ALLIED MINDS PLC

ANNUAL REPORT AND ACCOUNTS
For the year ended 31 December 2023

STRATEGIC REPORT

Company Overview

Overview

Allied Minds is an IP commercialisation company primarily focused on early-stage company development within the technology sector.

We have historically invested in companies at an early stage, including seed investments to build companies based on a technical breakthrough or invention. As such, our investments have significant upside potential, but also carry significant risk inherent in the early-stage model.

Model

As a manager of a technology-focused portfolio in which we hold significant ownership positions, we seek to provide hands-on support over the life of our companies to support their growth, focusing on enabling and driving commercialisation, supporting follow-on investment rounds, and positioning for superior monetisation opportunities.

We seek to play an active role in developing the strategic direction of our portfolio companies and driving ongoing planning and assessment. Our Directors serve on the boards of directors of our portfolio companies, working with them to develop and implement strategic, operating and funding plans.

We evaluate on an on-going basis the progress and potential of each of the portfolio company's businesses and make strategic and funding decisions based on the regular review of operational and financial performance and the achievement of key milestones. Together with our management, the respective portfolio company boards of directors define the critical milestones, or inflection points, for each portfolio company and measure tangible progress towards commercialisation and the key factors for a successful monetisation event.

Where appropriate, we seek to include partners who validate the market opportunity and can provide support and/or commercial commitments to accelerate, expand and/or de-risk the path to commercialisation. Co-investors in later rounds include financial, strategic and commercial partners.

Strategy

Allied Minds is focused on supporting its existing portfolio companies and maximising monetisation opportunities for portfolio company interests. In March 2022, the Company announced that it was undertaking a formal strategic review, aimed at creating and / or realising shareholder value. As part of this strategic review, the Board has sought to ensure that the Company is being managed in as cost-efficient manner as possible. In conducting this review, the Board determined that the costs of maintaining a premium listing on the Official List and the Main Market of the London Stock Exchange was prohibitively high relative to Allied Minds' current size and on 30 November 2022 the Company announced that the listing of ordinary shares on the Official List of the Financial Conduct Authority and admission to trading on the Main Market for listed securities of the London Stock Exchange was cancelled.

Since delisting the Company has focused on reducing its cost base by outsourcing the finance and administration of the Company to Ocorian Administration (UK) Ltd. The Directors are focused on ensuring that the Company has sufficient cash runway so that it has time to maximise the monetization opportunities on the remaining portfolio investments.

Outlook

The Board remains deeply involved in guiding the remaining portfolio companies towards their eventual exits. Federated Wireless continues to forge ahead in the realm of shared spectrum technology, a crucial area as spectrum resources become increasingly scarce. Meanwhile, Orbital Sidekick is making notable strides on the technical front, with a clear path to breakeven in the short to medium term through further funding and satellite launches.

The Board continuously monitors and reviews international risks such as economic headwinds, including inflationary pressures, interest rates and component price increases, as well as changes in political and regulatory requirements. Higher US interest rates have increased economic uncertainty and made for a more challenging fund-raising environment. As a result, the Board is focusing on ensuring that the Company and its portfolio companies appropriately manage their cash resources.

Portfolio Company Valuation

Allied Minds provides qualitative and quantitative disclosure in relation to the commercial and financial progress of its portfolio companies. In addition, where commercially possible, Allied Minds provides, for each portfolio company: (i) the date of the last equity funding round, (ii) the post-money valuation of such round, (iii) the named key co-investors in such round, and (iv) the Company's issued and outstanding ownership (when provided by the portfolio company), and fully-diluted ownership, of such portfolio company.

This information is set forth in the Portfolio Review and Developments section below. The ownership interests are as at 31 December 2023. The fully-diluted percentages take into account outstanding stock options granted to employees, directors and advisors, current stock options available for grant pursuant to the company's stock option plan, and outstanding warrants to purchase common and preferred stock.

The post-money valuations disclosed for each entity below do not represent IFRS 13 fair values but rather, are based on the pre-money valuation set by the investors in the latest financing round plus the total money raised in that round.

There can be no guarantee that the aforementioned post-money valuations of the portfolio companies will be considered to be correct in light of the future performance of the various companies, or that the Company would be able to realise proceeds in the amount of such valuations, or at all, in the event of a sale by it of any of its portfolio companies or its ownership interest in such portfolio companies.

