted average cost of capital which takes into account an assumed capital structure which includes debt and which represents management’s assessment of the specific risks relating to the business.
- Expected cash flows – Management have forecast revenues, expenditure and margins based on actual performance, customer projections and market growth projections, which represents their best estimate of cash flows to be achieved during the forecast period.

The valuation of the CGU exceeds the carrying amount by £136,000,000. The valuation of the CGU is based on the fair value of the equity of the Company as at the year end. The Directors believe that any reasonable change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount assigned to goodwill. Management has concluded that there are no reasonably possible changes in any key assumptions that would cause the carrying amount of goodwill to exceed the value in use.

11 Property, plant and equipment

	Leasehold improvements	Leasehold Land and buildings	Fixtures, fittings & equipment	Plant and machinery	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2019	18,324	88,659	7,625	58,026	69,924	55,844	298,402
Additions	8,582	78,854	13,394	12,069	38,990	53,059	204,948
At 31 December 2019 . . .	26,906	167,513	21,019	70,095	108,914	108,903	503,350
Additions	16,223	83,592	3,450	14,848	40,163	250,126	408,402
At 31 December 2020 . . .	43,129	251,105	24,469	84,943	149,077	359,029	911,752
Accumulated depreciation							
At 1 January 2019	2,540	—	1,082	38,880	27,965	3,776	74,243
Charge for the year	4,813	34,943	2,886	15,426	23,841	28,193	110,102
At 31 December 2019 . . .	7,353	34,943	3,968	54,306	51,806	31,969	184,345
Charge for the year	6,116	53,146	3,760	17,524	31,424	49,628	161,598
At 31 December 2020 . . .	13,469	88,089	7,728	71,830	83,230	81,597	345,943
Carrying amount							
At 31 December 2020 . . .	29,660	163,016	16,741	13,113	65,847	277,432	565,809
At 31 December 2019 . . .	19,553	132,570	17,051	15,789	57,108	76,934	319,005
At 1 January 2019	15,784	88,659	6,543	19,146	41,959	52,068	224,159

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11 Property, plant and equipment (continued)

Property, plant and equipment includes right-of-use assets, as follows:

	As at 31 December 2020 £	2019 £	As at 1 January 2019 £
Net values			
Leasehold land and buildings	163,015	132,570	88,659
Motor vehicles	208,960	34,108	19,220
Total	<u>371,975</u>	<u>166,678</u>	<u>107,879</u>
Additions	289,888	106,678	107,879
Depreciation charge for the year			
Leasehold land and buildings	53,146	34,943	—
Motor vehicles	<u>31,445</u>	<u>12,534</u>	—
Total	<u>84,591</u>	<u>47,477</u>	<u>—</u>

12 Subsidiaries

Details of the Company’s subsidiary during the periods presented are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
EO Charging Limited	England & Wales	Ordinary	100.00

The registered office of the Company’s subsidiary is Tomo House, Tomo Road, Stowmarket, Suffolk, England, IP14 5AY.

13 Inventories

	As at 31 December 2020 £	2019 £	As at 1 January 2019 £
Raw materials	925,164	503,703	232,695
Work in progress	9,639	32,100	22,681
Finished goods	<u>468,975</u>	<u>56,711</u>	<u>15,031</u>
	<u>1,403,778</u>	<u>592,514</u>	<u>270,407</u>

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14 Trade and other receivables

	Current		As at 1 January 2019 £	Non-current	
	As at 31 December			As at	
	2020 £	2019 £		31 December 2020 £	1 January 2019 £
Trade receivables	5,869,303	1,273,398	270,981	—	—
Expected credit loss	(25,764)	(5,696)	(2,362)	—	—
	<u>5,843,539</u>	<u>1,267,702</u>	<u>268,619</u>	—	—
Warrant assets	711,372	—	—	—	—
Other receivables	64,353	168,908	65,770	7,978	—
Prepayments	99,419	56,618	10,801	—	—
	<u>6,718,683</u>	<u>1,493,228</u>	<u>345,190</u>	<u>7,978</u>	—

Included within warrant assets is £711,372 (2019: £Nil) (1 January 2019: £Nil) of contract assets arising from the share warrants as described in Note 3.

The Company incur a small incidence of credit losses and as a result the receivables are impaired for expected credit losses. Where management views that there is a significant risk of non-payment, an additional specific provision for impairment is made and recognised as a deduction from receivables.

15 Trade receivables – credit risk

Fair value of trade receivables

The Directors consider that the carrying amount of trade and other receivables within the Company is approximately equal to their fair value.

Ageing of impaired trade receivables

The Company reviews trade receivables balances for expected credit losses on a regular basis. At the year-end, management identify balances which require writing off or providing for in the financial statements. At the year-end, £Nil (2019: £487) of trade receivables were written off and £25,764 (2019: £5,696) (1 January 2019: £2,362) provided for.

