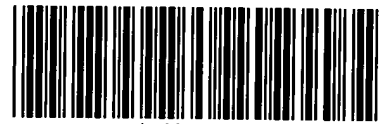


Company Registration No. 09314212 (England and Wales)

JUUCE LIMITED
T/A “EO CHARGING”
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THURSDAY



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27/07/2023
COMPANIES HOUSE

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

Directors	Mr J C Jardine Mr C H Jardine Mr C Campbell Mr B Abdel-Wahab Mr K Moussa Mr M F N Resta
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”
STRATEGIC REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report for the year ended 31 December 2021.

Principal activities

The principal activity of the Company throughout the year was that of providing electric vehicle (EV) charging solutions.

Fair review of the business

The year ended 31st December 2021 was an exciting period for EV charging. Governments globally have announced deadlines for banning petrol and diesel cars along with plans to invest in charging networks. There is increased availability of EVs with more car manufacturers introducing new EV models and the growth in e-commerce and last mile delivery are all indicators that the market for fleet EV charging solutions will continue to grow.

The Company continued to grow its revenues from sales of hardware and turnkey solutions to commercial customers. It further developed its relationships with key customers and also built new relationships within the emerging eBus and eTruck sector. Business growth during the period was however impacted by three main factors:

- 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. The intention was for both parties to complete the transaction via a special purpose acquisition company (SPAC) transaction. These negotiations were ongoing as at 31 December 2021 but were terminated in March 2022. This process absorbed significant management and financial resource.
- The continuing effects of Covid 19 and supply chain constraints meant that fleet electrification programmes were deferred due to delays in the deliveries of EVs to fleet customers.
- New legislation governing electric chargers in the United Kingdom, the Electric Vehicles (Smart Charge Points) Regulations 2021 was announced in late 2020 and became fully effective in December 2021. The legislation does not affect sales into international markets.

Turnover grew from £15.4m in the year ended 31 December 2020 to £17.0m in the year ended 31 December 2021. The adjusted EBITDA for the year ended 31 December 2021 was a loss of £8.0m (year ended 31 December 2020: profit £1.4m).

The Directors assess the performance and progress of the Company against a range of financial and operational KPIs. These include annual revenue growth of 11% (year ended 31 December 2020: 228%) which was impacted by supply chain issues, delays in deliveries of vehicles to our fleet customers and sales being impacted by the change in regulation. The Adjusted EBITDA loss of £8.0m as set out on the next page (year ended 31 December 2020: profit £1.4m) includes a provision of £1.5m in respect of slow-moving inventory of legacy products and components.

The key performance indicators discussed above have been presented in a tabular format as follows:

	2021	2020
	£000	£000
Revenue	17,022	15,357
Revenue growth	10.8%	228.3%
Adjusted EBITDA	(8,023)	1,367

JUUCE LIMITED
T/A “EO CHARGING”
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Adjusted EBITDA is calculated after adjusting for the following amounts:

	2021	2020
	£000	£000
Loss before taxation	(66,806)	(10,224)
Change in fair value of warrants	55,248	10,995
Slow moving inventory provision	1,489	-
Impairments losses	-	30
Depreciation of Property, plant and equipment (including amortisation of right -of-use asset)	356	162
Amortisation of intangible assets	493	205
Research and development costs	234	199
Transaction costs	963	-
Adjusted EBITDA	<u>(8,023)</u>	<u>1,367</u>

The loss before taxation for the year ended 31 December 2021 of £66.8m (year ended 31 December 2020: £10.2m) is distorted by the non- cash charge in respect of the change in fair value of warrants of £55.2m for the year ended 31 December 2021 (year ended 31 December 2020: £11.0m). The Company granted a share warrant in connection with entering into an agreement with a major fleet customer. The share warrant liability is subject to re-measurement to fair value at each balance sheet date. The revaluation is a non-cash item and there is no right for the customer to request that the warrant is cash exercised. The fair value increase is linked to the valuation of the Company at the year end which is consistent with the valuation of the Company agreed as part of the anticipated SPAC transaction. Any future decrease/increase in the valuation of the Company and therefore the warrant, will result in a credit/debit being recognised in the Statement of Comprehensive Income.

The Directors performed an assessment of the effects of the change in legislation referred to above on the level of inventories related to the legacy product range and have included a slow-moving inventory provision of £1.5m in the results for the year ended 31 December 2021.

The Company incurred costs of £4.7m relating to the SPAC transaction. £1m of costs were expensed in the year ended 31 December 2021. Subsequent to the termination of the SPAC transaction, the remaining £3.7m of costs have been expensed in the year ended 31 December 2022.

The Company continued to invest in development of its EO Cloud applications and hardware, during the year it capitalised £2.6m (2020: £1.0m) of costs with several projects providing a significant enhancement to the customer’s experience in managing products sold by the Company. As a result of the change in legislation, management reassessed the useful life of capitalised costs in respect of legacy products and accelerated amortisation in the year by £148k.

As part of the Company’s growth strategy, during 2022 and 2023 the Company expanded international business operations through the establishment of new legal entities EO Charging US, Inc, EO Charging Italy SRL, EO Charging (New Zealand) Pty Limited and EO Charging (Australia) Pty Limited. These companies will extend service offerings to customers in territory for turn-key solutions and sales of hardware.

In August 2021, the Company took out a loan with Barclays Plc with a net cash inflow at the date of inception of £7.7m to fund business growth. The loan was taken for a fixed term of one year and was repaid in full in August 2022. The existing shareholders continued to support the Company by advancing loans totalling £30.0m during the course of 2022 and 2023.

JUUCE LIMITED
T/A “EO CHARGING”
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

In February 2023, the Company completed an equity capital raise of £64.4m, including conversion of shareholder loans as set out in note 33. The capital is intended to enable the Company to develop its plans for future growth and achieve profitability and positive cashflows during 2024.

Looking forward, with new financial backing, the directors are confident that the Company is well positioned to execute its vision to be the global leader in EV fleet charging.

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 the Company 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 it has been investing significantly in growing our operational capabilities and investing in the development of our products and services. During the year ended 31 December 2021, the Company incurred a net loss of £66.1 million. As at 31 December 2021, it had an accumulated deficit of £77.3 million and cash and cash equivalents of £1.6 million.

The Directors have prepared and considered detailed trading and cash flow projections for the period through July 2024 which indicate that the Company will have sufficient resources to continue its investment in product and hardware development. Sufficient cash resources remain within the business in order for the company to serve its financial obligations as and when they fall due and is able to trade as a going concern. If results of operations for the period under review do not meet management’s expectations, sufficient cost leverages remain within their ability to reduce expenditures and investment levels.

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

- In March 2022, due to turbulence in the public markets, the Company and First Reserve Sustainable Growth Corporation mutually terminated their Business Combination Agreement, ending plans to become a Nasdaq-listed company. The existing shareholders continued to support the Company by advancing loans totalling £30.0m during the course of 2022 and 2023.
- In February 2023 the Company completed an equity capital raise of £64.4m, including conversion of shareholder loans as set out in note 33. The capital is intended to enable the Company to develop its plans for growth and achieve profitability and positive cash flows during 2024. Of the £64.4m raised, a new investor Fleetwood Energy Investments Limited subscribed £32.5m of fresh capital on completion by way of subscription for a new D class of preference shares, the rights attaching to which are set out in note 33.

Principal risks and uncertainties

The main financial risks faced by the Company through its normal business activities are liquidity and commercial risks. These risks and the Company’s approach to dealing with them are described below:

JUUCE LIMITED
T/A “EO CHARGING”
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Liquidity risk

Liquidity risk is the risk that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The Company’s exposure to liquidity risk is reduced due to the funding obtained from investors noted in the Subsequent Events.

Commercial risk

Commercial risks relate to the expected continued growth in the sales of EV’s, in particular the speed of such growth and how specialist providers of services to EV owners can continue to provide innovative services and solutions to support such growth. The product portfolio is continually updated to respond to changes in the market, including regulatory changes.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. EO mitigates this by ensuring cash flow forecasts and capabilities are kept updated and ensuring customers have sufficient credit checks completed ahead of agreeing contracts.

Principal Risks	Controls and mitigation actions
<p>Deterioration of the macro-economic environment</p> <p>The risk volatility and/or prolonged economic downturn causes a decline in demand for our products and services.</p> <p>Budgeted sales, costs and/or profits may not be achieved, and mitigating actions are required by the business unit.</p>	<p>Cash forecasts identifying the Company’s liquidity requirements are produced and reviewed on a regular basis to ensure that sufficient cash flow remains within the Company.</p>
<p>Recruitment and retention</p> <p>The inability to recruit and retain is considered a principle risk. Failure to retain people with the right skills, competencies, values and behaviours needed to operate and grow the business would impact the long terms success of the Company.</p>	<p>The company undertakes workforce planning, performance, talent and succession initiatives, learning and development programmes to promote the Company’s culture and core values.</p>
<p>Business IT systems and cybersecurity</p> <p>The Company relies upon secure IT solutions and capabilities to enable our business to meet customer’s needs.</p> <p>The frequency of cyber attacks generally is increasing and our risk exposure to broader business disruption as well as to data breaches. A cyber incident could potentially impact the Company’s operational performance and reputation through the application of penalties, fines and / or regulatory action.</p>	<p>The Company invests in its systems to drive competitive advantage across all operations.</p> <p>The Company routinely assesses the cyber risk landscape and has established layered proactive and reactive information security controls to mitigate common threats.</p> <p>The Company is proactive in attaining external certifications to support these assessments.</p>

JUUCE LIMITED
T/A "EO CHARGING"
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Principal Risks	Controls and mitigation actions
Legal and Regulatory compliance The risk of inadequate health and safety framework and insufficiently enforcing a health & safety culture could result in serious injury to employees and / or the public, and / or a breach of relevant health & safety legislation.	Health and Safety policies are in place and the Executive team promote a safety culture.