Portfolio Review and Developments

1) *Federated Wireless Inc.* *(Federated)*

Founded in 2012, Federated is the market leader in Citizen Band Radio Service (CBRS) shared spectrum**.** **Shared spectrum, also known as CBRS,** is an innovative technology that delivers the best attributes of traditional wireless and Wi-Fi, with lower fixed cost, higher quality, and greater efficiency and scale. As the first to market with a Spectrum Access System ("SAS"), Federated Wireless is the nationwide leader in the United States in enabling, commercializing, and driving adoption of shared spectrum.

The company has sustained double-digit growth in its shared spectrum segment, solidifying its market position and extending strategic partnerships and collaborations. It anticipates significant momentum in shared spectrum, driven by ongoing R&D advancements and the exploration of potential Artificial Intelligence applications. As spectrum remains a scarce resource, Federated is uniquely positioned to empower businesses and consumers with improved network capabilities.

Holdings and valuation:

- Date of Last Funding Round: May 2022
- Post-Money Valuation: $302 million
- Co-Investors: Cerberus Capital Management LLP and GIC (Singapore's sovereign wealth fund)
- Allied Minds' Issued and Outstanding Ownership: 32.79%
- Allied Minds' Fully-Diluted Ownership: 23.96%

2) *Orbital Sidekick Inc.* *(OSK) (preference share holding)*

OSK has harnessed its proprietary analytics platform, rooted in hyperspectral technology, to pioneer space-based chemical fingerprinting. Initially targeting pressing environmental concerns, particularly in energy pipeline monitoring, OSK's platform offers rapid detection and identification of natural gas, oil leaks, and other failures, surpassing current monitoring methods in efficiency and cost-effectiveness while mitigating environmental risks.

The company launched satellites GHOSt 1 and 2 in April 2023, followed by GHOSt 3 in June 2023. Notably, Ghost 4 and 5, launched in March 2024, are ahead of schedule in commissioning, demonstrating commendable progress. Due to the increase in coverage of the constellation OSK's SIGMA system achieved a significant milestone by identifying a methane leak for a customer, enabling prompt remediation and material cost savings. Moreover, the company's capability to detect methane leaks in non-customer pipelines underscores its unique selling proposition.

The Company recently raised c. $5m via a convertible note, in which ALM participated with $500k, provides interim financial support, with plans for a Series B round in the near future. Despite challenges in the funding landscape, OSK remains optimistic, banking on the progress of its satellite constellation to enhance its fundraising prospects.

Holdings and valuation:

- Date of Last Funding Round: March 2024
- Post-Money Valuation: $66.6 million
- Co-Investors: Temasek, Energy Innovation Capital and 11.2 Capital
- Allied Minds’ Issued and Outstanding Ownership in respect of preference shares: 20.43%
- Allied Minds’ Fully-Diluted Ownership: 14.42%

3) *OcuTerra Therapeutics, Inc.* (Ocuterra)

OcuTerra is a clinical-stage ophthalmology company dedicated to the development of innovative small molecule drugs for non-invasive treatment of ophthalmologic diseases typically managed in their early stages with a "watch and wait" approach. Following the successful completion of a $35 million Series B funding round in November 2021, the company initiated a Phase 2 trial in Q3 2022 for its non-invasive eyedrops (OTT166), targeting the early active management of Diabetic Retinopathy. This trial focused on assessing the treatment's efficacy in moderate to severe non-proliferative and mild proliferative Diabetic Retinopathy, conditions leading to vision impairment in diabetic patients.

Towards the latter part of 2023 and early 2024, OcuTerra secured $22.3 million through a convertible note offering to investors, aimed at funding the company through the Phase 2 trial readout, due 27 February 2024, and its subsequent ongoing operations. The anticipation was that, contingent upon a positive trial outcome, the company would pursue the drug's sale. The Board, after thorough deliberation, opted to participate in this funding round with a $1 million investment in January 2024. This decision was financially viable for ALM and predicated on attractive funding terms.

Prospects for the drug were promising on the basis of a positive phase 2 read out, with potentially significant risk adjusted returns on investment. However, the trial readout on February 27th proved disappointing. Despite early optimism stemming from Phase 1 trial results and the confidence of OcuTerra's management and Board, the drug failed to meet its primary efficacy endpoint and all key secondary endpoints. Given the magnitude of this setback and the challenges associated with securing additional funding, the company has initiated liquidation proceedings. As participants in the convertible note offering Allied Minds are in a position to potentially receive a small amount of proceeds as part of the liquidation process.