Movement in the allowances for doubtful debts	As at 31 December		As at 1 January
	2020 £	2019 £	2019 £
Balance at the beginning of the year	5,696	2,362	—
Additional allowance recognised	24,704	3,334	2,362
Amounts recovered in the year	(4,636)	—	—
Balance at the end of the year	<u>25,764</u>	<u>5,696</u>	<u>2,362</u>

The Company’s operations expose it to degrees of financial risk, including credit risk. Credit risk is primarily attributable to the Company’s cash and cash equivalents, trade receivables, contract assets and other receivables balances. As of 31 December 2020, these balances together totalled £9,480,358 (2019: £1,658,290) (1 January 2019: £1,776,245). A simplified approach has been adopted for assessing the credit risk for Trade Receivables due to there being no significant financing component. Receivables were split into two main

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15 Trade receivables – credit risk (continued)

categories for assessment, private individuals and business customers. Historical data has been reviewed to determine recovery rates for these two categories. These rates have then been applied to the current receivables to ascertain the value of the expected credit loss (“ECL”) for the year. There is not a significant concentration of credit risk, as the exposure is spread over a number of third parties. Loss rates that have been applied are as follows;

<u>Trade receivables</u>	<u>Expected loss rate</u>
Current trade receivables (not overdue)	0%
More than 30 days past due	0%
More than 60 days past due	1%
More than 120 days past due	2%

Responsibility for credit risk management rests with the board of Directors, which has established an appropriate credit risk management framework for the management of the Company’s funding and liquidity management requirements. The Company manage credit risk by maintaining adequate reserves, reviewing credit limits and policies for appropriateness, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

16 Financial Instruments

Financial Assets

The Company hold financial assets measured at amortised cost. At the year-end these financial assets totalled £9,480,358 (2019: £1,658,289) (1 January 2019: £1,776,245).

Financial liabilities

The Company hold financial liabilities measured at amortised cost. At the year-end the carrying amount of these financial liabilities totalled £6,664,049 (2019: £1,376,467) (1 January 2019: £558,191). The Directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

The Company also hold financial liabilities measured at fair value through profit or loss, which includes share warrant obligations. These liabilities are measured using the Black Scholes valuation model, and the inputs used by the Company are detailed further in Note 3. The total value of financial liabilities measured at fair value through profit or loss at the year end was £11,998,667 (2019: £Nil) (1 January 2019: £Nil)

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16 Financial Instruments (continued)

Liquidity risk

The following table details the remaining contractual maturity for the Company’s financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 month	1 – 3 months	3 months to 1 year	1 – 5 years	Total
	£	£	£	£	£
At 31 December 2020					
Trade payables	5,257,896	734,307	—	—	5,992,203
Accruals	160,704	—	—	—	160,704
Other payables	121,286	—	—	—	121,286
Lease liabilities	15,196	30,561	132,487	242,127	420,371
Share warrant obligations	2,117,412	—	—	9,881,255	11,998,667
	<u>7,672,494</u>	<u>764,868</u>	<u>132,487</u>	<u>10,123,382</u>	<u>18,693,231</u>
At 31 December 2019					
Trade payables	586,433	482,399	—	—	1,068,832
Accruals	72,516	—	—	—	72,516
Other payables	54,699	—	—	—	54,699
Lease liabilities	7,242	18,133	67,173	154,081	246,629
	<u>720,890</u>	<u>500,532</u>	<u>67,173</u>	<u>154,081</u>	<u>1,442,676</u>
At 1 January 2019					
Trade payables	220,281	154,415	—	—	374,696
Accruals	76,617	—	—	—	76,617
Other payables	18,348	—	—	—	18,348
Lease liabilities	3,329	4,803	35,961	123,269	167,362
Borrowings	5,302	—	—	—	5,302
	<u>323,877</u>	<u>159,218</u>	<u>35,961</u>	<u>123,269</u>	<u>642,325</u>

Liquidity risk management

The Company is exposed to liquidity risk across the financial liability balances identified above, which arises during the normal course of trade and can affect the Company’s ability to effectively manage its cash flow and ensure it can meet its obligations as and when they fall due.

Responsibility for liquidity risk management rests with the board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company’s funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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16 Financial Instruments (continued)

Capital risk management

The Company’s capital management objectives are:

- to ensure the Company’s ability to continue as a going concern; and
- to provide long-term returns to shareholders.

The Company defines and monitors capital based on the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. In 2020, this totalled (£8,377,474) (2019: £1,942,604).

The Board of Directors monitors the level of capital as compared to the Company’s commitments and adjusts the level of capital as is determined to be necessary by issuing new shares or adjusting the level of debt. The Company is not subject to any externally imposed capital requirements.

