

# Blu Wireless Technology Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2024

# Blu Wireless Technology Limited

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# Blu Wireless Technology Limited

## Company Information

### Directors

A M C Crawford  
H K Mardia  
A P Moores  
A J Murray  
A J Lauren  
A I Field  
P Singh

### Registered office

One Castle Park  
Tower Hill  
Bristol  
BS2 0JA

### Registered number

06855929

### Auditors

Corrigan Accountants Limited  
1st Floor  
25 King Street  
Bristol  
BS1 4PB

# Blu Wireless Technology Limited

## Strategic Report for the Year Ended 31 December 2024

The directors present their strategic report for the year ended 31 December 2024.

### Principal activity

The principal activity of the company is the provision of products for carrier grade mmWave Gbit communications to the semiconductor and systems market. This Report and the attached financial statements include the activities of the US subsidiary as well as with the business of the UK company.

### Fair review of the business and future developments

Blu Wireless Technology Limited (“Blu Wireless”) is a market leading developer of millimetre wave wireless technology (“mmWave”). During the year Blu Wireless has continued to strengthen relationships within the vertical markets of; with strong performance in High Speed Transport, and, Defence & Public Safety. This included securing a strategic investment from a large provider of industrial communications solutions in the rail industry. The company made the strategic decision to move away from the Private Networks sector in order to focus its offerings in High Speed Transport, and Defence & Public Safety.

Revenues in 2024 from High Speed Transport amounted to £1.4m (2023: £2.0m) which included revenue generating from the first live commercial rail installation of Blu Wireless mmwave technology – which is expected to propel the company brand within this sector, Defence & Public Safety revenues saw an increase of 82% to £2.0m (2023: £1.1m) , while revenues from Public Networks reduced to £0.1m (2023: £0.4m).

Administrative expenses fell by 7% year on year, driven largely by a strategic decision to reduce headcount as the company drove its focus into the High Speed Transport, and Defence & Public Safety sectors.

Interest payable and similar expenses jumped significantly during the year to £10.4m (2023: £0.5m) as a result of a redemption premium crystallisation on the conversion of Convertible Loan Notes in May 24.

During the year, Blu Wireless completed an investment round totalling £4.9m, in addition to the conversion of £6.9m of Convertible Loan Notes into equity. This provided the required working capital headroom to drive the business forward into 2025 and beyond.

The Company has continued to invest heavily in research and development throughout the year.

### Financial and other key performance indicators

The financial performance is summarised in the Profit and Loss Account. No other KPIs are material to an understanding of the company’s performance in the year.

# Blu Wireless Technology Limited

## Strategic Report for the Year Ended 31 December 2024 (continued)

### Market Risks

The company operates in markets where the contracts are often large in size and irregular in timing. Management take this into account when preparing all forward looking forecasts, but note that the uncertainty around the nature of these should be recognised as a risk to the business. The mmWave market is expected to grow into a multi billion dollar industry over the coming 5-10 years, and Blu Wireless occupies a very strong position within both the unlicensed and licensed frequency spectrum.

### Operational Risk

This relates to the risk of financial loss resulting from internal process, people, and systems. The Company manages the risk through appropriate internal controls, continuous process improvements and management review.

### Liquidity Risk

This relates to the risk that the Company is unable to fund its requirements when looking at liquid assets and short term liabilities. The Company continues to monitor its cashflows using regular cash flow forecasting, and it retains the support of its internal investors. The Board's going concern assessment is explained in Note 2 to the financial statements.

### Foreign Currency Risk

Exposures to foreign currency exchange rate movements are monitored regularly and appropriate actions to minimize the risk will be considered when appropriate.

Approved by the Board on 15 September 2025 and signed on its behalf by:

.....  
A P Moores  
Director

# Blu Wireless Technology Limited

## Directors' Report for the Year Ended 31 December 2024

The directors present their report and the consolidated financial statements for the year ended 31 December 2024.