4) *BridgeComm, Inc.* (BCI)

BCI is a Company that is in the process of developing high-speed optical wireless communications to provide fast, secure, enterprise-grade broadband service for space, terrestrial and 5G connectivity. Allied Minds possessed a 39.99% stake in BCI, partnering with co-investor Aeroequity Industrial Partners (AEI). Throughout 2023, BCI focused on productizing and commercializing its technology while seeking external funding to continue to maintain its operations. Unfortunately, the company faced challenges in meeting a crucial technical milestone during the year, prompting hesitation from the board regarding the provision of further investment. Consequently, Allied Minds opted to sell its economic interest in BCI to AEI for a nominal fee, securing a 20% return on AEI's potential earnings beyond a specified threshold.

Key Performance Indicators

The following Key Performance Indicators (KPIs) were selected to measure the performance of the Company in 2023.

1. Increase Company Non-Executive Director (NED) engagement at each portfolio company. We have continued to hold NED roles on the board of each of the significant portfolio investments.
2. Provide strategic, operational and financing support and assistance to the portfolio companies through representation on the board of each portfolio company. We have continued to provide this support to each of the portfolio companies throughout the period.
3. Critically evaluate and monitor portfolio company progress with objective of maximising shareholder return on investment (ROI). We have critically evaluated the performance and this has resulted in the investment portfolio changes in the period.
4. Manage HQ cash and expenses to maximise shareholder ROI. HQ expenses in the current year were $2.8 million (2022: $5.2 million).

The Board places equal importance on each of the listed KPIs.

Financial Review

The Financial Review set out below reflects the fact that it is the view of the Board that the Company now meets the criteria of an Investment Entity as prescribed by IFRS 10 in relation to its subsidiaries and that the Company satisfies the relevant criteria (see page 30). The implications of this are that the Financial Statements presented represent Allied Minds PLC as a Company and its investment in Allied Minds LLC, which holds Group's interests in its portfolio companies.

Statement of comprehensive loss

For the year ended 31 December:		**2023**	**2022**
			Restated*
	Note	**$ '000**	**$ '000**
Interest Income		584	691
		584	691
Net (losses)/gains on financial assets held at fair value through profit or loss	***3***	(8,137)	63
Operating (loss) / income		**(7,553)**	**754**
Expenses			
Administrative expenses	***2***	(1,712)	(3,007)
		(1,712)	**(3,007)**
Tax	***10***	—	—
Operating loss		**(9,265)**	**(2,253)**
Other comprehensive income/(loss):			
Foreign currency translation differences		2,137	(5,746)
Total other comprehensive income/(loss)		2,137	(5,746)
Total comprehensive loss for the year		**(7,128)**	**(7,999)**

** Comparative information, including applicable Notes, has been restated due to adoption of the December 2014 amendments to IFRS 10. See Note 1 (d) for details.*

Interest Income represents income associated with the intercompany loan between Allied Minds PLC and Allied Minds LLC, which is charged at 1.25% on the loan balance (see below).

Net losses on financial assets at fair value through profit or loss represent the losses associated with the recognition of the net asset value of Allied Minds LLC (see below).

Administrative expenses represent the administration costs at the PLC only and do not include costs associated with Allied Minds LLC. Those combined costs were $2.8m in 2023 a decrease from the $5.2m recognised in 2022. The principal reason for the decrease in costs compared to the prior year (at an Allied Minds PLC level and on a "Group" basis) is due to the outsourcing of the remaining 5 employees to Ocorian Administration (UK) during the year as well as a removal of all costs associated with being a listed company (the Company delisted in November 2022).

Extract from the Statement of Financial Position

As at 31 December	***Note***	**2023** $ '000	**2022 Restated*** $ '000
Non-current assets			
Investments at fair value through profit or loss	***3***	39,221	45,800
Total non-current assets		**39,221**	**45,800**
Current assets			
Cash and cash equivalents	***5***	1,519	1,523
Trade and other receivables	***6***	225	17
Total current assets		**1,744**	**1,540**
Total assets		**40,965**	**47,340**
Current liabilities			
Trade & other payables	***7***	1,178	427
Total current liabilities		**1,178**	**427**
Net current assets		**566**	**1,113**
Net assets		**39,787**	**46,913**

The principal asset of the Allied Minds PLC balance sheet is the Investment in Allied Minds LLC, the reconciliation of which is shown below. This represents the movement in the intercompany loan, the movement in the underlying net asset value of Allied Minds LLC and the movement in FX, given the loan is denominated in GBP. The reconciliation in this movement is shown below.