17 Trade and other payables

	As at 31 December 2020 £	2019 £	As at 1 January 2019 £
Trade payables	5,992,203	1,068,832	374,696
Accruals	160,704	72,516	76,617
Social security and other taxation	221,607	70,426	34,834
Other payables	121,286	54,699	18,348
	<u>6,495,800</u>	<u>1,266,473</u>	<u>504,495</u>

18 Lease liabilities

	2020 £	2019 £
At 1 January	180,420	127,691
Additions	289,881	106,276
Interest	19,773	11,532
Lease payments	<u>(100,219)</u>	<u>(65,079)</u>
At 31 December	<u>389,856</u>	<u>180,420</u>

	As at 31 December 2020 £	2019 £	As at 1 January 2019 £
Maturity analysis			
Within one year	178,245	92,548	44,093
In two to five years	242,127	154,081	123,269
Total undiscounted liabilities	420,372	246,629	167,362
Future finance charges and other adjustments	<u>(30,516)</u>	<u>(66,209)</u>	<u>(39,671)</u>
Lease liabilities in the financial statements	<u>389,856</u>	<u>180,420</u>	<u>127,691</u>

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18 Lease liabilities (continued)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	As at 31 December 2020 £	2019 £	As at 1 January 2019 £
Current liabilities	162,125	63,400	40,621
Non-current liabilities	227,731	117,020	87,070
	<u>389,856</u>	<u>180,420</u>	<u>127,691</u>

	2020 £	2019 £
Amounts recognised in profit or loss include the following:		

Interest on lease liabilities	<u>19,773</u>	<u>11,532</u>
-------------------------------------	---------------	---------------

The fair value of the Company’s lease obligations is approximately equal to their carrying amount.

The incremental borrowing rate applied to the lease liabilities at initial recognition is 13.33% for motor vehicles and a range of 3% and 4.10% for leasehold properties.

Other leasing information

The Company holds several operating leases for motor vehicles used for business purposes. These leases expire over a period from July 2020 to October 2024. The Company is also party to an operating lease for its main office and manufacturing premises at Tomo House, including the ground floor, first floor and parking. This lease expires in April 2023. Lastly, the Company rents office space in London which expires in September 2022.

These leases are all accounted for under the provisions of IFRS 16, with the exception of some short-term leases of which the practical expedient was applied. For the leases accounted for under IFRS 16, right-of-use assets and lease liabilities are included in the respective statement of financial position line items.

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2020 £	2019 £
Expense relating to short-term leases	<u>24,355</u>	<u>22,815</u>

The total cash outflow for leases in the year totalled £100,219 (2019: £65,079).

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19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period. Deferred tax is calculated in full on temporary differences using a tax rate of 19% (2019: 17%)

	Tax Recoverable £
Deferred tax balance at 1 January 2019	—
Deferred tax movements in prior year	
Credit to profit or loss	(1,079)
Deferred tax asset at 31 December 2019	(1,079)
Deferred tax movements in current year	
Credit to profit or loss	1,079
Effect of change in tax rate—other comprehensive income	(1,079)
Deferred tax asset at 31 December 2020	<u>(1,079)</u>

Deferred tax has not been recognized in respect of the following:

	2020 £ Asset/(Liability)	2019 £ Asset/(Liability)
Fixed asset temporary differences	(342,256)	(133,045)
Other temporary and deductible differences	1,107	510
Share based payment	611,398	—
Available losses	211,967	189,655
Net Deferred Tax Asset	<u>482,216</u>	<u>57,120</u>
Amount recognised within statement of financial position	<u>(1,079)</u>	<u>(1,079)</u>
Unrecognised element	<u>481,137</u>	<u>56,041</u>

Short term temporary differences such as fixed asset temporary differences and other temporary differences have arisen from accelerated capital allowances and disallowable provisions. The deferred tax liability on the fixed asset temporary differences has been offset, as permitted by IAS 12, with the deferred tax assets arising from unused losses and share based payments. Losses are available for carry forward indefinitely.

20 Contract liabilities

	2020 £	2019 £
Movements in contract liabilities		
At 1 January	101,599	27,711
Amounts recognised in revenue	(21,083)	(27,711)
Cash received in advance of performance and not recognised as revenue during the period	351,591	101,599
At 31 December	<u>432,107</u>	<u>101,599</u>

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20 Contract liabilities (continued)

Remaining performance obligations

Deferred revenues are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	As at 31 December		As at 1 January
	2020	2019	2019
	£	£	£
Current liabilities	355,991	21,083	27,711
Non current liabilities	76,116	80,516	—
	<u>432,107</u>	<u>101,599</u>	<u>27,711</u>

21 Retirement benefit schemes

Defined contribution schemes

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to the statement of comprehensive income in respect of defined contribution plans is £47,983 (2019-£23,498).

22 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2020	2019	2020	2019
			£	£
Outstanding at 1 January	840	377	413	235
Granted in the period	20	509	557	557
Forfeited in the period	—	(46)	—	—
Outstanding at 31 December	<u>860</u>	<u>840</u>	<u>416</u>	<u>413</u>
Exercisable at 31 December	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The options outstanding at the year-end relate to options issued under either an Unapproved or Enterprise Management Incentive Scheme. The options are equity-settled.