### Directors of the group

The directors who held office during the year were as follows:

A M C Crawford

A E Jones (ceased 24 March 2025)

H K Mardia

A J Lauren (appointed 17 June 2024)

A I Field (appointed 17 June 2024)

P Singh (appointed 17 June 2024)

The following directors were appointed after the year end:

A P Moores (appointed 23 April 2025)

A J Murray (appointed 3 April 2025)

### Financial instruments, and financial risk management objectives and policies

The management of the company and the execution of its strategy are subject to a number of risks which are discussed in the strategic report above.

### Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

### Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Corrigan Accountants Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

### Statement as to disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Groups's auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Approved by the Board on 15 September 2025 and signed on its behalf by:

.....  
A P Moores  
Director

## **Blu Wireless Technology Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Blu Wireless Technology Limited

## Independent Auditor's Report to the Members of Blu Wireless Technology Limited

### Qualified Opinion

We have audited the financial statements of Blu Wireless Technology Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the group and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for qualified opinion

We were not appointed as auditor of the company until after 31 December 2024 and therefore did not observe the counting of physical inventories at the start of the year. We were unable to obtain sufficient appropriate audit evidence regarding the stock quantities held at 31 December 2023 by using other audit procedures. These stock quantities are included in the opening 31 December 2023 balance sheet at £531,838.

Consequently, we were unable to determine whether any adjustments to this amount were necessary. Any adjustment to the opening stock balance would affect the profit for the year ended 31 December 2024, which would also then affect the tax charge on the profit for the year.

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

### Other matter

The financial statements for the year ended 31 December 2023 were unaudited.

# Blu Wireless Technology Limited

## Independent Auditor's Report to the Members of Blu Wireless Technology Limited (continued)

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the stock of £531,838 held by the company at 31 December 2023. We have concluded that where the other information refers to this stock balance or related balances such as cost of sales, it may be materially misstated for the same reason.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

## Blu Wireless Technology Limited

### Independent Auditor's Report to the Members of Blu Wireless Technology Limited (continued)

#### Matters on which we are required to report by exception

Except for the matters described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Arising solely from the limitation on the scope of our work relating to stock, referred to above:

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

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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Independent Auditor's Report to the Members of Blu Wireless Technology Limited (continued)**

**Auditor's responsibilities for the audit of the financial statements**

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

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

We obtained an understanding of the legal and regulatory frameworks applicable to the parent company and its subsidiaries and the sectors in which they operate. We identify the areas of those legal and regulatory frameworks which could reasonably be expected to have a material effect on the financial statements, based on our experience and through discussion with the directors and other management.

We assessed compliance with these laws and regulations through enquiry with management, review of the parent company's internal reporting with respect to compliance with laws and regulations, and review of minutes of board meetings.

We assessed the susceptibility of the parent company's financial statements to material misstatement, including how fraud might occur. In addressing the risk of fraud including the risk of fraud in revenue recognition and management override of controls, we have performed journals testing based on a set of risk criteria and tested journals to supporting documentation where applicable. Audit procedures also included detailed transactional testing with a particular focus around the year-end cut off procedures.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

# Blu Wireless Technology Limited

## Independent Auditor's Report to the Members of Blu Wireless Technology Limited (continued)

### Use of our report

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

.....  
David Wright BSc FCA (Senior Statutory Auditor)

For and on behalf of Corrigan Accountants Limited, Statutory Auditor

1st Floor  
25 King Street  
Bristol  
BS1 4PB

16 September 2025

# Blu Wireless Technology Limited

## Consolidated Profit and Loss Account for the Year Ended 31 December 2024

	Note	2024 £ 000	Unaudited 2023 £ 000
Turnover		3,418	3,925
Cost of sales		(338)	(392)
<b>Gross profit</b>		3,080	3,533
Administrative expenses		(6,920)	(7,460)
Other operating income		238	201
<b>Operating loss</b>		(3,602)	(3,726)
Other interest receivable and similar income		26	-
Interest payable and similar expenses	<a href="#">5</a>	(10,432)	(494)
		(10,406)	(494)
<b>Loss before tax</b>		(14,008)	(4,220)
Taxation	<a href="#">7</a>	181	565
<b>Loss for the financial year</b>		(13,827)	(3,655)

The notes on pages [20](#) to [36](#) form an integral part of these financial statements.