The cash and cash equivalents represent cash held at Allied Minds PLC. Across group companies Allied Minds held cash of $4,579k (2022: $7,818k) at year end 2023, with the majority of this held in Allied Minds Securities Corp ($2,939k, see below).

Movement in Investment in Allied Minds LLC

Investments for the year ended 31 December 2023	Loans $ '000	Equity Interest $ '000	Total $ '000
Opening balance	45,737	63	45,800
Additions	584	-	584
Repayments	(1,163)	-	(1,163)
Unrealised movement in fair value	-	(8,137)	(8,137)
Unrealised – FX	2,137	-	2,137
Closing balance	**47,295**	**(8,074)**	**39,221**

Investments for the year ended 31 December 2022	Loans $ '000	Equity Interest $ '000	Total $ '000
Opening balance	53,271	-	53,271
Additions	715	-	715
Repayments	(2,598)	-	(2,598)
Derecognition of subsidiary	-	(7,408)	(7,408)
Unrealised movement in fair value of investments	-	7,471	7,471
Unrealised – FX	(5,651)	-	(5,651)
Closing balance	**45,737**	**63**	**45,800**

As the Company has adopted the IFRS 10 exemption, the Company no longer equity accounts for investments in Allied Minds LLC, principally the common stock investments in Federated Wireless and BridgeComm. This is recognized in the equity interest movement in 2022 with the derecognition of Allied Minds LLC on an equity accounting basis offset by the recognition of those assets now accounted for at fair value. The unrealized movement in fair value of $8,137k in 2023 represents the movement in the fair value of Allied Minds LLC’s net assets, which is shown below.

Allied Minds LLC Net Asset Value

As at 31 December	2023 $ '000	2022 Restated* $ '000
Non-current assets		
Fixed Assets	36	186
Federated Wireless	28,627	28,151
Orbital Sidekick	4,453	6,633
Ocuterra	1,811	4,312
BridgeComm	—	3,136
Allied Minds Securities Corp	2,930	3,580
	37,857	**45,998**
Current assets		
Cash and cash equivalents	120	404
Other Current Assets	1,247	126
	1,367	**530**
Current liabilities	(2)	(728)
Long Term Loans Payable	(47,296)	(45,737)
Net assets	**(8,074)**	**63**

The table above outlines the fair value of the assets and liabilities held by Allied Minds LLC, the holding company for the Group's investments. The valuation of Allied Minds LLC's portfolio companies aligns with IFRS 13 standards (refer to note 1 (d) in the accounts). Key changes in investments over the year include the write-off of BridgeComm and a significant reduction in the value of Ocuterra, due to the uncertainty surrounding the Phase 2 trial of its OTT166 drug. The decreased value of Orbital Sidekick reflects the relative valuation of similar companies over the year and the implied value from recent funding rounds. Allied Minds Securities Corp solely holds cash for the Group, so its value change corresponds to a reduction in cash during the year.
Included within other current assets is $739k of intercompany debtors due from Allied Minds PLC and a sundry debtor of $500k. This debtor represents a payment due to Allied Minds LLC in relation to an Asset Purchase Agreement (APA) signed in 2017 for the sale of the assets of Biotectix, LLC, a medical device company, to Heraeus Medical Components LLC. A patent was granted for an asset sold as part of the APA, which subsequently triggered a $500k payment due to Allied Minds LLC.

The movement in the Long Term Loans Payable balance is shown above with the majority of the movement due to FX.

Risk Management

The execution of the Company's strategy is subject to a number of risks and uncertainties. The Board has adopted a system of continuous review in which it regularly consults with management to identify principal and emerging risks facing the Company and to assess and determine how to address and mitigate against such risks in a manner consistent with the Company's risk appetite to achieve its strategic goals. Throughout the year, the Board considers and reviews both risks arising from the internal operations of the Company, and those arising from the business environment in which it operates. It is possible that one or more of these identified risks could impact the Company in a similar timeframe which may compound their effects.

With our focus on early stage company development, commercialisation and monetisation, the Company inherently faces significant risks and challenges. The overall aim of the risk management policy is to achieve an effective balance of risk and reward, although ultimately, no strategy can provide an absolute assurance against loss.

The Board has carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency and/or liquidity. The major risks and uncertainties identified by the Board are set out below, along with the consequences and mitigation strategy of each risk.