As of the year-end, options to purchase 860 Ordinary C shares, at exercise prices ranging from £235.43 to £557.01 per share were outstanding under either an Unapproved or Enterprise Management Incentive Scheme.

On 29 March 2018, the Company granted 377 share options with a contractual life of 10 years. The shares subject to the options shall vest immediately upon the date of grant and are exercisable upon exit, which is defined as an asset sale, share sale or listing.

On 11 January 2019, the Company granted 509 share options with a contractual life of 10 years. In 2019, 46 of these options lapsed due to an employee retiring. The shares subject to the option shall vest immediately upon the date of grant and are exercisable upon exit.

On 6 May 2020, the Company granted a further 20 share options with a contractual life of 10 years. The shares subject to the option shall vest immediately upon the date of the grant and are exercisable upon exit. No options were exercised this year. Of the options outstanding at 31 December 2020, those granted on 28 March 2018 had an exercise price of £235 and a remaining contractual life of approximately 7 years.

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22 Share-based payment transactions (continued)

The options granted on 11 January 2019 had an exercise price of £557 and a remaining contractual life of approximately 8 years. The options granted on 6 May 2020 had an exercise price of £557 and a remaining contractual life of approximately 9 years.

- The weighted average fair value of the options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the “vesting date”).

The expected life used in the model has been adjusted, based on management’s best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Inputs were as follows:

	2020	2019
Weighted average share price	£1,081	£ 557
Weighted average exercise price	£ 557	£ 557
Expected volatility	35%	35%
Expected life	<u>1 year</u>	<u>3 years</u>

The annualised volatility is determined using the historical movements in shareholder funds. Management have calculated share-based payments based on utilising volatility of public peer Company noting no material difference.

Expenses

	2020	2019
Related to equity settled share based payments	<u>£28,324</u>	<u>£20,774</u>

23 Share capital and reserves

	As at 31 December 2020 £	2019 £	As at 1 January 2019 £
Ordinary share capital			
<i>Authorised</i>			
6,403 A Ordinary of 1p each	64	54	54
10,314 B Ordinary of 1p each	103	100	100
2,937 C Ordinary of 1p each	<u>30</u>	<u>22</u>	<u>22</u>
	<u>197</u>	<u>176</u>	<u>176</u>
<i>Issued and fully paid</i>			
6,403 A Ordinary of 1p each	64	54	54
10,314 B Ordinary of 1p each	103	100	100
2,937 C Ordinary of 1p each	<u>30</u>	<u>22</u>	<u>22</u>
	<u>197</u>	<u>176</u>	<u>176</u>

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23 Share capital and reserves (continued)

All classes of share capital have the same rights with regards to voting rights in the Company. Dividends and distributions are allocated and paid in accordance with the Articles of association as referred to below.

As of 31 December 2020, the vested portion of the warrants is equal to 744 Ordinary C shares.

Reconciliation of movements during the year:

	A Ordinary Number	B Ordinary Number	C Ordinary Number
At 1 January 2019	5,386	10,000	2,190
Issue of fully paid shares	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2019	5,386	10,000	2,190
Issue of fully paid shares on 21 February 2020	1,017	314	284
Shares issued as consideration in business combination and as settlement for services	<u>—</u>	<u>—</u>	<u>463</u>
At 31 December 2020	<u>6,403</u>	<u>10,314</u>	<u>2,937</u>

Distributions (whether by way of dividend, liquidation or otherwise) are paid to all shareholders pro rata as between such shareholders to their respective holdings of the relevant classes as if such shares constituted a single class. However once distributions result in the A Shareholder receiving a distribution equal to three times the A Shareholder’s total investment in the A Shares, the B Shareholders become entitled to a “carry” of 50 percent of the realisation value attributable to the A Shareholders’ initial investment in the A Shares. The C Shareholders are unaffected by the “carry” mechanism.

24 Share premium account

	2020 £	2019 £
At the beginning of the year	3,430,243	3,430,243
Issue of new shares	2,245,164	—
Share issue expenses	<u>(16,030)</u>	<u>—</u>
At the end of the year	<u>5,659,377</u>	<u>3,430,243</u>

The share premium account represents the premium received by the Company on share capital, net of issuance expenses.

On 21 February 2020 2,078 shares with a nominal value of £0.01 were issued for a consideration of £1,080.61 per share. Of these issued shares, 405 were issued to related parties of the Company. An additional 463 shares were issued as part of the business combination as referenced per Note 26.