On behalf of the board



.....
Mr C H Jardine
Director
Date: 26 July 2023

**JUUCE LIMITED
T/A “EO CHARGING”
DIRECTORS REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and audited financial statements for the year ended 31 December 2021.

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 19.

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 (resigned 21 February 2023)
Mr C Campbell
Mr S J Horley (resigned 23 February 2023)
Mr B Abdel-Wahab (appointed 21 February 2023)
Mr K Moussa (appointed 21 February 2023)
Ms M F N Resta (appointed 21 February 2023)

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.

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

The auditors have issued a disclaimer of opinion on the 2021 financial statements for a number of reasons which are set out in the audit opinion. We have acknowledged the significant deficiencies in the system of internal control that have led to the opinion. The directors believe these arose due to a period of significant growth in the company taking on new customers and providing a range of increased contracted services with varying contract terms. This growth coincided with the company working toward the SPAC transaction and converting the accounts from FRS 102 to IFRS, both of which absorbed significant management time such that the company did not have the resources available to put the necessary control environment in place commensurate to its growth. The company is implementing changes to remediate these moving forward.

Matters included in the strategic report

Financial risk management policies and objectives are covered in the strategic report.

JUUCE LIMITED
T/A “EO CHARGING”
DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Future developments

It is expected that for the foreseeable future, the Company will continue to provide turn-key solutions with the UK’s and Europe’s leading public sector companies as the EV market enters a rapid growth phase as more EV models are released by car manufacturers and wider public appreciation of the benefits of EV travelling including cheaper cost and lower emissions increases.

The Company continues to assess the business as a whole, however as a result of continued growth it anticipates future evaluations of the business through branches and service offerings to the customers including but not limited to Hardware, eBus & Fleet turn-key solutions and post-sale service offerings.

Post balance sheet events

Since December 2021, the Company several key events have occurred which the Directors highlight for the benefit of the users of these financial statements:

- **Termination of the SPAC transaction**
During the year the Company embarked upon an SPAC transaction to further grow and enhance the business operations. During March 2022, due to turbulence in the public markets, the Company and First Reserve Sustainable Growth Corporation mutually terminated their Business Combination Agreement, ending the plans to become a Nasdaq-listed company.
- **Funding**
During 2022 existing Shareholders of the business advanced loans to the Company amounting to £30.0m during the course of 2022 and 2023. These funds were used to settle an interim credit agreement with Barclays Bank PLC repaid during August 2022 for a total sum of £8.5 million.
To enable the Company to develop its plans for growth and achieve profitability, new equity capital was raised during February 2023, bringing £64.4m in fresh capital. Of the £64.4m raised, a new investor Fleetwood Energy Investments Limited will subscribe for £32.5m of fresh capital on completion by way of subscription of new D call of preference shares. Existing shareholders have converted the remaining raise into D shares.
- **Launch of New Products**
During the year new legislation came into governing electric vehicles in the United Kingdom through the Electric Vehicles (Smart Charge Points) Regulations 2021, signed into law on 15 December 2021. As a response to the legislation, the Company developed new products namely the Mini Pro 3 and Genius 2, which meet the requirements of the new legislation and were launched during June 2022.
- **Establishment of new entities**
As part of the Company’s growth strategy, the Company expanded business operations in the USA, Europe and APAC creating subsidiaries under EO Charging International Limited, in turn a wholly owned subsidiary of Juce Limited.

Further details provided on these events can be found within note 33 of these financial statements.

Research and Development

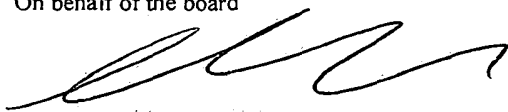
The Company continues to research and develop improvements and enhancements to its current products and services and is committed to bringing industry-leading products to market.

JUUCE LIMITED
T/A “EO CHARGING”
DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 financial year and remain in force for all current and past Directors of the Company.

On behalf of the board



.....
Mr C H Jardine
Director
Date: 26 July 2023

JUUCE LIMITED
T/A “EO CHARGING”
DIRECTORS RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards. 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;
- state they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

JUUCE LIMITED
T/A “EO CHARGING”
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

Disclaimer of opinion

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements of Juuce Limited (“the Company”) for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the 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 UK adopted international accounting standards.

Basis for disclaimer of opinion

The company did not keep adequate accounting records that were sufficient to show and explain the company’s transactions and disclose with reasonable assurance at any time the financial position of the company and enable them to ensure that the financial statements comply with companies act 2006 and UK adopted international accounting standards.

As a result, we have been unable to obtain sufficient appropriate evidence in relation to revenue, costs and valuation of inventory which are considered to be both material and pervasive to the financial statements. Further detail is provided below in respect of each of these areas:

1. **Revenue from contracts with customers – over time** - We were unable to confirm or verify by alternate means that contract revenue £7,577k and associated costs recorded in the statement of comprehensive income were in accordance with the requirements of IFRS 15 – “Revenue from Contracts with Customers” (IFRS 15). Management have been unable to provide project workings, budgets and forecasts to support the accounting as at 31 December 2021. Contracts were not reviewed in accordance with the 5-step process required by IFRS 15, and information to support the conclusion for each step was not available. In many instances, contracts had not been retained and costs had not been monitored to measure the percentage of completion of each contract. We have therefore been unable to obtain sufficient appropriate evidence that the accounting treatment and judgements applied in assessing the stage of completion as at 31 December 2021 are appropriate.

As a result, we have been unable to satisfy ourselves that revenue related disclosures and related balances within the statement of financial position, including contract assets and contract liabilities, accruals which utilise revenue and cost assumptions to form the basis for the year end balances and the related disclosures within financial statements are free from material misstatement.

2. **Revenue from contracts with customers – point in time revenue recognition** - The company entered into contracts with customers, including wholesalers and distributors, the terms of which were agreed on a customer-by-customer basis. We were unable to obtain confirmation of the terms either from management or the individual customers. Therefore, we were unable to obtain sufficient appropriate evidence as to whether the company’s accounting was in accordance with the requirements of IFRS 15 in relation to the terms of business, including right to return, with distributors and wholesalers. We were therefore unable to conclude on the completeness or occurrence of point in time sales recorded as at 31 December 2021.

JUUCE LIMITED
T/A “EO CHARGING”
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

3. **Revenue from contracts with customers – completeness** – We identified a very significant number of dispatches of items from inventory where revenue had not been recognised in the same period both pre and post year end. When this was investigated, we were unable to obtain sufficient audit evidence around a number of transactions. Therefore, we were unable to gain appropriate assurance over the completeness of revenue recognised in the year and cut off of revenue at the year end.
4. **Cost recognition** – As well as the costs not being monitored with regards to the project accounting in order to make a reasonable and informed assessment of the percentage of completion of projects, our post year end audit work identified many instances where costs relating to 2021 had not been recorded in the correct period. Therefore, we were unable to obtain sufficient appropriate assurance over the completeness of costs and payables balances recorded in the financial statements.
5. **Inventory valuation** – Management have been unable to confirm the basis on which the year end inventory valuation has been performed. Consequently, we have not been able to establish whether the valuation, including allocation of overheads, has been performed in accordance with the requirements of IAS 2 – “Inventories”. We were unable to recalculate either the valuation of inventory at year end or the amount charged to the Statement of Profit or Loss for items sold within the year. We were unable to satisfy ourselves by alternative means concerning the inventory valuations held as at 31 December 2021, which are stated in the statements of financial position at £1,783k.

In addition to the issues noted above obtaining sufficient and appropriate records and evidence in relation to revenue and costs, we have been unable to conclude that the following balances are free from material misstatement:

- The calculations of the inventory provision (£1,489k) and warranty provision (£846k) within the Statement of Financial Position, especially in relation to the completeness and accuracy of costs in these calculations and the assumptions applied;
- The recognition of internally generated intangible assets (£3,807k) under IAS 38 – “Intangible assets” and the forecasts used in the impairment reviews to assess carrying value of these assets;
- The completeness and accuracy of the rebate accruals arising from the weak control environment surrounding records of arrangements made with customers, in particular distributors and wholesalers;
- The share warrant obligation liability valued at £67.2m as at 31 December 2021 is based upon valuations for the company using actual and forecast performance. As we have been unable to obtain sufficient appropriate audit evidence over the above matters that affect the performance and results of the company we were unable to satisfy ourselves that the carrying value of the financial liability as at this date is free from material misstatement; and
- The statement of cash flows has been prepared under the Indirect method in accordance with IAS 7 – “Statement of Cash Flows” and as result the extent to which the audit was capable of detecting material misstatements within the Statement of Cash Flows was limited by the matters described above in the Basis for disclaimer of opinion section of our report.

Additional matters

Notwithstanding that we do not express an opinion on the financial statements as a result of the matters noted above, during the course of our audit we identified additional matters where we were unable to obtain sufficient appropriate audit evidence and which would have resulted in a qualified opinion on the financial statements had our opinion not been disclaimed. These matters are set out below.