1. The science and technology being developed or commercialised by the Company's businesses may fail and/or the Company's businesses may not be able to develop their innovations and intellectual property into commercially viable products or technologies. There is also a risk that some of the portfolio companies may fail or not succeed as anticipated, whether as a result of technical, product, market, fund-raising or other risks, resulting in an impairment of the Company's value.

Impact: The failure of any of the Company's portfolio companies would impact the Company's value.

Mitigation:

- Before making any follow-on investment in the current portfolio, extensive due diligence is carried out by the Company which covers all the major business risks including market size, strategy, adoption and intellectual property. Where appropriate, we seek validation through co-investment by other strategic and/or financial parties.
- A disciplined approach to capital allocation is pursued whereby we closely monitor milestone developments before committing additional capital. Should a project fail to achieve sufficient progress or is unable to attract other co-investors, we may terminate the investment.
- Dedicated leadership with deep industry or sector knowledge, and relevant technical and/or leadership experience, is recruited to management positions, and the Company ensures that each portfolio company has independent directors and/or other advisors, as appropriate for the relevant stage of development.
- Each portfolio company holds board of director meetings at least quarterly, with participation from the Company's Directors along with senior management and independent directors and/or advisors, as appropriate, of such portfolio company.
- Within the Board there is meaningful operating and investment expertise that provide direct, hands-on and strategic, operating and fund-raising support to its portfolio companies, as appropriate.

2. The portfolio companies expect to incur substantial expenditure in further research and development, product development, sales and marketing and other operational activities of its businesses. There is no guarantee that the Company or any of its individual portfolio companies will become profitable prior to the achievement of a portfolio company sale or other liquidity event, and, even if the Company or any of its individual portfolio companies does become profitable, such profitability may not be sustainable. The Company may not be able to attract other co-investors, or monetise its ownership interests in portfolio companies, during any specific time frame or otherwise on desirable terms, if at all.

Impact: Allied Minds' objective is to generate returns for its shareholders through early stage company development within the technology sector. Such value is expected to be delivered through the commercialisation and monetisation of these businesses via a sale or other liquidity event for each. The timing and size of these potential inflows is uncertain and, should liquidity events not be forthcoming, or in the event that they are achieved at values significantly less than the amount of capital invested, then it would be difficult to sustain the current levels of investment in the other portfolio companies. This would lead to reduced participation in funding rounds, which will result in a lower ownership position.

Mitigation:

- The Company has relationships with a number of investors, including within its current shareholder base, and continues to identify and develop strategic and financial relationships for co-investing in the Company's portfolio companies.
- Non-Executive Directors seek to build and maintain strategic and financial relationships for the Company, and each portfolio company continually seeks to engage in strategic and financial relationships relevant to their respective markets and to maintain current information on, and awareness of, potential fund-raising and monetisation strategies.

3. The Company operates in complex and specialised business domains and requires highly qualified and experienced management to implement its strategy successfully. All of the operations of the Company are located in the United States, which is a highly competitive employment market. Furthermore, given the relatively small size of the senior management at the corporate level, the Company is reliant on a small number of key individuals.

<u>Impact</u>: There is a risk that the Company may lose key personnel, or fail to attract or retain new personnel. The loss of key personnel may negatively affect the Company's operations.

<u>Mitigation</u>: The Directors are working with shareholders to ensure that appropriate compensation and incentive packages are in place to ensure continuity of key personnel.

4. The US Investment Company Act of 1940 regulates companies which are engaged primarily in the business of investing, reinvesting, owning, holding or trading in securities. Securities issued by companies other than consolidated partner companies are generally considered ''investment securities'' for purposes of the Investment Company Act, unless other circumstances exist which actively involve the company holding such interests in the management of the underlying company.

<u>Impact</u>: If the Company is deemed to be an ''investment company'' subject to regulation under the Investment Company Act, applicable restrictions could make it impractical for the Company to continue its business as contemplated and could have a material adverse effect on its business.

If anything were to happen which would cause the Company to be deemed to be an investment company under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on capital structure, ability to transact business with portfolio companies and ability to compensate key employees, could make it impractical for it to continue its business as currently conducted.

<u>Mitigation</u>:

- The Company intends to monitor and conduct its operations so that it will not be deemed to be an investment company under the Investment Company Act.
- Currently the Company holds more than 20% of the voting securities in one of its portfolio companies, which from a value perspective represent a significant majority of the portfolio and for which it continues to maintain significant influence.