25 Share warrant obligations

In connection with entering into a Master Supply Agreement, in August 2020, the Company granted 4,216 warrants over C Ordinary shares (the “warrants”) to Amazon Europe Corp Sarl (the “Warranholder”), which vest, subject to the terms and conditions as agreed, based on the aggregate amount of qualifying

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25 Share warrant obligations (continued)

spending by the Warrantholder and its affiliates on the Company’s products or services. At the election of the Warrantholder, any vested portion of the warrants can be exercised either on a cash basis by the payment of the applicable exercise price or on a net issuance basis based on the in-the-money value of the warrants. The exercise price of the warrants is £2,185.95 per share and the warrants will be, if and when fully vested, exercisable for 4,216 Ordinary C shares upon an exercise on a cash basis. Full vesting of the warrants requires qualifying spending of at least £60 million on the Company’s products or services over the term of the agreement – being 8 years, subject to accelerated vesting upon the occurrence of certain events, including a change of control of the Company. Change in control is defined as being any consolidation, merger, reorganisation or similar transaction involving the Company or its subsidiary in which the Company or its subsidiary is not the surviving entity immediately prior to such transaction. Pursuant to the warrants, if the Company or its shareholders propose to initiate a process to explore, or to accept any offer or enter into negotiations with respect to, a change of control of the Company (as defined in the warrants), the Company must provide written notice thereof to the Warrantholder prior to entering into any definitive agreement or binding letter of intent with respect to any such proposed transaction, and the Warrantholder has the right to enter into non-exclusive, good faith negotiations with the Company and its shareholders in respect of any such proposed transaction. Management believe that the existing proposed business combination would not meet the criteria of a change in control event, and that there will be no accelerated vesting of the warrant as a consequence of the business combination as proposed (See Note 29).

The Company opted to use the Black Scholes valuation model for calculating the value of the warrants at the date of grant and at 31 December 2020. The use of the Black Scholes model is appropriate, as the options carry straight-forward vesting conditions.

The Company estimated the fair value of warrants on the date of the grant (August 2020) at £238 per warrant using the Black Scholes valuation model. The model also requires the use of certain other estimates and assumptions that affect the reported values included in the financial statements. These estimates and assumptions have been disclosed in Note 3.

There were no warrants cancelled or expired as of 31 December 2020. At 31 December 2020, 744 warrants were vested based on the agreed upon revenue criteria. Based on the number of warrants expected to vest, the total fair value of the warrant liability included in current liabilities at date of issue is £1.0 million.

At 31 December 2020, the Company revalued the warrant liability to account for the change in the fair market value of the organization. The updated fair value of warrants on 31 December 2020 of £2,846 is based on the Black Scholes valuation model. Based on the number of warrants expected to vest, the total fair value of the warrant liability included in current liabilities at 31 December 2020 is approximately £12.0 million.

Warrant asset

Upon inception of this customer relationship, the Company recorded both the warrant asset and liability. The Warrant Asset was initially recorded as £1.0 million. The asset will amortize on a pro rata basis, based on the revenues actually recognized. The Company recorded a reduction to revenue of approximately £0.3 million in the year ended 31 December 2020. The current balance of the warrant asset at 31 December 2020 is £0.7 million which is included in trade and other receivables in the statement of financial position.

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26 Acquisition of a business

On 21 February 2020 the Company acquired the assets of Cambridge Computer Services, a business specialising in hardware and software development, for consideration of 463 shares which are deemed to have been valued at £1,080 per share, for a total value of £0.5 million. In addition, as part of the arrangement contracts were entered into with three employees of the business (including the owners) under which if those employees left the business within a period of twelve months from the date of acquisition certain amounts would be repayable to the Company. Such value, which is estimated at £240,000, has been deemed to have been compensation in accordance with IFRS 3, Business Combinations. Such compensation has been charged to the statement of comprehensive income over the relevant period. The remainder of the consideration has been treated as consideration.

	Fair Value
	£
Goodwill	260,000
Fair value of assets acquired	<u>260,000</u>
	£
Satisfied by:	
Issue of shares	<u>260,000</u>
	£
Net cash outflow arising on acquisition	
Cash consideration	—
Cash and cash equivalents required	<u>—</u>
	<u>—</u>

The identification and disclosure of revenue and profit/(loss) recognised by the Company in the year in relation to this acquisition is impracticable, as the synergies acquired were not easily quantifiable in their own right.

27 Related party transactions

Remuneration of Directors

	2020	2019
	£	£
Remuneration for qualifying services	381,448	298,778
Company pension contributions to defined contribution schemes	1,313	2,633
Share-based payments	<u>12,813</u>	<u>12,428</u>
	<u>395,574</u>	<u>313,839</u>

Other transactions with related parties

	Purchase of services	
	2020	2019
	£	£
Other related parties	<u>31,334</u>	<u>22,226</u>

During the year, expenditure for design work of £31,334 (2019: £22,226) was incurred and paid to a close family member of J Jardine, a Director and shareholder of the Company. Additionally, during the year £6,069 (2019: £6,069) was paid to J Jardine in respect of the hire of an electric car from him. On February 21, 2020.