# Blu Wireless Technology Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2024

	<b>2024</b>	<b>Unaudited</b>
	<b>£ 000</b>	<b>2023</b>
		<b>£ 000</b>
Loss for the year	(13,827)	(3,655)
Foreign currency translation losses	(2)	(9)
Total comprehensive income for the year	<u>(13,829)</u>	<u>(3,664)</u>

The notes on pages [20](#) to [36](#) form an integral part of these financial statements.

**Blu Wireless Technology Limited**  
**(Registration number: 06855929)**  
**Consolidated Balance Sheet as at 31 December 2024**

	Note	2024 £ 000	Unaudited 2023 £ 000
<b>Fixed assets</b>			
Tangible assets	<a href="#">8</a>	57	44
<b>Current assets</b>			
Stocks	<a href="#">10</a>	479	532
Debtors	<a href="#">11</a>	1,709	2,746
Cash at bank and in hand		1,594	116
		3,782	3,394
<b>Creditors:</b> Amounts falling due within one year	<a href="#">12</a>	(2,113)	(10,808)
<b>Net current assets/(liabilities)</b>		1,669	(7,414)
<b>Net assets/(liabilities)</b>		1,726	(7,370)
<b>Capital and reserves</b>			
Called up share capital	<a href="#">14</a>	6,563	847
Share premium reserve		52,516	35,110
Other reserves		889	1,088
Profit and loss account		(58,242)	(44,415)
<b>Total equity</b>		1,726	(7,370)

Approved and authorised for issue by the Board on 15 September 2025 and signed on its behalf by:

.....  
A P Moores  
Director

The notes on pages [20](#) to [36](#) form an integral part of these financial statements.  
Page 13

**Blu Wireless Technology Limited**  
**(Registration number: 06855929)**  
**Company Balance Sheet as at 31 December 2024**

			(As restated) Unaudited
	Note	2024 £ 000	2023 £ 000
<b>Fixed assets</b>			
Tangible assets	<a href="#">8</a>	57	44
Investments	<a href="#">9</a>	7	7
		64	51
<b>Current assets</b>			
Stocks	<a href="#">10</a>	479	532
Debtors	<a href="#">11</a>	2,661	3,323
Cash at bank and in hand		1,525	113
		4,665	3,968
<b>Creditors:</b> Amounts falling due within one year	<a href="#">12</a>	(2,040)	(10,782)
<b>Net current assets/(liabilities)</b>		2,625	(6,814)
<b>Total assets less current liabilities</b>		2,689	(6,763)
<b>Net assets/(liabilities)</b>		2,689	(6,763)
<b>Capital and reserves</b>			
Called up share capital	<a href="#">14</a>	6,563	847
Share premium reserve		52,516	35,110
Other reserves		908	1,105
Profit and loss account		(57,298)	(43,825)
<b>Total equity</b>		2,689	(6,763)

Approved and authorised for issue by the Board on 15 September 2025 and signed on its behalf by:

.....



Blu Wireless Technology Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital £ 000	Share premium £ 000	Foreign exchange reserve £ 000	Own shares £ 000	Equity component of convertible debt £ 000	Share options and warrants reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2024	847	35,110	(17)	(220)	197	1,128	(44,415)	(7,370)
Loss for the year	-	-	-	-	-	-	(13,827)	(13,827)
Other comprehensive income	-	-	(2)	-	-	-	-	(2)
Total comprehensive income	-	-	(2)	-	-	-	(13,827)	(13,829)
New share capital subscribed	5,716	17,406	-	-	-	-	-	23,122
Other movements in reserves	-	-	-	-	(197)	-	-	(197)
At 31 December 2024	6,563	52,516	(19)	(220)	-	1,128	(58,242)	1,726

The notes on pages 20 to 36 form an integral part of these financial statements.