JUUCE LIMITED
T/A “EO CHARGING”
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

Other areas where adequate records had not been maintained by management included:

- **Payroll costs** – We were unable to obtain sufficient appropriate audit evidence to support the European employee costs of £190k in the Statement of Comprehensive Income, which meant that the engagement team could not verify the existence or accuracy of these costs;
- **Lease liabilities and related right of use assets** – We were unable to obtain sufficient appropriate audit evidence that all right of use assets and lease liabilities relating to Motor Vehicle leases in notes 12 and 20, had been identified and recorded in accordance with IFRS 16 - “Leases”. Due to the lack of records maintained relating to these leases, we were unable to obtain sufficient appropriate audit evidence over the completeness or accuracy of the related balances;
- **Impairment of goodwill** - An impairment assessment of goodwill was not prepared in accordance with IAS 36 – “Impairment of assets”, therefore we were unable to obtain sufficient appropriate assurance over the carrying value and subsequent write off of the balance of goodwill amounting to £260k recognised in the statement of comprehensive income;
- **Grant income** - Multiple Income from government grants schemes were identified where assessment of terms had not been made in accordance with IAS 20 – “Accounting for government grants and disclosure of government assistance”. Due to the lack of records maintained relating to these claims, we were unable to obtain sufficient appropriate audit evidence over the completeness or accuracy of this other income which is stated in the statements of comprehensive income at £171k;
- **Consolidation** – during the 2021 period the company was undergoing negotiations to enter into a merger to become a NASDAQ listed group. As part of this process a number of subsidiary companies were incorporated and entered into contracts in preparation for the proposed transaction. The company has not prepared consolidated group financial statements on the basis of subsidiary materiality exemptions allowed under Companies Act 2006 s402 – “Exemption if no subsidiary undertakings need be included in the consolidation”, however, accounting records were not maintained for these subsidiaries to appropriately assess that the exemption could be applied and consolidated group accounts would not be required in accordance with IFRS 10 – “Consolidated financial statements”. Consequently, we were unable to determine whether the preparation of consolidated group financial statements was necessary; and
- **Research and development credit** – The company has recorded a receivable of £641k in respect of a Research and Development (R&D) tax relief for small and medium-sized enterprises credit relating to qualifying expenditure recorded within the year end 31 December 2021. As a result of a lack of detailed information relating to the expenditure we were unable to obtain sufficient appropriate evidence to conclude that the carrying value of the receivable is free from material misstatement.

Other Companies Act 2006 reporting

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion whether, based on the work undertaken in the course of the audit: the information given in the Strategic report and the Director’s report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic report and Directors’ report have been prepared in accordance with applicable legal requirements.

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report above, we are unable to conclude in the light of the knowledge and understanding of the Group and its environment obtained during the audit, whether there are any material misstatements in the Strategic report or the Directors’ report.

JUUCE LIMITED
T/A “EO CHARGING”
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

Arising from the matters set out in the Basis for disclaimer of opinion section of our report above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- adequate accounting records have not been kept.

Notwithstanding the matters set out in the Basis for our disclaimer of opinion, 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: returns adequate for our audit have not been received from branches not visited by us;

- 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.

Responsibilities of the 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.

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 responsibility is to conduct an audit of the company’s financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor’s report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

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:

JUUCE LIMITED
T/A “EO CHARGING”
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

- 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 to be electric vehicle legislation, Companies Act 2006, Corporate and VAT legislation, Employment Taxes, Health and Safety and the Bribery Act 2010.
- We considered the risks of potential non-compliance with these laws and regulations in our initial planning and risk assessment work and communicated these risks to the engagement team to consider in planning and executing their work and ensured that the audit engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- 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 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, management bias in accounting estimates and revenue recognition. Revenue could be manipulated through post year end sales of hardware being inappropriately recognised in the year and the manipulation of over time contract revenue, and management bias in accounting estimates.
- Following the identification of relevant findings and concerns during our audit work, we re-considered our planning and risk assessment and identified potential additional fraud risks. Where possible we designed additional audit procedures to address these and communicated these additional risks and procedures to the audit team.

The specific work we have undertaken to address the risk of fraud in the Company financial statements has included:

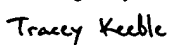
- Discussions with management of known, alleged or suspected instances of fraud;
- Requesting confirmations of transactions and terms of business from third party sources;
- Challenging assumptions and judgements made by Management in their significant accounting estimates and judgements made in other areas, including in particular, in relation to the judgements made in assessing stage of completion of revenue from contracts with customers, depreciation and amortisation policies, impairment reviews, classification and recognition of development costs, warranty provisions, share warrant obligations and the valuation of ordinary shares. Due to the inherent limitations in assessing a number of these estimates and judgements we have issued a disclaimer of opinion in this respect as set out in the Basis for disclaimer of opinion above;
- Identification of journal entries with characteristics of interest based on our fraud risk assessment which we adapted as appropriate as our audit work progressed, and then assessing whether these were appropriate by obtaining corroborating evidence to support these journals;
- Evaluating the business rationale of any significant transactions that we considered to be unusual or outside the normal course of business; and
- involving our forensic specialists in our audit and allocating further senior team members to the audit team.

JUUCE LIMITED
T/A “EO CHARGING”
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF JUUCE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

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. In addition, the extent to which the audit was capable of detecting irregularities, including fraud was limited by the matters described in the Basis for disclaimer of opinion section of our 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, UK

26 July 2023

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 2021

	Notes	2021 £ 000	2020 £ 000
Revenue	4	17,022	15,357
Cost of Sales		(16,471)	(10,499)
Gross profit		551	4,858
Other operating income	5	171	113
Distribution costs		(190)	(88)
Administrative expenses		(11,415)	(4,092)
Change in fair value of warrants	27	(55,248)	(10,995)
Operating loss	6	(66,131)	(10,204)
Finance expenses	7	(675)	(20)
Loss before taxation		(66,806)	(10,224)
Income tax benefit	10	660	158
Total comprehensive loss for the year		(66,146)	(10,066)

The company has no other comprehensive income for the year.

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 2021

	Notes	As at 31 December	
		2021 £ 000	2020 £ 000
Non-current assets			
Goodwill	11	-	260
Intangible assets	11	3,807	1,713
Property, plant and equipment	12	900	566
Investments	13	-	-
Other receivables	15	557	8
Deferred tax asset	22	1	1
		<u>5,265</u>	<u>2,548</u>
Current assets			
Inventories	14	1,783	1,404
Trade and other receivables	15	11,399	6,718
Current tax receivable		819	269
Cash and cash equivalents		1,641	2,861
		<u>15,642</u>	<u>11,252</u>
Total assets		<u>20,907</u>	<u>13,800</u>
Current liabilities			
Trade and other payables	18	13,793	6,410
Current warrants	27	19,778	2,117
Loans and borrowings	19	7,859	-
Lease liabilities	20	269	162
Provisions	21	731	87
Contract liabilities	4	2,179	356
		<u>44,609</u>	<u>9,132</u>
Non-current liabilities			
Non-current warrants	27	47,468	9,881
Lease liabilities	20	299	228
Provisions	21	115	-
Contract liabilities	4	53	76
		<u>47,935</u>	<u>10,185</u>
Total liabilities		<u>92,544</u>	<u>19,317</u>
Equity			
Called up share capital	25	-	-
Share premium account	26	5,659	5,659
Accumulated deficit		(77,296)	(11,176)
Total deficit		<u>(71,637)</u>	<u>(5,517)</u>
Total deficit and liabilities		<u>20,907</u>	<u>13,800</u>

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

The financial statements were approved by the board of Directors and authorised for issue on 26 July 2023 and are signed on its behalf by:



.....
 Mr C H Jardine
 Director

Company Registration No. 09314212

JUUCE LIMITED
T/A “EO CHARGING”
STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2021

		Share capital	Share premium account	Accumulated deficit	Total
	Notes	£ 000	£ 000	£ 000	£ 000
1 January 2020		-	3,430	(1,138)	2,292
Comprehensive loss					
Net loss for the year		-	-	(10,066)	(10,066)
Total comprehensive loss		-	-	(10,066)	(10,066)
Contributions by and distributions to owners					
Issue of fully paid shares	26	-	1,729	-	1,729
Shares issued as consideration in business combination and in settlement for services	26	-	500	-	500
Share based payments	24	-	-	28	28
Total contributions by and distributions to owners		-	2,229	28	2,257
31 December 2020		-	5,659	(11,176)	(5,517)
Comprehensive loss					
Net loss for the year		-	-	(66,146)	(66,146)
Total comprehensive loss.		-	-	(66,146)	(66,146)
Contributions by and distributions to owners					
Share based payment charge	24	-	-	26	26
Total contributions by and distributions to owners		-	-	26	26
31 December 2021		-	5,659	(77,296)	(71,637)