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27 Related party transactions (continued)

Juuce acquired the asset of Cambridge Computer Services as described in Note 26. One of the sellers was an existing shareholder in Juuce and the other became a shareholder and employee of Juuce following acquisition. In connection with the acquisition, Juuce entered into a IT Service Agreement with Cambridge Computer Services, which is wholly owned by the some existing shareholder and his wife. The agreement was terminated in February 20, 2021. Payments under this agreement totalled £358k in 2020. No amounts in relation to these transactions was outstanding at the year-end (2019: £Nil).

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due from related parties		
Entities with joint control or significant influence over the Company	<u>906</u>	<u>914</u>

Included within other debtors is £906 (2019: £914) due from EO Assets Limited, a Company connected by common ownership.

28 First time adoption of IFRS

These financial statements, as at and for the year ended 31 December 2020, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2019, the Company prepared its financial statements in accordance with local generally accepted accounting principles (FRS 102).

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at 31 December 2020, together with comparative period data for the year ended 31 December 2019 as described in the summary of significant accounting policies. In preparing the financial statements, the Company’s opening statement of financial position was prepared as at 1 January 2019, the Company’s date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its Local GAAP financial statements, including the statement of financial position as at 1 January 2019 and the financial statement as of, and for, the years ended 31 December 2019.

IFRS has been applied retrospectively with the exception of the mandatory exceptions for which IFRS is applied prospectively from the date of transition. Further details of the retrospective adjustments are included in the below reconciliation.

For leases the Company has elected to apply the modified retrospective approach Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at 1 January 2019. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.

Reconciliations between local GAAP and IFRS have been presented on the pages following.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

28 First time adoption of IFRS (continued)

Reconciliation of statement of Comprehensive Income

At 31 December 2019

	UK GAAP	(1) Error	Re-stated UK GAAP	Reclassifications	(2) IFRS 16	(3) ECL	IFRS
	£	£	£	£	£	£	£
Turnover	4,676,472	—	4,676,472	(4,676,472)	—	—	—
Revenue	—	—	—	4,676,472	—	—	4,676,472
Cost of sales	(2,801,344)	—	(2,801,344)	—	—	—	(2,801,344)
Gross profit	<u>1,875,128</u>	—	1,875,128	—	—	—	<u>1,875,128</u>
Other operating income	—	—	—	5,679	—	—	5,679
Distribution costs	(92,509)	—	(92,509)	—	—	—	(92,509)
Administrative expenses	(2,164,453)	(2,393)	(2,166,846)	(119,273)	3,256	(615)	(2,283,478)
Investment related expenditure	(72,585)	(46,688)	(119,273)	119,273	—	—	—
Operating loss	<u>(454,419)</u>	(49,081)	(503,500)	5,679	3,256	(615)	<u>(495,180)</u>
Finance income	—	—	—	904	—	—	904
Finance expenses	—	—	—	(4,138)	(7,394)	—	(11,532)
Interest receivable and similar income	6,583	—	6,583	(6,583)	—	—	—
Interest payable and similar expenses	(4,138)	—	(4,138)	4,138	—	—	—
Loss before Taxation	<u>(451,974)</u>	(49,081)	(501,055)	—	(4,138)	(615)	<u>(505,808)</u>
Income tax benefit	<u>105,749</u>	—	105,749	—	—	—	<u>105,749</u>
Net loss and total comprehensive loss	<u>(346,225)</u>	(49,081)	(395,306)	—	(4,138)	(615)	<u>(400,059)</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

28 First time adoption of IFRS (continued)

Reconciliation of Statement of Financial Position

At 1 January 2019

	UK GAAP	(1) Error	Re-stated UK GAAP	Reclassifications	(2) IFRS 16	IFRS
	£	£	£	£	£	£
Fixed assets						
Intangible assets	657,458	165,584	823,042	—	—	823,042
Tangible assets	116,280	—	116,280	(116,280)	—	—
Property, plant and equipment	—	—	—	116,280	107,879	224,159
Total Fixed Assets	773,738	165,584	939,322	—	107,879	1,047,201
Current assets						
Stocks	270,407	—	270,407	(270,407)	—	—
Inventories	—	—	—	270,407	—	270,407
Debtors	525,235	—	525,235	(525,235)	—	—
Trade and other receivables	—	—	—	345,190	—	345,190
Current tax recoverable	—	—	—	180,045	—	180,045
Cash and cash equivalents	1,494,822	—	1,494,822	—	—	1,494,822
Total Current Assets	2,290,464	—	2,290,464	—	—	2,290,464
Creditors due within one year						
Creditors: amounts falling due within one year	(552,878)	—	(552,878)	552,878	—	—
Current tax liabilities	—	—	—	(789)	—	(789)
Borrowings	—	—	—	(5,302)	—	(5,302)
Lease liabilities	—	—	—	(14,581)	(26,040)	(40,621)
Trade and other payables	—	—	—	(504,495)	—	(504,495)
Contract liabilities	—	—	—	(27,711)	—	(27,711)
Creditors < 1 year	(552,878)	—	(552,878)	—	(26,040)	(578,918)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