- The Company seeks to maintain significant influence in portfolio companies through a combination of the following:
    - Rights to elect representatives to the board of directors, with ability to exercise influence over the portfolio company's business strategy, operating plans, budgets and key corporate decisions;
    - Legal rights, such as access to information (books and records) and financial statements, liquidation preferences, registrations rights, rights of first refusal, pre-emptive rights and co-sale rights; and
    - Protective provisions, such as rights to block certain portfolio company actions.

5. As a result of the Company's strategy, the Company's overall success is dependent on a limited, finite portfolio of businesses. If one or more of such businesses were to fail, this would have a material adverse impact on the overall value of the Company's businesses and the Company's ability to return money to shareholders.

Impact: The failure of one or more remaining Company businesses would materially impact the overall value of the Company's portfolio and have a consequent effect on the returns available to shareholders. This should also be seen in the light of the ongoing cost of living crisis and the impact of high levels of inflation in the US and UK and subsequent increases in interest rates, which may have an impact on the performance and valuation of individual portfolio companies.

Mitigation:

- The Board is committed to engaging and working closely with the remaining portfolio companies to provide guidance and advice as they navigate funding, operational, and other needs.
- The Board continues to monitor performance, progress, and development of each portfolio company to critically assess the return prospects of the remaining portfolio and make adjustments as necessary.
- The Board is taking steps to ensure that individual portfolio companies conserve cash and cut costs taking into account the current wider economic environment.

6. Given its current cash and financial position, the Company expects to remain operational through the next three years. However, if the Company is unable to generate sufficient revenue, appropriately manage expenses, attract co-investors to participate in follow-on portfolio company financings, or generate a sale or other liquidity event for any of its existing portfolio companies or portfolio company interests prior to the end of such period, then the Company's business, financial condition, results of operations, prospects and future viability could be adversely affected.

Impact: Lack of capital could restrict the Company's ability to further fund, develop and commercialise its existing businesses. In turn, this could ultimately lead to the failure of individual portfolio companies and loss of investment as well as failure of the Company as a whole.

Mitigation:

- The Board continually seek to build and maintain close relationships with its shareholder base and other strategic partners at the Company level, and each portfolio company continually seeks to engage in strategic relationships relevant to their respective markets and to maintain current information on and awareness of potential fund-raising and monetisation strategies.
- The Company strives to maintain influence over all of the portfolio companies and/or portfolio company board representation, so that it can seek to influence optimal capital allocation, use of cash, and fund-raising strategy.
- The Company continuously and critically reviews the progress of its portfolio companies against pre-set milestones to ensure its financial capital and human resource is properly allocated to the more promising areas of its portfolio to help strengthen and accelerate the Company's path to monetisation.

This Strategic Report has been approved by the Board of Directors.

ON BEHALF OF THE BOARD

DocuSigned by:
Sam Dobbyn
C9FE21DBC9A4428...

Sam Dobbyn
Director
7 June 2024

MANAGEMENT AND GOVERNANCE

Directors' Report

The Directors present their report together with the audited financial statements for Allied Minds plc and its subsidiaries for the year ended 31 December 2023. The Company was incorporated on 15 April 2014 under the UK Companies Act 2006 (Companies Act).

Directors

The Directors of the Company as at 31 December 2023 included Bruce Failing and Sam Dobbyn. Juan Morera was not re-elected as a Non-Executive Director at the AGM held on 26 July 2023. Bruce Failing subsequently resigned from the Company on 29 February 2024. Mark Lerdal was appointed to the Board on 29 February 2024.

None of the Directors were materially interested in any significant contract to which the Company or any of its portfolio companies were party during the year.

Employees

Following the period end, the Board announced the termination of its employees and the appointment of a third-party company, Ocorian, to undertake administrative and financial roles.

Results and Dividends

During the period, the Company generated a net comprehensive loss after taxation for the year ended 31 December 2023 of $7.1 million (2022 restated: $8.0 million). The Directors do not recommend the payment of an ordinary dividend for 2023 (2022: nil).

Strategic Report

The Company's Strategic Report can be found on pages 3 to 14 and includes information as to the Company's activities in the field of research and development, and as to the likely future development of the Company. Financial key performance indicators can be found on page 7.

The Strategic Report contains forward-looking statements with respect to the business of Allied Minds. These statements reflect the Board's current view, are subject to a number of material known and unknown events, risks and uncertainties, and could change in the future. Factors that could cause or contribute to such changes include, but are not limited to, anticipated changes to senior management of the Company, general economic climate and trading conditions, as well as specific factors relating to the financial or commercial prospects or performance of the Company's individual portfolio companies, and the ability to consummate expected fundraising and other transactions.