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

JUUCE LIMITED
T/A “EO CHARGING”
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net loss		(66,146)	(10,066)
Adjustments for:			
Income tax benefit	10	(660)	(158)
Finance expenses	7	675	20
Amortisation of intangible assets	11	493	205
Depreciation of property, plant and equipment (including amortisation of right of use asset)	12	356	162
Non-cash compensation cost		-	206
Change in fair value of warrants	27	55,248	10,995
Non-cash amortisation of warrant asset		129	293
Share-based payment expense	24	26	28
ECL provision movement		104	20
Impairment of goodwill	11	260	-
Impairment of development costs	11	-	30
		<u>(9,515)</u>	<u>1,735</u>
Movements in working capital			
Increases in inventories	14	(379)	(811)
Increase in trade and other receivables		(1,767)	(5,513)
Increase in trade and other payables		4,208	6,233
Increase in deferred revenue outstanding	4	1,800	331
Cash (used in)/generated from operating activities		<u>(5,653)</u>	<u>1,975</u>
Tax received		110	-
Interest and finance costs paid		(123)	-
Net cash (used in)/generated from operating activities		<u>(5,666)</u>	<u>1,975</u>
Cash flows from investing activities			
Purchase of intangible assets		(2,065)	(972)
Purchase of property, plant and equipment		(332)	(119)
Disposal of property, plant and equipment		17	-
Net cash used in investing activities		<u>(2,380)</u>	<u>(1,091)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	1,745
Proceeds from new revolving credit facilities		9,030	-
Payments on new revolving credit facility		(1,382)	-
Interest on new revolving credit facility		(188)	-
Payment of SPAC transaction costs		(387)	-
Share issue costs		-	(16)
Payment of principal on lease liabilities		(196)	(100)
Payment of interest on lease liabilities		(51)	-
Net cash generated from financing activities		<u>6,826</u>	<u>1,629</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,220)</u>	<u>2,513</u>
Cash and cash equivalents at beginning of year		2,861	348
Cash and cash equivalents at end of year		<u>1,641</u>	<u>2,861</u>

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 2021**

1 General information and basis of preparation

1.1 General information

JUUCE Limited (the 'Company' or 'JUUCE') and its subsidiaries are primarily involved in development, manufacture, and sale of innovative solutions for charging electric vehicles. The Company's subsidiary companies are dormant. The intention was for these entities to be functional should the business combination transaction occur however as this didn't occur no costs were incurred, and no activity was undertaken. 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).

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 £ 000.

The financial statements have been prepared under the historical cost basis, except for the following items (refer to individual accounting policies for details).

- Financial instruments – fair value through profit or loss.

The principal accounting policies adopted are set out below.

2.2 Going concern

The accompanying financial statements of the Company have been prepared assuming the Company will continue as a going concern. The Company has experienced recurring losses since its inception. As of 31 December 2021, the Company had cash and cash equivalents of £1.6m (2020: £2.9 million).

Since inception, the Company has financed its activities by bank borrowings and 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's financial statements have been presented on a going concern basis, which assumes that it will continue in operation 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 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-capitalised 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
FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Going concern (continued)

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

- In February 2023, the Company completed an equity capital raise of £64.4m, including the conversion of shareholder loans. The capital is intended to enable the Company to develop its plans for growth and achieve profitability and positive cash flows during 2024. Of the £64.4m raised, a new investor Fleetwood Energy Investments Limited will subscribe £32.5m of fresh capital on completion by way of subscription for a new D class of preference shares, the rights attaching to which are set out in further detail below in note 33.
- 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 was subsequently settled during 2022 (See note 33, Subsequent Events).

The Directors have prepared and considered detailed trading and cash flow projections for the period through July 2024 which indicate that the Company will have sufficient resources to continue its investment in product and hardware development. Sufficient cash resources remain within the business in order for the company to serve its financial obligations as and when they fall due and is able to trade as a going concern. If results of operations for the period under review do not meet management’s expectations, sufficient cost leverages remain within their ability to reduce expenditures and investment levels.

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 2021 that the Company has decided not to adopt early. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a significant impact on the Group’s consolidated financial statements, but management are currently assessing the impact of these new accounting standards and amendments:

- 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);
- amendments to IFRS 17 Insurance Contracts (effective date January 1, 2023);
- amendments to IAS 8 Accounting Policies (effective date January 1, 2023); and
- amendments to IAS 12 Income Taxes (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.

**JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2.4 Business combinations (continued)

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 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.

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;

**JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2.5 Revenue (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 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.

2.5 Revenue (continued)

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 Executive Officer (CEO) from time to time in deciding how to allocate resources and in assessing performance. The Company operates as one operating segment because its 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;
- 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.

JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2.7 Intangible assets (continued)

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 and 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.

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 admin expenses within the statement of comprehensive income.

**JUUCE LIMITED
T/A “EO CHARGING”
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 customers (e.g., 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.

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2.13 Expected credit losses (continued)

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 the Company has 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;
- significant change in collateral values (secured facilities only) which is expected to increase risk of default; and
- 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 another financial reorganisation.
- 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.

2.13 Expected credit losses (continued)

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.

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, considering 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, considering 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.

2.13 Expected credit losses (continued)

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.

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.

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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. The inputs used by the Company in such model are detailed further in Note 3.

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 recognised 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 expenses in the statement of comprehensive income.

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2.15 Share warrant obligations (continued)

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 contract revenue of £129k during the year ended 31 December 2021 (2020: 0.3 million). The balance of the warrant asset as of 31 December 2021 was £0.6million. (December 2020: £0.7million).

2.16 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs which are expensed within administrative expenses in the statement of comprehensive income. 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 Provisions

The Company has recognised provisions for liabilities of uncertain timing or amount including those for onerous contracts, warranty claims and leasehold dilapidations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

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2.20 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.

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.

2.21 Retirement benefits

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

2.22 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.

2.23 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.

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.

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2.23 Leases (continued)

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.

2.24 Grants

Grants are recognised in relation to grants on public charge points and 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. Public charge point grants are not repayable and have been recognised within other operating income in the statement of comprehensive income. Government grants are not repayable and have been recognised within other operating income in the statement of comprehensive income.

2.25 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.

2.26 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 recognised 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.

2.27 Transaction costs

Transaction costs directly attributable to the issuance of new shares that otherwise would have been avoided are deducted from equity. If a transaction is ongoing as at the year end and successful completion is considered probable, the costs are deferred on the balance sheet until the equity instrument is recognised and are included in deferred transaction costs in Trade and other receivables. Transaction costs relating to the listing of shares, whether new or existing, are expensed through profit or loss. Where transaction costs relate jointly to more than one transaction the costs are allocated to each activity. Costs which have been expensed are included in operating cash flows while costs deducted from equity are included as financing cash flows.

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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 recognised 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 the Company 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 the Company has been investing significantly in growing our operational capabilities and investing in the development of our products and services. During the year ended 31 December 2021, the Company incurred a net loss of £66.1 million. As at 31 December 2021, it had an accumulated deficit of £77.3 million and cash and cash equivalents of £1.6 million.

The Directors have prepared and considered detailed trading and cash flow projections for the period through July 2024 which indicate that the Company will continue investment within product and hardware considerations and rely upon its financial resources and investment within the business. Sufficient cash resources remain within the business in order for the company to serve its financial obligations as and when they fall due and is able to trade as a going concern. If results of operations for the period under review do not meet management’s expectations, sufficient cost leverages remain within their ability to reduce expenditures and investment levels.

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

- In March 2022, due to turbulence in the public markets, the Company and First Reserve Sustainable Growth Corporation mutually terminated their Business Combination Agreement, ending plans to become a Nasdaq-listed company. The existing shareholders continued to support the Company by advancing loans totalling £30.0m during the course of 2022 and 2023.
- In February 2023 the Company completed an equity capital raise of £64.4m, including conversion of shareholder loans. The capital is intended to enable the Company to develop its plans for growth and achieve profitability and positive cash flows during 2024. Of the £64.4m raised, a new investor Fleetwood Energy Investments Limited subscribed £32.5m of fresh capital on completion by way of subscription for a new D class of preference shares, the rights attaching to which are set out in note 33.

3 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 judgements 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 the 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 the Company.

During the year, new legislation was came into force governing electric vehicle chargers in the United Kingdom. The Electric Vehicles (Smart Charge Points) Regulations 2021, was signed into law during 2021. The regulations seek to ensure that chargers have smart functionality, facilitating the charging of an electric vehicle when there is less demand on the grid, or when more renewable electricity is available. The regulations also ensure that charge points meet certain device-level requirements, enabling a minimum level of access, security and information for consumers.

The Directors performed an assessment of the effects of the change in the legislation on the useful life of capitalised costs in relation to the Mini Pro 2 and Genius products and amended the useful life of these costs with a useful life through 31 December 2022 aligned to the legislative change.

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 capitalisation criteria set out in IAS 38 and the intangible assets accounting policy within note 11 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 totalled £2,588k (2020: £972k) for a total cost value of £4,701k (2020: £2,143k), before write-offs of nil (2020: £30k). As a result of the change in legislation which affected the company’s product service offering and hardware, Management reassessed the useful life of products affected by this change and reduced the remaining useful life to 18 months as of 30 June 2021. During the year, an accelerated amortisation charge was processed of £148k (2020: 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 recognised 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.

3 Significant accounting estimates and judgements (continued)

Revenue from contracts with customers (continued)

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.

Sale of Chargers

Revenue from the sale of goods is recognised 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 considerations.

Sale of Services

Revenue from contracts with customers for installations services is recognised when control of the services is 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

The Company includes a provision in the accounts in respect of warranties. The provision has historically been calculated as 2% of the total cost of sales as per the management accounts less warranty costs already incurred in the year. During the year, as a result of change in legislation, Management reviewed returns in the year, expected returns past year end and increased this provision to 8% of total cost of hardware sales. The costs of future warranty claims are uncertain but is based upon an assessment of actual returns records and projections of future claims.

Slow moving stock provision

During the year, new legislation was came into force governing electric vehicle chargers in the United Kingdom. The Electric Vehicles (Smart Charge Points) Regulations 2021 was signed into law on 15 December 2021. The regulations seek to ensure that chargers have smart functionality, facilitating the charging of an electric vehicle when there is less demand on the grid, or when more renewable electricity is available. The regulations also ensure that charge points meet certain device-level requirements, enabling a minimum level of access, security and information for consumers.