28 First time adoption of IFRS (continued)

Reconciliation of Statement of Financial Position

At 1 January 2019

	UK GAAP	(1) Error	Re-stated UK GAAP	Reclassifications	(2) IFRS 16	IFRS
	£	£	£	£	£	£
Creditors due after one year						
Creditors: amounts falling due after more than one year						
year	(5,231)	—	(5,231)	5,231	—	—
Provisions for liabilities	—	—	—	—	—	—
Deferred tax asset	—	—	—	—	—	—
Lease liabilities	—	—	—	(5,231)	(81,839)	(87,070)
Total Non current	(5,231)	—	(5,231)	—	(81,839)	(87,070)
Equity						
Called up share capital	176	—	176	—	—	176
Share premium account	3,430,243	—	3,430,243	—	—	3,430,243
Share option reserve	14,118	—	14,118	(14,118)	—	—
Profit and loss reserve	(938,444)	165,584	(772,860)	772,860	—	—
Accumulated deficit	—	—	—	(758,742)	—	(758,742)
	<u>2,506,093</u>	<u>165,584</u>	<u>2,671,677</u>	<u>—</u>	<u>—</u>	<u>2,671,677</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

28 First time adoption of IFRS (continued)

Reconciliation of Statement of Financial Position

At 31 December 2019

	UK GAAP	(1) Error	Re-stated UK GAAP	Reclassification	(2) IFRS 16	(3) Expected Credit Losses	IFRS
	£	£	£	£	£	£	£
Fixed assets							
Intangible assets	796,074	178,847	974,921	—	—	—	974,921
Tangible assets	165,795	—	165,795	(165,795)	—	—	—
Property, plant and equipment	—	—	—	165,795	153,210	—	319,005
Deferred Tax Asset	—	—	—	1,079	—	—	1,079
Total Fixed Assets	961,869	178,847	1,140,716	1,079	153,210	—	1,295,005
Current assets							
Stocks	592,514	—	592,514	(592,514)	—	—	—
Inventories	—	—	—	592,514	—	—	592,514
Debtors	1,666,536	—	1,666,536	(1,666,536)	—	—	—
Trade and other receivables	—	(62,343)	(62,343)	1,556,186	—	(615)	1,493,228
Current tax recoverable	—	—	—	110,349	—	—	110,349
Cash and cash equivalents	349,788	—	349,788	—	—	—	349,788
Total Current Assets	2,608,838	(62,343)	2,546,495	(1)	—	(615)	2,545,879
Creditors: amounts falling due within one year							
Borrowings	(1,380,657)	—	(1,380,657)	1,380,657	—	—	—
Lease liabilities	—	—	—	(12,584)	(50,816)	—	(63,400)
Trade and other payables	—	—	—	(1,266,473)	—	—	(1,266,473)
Contract liabilities	—	—	—	(21,083)	—	—	(21,083)
Total Current Creditors	(1,380,657)	—	(1,380,657)	80,517	(50,816)	—	(1,350,956)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

28 First time adoption of IFRS (continued)

Reconciliation of Statement of Financial Position

At 31 December 2019

	UK GAAP	(1) Error	Re-stated UK GAAP	Reclassification	(2) IFRS 16	(3) Expected Credit Losses	IFRS
	£	£	£	£	£	£	£
Creditors due after one year							
Creditors: amounts falling due							
after more than one year	(10,487)	—	(10,487)	10,487	—	—	—
Provisions for liabilities	1,079	—	1,079	(1,079)	—	—	—
Lease liabilities	—	—	—	(10,487)	(106,533)	—	(117,020)
Contract liabilities	—	—	—	(80,516)	—	—	(80,516)
Total non current	(9,408)	—	(9,408)	(81,595)	(106,533)	—	(197,536)
Equity							
Called up share capital	176	—	176	—	—	—	176
Share premium account	3,430,243	—	3,430,243	—	—	—	3,430,243
Share option reserve	34,892	—	34,892	(34,892)	—	—	—
Profit and loss reserve	(1,284,669)	178,847	(1,105,822)	1,105,822	—	—	—
Accumulated deficit	—	(62,343)	(62,343)	(1,070,930)	(4,139)	(615)	(1,138,027)
Total Equity	2,180,642	116,504	2,297,146	—	(4,139)	(615)	2,292,392

Notes to reconciliations

The adjustments detailed above are in respect of the following:

1. Error

Errors in accounting under UK GAAP have been identified regarding the method of calculation used to determine the value of the amortisation relating to development costs was incorrect, amortisation was applied from the point of capitalisation and not the point of completion of the Project. In addition to this there is an adjustment to reverse a contingent asset that was booked as at 31 December 2019, due to it not being virtually certain.