Blu Wireless Technology Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024 (continued)

	Share capital £ 000	Share premium £ 000	Foreign exchange reserve £ 000	Own shares £ 000	Equity component of convertible debt £ 000	Share options and warrants reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2023	845	35,098	(8)	(220)	173	1,128	(40,760)	(3,744)
Loss for the period	-	-	-	-	-	-	(3,655)	(3,655)
Other comprehensive income	-	-	(9)	-	-	-	-	(9)
Total comprehensive income	-	-	(9)	-	-	-	(3,655)	(3,664)
New share capital subscribed	2	12	-	-	-	-	-	14
Other movements in reserves	-	-	-	-	24	-	-	24
At 31 December 2023	847	35,110	(17)	(220)	197	1,128	(44,415)	(7,370)

The notes on pages 20 to 36 form an integral part of these financial statements.

# Blu Wireless Technology Limited

## Company Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital £ 000	Share premium £ 000	Own shares £ 000	Equity component of convertible debt £ 000	Share options and warrants reserve £ 000	Profit and loss account £ 000	Total £
At 1 January 2024	847	35,110	(220)	197	1,128	(43,825)	(6,763)
Loss for the year	-	-	-	-	-	(13,473)	(13,473)
New share capital subscribed	5,716	17,406	-	-	-	-	23,122
Share based payment transaction	-	-	-	-	-	-	-
Other movements in reserves	-	-	-	(197)	-	-	(197)
At 31 December 2024	6,563	52,516	(220)	-	1,128	(57,298)	2,689

The notes on pages 20 to 36 form an integral part of these financial statements.

Blu Wireless Technology Limited

Company Statement of Changes in Equity for the Year Ended 31 December 2024 (continued)

	Share capital £ 000	Share premium £ 000	Own shares £ 000	Equity component of convertible debt £ 000	Share options and warrants reserve £ 000	Profit and loss account £ 000	Total £
At 1 January 2023	845	35,098	(220)	173	1,128	(40,506)	(3,482)
Loss for the year	-	-	-	-	-	(3,319)	(3,319)
New share capital subscribed	2	12	-	-	-	-	14
Other movements in reserves	-	-	-	24	-	-	24
At 31 December 2023	847	35,110	(220)	197	1,128	(43,825)	(6,763)

The notes on pages 20 to 36 form an integral part of these financial statements.

# Blu Wireless Technology Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

	Note	2024 £ 000	Unaudited 2023 £ 000
<b>Cash flows from operating activities</b>			
Loss for the year		(13,827)	(3,655)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		44	83
Finance income		(26)	-
Finance costs	<a href="#">5</a>	10,432	494
Income tax expense/(credit)		(181)	(565)
Foreign exchange gains/losses		(2)	(9)
		(3,560)	(3,652)
Working capital adjustments			
Decrease in stocks	<a href="#">10</a>	53	117
Decrease/(increase) in debtors	<a href="#">11</a>	902	(108)
Decrease in creditors	<a href="#">12</a>	(1,163)	(285)
		(3,768)	(3,928)
Cash generated from operations		(3,768)	(3,928)
Income taxes received		317	1,075
		(3,451)	(2,853)
Net cash flow from operating activities		(3,451)	(2,853)
<b>Cash flows from investing activities</b>			
Interest received		26	-
Acquisitions of tangible assets		(57)	(9)
		(31)	(9)
Net cash flows from investing activities		(31)	(9)
<b>Cash flows from financing activities</b>			
Interest paid	<a href="#">5</a>	(10,432)	16
Proceeds from issue of ordinary shares, net of issue costs		23,122	14
Proceeds from/(repayments of) loans		(7,730)	2,215
		4,960	2,245
Net cash flows from financing activities		4,960	2,245
Net increase/(decrease) in cash and cash equivalents		1,478	(617)

Cash and cash equivalents at 1 January

116

733

Cash and cash equivalents at 31 December

1,594

116

The notes on pages [20](#) to [36](#) form an integral part of these financial statements.