Strategic review

Allied Minds is focused on supporting its existing portfolio companies and maximising monetisation opportunities for portfolio company interests. In early 2022 the Board reviewed strategic options available to it in order to return value to shareholders. The Board conducted a “Formal Sale Process" in accordance with Rules 2.4 and 2.6 of the Takeover Code and explored other strategic options such as seeking to distribute certain assets and any cash reserves directly back to shareholders through a re-structure. No interest was forthcoming as part of the formal sale process. As part of this strategic review, the Board has sought to ensure that the Company is being managed in as cost-efficient manner as possible.

In conducting this review, the Board considered that the costs of maintaining a premium listing on the Official List and the Main Market of the London Stock Exchange prohibitively high relative to Allied Minds' current size and deemed maintaining a public listing was no longer in the best interests of the Company and its Shareholders as a whole. As a result Shareholders voted on 2 November 2022 to delist the Company and trading on the Official List and the Main Market of the London Stock Exchange was cancelled on 30 November 2022. Given the conclusion of the Strategic Review, the Board will continue to aim to monetise the Company’s ownership positions at the appropriate time, recognising the value and benefit in achieving well-timed risk-adjusted returns for the benefit of shareholders. Upon the event of successful monetisation events from the sale of portfolio companies or portfolio company interests, Allied Minds anticipates distributing the net proceeds to its shareholders, after due consideration of potential follow-on investment opportunities within the existing portfolio and working capital requirements.

Principal and Emerging Risks and Uncertainties and Financial Instruments

The Company, through its operations, is exposed to a number of risks. The Company’s risk management objectives and policies are described on pages 10 to 14. Further information on the Company’s financial risk management objectives and policies, including those in relation to credit risk, liquidity risk and market risk, is provided in note 9 to the consolidated financial statements, along with further information on the Company’s use of financial instruments. The pages referenced in this paragraph are incorporated into this Directors’ Report by reference.

Significant Agreements

The Company has not entered into any significant agreements which may be impacted by a change of control following a takeover bid.

Share Capital

Details of the structure of the Company’s share capital and the rights attaching to the Company’s shares are set out in note 8 to the financial statements. Other than the minimum share ownership policy adopted by the Board in April 2016 with respect to Executive Directors, there are no specific restrictions on the holding of securities or on the transfer of shares, which are both governed by the general provisions of the Company’s Articles of Association (Articles) and prevailing legislation. None of the ordinary shares carry any special rights with regard to control of the Company and there are no restrictions on voting rights.

Under the Companies Act, the Company has the power to purchase its own shares in accordance with Part 18, Chapter 5 of the Companies Act. At the 2022 AGM, a special resolution was passed which granted the Directors authority to make market purchases of the Company’s shares pursuant to these provisions of the Companies Act up to a maximum of approximately 10% of the Company’s issued share capital on

14 June 2022 provided that the authority granted set a minimum and maximum price at which purchases can be made and is exercisable at any time up to the earlier of the conclusion of the next AGM and 30 September 2024.

Directors' Indemnity and Liability Insurance

During the year, the Company has maintained liability insurance in respect of its directors who held office during the period. Subject to the provisions of the Companies Act, the Articles provide that every director is entitled to be indemnified out of the funds of the Company against any liabilities incurred in the execution or discharge of his or her powers or duties.

Going concern

The financial statements and accounts have been prepared on a going concern basis. In determining this judgement, and assessed as a period of 12 months from the date the financial statements are approved, the directors assess the Company's working capital needs and irrevocably committed financial obligations. This considered sensitivities around the Company's operating costs and the future capital requirements of its portfolio companies. As stated in the Company Overview on pages 3 to 4, the Directors remain focused on supporting our existing portfolio companies and maximising monetisation opportunities for portfolio company interests, and not to deploy any capital into new portfolio companies. This approach reflects the continuation of the Company's existing strategy and, taken together with significant reductions of its central costs, allows the Company to remain viable for the going concern period. This strategy, pursued to its conclusion, would see the Company's existing assets continue to be managed and eventually monetised, with no investments in new companies being taken on and with a view to returning surplus proceeds to shareholders.

The Directors carried out an assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, and the other principal and emerging risks detailed in the Strategic Report. The period under review includes the assumption that further funding is not required by the Company in the form of proceeds from either the sale of individual portfolio companies, the sale of certain portfolio company interests in secondary market transactions, or a combination thereof. The Directors believe that their assessment is appropriate as it aligns with the Company's normal and well-established budgeting process.