2. Leases

Under Local GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to IFRS, the Company applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Company recognised an increase of lease liabilities and right of use assets of £107,879 as at 1 January 2019. As of 31 December 2019, the Company’s lease liabilities and right of use asset have increased by £157,349 and £153,210, with the difference recognised in accumulated deficit.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

28 First time adoption of IFRS (continued)

Depreciation of £3,526 in respect of right of use assets (consisting of rent expense of £50,734 net of lease charges of £47,478) and interest of £7,394 in respect of lease liabilities has been recognized in the statement of comprehensive income for the year ended 31 December 2019.

Below is a reconciliation of the operating lease commitments as disclosed at 31 December 2018 and the lease liabilities recognised on transition to IFRS on 1 January 2019:

	£
Operating lease commitments under IAS 17 disclosed at 31 December 2018	128,651
<i>Recognition exemptions:</i>	
Leases with a remaining term of less than 12 months	<u>(12,231)</u>
Operating lease liabilities before discounting	116,420
Discounted using the incremental borrowing rate	<u>(8,541)</u>
Operating lease liabilities at 1 January 2019	<u>107,879</u>

3. Expected Credit Losses

Under Local GAAP trade receivables were reviewed at the year end to assess whether a bad debt provision should be made. Local GAAP focused primarily on historical events, i.e payment history while under IFRS 9, although this isn't completely ignored, the focus shifts onto the future expected credit losses. Under IFRS 9 an Impairment Policy on trade receivables has been brought in, as described in Note 2.13. A retrospective adjustment has been made which increased the write off of trade receivables by £615 for the year ended 31 December 2019 with the corresponding amount being posted to retained earnings.

29 Subsequent Events

In April 2021, Juuce secured a Coronavirus Business Interruption Loan Scheme (“CBILS”) revolving credit facility of up to £2.5 million in April 2021. The facility was secured by a debenture comprising fixed and floating charges over all the undertakings and property of Juuce and contained customary affirmative and negative covenants and requires it to maintain minimum net worth balances. The outstanding balance was settled and this facility terminated on August 17, 2021.

In August 2021, the Company entered into a business combination agreement with First Reserve Sustainable Growth Corp., a Delaware corporation (First Reserve), and certain other agreements related thereto. First Reserve, the Company, EO Charging, an exempted company incorporated with limited liability in the Cayman Islands (“EO”), and Charge Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of EO (“Merger Sub”), entered into a Business Combination Agreement and Plan of Reorganization (the “Business Combination Agreement”), pursuant to which, among other things and subject to the terms and conditions contained therein, (i) the shareholders of Juuce would contribute all of the issued and outstanding ordinary shares of Juuce (“Juuce Shares”) to EO in exchange for ordinary shares of EO valued at \$10.00 per share (“EO Ordinary Shares”) to be issued simultaneously with the issuance of EO Ordinary Shares in connection with the Merger and, if available cash exceeds a specified level, certain cash consideration (the “Share Contribution”) and (ii) Merger Sub will merge with and into First Reserve, with First Reserve surviving as a wholly owned subsidiary of EO (the “Merger”). In connection with the Merger, the obligations of Juuce, EO and Merger Sub to consummate

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

29 Subsequent Events (continued)

the transactions contemplated by the Business Combination Agreement are subject to the condition that First Reserve has cash in the trust account of not less than \$91,392,864.

In August 2021, the Company entered into an interim credit agreement with Barclays Bank PLC (“Barclays Bank”) pursuant to which Barclays Bank made available a £7.7 million term facility which was drawn down in full by the Company on 16 August 2021. The loan is repayable 364 days from the date of the interim credit agreement and upon the occurrence of certain specified events, including the completion of the Business Combination, the loan will be mandatorily repayable in full of the loan at par. The loan bears interest at a rate of 5% per annum + Sterling Overnight Indexed Average Rate (“SONIA”) payable quarterly in arrears. Juuce has the option prior to an interest period commencing to elect to capitalize such interest amounts, provided that if Juuce so elects the interest rate for such period shall be 6% per annum + SONIA and a one-time structuring fee shall be payable by Juuce to Barclays Bank. The loan is secured by a pledge of substantially all of the assets of Juuce and its subsidiary EO Charging Limited and of the shares in Juuce by certain of its shareholders. The interim credit agreement contains affirmative, negative and financial covenants. Affirmative covenants include, among other things, the delivery of financial and other information. Negative covenants include, among other things, limitations on asset sales, mergers and acquisitions, indebtedness, liens, investments and transactions with affiliates. The financial covenants are limited to a minimum liquidity test and minimum net revenue test (to be tested quarterly).

The Coronavirus Business Interruption Loan Scheme revolving credit facility balance of £1,307,735, which was secured in April 2021, was settled from the funds drawn under this facility. The proceeds from the proposed Business Combination are intended to repay in full the £7.7 million term facility made available by Barclays Bank.