# Blu Wireless Technology Limited

## Notes to the Financial Statements for the Year Ended 31 December 2024

### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

One Castle Park

Tower Hill

Bristol

BS2 0JA

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented.

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1a 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act. While the company is exempt from the requirement to prepare consolidated financial statements, the directors have chosen to not take advantage of that exemption.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are prepared in pounds sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

**Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)**

**2 Accounting policies (continued)**

**Going concern**

The parent company's financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the group's and the parent company's needs. The Group incurred losses in both 2024 and 2023 and the balance sheet reports net assets of £1,726,000 at the year-end (2023: net liabilities of £7,370,000). In completing their going concern assessment, the Board has prepared cashflow projections covering the period of twelve months from the approval of these financial statements.

The Board's projections take into account the receipt of new funds expected to be subscribed by existing and new investors in the coming months but, nevertheless, the parent company's ability to continue to meet its liabilities as they fall due is dependent on a combination of the group achieving the projected level of sales growth; management of operating expenses or on a further fundraising. There is inherent uncertainty in these outcomes and therefore, until such time as the sales growth is realised or there is a binding commitment for further funds, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

However, the directors consider that should the projected sales growth not be achieved, future fundraising will be successful and would provide adequate resources for the group and the parent company to be able to continue in operational existence for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2024.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company's loss for the year was £13,470,429 (2023 - £3,319,000).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

**Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)**

**2 Accounting policies (continued)**

**Revenue recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. Revenues consist of sales of evaluation modules, licences, development projects and consulting.

Revenue from the sale of goods such as evaluation models is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch, the amount of revenue can be reliably measured and when it is probable that an economic inflow will arise from the transaction.

Revenue from services delivered such as work on projects and consultancy is recognised to the extent that the company obtains the right to consideration in exchange for its performance, by reference to the stage of completion. Stage of completion is measured by an assessment of costs incurred to date as a percentage of total estimated future costs. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from the sale of licences is recognised in full when there are no significant remaining obligations to perform after delivery.

Revenue earned from the supply of subcontractor services is recognised as the services are provided.

**Government grants**

Government grants are recognised based on the performance against the conditions in the grant taking due consideration of the time expected to complete the work.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

**Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)**

**2 Accounting policies (continued)**

**Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

On consolidation, assets and liabilities of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Results for the year are translated at the average rate over the respective year. Exchange differences arising are recognised in other comprehensive income.

**Tax**

The tax expense or credit for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Deferred tax**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Tangible assets**

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Leasehold improvements  
Fixtures and fittings

Page 23

Over the length of the lease  
Straight line over 3 years

**Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)**

**2 Accounting policies (continued)**

**Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

The carrying value of intangible fixed assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**Investments**

Subsidiaries are measured at cost.

One of the company's wholly owned subsidiaries, Blu Wireless Technology (EBT) Limited, is an employee benefit trust. The company, as sponsoring entity, controls the subsidiary and therefore when the company makes payments (or transfers assets) to the subsidiary, there is a rebuttable presumption that the company has exchanged one asset for another and that the payment itself does not represent an immediate expense. Where a payment to the subsidiary is an exchange by the company of one asset for another, any assets that the subsidiary acquires in a subsequent exchange transaction will also be under the control of the company. Accordingly, assets and liabilities of the subsidiary are accounted for by the company as an extension of its own business and recognised in its own individual financial statements.

Details regarding the investment in Blu Wireless Technology Inc. are disclosed in note 7.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits.