The Directors assessed the level of stock affected by the change in legislation taking into consideration saleability and demand of product in local and foreign markets and subsequent sales post year end through September 2022. Using these factors, a slow-moving provision of £1,489k has been made in these accounts.

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3 Significant accounting estimates and judgements (continued)

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 obligations, see Note 27.

The Company has 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 £1,004k was recorded as a share warrant obligation with a corresponding long-term asset recognised at inception (see note 4). The corresponding asset recognised at inception will be amortised as a reduction of revenues on a percentage per pound of revenue generated with the customer. As at December 31, 2020 the Company assumed that the warrants would vest by June 30, 2021 due to an anticipated change of control which would accelerate vesting. This assumption changed as at April 1, 2021 following agreement with the customer. As a consequence of the change in assumption relating to timing of vesting of the warrants, the amortisation rate was changed for the period from April 1, 2021.

The fair value of the share warrant obligation was revalued as of 31 December 2020 and 31 December 2021. The fair value of the warrants was determined based on the Black-Scholes option pricing model considering the following assumptions:

	As at 31 December		At Inception
	2021	2020	2020
	£	£	£
Exercise price (£)	2,185.95	2,185.95	2,185.95
Fair value of shares (£)	16,643.75	5,774.36	2,027.88
Volatility	109%	65%	60%
Risk-free interest rate	1.40%	0.01%	(0.13)%
Expected warrant life (in years)	6.50	0.50	0.83

Further explanations of such assumptions above are as follows:

Fair value of shares: As the Company’s shares are not publicly traded as of 31 December 2021, the company must estimate the fair value of the shares, as discussed in “Valuations of ordinary shares” below.

Expected warrant life: At 31 December 2021 the Company calculated the weighted-average expected life of the warrants to be 6.50 years based on management’s best estimates regarding the effect of vesting schedules. As at inception and 31 December 2020 the company assumed that the warrants would vest by 31 June 2021 due to an anticipated change of control which would accelerate vesting. This assumption changed in April 2021 based on the signing of a non-binding letter of intent with First Reserve (“LOI”) representing a bid on a potential business combination and following agreement with the customer that the anticipated transaction would not be treated as a change of control. 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.

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3 Significant accounting estimates and judgements (continued)

Share warrant obligations (continued)

Volatility: Since there is no trading history for the company’s shares as of 31 December 2021, the expected price volatility for the shares was estimated using the average historical volatility of the shares of our industry peers 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 utilised 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 relevant dates. The company’s estimates were made with the assistance of valuations experts. The company considered objective and subjective factors in determining the estimated fair value of its ordinary shares.

Factors considered by company included the following:

- third-party valuations of the company’s shares;
- the lack of marketability of the 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 a listing event or sale of the company, given prevailing market conditions.

As at 31 December 2021 and 31 December 2020 the company has categorised its fair value measurement as Level 3 under the IFRS 13 hierarchy due to significant inputs which are not based on observable market data.

The company determined valuations of its shares through a two-step valuation process described below. The company first estimated the value of its equity. The company utilised the market and income approaches to estimate its equity value. The valuation technique has changed since the 2020 financial year end as explained below. As at 31 December 2021 the valuation has been based entirely on a market approach utilising the valuation included in the LOI entered into with First Reserve which management considers better reflects the longer term perspective of the value of the Company.

The valuation as at 31 December 2021 is based entirely on the market approach and specifically the Guideline Transaction Method (“GTM”). The GTM utilises the valuation included in the LOI entered into with First Reserve discounted for a lack of control by 5%.

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3 Significant accounting estimates and judgements (continued)

Valuation of ordinary shares (continued)

The Guideline Public Company Method (“GPCM”) market approach which values the shares through analysis of recent sales or offerings of comparable entities was also reviewed. Consideration was given to the line of business and operating performance of the company relative to those of public companies or actual transactions that are considered to be reasonable investment alternatives. 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 uses multiples calculated using the market value of minority interests in 6 public companies in the company’s operating industry and sector. These were applied to the company’s projections for 2021, 2022 and 2023. As 31 December 2021 the company has used the GTM rather than the GPCM as it considers a detailed evaluation of the company rather than comparable entities.

The income approach was also considered. The income approach relies on a discounted cash flow (“DCF”) analysis and 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 revenues and costs. The company assigned zero weighting to the income approach as at 31 December 2021 as the company considers that it did not reflect the longer-term perspective of value that the market indications display.

The valuations under both market approach methods indicate that the fair value of the company is significantly higher than under the income approach. The entering into of the LOI combined with valuations based on multiples calculated using guideline publicly traded companies has demonstrated consistency in the valuations under both market approach methods.

As at 31 December 2020, in the absence of the valuation indications provided by the LOI a greater weighting was placed on the income approach - 80%, and 20% weighting to the GPCM.

The fair value measurement of shares is sensitive to a number of inputs. The company has reviewed the impact of changes to some of these inputs on the value of the warrants including total equity value of the company, warrant term and volatility. The equity value of the company has been calculated as £412 million. A 5% reduction to the equity value of the company would reduce the warrant value per share by £254 from £15,950 to £15,696. The warrant term has been assumed to be 6.5 years. A reduction of 1 year reduces each the warrant value per share by £254 from £15,950 to £15,696 and a reduction of 2 years reduces each warrant value per share by £406 from £15,950 to £15,544. A reduction of 5% to the warrant volatility from 109% to 104% reduces the warrant value per share by £74 from £15,950 to £15,876.

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3 Significant accounting estimates and judgements (continued)

Valuation of ordinary shares (continued)

Based on no further changes in assumptions, impact of changes to the assumptions on the fair value of the warrant liability would be as follows:

Warrant volatility	104%	109%	114%
<i>Scaling</i>	-5%	Base	+5%
FV per Warrant	£15,876	£15,950	£16,020
Total Warrant Liability	£66,936,294	£67,246,465	£67,539,603
Warrant term	4.5 Years	5.5 Years	6.5 Years
<i>Scaling</i>	-2 Years	-1 Year	Base
FV per Warrant	£15,544	£15,696	£15,950
Total Warrant Liability	£65,534,558	£66,174,800	£67,246,465
Equity value	£391	£412	£432
<i>Scaling</i>	-5%	Base	+5%
FV per warrant	£15,128	£15,950	£16,773
Total Warrant Liability	£63,779,648	£67,246,465	£70,713,324

Research and development tax credits

The Company is required to exercise significant judgment in determining the provision for Research and Development tax deductions and allowances. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognises tax based on estimates of allowable deductions and calculations.

The Company records a receivable relating to refunds and reliefs available when it assesses the probability it is more likely than not that a taxation authority would accept its filing position. The Company believes that its records for research and development allowances are adequate for all open years based on its assessment of many factors including experience and interpretations of tax law

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4 Revenue

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Revenue analysed by class of business		
Sale of hardware and software	9,445	6,740
Sale of full turnkey solutions	7,577	8,617
	<u>17,022</u>	<u>15,357</u>

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Revenue analysed by geographical market		
United Kingdom	11,375	11,039
Norway	775	1,824
Ireland	1,691	1,014
Germany	1,094	-
Rest of Europe	1,309	745
Rest of World	778	735
	<u>17,022</u>	<u>15,357</u>

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Warrant assets		
At 1 January	711	-
Amount recognised during the year	-	1,004
Released to revenue	(129)	(293)
At 31 December	<u>582</u>	<u>711</u>

A Warrant Asset was recognised during the previous year upon inception of a partnership with a third-party customer. The Warrant Asset was initially recorded at grant as £1,004k. The asset is being amortised on a pro rata basis based on actual qualifying spend compared to expected spend and recognised in the statement of comprehensive income as a reduction to revenue. During the year ended 31 December 2021, the Company’s assumptions around the vesting period have changed which has resulted in a change to the amortisation rate. The initial amortisation rate was based on the expectation that the warrants would vest on a change of control during June 2021. As a result, the asset was based on total expected spend to this date and recognised as a current receivable. As agreed with the customer in April 2021, the warrants no longer vest upon a change of control. The change in assumption has led to the asset being recognised over 8 years and subsequently a proportion of the period end receivable £582k (2020: £711k) has been recognised within non-current receivables totalling £549k (2020: nil). The remainder of the contract warrant of £33k (2020: £711k) is recognised within current trade and other receivables.

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4 Revenue (continued)

Contract balances

	Contract Assets 2021 £ 000	Contract Assets 2020 £ 000	Contract Liabilities 2021 £ 000	Contract Liabilities 2020 £ 000
At 1 January	711	-	(432)	(102)
Excess of revenue recognised over cash (or rights to cash)	223	-	-	-
Asset recognised from costs incurred to obtain or fulfil a contract	460	1,004	-	-
Amortisation of contract assets processed as a deduction to Revenue	(129)	(293)	-	-
Cash received in advance of performance and not recognised as revenue during the period	-	-	(2,179)	(351)
Amounts included in contract liabilities that was recognised as revenue during the period	-	-	379	21
At 31 December	<u>1,265</u>	<u>711</u>	<u>(2,232)</u>	<u>(432)</u>

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:

	2021 £ 000	2020 £ 000
Current liabilities	2,179	356
Non-current liabilities	<u>53</u>	<u>76</u>
	<u>2,232</u>	<u>432</u>

Contract assets and contract liabilities arise from the Company’s turnkey solutions provided to customers. Short-term contracts are entered into with customers which are anticipated to be completed within a 12-month period, based on specified criteria to complete each site. The cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

The vast majority of the Company’s contracts are for the delivery of goods or provision of services within the next 12 months for which the practical expedient in paragraph 121 (a) of IFRS 15 does not apply. However, certain software and maintenance provision service contracts have been entered into for which the original contractual period was greater than 12 months. These are included in non-current contract liabilities.