**Trade debtors**

Trade debtors are recognised initially at the transaction price. They are subsequently measured less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods comprises direct materials and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

**Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)**

**2 Accounting policies (continued)**

**Trade creditors**

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases, including hire purchase contracts, are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

**Convertible debt**

The net proceeds received from the issue of convertible debt instruments are split between a liability element and an equity component at the date of issue. The fair value of the liability component is estimated using the prevailing market interest rate for similar nonconvertible debt. The difference between the proceeds of issue of the convertible bonds and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the company, is included in equity and is not remeasured. The liability component is carried at amortised cost.

**Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)**

**2 Accounting policies (continued)**

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**Employee benefits**

The costs of short-term employee benefits, including the cost of any unused holiday entitlement, is recognised in the period in which the employee's services are received.

**Share based payments**

The company has granted options over its shares to employees. The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which a party becomes fully entitled to the award. Fair value is determined using the Black Scholes model as detailed in the notes to the accounts.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account, with a corresponding entry in equity.

**Prior year restatement**

The balance sheet for the year ended 31 December 2023 has been restated. An investment in the subsidiary has been recognised at a cost of £7,275, which was previously omitted. Debtors within current assets have decreased by £7,275 as a result. There is no impact on net assets.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

**3 Estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The estimates, assumptions and judgement areas that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are commented on below:

**Corporation tax asset**

The company claims research and development tax credits in respect of its development expenditure. The year-end asset is estimated before the final claim is submitted to HMRC and the related cash received, and that estimate involves assessing the proportion of staff time spent on eligible development projects. The tax asset is disclosed in note 11.

**4 Other operating income**

The analysis of the group's other operating income for the year is as follows:

	<b>2024</b>	<b>Unaudited</b>
	<b>£ 000</b>	<b>2023</b>
		<b>£ 000</b>
Government grants	1	196
Other operating income	5	5
R&D tax credit	232	-
	<u>238</u>	<u>201</u>

**5 Interest payable and similar expenses**

	<b>2024</b>	<b>Unaudited</b>
	<b>£ 000</b>	<b>2023</b>
		<b>£ 000</b>
Finance leases and hire purchase contracts	-	1
Convertible loan interest	10,356	478
Other	76	15
	<u>10,432</u>	<u>494</u>

# Blu Wireless Technology Limited

## Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

### 6 Employees and directors

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2024</b>	<b>Unaudited</b>
	<b>£ 000</b>	<b>2023</b>
		<b>£ 000</b>
Wages and salaries	2,952	3,388
Social security costs	359	400
Pension costs, defined contribution scheme	665	624
	<u>3,976</u>	<u>4,412</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2024</b>	<b>Unaudited</b>
	<b>No.</b>	<b>2023</b>
		<b>No.</b>
Admin, sales and marketing	51	58
	<u>51</u>	<u>58</u>

### 7 Taxation

Tax charged/(credited) in the profit and loss account:

	<b>2024</b>	<b>Unaudited</b>
	<b>£ 000</b>	<b>2023</b>
		<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	(118)	(441)
UK corporation tax adjustment relating to prior periods	(107)	(124)
	<u>(225)</u>	<u>(565)</u>
Notional tax charge on R&D	44	-
	<u>(181)</u>	<u>(565)</u>

# Blu Wireless Technology Limited

## Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

### 8 Tangible assets

#### Company & Group

	Leasehold improvements £ 000	Fixtures & fittings £ 000	Total £ 000
<b>Cost</b>			
At 1 January 2024	83	1,084	1,167
Additions	9	48	57
At 31 December 2024	92	1,132	1,224
<b>Depreciation</b>			
At 1 January 2024	73	1,050	1,123
Charge for the year	9	35	44
At 31 December 2024	82	1,085	1,167
<b>Carrying amount</b>			
At 31 December 2024	10	47	57
At 31 December 2023 (Unaudited)	10	34	44

# Blu Wireless Technology Limited

## Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

### 9 Investments

	<b>2024</b>	<b>Unaudited</b>
	<b>£ 000</b>	<b>2023</b>
		<b>£ 000</b>
Investments in subsidiaries	7	7

The investment in 2024 and 2023 represents 1,000 shares purchased in Blu Wireless Technology Inc on incorporation for \$10,000 (£7,275).

<b>Undertaking</b>	<b>Registered office</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
			<b>2024</b>	<b>2023</b>
Blu Wireless Technology (EBT) Limited	One Castle Park, Tower Hill, Bristol, England, BS2 0JA	Ordinary	100%	100%
Blu Wireless Technology Inc	10447 Sorrento Rd Suite 100, #1007 Pensacola, FL 32507 USA	Ordinary	100%	100%

### 10 Stocks

	<b>Company &amp; Group</b>	
	<b>2024</b>	<b>Unaudited</b>
	<b>£ 000</b>	<b>2023</b>
		<b>£ 000</b>
Finished goods	84	188
Component stock	395	344
	479	532

# Blu Wireless Technology Limited

## Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

### 11 Debtors

	Group		Company	
	2024	Unaudited	2024	(As restated)
		2023		Unaudited
	£ 000	£ 000	£ 000	£ 000
Trade debtors	260	1,552	248	1,552
Amounts owed by group undertakings	-	-	965	577
Prepayments and accrued income	909	580	908	580
Other debtors	233	172	233	172
Tax	307	442	307	442
	<u>1,709</u>	<u>2,746</u>	<u>2,661</u>	<u>3,323</u>

The balances above for trade and other debtors represent the total of the company's financial assets which are debt instruments measured at transaction price less impairment.

# Blu Wireless Technology Limited

## Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

### 12 Creditors

	Group		Company	
	2024 £ 000	Unaudited 2023 £ 000	2024 £ 000	Unaudited 2023 £ 000
<b>Due within one year</b>				
Convertible debt	-	6,749	-	6,749
Other loans	-	784	-	784
Trade creditors	535	854	535	854
Social security and other taxes	479	844	479	844
Other creditors	56	118	56	118
Accruals and deferred income	1,043	1,459	970	1,433
	<b>2,113</b>	<b>10,808</b>	<b>2,040</b>	<b>10,782</b>

Convertible debt instruments totalling £1,495,359 and other loans totalling £750,000 were issued in the prior year, bringing the prior year total loan liability to £6,786,359 before accrued but unpaid interest. None were issued in the year ended 31 December 2024.

The convertible loans matured and were converted to share capital during the year ended 31 December 2024, resulting in 77,021,603 Ordinary, 11,002,103 A Preferred, 154,029,437 B Ordinary, and 227,164,570 D preferred shares being issued, as included in note 14.

£10,356,296 of interest was incurred following the conversion, as included in note 5.

All of the debt is secured on the company's assets and liabilities.

### 13 Pension and other schemes

#### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £665,310 (2023 - £624,832).

# Blu Wireless Technology Limited

## Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

### 14 Share capital

#### Allotted, called up and fully paid shares

	2024		Unaudited 2023	
	No. 000	£ 000	No. 000	£ 000
Ordinary of £0.01 each	112,905	1,129	35,733	357
A Preferred of £0.01 each	39,198	392	28,348	283
B Ordinary of £0.01 each	172,883	1,729	18,853	189
C Ordinary of £0.01 each	1,804	18	1,804	18
D Preferred of £0.01 each	329,545	3,295	-	-
	656,335	6,563	84,739	847
	656,335	6,563	84,739	847

#### New shares allotted

During the year the following shares were issued for the consideration shown.

Share type	No. 000	Aggregate consideration £ 000
Ordinary	77,022	2,544
A Preferred	11,000	509
B Ordinary	154,029	7,122
D Preferred	329,545	12,947

### 15 Obligations under operating leases

#### Company

#### Operating leases

The total of future minimum lease payments is as follows:

	2024 £ 000	Unaudited 2023 £ 000
Not later than one year	249	359

The amount of non-cancellable operating lease payments recognised as an expense during the year was £718,907 (2023 - £598,753).