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5 Other operating income

The analysis of the Company’s other operating income for the year is as follows:

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Grant income	171	50
Insurance claims receivable	-	63
	<u>171</u>	<u>113</u>

6 Operating loss

Operating Loss for the year is stated after charging:

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Inventories recognised as an expense	6,988	4,496
Write down of inventories to net realisable value	1,489	-
Depreciation of property, plant and equipment (including amortisation of right -of-use asset)	356	162
Amortisation of intangible assets	493	205
Impairment of intangible assets	-	30
Research and development costs	234	199
Foreign exchange	50	2
Advertising costs	848	173
Consultancy fees	1,056	237
Professional subscriptions	<u>542</u>	<u>121</u>

7 Finance expenses

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Interest expense on financial liabilities measured at amortised cost	464	-
Interest expense on lease liabilities	51	20
Other finance charges	160	-
	<u>675</u>	<u>20</u>

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8 Employees

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

	For the years ended 31 December	
	2021	2020
	Number	Number
Total employees	<u>116</u>	<u>66</u>

This is made up of 104 administrative employees (2020: 52) and 12 production employees (2020: 14).

Their aggregate remuneration comprised:

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Wages and salaries	4,669	2,132
Social security costs	641	286
Pension costs	98	48
Share based payment expense	26	28
	<u>5,434</u>	<u>2,494</u>

9 Directors' remuneration

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Remuneration for qualifying services	484	322
Company pension contribution to defined contribution schemes	1	1
Share based payment expense	13	13
	<u>498</u>	<u>336</u>

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

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Remuneration for qualifying services	161	110
Company pension contributions to defined contributions schemes	<u>-</u>	<u>1</u>

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10 Income tax benefit

	For the years ended 31 December	
	2021	2020
	£ 000	£ 000
Current tax benefit		
Research and expenditure tax credit	(641)	(158)
Adjustment for overprovision in previous periods	(19)	-
Total UK current tax	<u>(660)</u>	<u>(158)</u>

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

	2021	2020
	£ 000	£ 000
Loss before taxation	<u>(66,806)</u>	<u>(10,224)</u>
Expected tax credit based on a corporation tax rate of 19.00% (2020: 19.00%)	(12,693)	(1,943)
Effect of expenses not deductible in determining taxable profit	10,688	2,118
Change in unrecognised deferred tax assets	3,977	(186)
Adjustment in respect of prior years	(19)	-
Effect of change in UK deferred tax rate	(1,066)	(7)
Fixed asset timing differences	(14)	35
Research and development tax credit	(276)	(176)
Employee option plan	(1,257)	1
Taxation credit for the year	<u>(660)</u>	<u>(158)</u>

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.

The company incurs research and development costs, which are available for additional tax relief under the SME R&D tax relief scheme. The company considers it probable that a tax refund of £641k will be available against expenditure incurred in 2021 and has calculated the current tax expense on this basis. The asset is recorded within current tax receivable. However, until the refund is approved by HMRC the qualifying research and development costs are subject to review and challenge. Should any expenditure be determined not to meet the requirements of the relief available, this would reduce the company's current tax receivable and current tax credit. The company expects to submit the return following signing of these accounts and gain certainty about the tax position before the next reporting date.

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11 Intangible assets

	Goodwill	Development	Total
	£ 000	Costs	£ 000
		£ 000	
Cost			
At 1 January 2020	-	1,172	1,172
Additions – internally generated	-	972	972
Additions – acquisition of business (see note 28)	260	-	260
Write-offs	-	(30)	(30)
At 31 December 2020	<u>260</u>	<u>2,114</u>	<u>2,374</u>
Additions – internally generated	-	2,587	2,587
At 31 December 2021	<u>260</u>	<u>4,701</u>	<u>4,961</u>
Amortisation and impairment			
At 1 January 2020	-	196	196
Charge for the year	-	205	205
At 31 December 2020	<u>-</u>	<u>401</u>	<u>401</u>
Charge for the year	-	493	493
Impairments	260	-	260
At 31 December 2021	<u>260</u>	<u>894</u>	<u>1,154</u>
Carrying amount			
At 31 December 2021	<u>-</u>	<u>3,807</u>	<u>3,807</u>
At 31 December 2020	<u>260</u>	<u>1,713</u>	<u>1,973</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. In 2021 internally generated additions included the development of product infrastructure including the development of development of hardware (new chargers) and software (online application and online portal).

The Goodwill was acquired as part of the acquisition of the business of Cambridge Computer Services (CCS). Please refer to note 28 for further information regarding the acquisition. Intangible assets have been allocated for impairment testing to the cash generating unit (CGU) to which they apply. The company assessed that goodwill arising applied to all areas of the business and therefore consider the business as a whole as a single CGU for impairment testing purposes.

The company is required to test, on an annual basis, whether goodwill has suffered any impairment. The company made the assessment that while the assets acquired as part of the acquisition of CCS had been amalgamated into work undertaken by the development team, the goodwill had impairment indicators arising and as a result concluded an impairment of £260k for the full carrying value was required.

The Company has no contractual commitments for development costs (2020: nil).

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12 Property, plant and equipment

	Leasehold improvements £ 000	Leasehold Land and buildings £ 000	Fixtures, fittings & equipment £ 000	Plant and machinery £ 000	Computer equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost							
At 1 January 2020	27	167	22	70	109	109	504
Additions	16	84	3	15	40	250	408
At 31 December 2020	43	251	25	85	149	359	912
Additions	-	-	12	78	187	429	706
Disposals	-	-	-	-	-	(44)	(44)
At 31 December 2021	43	251	37	163	336	744	1,574
Accumulated depreciation							
At 1 January 2020	7	35	4	54	52	32	184
Charge for the year	6	53	4	18	31	50	162
At 31 December 2020	13	88	8	72	83	82	346
Charge for the year	9	80	4	15	60	188	356
Disposals	-	-	-	-	-	(28)	(28)
At 31 December 2021	22	168	12	87	143	242	674
Carrying amount							
At 31 December 2021	21	83	25	76	193	502	900
At 31 December 2020	30	163	17	13	66	277	566

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

	As at 31 December	
	2021	2020
	£000	£000
Net values		
Leasehold land and buildings	83	163
Motor vehicles	476	209
Total	559	372
Additions	373	290
Depreciation charge for the year		
Leasehold land and buildings	80	53
Motor vehicles	155	31
Total	235	84

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13 Investments

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

Name of undertaking	Registered Office	Class of shares held	% Held Direct
EO Charging International Limited	Tomo House, Tomo Road, Stowmarket, Suffolk, England, IP14 5AY.	Ordinary	100
EO Charging	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Ordinary	100
Charge Merger Sub LLC*	Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801	Ordinary	100

*Held indirectly through EO Charging

14 Inventories

	As at 31 December	
	2021 £ 000	2020 £ 000
Raw materials	1,248	925
Work in progress	261	10
Finished goods	<u>274</u>	<u>469</u>
	<u>1,783</u>	<u>1,404</u>

As detailed further in note 3, write downs of inventories to net-realizable value amounted to £1,489k (2020: nil). These were recognised as an expense during the year ended 31 December 2021 and included in cost of sales recognised in the statement of profit and loss. This write down included an amount related to finished goods of £1,109k (2020: nil) and raw materials £380k (2020: nil).

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15 Trade and other receivables

	Current		Non-Current	
	As at 31 December		As at 31 December	
	2021	2020	2021	2020
	£ 000	£ 000	£ 000	£ 000
Trade receivables	5,778	5,869	-	-
Expected credit loss	(130)	(26)	-	-
	<u>5,648</u>	<u>5,843</u>	-	-
Contract asset	716	711	549	-
Other receivables	5	65	8	8
Prepayments	520	99	-	-
VAT recoverable	813	-	-	-
Deferred transaction costs	<u>3,697</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>11,399</u>	<u>6,718</u>	<u>557</u>	<u>8</u>

Included within Contract assets is £582k (2020: £711k) of contract assets arising from the share warrants as described in Note 4. The remainder of the asset balance relates to costs recognised to fulfil a contract or revenue recognised in advance of billing.

The Company incurs 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.

16 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 (2020: £nil) of trade receivables were written off and £130k (2020: £26k) provided for.

	As at 31 December	
	2021	2020
	£ 000	£ 000
Balance at the beginning of the year	26	6
Additional allowance recognised	104	25
Amounts recovered in the year	-	(5)
Balance at the end of the year	<u>130</u>	<u>26</u>

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16 Trade receivables – credit risk (continued)

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 (excluding warrant asset) and other receivables balances. As of 31 December 2021, these balances together totalled £7,985k (2020: £8,776k). 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 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:

As at 31 December 2021	
<u>Trade receivables and contract asset</u>	<u>Expected loss rate</u>
Current trade receivables (not overdue) and contract asset	0%
More than 30 days past due	0%
More than 60 days past due	1%
More than 120 days pad due	2%

As at 31 December 2020	
<u>Trade receivables and contract asset</u>	<u>Expected loss rate</u>
Current trade receivables (not overdue) and contract asset	0%
More than 30 days past due	0%
More than 60 days past due	1%
More than 120 days pad due	2%

The contract assets relating to revenue recorded in advance of cash (or right to cash) have similar risk characteristics to the trade receivables for similar type of contracts.

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.

17 Financial Instruments

Financial Assets

The Company holds financial assets measured at amortised cost, these consist of the following:

	As at 31 December 2021		As at 31 December 2020	
	Current	Non-Current	Current	Non-Current
	£ 000	£ 000	£ 000	£ 000
<i>Financial assets at amortised cost</i>				
Trade receivables	5,648	-	5,843	-
Other receivables	5	8	65	8
Contract assets	716	549	711	-
Cash and cash equivalents	1,641	-	2,861	-
<i>Total financial assets</i>	8,010	557	9,480	8

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17 Financial Instruments (continued)

Financial liabilities

The Company holds financial liabilities measured at amortised cost. At the year-end the carrying amount of these financial liabilities totalled £21,883 (2020: £6,577k). 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 and company also hold financial liabilities measured at fair value through profit or loss, which includes share warrant obligations. The fair value measurements are categorised by the company as Level 3 of the IFRS 13 value hierarchy.

	As at 31 December 2021			As at 31 December 2020		
	Current £ 000	Non- Current £ 000	Total £ 000	Current £ 000	Non- Current £ 000	Total £ 000
<i>Financial liabilities at fair value through income statement</i>						
Warrants	19,778	47,468	67,246	2,117	9,881	11,998
Total financial liabilities at fair value through income statement	19,778	47,468	67,246	2,117	9,881	11,998
<i>Financial liabilities at amortised cost</i>						
Loans and borrowings	7,859	-	7,859	-	-	-
Trade payables	10,043	-	10,043	5,993	-	5,993
Accruals	3,413	-	3,413	74	-	74
Other payables	-	-	-	121	-	121
Lease liabilities	269	299	568	162	228	390
Total financial liabilities at amortised cost	21,584	299	21,883	6,350	228	6,578
Total financial liabilities	41,362	47,767	89,129	8,467	10,109	18,576
Social security and other taxation	337	-	337	222	-	222
Provisions	731	115	846	87	-	87
Contract liabilities	2,179	53	2,232	356	76	432
Total liabilities	44,609	47,935	92,544	9,132	10,185	19,317

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17 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. Share warrants are a derivative and a non-cash item and there is no right for the customer to exercise settlement in cash.

	Less than 1 month	1 – 3 months	3 months to 1 year	1 – 5 years	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 31 December 2021					
Loans and borrowings	-	-	7,859	-	7,859
Trade payables	7,413	-	2,630	-	10,043
Accruals	3,413	-	-	-	3,413
Lease liabilities	18	59	192	299	568
Share warrant obligations	19,778	-	-	47,468	67,246
	<u>30,622</u>	<u>59</u>	<u>10,681</u>	<u>47,767</u>	<u>89,129</u>
At 31 December 2020					
Trade payables	5,259	734	-	-	5,993
Accruals	74	-	-	-	74
Other payables	121	-	-	-	121
Lease liabilities	15	31	116	228	390
Share warrant obligations	2,117	-	-	9,881	11,998
	<u>7,586</u>	<u>765</u>	<u>116</u>	<u>10,109</u>	<u>18,576</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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17 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 2021, this totalled (£73,278k) (2020: (£8,377k)). This includes (£67,246k) in non-cash settled Share warrant liabilities. (2020: (£11,988K)).

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 requirement.

18 Trade and other payables

	As at 31 December	
	2021	2020
	£ 000	£ 000
Trade payables	10,043	5,993
Accruals	3,413	74
Social security and other taxation	337	222
Other payables	-	121
	<u>13,793</u>	<u>6,410</u>

19 Loans and Borrowings

	As at 31 December	
	2021	2020
	£ 000	£ 000
Bank loans	7,859	-
	<u>7,859</u>	<u>-</u>

During August 2021, the Company took out a interim credit agreement repayable during August 2022, for the principal of £7.7m. The loan incurred interest at 6% per annum compounded monthly. The loan is held by a pledge of substantially all of the assets of the Company and its related subsidiary undertakings 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.

Based on the minimum net revenue test as at 31 December 2021, the company would have been in breach as at 31 December 2021 which could have resulted in the full facility becoming immediately repayable. The loan was repaid in full subsequent to year end aligned with the maturity date of August 2022, ahead of the date the financial statements were authorised for issue therefore the breach has no further impact.

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20 Lease liabilities

	As at 31 December	
	2021	2020
	£ 000	£ 000
As at 1 January	390	180
Additions	323	290
Interest	51	20
Lease payments	(196)	(100)
At 31 December	<u>568</u>	<u>390</u>

	As at 31 December	
	2021	2020
	£ 000	£ 000
Maturity analysis		
Within one year	279	178
In two to five years	380	242
Total undiscounted liabilities	<u>659</u>	<u>420</u>
Future finance charges and other adjustments	(91)	(30)
Lease liabilities in the financial statements	<u>568</u>	<u>390</u>

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	
	2021	2020
	£ 000	£ 000
Current liabilities	269	162
Non-Current liabilities	299	228
	<u>568</u>	<u>390</u>

Other leasing information

The Company holds several operating leases for motor vehicles used for business purposes. These leases expire over a period from January 2021 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 which has been renewed subsequent to year end for a further two-year period.

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:

	2021	2020
	£000	£000
Expenses relating to short-term leases	<u>50</u>	<u>24</u>

The total cash outflow for leases in the year totalled £196k (2020: £100k).

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21 Provisions

	As at 31 December	
	2021	2020
	£000	£000
At 1 January	87	45
Charge to profit and loss	759	42
Balance as of 31 December	846	87

Maturity analysis	As at 31 December	
	2021	2020
	£000	£000
Within one year	731	87
In two to five years	115	-
	846	87

The Company has incurred an obligation to exchange certain of its products if it breaks prematurely due to a lack of quality or give the client an opportunity to obtain a suitable alternative. Revenue for the sale of the products is recognised once the good is delivered, however, a provision based on previous experience is recognised at the same time.

During the year, as a result of product legislative changes, management increased the level of obligation maintained aligned to estimated returns subsequent to year end.

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next two financial years.

Significant estimate: warranty provision the company generally offers 1-3 year warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information including change in legislation that might differ from future claims. Management reviewed returns in the year, expected returns past year end and increased this provision to 8% (2020: 2%) of total cost of hardware sales. Factors that could impact the estimated claim information include the success of the group’s productivity and quality initiatives, as well as parts and labour costs. As at 31 December 2021, this particular provision had a carrying amount of £846k (2020: 87k). If claims costs were to differ by 10% from management’s estimates, the warranty provisions would be an estimated £85k higher or lower (2021: £9k).

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22 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 25% (2020: 19%).

	Tax Recoverable £ 000
Deferred tax asset at 31 December 2020	1
Deferred tax movements in current year	
Charge to profit or loss	-
Effect of change in tax rate—other comprehensive income	-
Deferred tax asset at 31 December 2021	<u>1</u>

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

	2021 £ 000 Asset	2020 £ 000 Asset
Fixed asset temporary differences	(1,018)	(342)
Other temporary and deductible differences	-	1
Short-term provisions	3	-
Share based payment	2,459	611
Available losses	<u>2,996</u>	<u>212</u>
Net Deferred Tax Asset	4,440	482
Amount recognised within statement of financial position	(1)	(1)
Unrecognised element	<u>4,439</u>	<u>481</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.

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23 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 £97,834 (2020—£47,983).

24 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2021	2020	2021 £	2020 £
Outstanding at 1 January	860	840	416	413
Granted in the period	-	20	-	557
Outstanding at 31 December	<u>860</u>	<u>860</u>	<u>416</u>	<u>416</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 6 May 2020, the company granted 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 granted or exercised this year. Of the options outstanding at 31 December 2021, those granted on

28 March 2018 had an exercise price of £235 and a remaining contractual life of approximately 6 years. The options granted on 11 January 2019 had an exercise price of £557 and a remaining contractual life of approximately 7 years. The options granted on 6 May 2020 had an exercise price of £557 and a remaining contractual life of approximately 8 years.

The weighted average fair value of the options granted in the previous 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 for the previous year fair value of share options granted were as follows:

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

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24 Share-based payment transactions (continued)

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 group noting no material difference.

Expenses

	2021 £ 000	2020 £ 000
Related to equity settled share-based payments	<u>26</u>	<u>28</u>

25 Share capital and reserves

	As at 31 December	
	2021	2020
	£	£
Ordinary share capital		
<i>Authorised</i>		
6,403 (2020: 6,403) A Ordinary of 1p each	64	64
9,847 (2020: 10,314) B Ordinary of 1p each	99	103
3,404 (2020: 2,937) C Ordinary of 1p each	34	30
	<u>197</u>	<u>197</u>
<i>Issued and fully paid</i>		
6,403 (2020: 6,403) A Ordinary of 1p each	64	64
9,847 (2020: 10,314) B Ordinary of 1p each	99	103
3,404 (2020: 2,937) C Ordinary of 1p each	34	30
	<u>197</u>	<u>197</u>

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 2021, the vested portion of the warrants is equal to 1,240 (2020: 744) Ordinary C shares.

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25 Share capital and reserves (continued)

Reconciliation of movements during the year:

	A Ordinary Number	B Ordinary Number	C Ordinary Number
At 1 January 2020	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	—	—	463
At 31 December 2020	<u>6,403</u>	<u>10,314</u>	<u>2,937</u>
Transfer of “B” shares to “C” shares	—	(467)	467
At 31 December 2021	<u>6,403</u>	<u>9,847</u>	<u>3,404</u>

During 2021, 467 shares were transferred from an existing B shareholder to an existing C shareholder. The shares were reclassified as C shares.

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.