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

16 Share-based payments

EMI Share option scheme

Scheme details and movements

The company has issued options over its unissued shares to employees and other parties. The options vest at quarterly intervals over periods ranging from 1 to 6 years from the date of grant, and vesting may also be conditional upon other criteria such as the option holder's continuing employment by the company.

The term of the options are 10 years from the date of grant.

The movements in the number of share options during the year were as follows:

	<b>2024</b>	<b>Unaudited and Restated 2023</b>
	<b>Number</b>	<b>Number</b>
Outstanding, start of period	5,598,711	6,544,026
Forfeited during the period	(1,130,706)	(745,555)
Exercised during the period	-	(199,760)
Outstanding, end of period	4,468,005	5,598,711
Exercisable, end of period	4,002,165	5,132,871

The movements in the weighted average exercise price of share options during the year were as follows:

	<b>2024</b>	<b>Unaudited and Restated 2023</b>
	<b>£</b>	<b>£</b>
Outstanding, start of period	0.18	0.17
Forfeited during the period	0.10	0.14
Cancelled in the period	-	0.14
Outstanding, end of period	0.20	0.18
Exercisable, end of period	0.20	0.18

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

16 Share-based payments (continued)

Unapproved share options scheme

Scheme details and movements

The company has issued options over its unissued shares to employees and other parties. The options vest at quarterly intervals over periods ranging from 1 to 6 years from the date of grant, and vesting may also be conditional upon other criteria such as the option holder's continuing employment by the company.

The term of the options are 10 years from the date of grant.

The movements in the number of share options during the year were as follows:

	<b>2024</b>	<b>Unaudited and Restated 2023</b>
	<b>Number</b>	<b>Number</b>
Outstanding, start of period	666,273	666,273
Exercised during the period	(71,273)	-
Outstanding, end of period	595,000	666,273
Exercisable, end of period	<u>595,000</u>	<u>666,273</u>

The movements in the weighted average exercise price of share options during the year were as follows:

	<b>2024</b>	<b>Unaudited and Restated 2023</b>
	<b>£</b>	<b>£</b>
Outstanding, start of period	0.06	0.06
Exercised during the period	0.06	-
Outstanding, end of period	0.06	0.06
Exercisable, end of period	<u>0.06</u>	<u>0.06</u>

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

16 Share-based payments (continued)

Warrants

Scheme details and movements

Warrants were granted in 2016 as part of agreeing new loan facilities. These warrants have been accounted for as equity-settled share-based payment transactions. The warrants vested immediately on draw down of the loan from the warrant holder. The exercise price of the warrants is equal to the estimated market value of the shares on the date of grant (being £0.50 per share or £0.70 per share at the issue of further equity in the business). The contractual life of the warrants granted is twenty years and the contract preserves a fixed equity percentage at the point of exercise. There is no cash settlement alternatives.

The movements in the number of warrants during the year were as follows:

	<b>2024</b>	<b>Unaudited</b>
	<b>Number</b>	<b>2023</b>
		<b>Number</b>
Outstanding, start of period	586,667	586,667
Outstanding, end of period	586,667	586,667
Exercisable, end of period	586,667	586,667

The movements in the weighted average exercise price of warrants during the year were as follows:

	<b>2024</b>	<b>Unaudited</b>
	<b>£</b>	<b>2023</b>
		<b>£</b>
Outstanding, start of period	0.60	0.60
Outstanding, end of period	0.60	0.60
Exercisable, end of period	0.60	0.60

17 Non adjusting events after the financial period

The company received monies from Convertible Loan Notes totaling £925,000 in March 2025, £375,000 in April 2025, and £150,000 in June 2025. These are repayable before 31 December 2025.