26 Share premium account

	2021 £ 000	2020 £ 000
At the beginning of the year	5,659	3,430
Issue of new shares	-	2,245
Share issue expenses	-	(16)
At the end of the year	<u>5,659</u>	<u>5,659</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 and an additional 463 shares were issued as part of the business combination as referenced per Note 28.

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27 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 to a third-party customer, which vest, subject to the terms and conditions as agreed, based on the aggregate amount of spending by the customer on the Company's products or services. Based on this vesting criterion, the directors expect all of these warrants to vest over the period to 30 June 2024. The warrants have an exercise price of £2,185.95.

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 2021. 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/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 at 31 December 2021. At 31 December 2020, 744 warrants were vested based on the agreed upon revenue criteria. At 31 December 2021 1,240 warrants were vested.

The number of warrants which vest in any particular financial year is dependent on the level of spend by the third-party customer, on an estimated level of spend over the contractual term of 8 years. Dependent on the level of vested and exercisable warrants at the year end, this value is disclosed as current liabilities by the Company. The amounts anticipated to vest in a period longer than 12 months are disclosed as non-current liabilities. Management are confident through discussions held with the customer, and committed spend, that these prescribed levels will still be achieved in the contractual period. 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 was £1,004k.

In December 2020, the Company revalued the warrant liability to account for the change in the fair market value of the organisation. 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 liabilities at 31 December 2020 was approximately £11,998k.

The warrant liability was revalued again at 31 December 2021 to account for the changes in the fair market value of the organisation. This resulted in a change in the fair value of the warrant of £55,248k (2020: £10,995k) which is recognised in the statement of comprehensive income, based on the number of warrants expected to vest. The total fair value of the warrant liability included in liabilities is £67,247k.

Based on the number of warrants that were vested and exercisable as at 31 December 2021. £19,778k has been recorded within current warrant liability, and £47,468k within non-current warrant liability (2020: 2,117k and 9,881k respectively).

28 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

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28 Acquisition of a business (Continued)

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 £ 000's
Goodwill	260
Fair value of assets acquired	<u>260</u>
Satisfied by:	
Issue of shares	<u>260</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.

29 Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, including the directors of the company listed on page 9.

	2021	2020
	£000	£000
Remuneration for qualifying services	900	382
Company pension contributions to defined contribution schemes	9	1
Share-based payments	<u>25</u>	<u>13</u>
	<u>934</u>	<u>396</u>

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29 Related party transactions (continued)

Other Transactions with Related Parties

During the year, expenditure for design work of £20,850 (2020: £31,334) was incurred and paid to a close family member of J Jardine, a director and shareholder of the Company. Additionally, during the year £6,000 (2020: £6,069) was paid to J Jardine in respect of the hire of an electric car from him and £1,372 relating to other expenses (2020 £841). £632 in relation to these transactions was outstanding at the year-end and this is included in trade and other payables (2020: £Nil).

On February 21, 2020, Juuce acquired the asset of Cambridge Computer Services as described in Note 28. 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 an existing shareholder and his wife. The agreement was terminated in February 20, 2021. Payments under this agreement totalled £79k (2020: £358k). In relation to these transactions nil was outstanding at the year-end (2020: £Nil).

During the year £75,000 was incurred in relation to director’s fees to Zouk Capital, a director and shareholder of the Company (2020: £Nil). This is within in the trade other payables at the year end (2020: £Nil).

Included within other debtors is £906 (2020: £906) due from EO Assets Limited, a company connected by common ownership.

As noted in note 19, loans and borrowings, shares of certain of shareholders have been pledged as security against borrowings of the company.

30 Commitments and contingencies

At the year end, pursuant to the anticipated business combination described above, the company would incur professional fees contingent upon completion of the transaction. Some of these were fixed in value and others linked to the transaction value. The contingent liability related to such contracts entered into prior to 31 December 2021 was estimated to be £10.8 million based on the transaction value anticipated in the LOI (2020: £Nil). The value of similar contracts entered after 31 December 2021 is estimated to be £0.3 million (2020: £Nil).

In addition, the company had engaged professional advisors on a time incurred basis. Costs held on the balance sheet at the year end in respect of the transaction that would have been recorded against equity totalled £3.7 million (2020: £Nil) and is held within Trade and Other Receivables. If the transaction had completed as expected at 31 December 2021, it was forecast that there would be further costs incurred of £3.1 million alongside the contingent liability costs noted above (2020: £Nil). As detailed in note 33, the transaction was terminated in March 2022 and all costs were subsequently expensed.

31 Auditor’s remuneration

Auditors’ remuneration for the audit of the financial statements was £510k (FY2020: £152k.).

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32 Notes supporting statement of cash flows

	2021	2020
	£ 000	£ 000
Significant non cash transactions investing and financing		
Leased finance motor vehicle additions	323	-
Intangible asset additions	521	-
Deal costs capitalised related to SPAC transaction	3,311	-
Accrued interest	313	-
Non-cash equity issuance for business combination	-	260
	<hr/>	<hr/>
Debt reconciliation		Loans and borrowings (see note 19)
At 1 January 2021		-
Proceeds from new revolving credit facilities		9,030
Payments on new revolving credit facility		(1,382)
Interest on new revolving credit facility		211
At 31 January 2021		<hr/> <u>7,859</u>

33 Subsequent Events

Termination of the SPAC transaction

In March 2022, due to turbulence in the public markets, the Company and First Reserve Sustainable Growth Corporation mutually terminated their Business Combination Agreement, ending plans to become a Nasdaq-listed company. The company considers this to be a non-adjusting post balance sheet event.

The Company incurred £4.7m of fees relating to the transaction of which £1.0m has been expensed in the year ended 31 December 2021 and £3.7m is held within Trade and Other Receivables as at 31 December 2021 as described in Note 15. As a result of the termination of the transaction during 2022, these costs will be expensed in the accounts for the year ended 31 December 2022.

Shareholder loans

Subsequent to the termination of the transaction, the Company commenced exploring other funding options. The existing shareholders continued to support the Company by advancing loans totalling £30.0m during the course of 2022 and 2023.

Loans totalling £8.0m were advanced by a number of shareholders between February and May 2022. Zouk Capital advanced further loans totalling £22.0m between August 2022 and January 2023. All the loans had a maturity date of 4 February 2024 and bear interest of 15% per annum- accruing daily and capitalised quarterly. Mandatory prepayment occurs in certain circumstances including refinancing of the Company. In the event of early redemption, a repayment fee of 25% of the loan principal is payable and an early prepayment fee equivalent to the total interest payable as if repayment was made at the maturity date.

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33 Subsequent Events (continued)

Shareholder loans (continued)

The new capital raise described below triggered mandatory prepayment of the loan balances. Zouk Capital and J Jardine waived their rights to repayment and converted their loan balances into a new class of D shares.

- Loans advanced of £1.6m were redeemed at a redemption value of £2.5m in March 2023 calculated as above.
- Loans advanced of £6.4m were converted into D shares in February 2023 at a redemption value of £9.9m calculated as above.
- Loans advanced by Zouk Capital of £22m were converted into D shares in February 2023 at par.

Repayment of Barclays loan

In August 2022, the Company settled the balance relating to the 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 was repayable 364 days from the date of the interim credit agreement. The settlement amount was £8,505k and all security was released.

New capital raise

In February 2023 the Company completed an equity capital raise of £64.4m. The capital is intended to enable the Company to develop its plans for growth and achieve profitability and positive cash flows during 2024. Of the £64.4m raised, a new investor Fleetwood Energy Investments Limited will subscribe £32.5m of fresh capital on completion by way of subscription for a new D class of preference shares, the rights attaching to which are set out in further detail below (D Shares). Existing shareholders, Zouk Capital and John Jardine have converted £31.5m and £0.3m respectively of existing shareholder debt into D Shares.

Investor	No of D shares	Subscription £m	Consideration
Fleetwood Energy Investments Limited – subsidiary of Vortex Energy	3,580	32.5	Cash
REEIF EO1 S.a.r.l – managed by Zouk Capital	3,476	31.5	Conversion of shareholder loans
John Jardine	43	0.4	Conversion of shareholder loans
Total	7,099	64.4	

The new class of D shares will benefit from a 2 times preference (the Minimum D Shareholder Return) on monies invested as D Shares, with catch-up for all other shareholders once the D shareholders have received the Minimum D Shareholder Return. Other rights include board representation and investor consent rights.

Launch of new products

During the year, new legislation was came into force governing electric vehicle chargers in the United Kingdom. The Electric Vehicles (Smart Charge Points) Regulations 2021, was signed into law on 15 December 2021. The regulations seek to ensure that chargers have smart functionality, facilitating the charging of an electric vehicle when there is less demand on the grid, or when more renewable electricity is available. The regulations also ensure that charge points meet certain device-level requirements, enabling a minimum level of access, security and information for consumers. As a response to the change in legislation, the Company developed new products, Mini Pro 3 and Genius 2, which meet the requirements of the new legislation, namely Mini Pro 3 and Genius 2. These products were launched during June 2022.

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33 Subsequent Events (continued)

Establishment of new entities

Subsequent to year end, as part of the Company’s growth strategy, the Company expanded business operations in the USA, Europe and APAC. EO Charging US Inc, EO Charging Italy S.r.l., EO Charging (New Zealand) Pty Limited and EO Charging (Australia) Pty Limited have been incorporated as subsidiaries of EO Charging International Limited (whose name changed from EO Charging Limited in April 2022) which is in turn a wholly owned subsidiary of Juuce Limited. These companies commenced trading during the second half of 2022.