In making their assessment, the Directors considered a wide range of information, including present and future economic conditions, future projections of profitability, cash flows and capital requirements, and the potential sale of certain portfolio company interests in secondary market transactions.

In summary, the Directors have assessed the Going Concern of the Company over the 12 month period from the date of the Annual Report's approval. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due.

Our Business Ethics and Social Responsibility

The Company seeks to conduct all of its operating and business activities in an honest, ethical and socially responsible manner. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and for the Company's directors and staff to have due regard to the interest of all of its stakeholders including investors, partners, employees, customers, suppliers and the businesses in which the Company invests. We expect our entire workforce to maintain high standards in accordance with our internal policies on conduct. The Company has in place avenues through which employees can raise matters confidentially or anonymously and the Board, through the Audit Committee, regularly reviews whistleblowing reports provided by the whistleblowing officer and the Chairman of the Audit Committee.

We take a zero tolerance approach to bribery and corruption and implement and enforce effective systems to counter bribery. The Company is bound by the laws of the UK, including the Bribery Act 2010, and has implemented policies and procedures to address such laws, as well as the laws in each jurisdiction where the Company operates, including the US.

Disclosure of Information to Auditor

Each of the persons who is a Director 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 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 Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act.

Annual General Meeting

The Annual General Meeting (AGM) will be held on 28 June 2024. The Notice of AGM circulated with this Report and Accounts contains a full explanation of the business to be conducted at that meeting.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the appointment of Cooper Parry Group Limited as Auditor of the Company was resolved on 27 October 2023.

Under section 487(2) of the Companies Act 2006, Cooper Parry Group Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Company financial statements, in accordance with applicable law and UK adopted international accounting standards ("IFRS").

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 company and of their profit or loss for that period.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in business; and
- prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006.

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 its financial statements comply with the Companies Act 2006. The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

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

ON BEHALF OF THE BOARD

DocuSigned by:
Sam Dobbyn
C9FE21DBC9A4428...

Sam Dobbyn
Director
7 June 2024

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Allied Minds Plc) for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the Company's loss for the year then ended;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

Conclusions relating to going concern

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

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 Company's ability to continue as a going concern for a period of at least 12 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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.

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

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

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which they operate, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We discussed with management the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focused on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual; suspected or alleged fraud and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 more when 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. In assessing the potential risks of material misstatement we obtained an understanding of; the entities operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement. We did not identify any matters relating to non-compliance with laws and regulations relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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:
Andrew Cross
1386C56794D3435...

Andrew Cross FCA (Senior Statutory Auditor)

for and on behalf of Cooper Parry Group Limited

Statutory Auditor

New Derwent House

69-73 Theobalds Road

London

WC1X 8TA

Date: 07 June 2024

STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

For the year ended 31 December:		**2023**	**2022 Restated***
	Note	**$ '000**	**$ '000**
Interest Income		584	691
		584	691
Net (losses)/gains on financial assets held at fair value through profit or loss	***3***	(8,137)	63
Operating (loss) / income		**(7,553)**	**754**
Expenses			
Administrative expenses	***2***	(1,712)	(3,007)
		(1,712)	**(3,007)**
Tax	***10***	—	—
Operating loss		**(9,265)**	**(2,253)**
Other comprehensive income/(loss):			
Foreign currency translation differences		2,137	(5,746)
Total other comprehensive income/(loss)		2,137	(5,746)
Total comprehensive loss for the year		**(7,128)**	**(7,999)**

** Comparative information, including applicable Notes, has been restated due to adoption of the December 2014 amendments to IFRS 10. See Note 1 (d) for details.*

The accompanying notes on pages 28 to 48 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December	*Note*	**2023** $ '000	**2022 Restated*** $ '000
Non-current assets			
Investments at fair value through profit or loss	*3*	39,221	45,800
Total non-current assets		**39,221**	**45,800**
Current assets			
Cash and cash equivalents	*5*	1,519	1,523
Trade and other receivables	*6*	225	17
Total current assets		**1,744**	**1,540**
Total assets		**40,965**	**47,340**
Current liabilities			
Trade & other payables	*7*	1,178	427
Total current liabilities		**1,178**	**427**
Net current assets		566	1,113
Net assets		**39,787**	**46,913**
Equity			
Share capital	*8*	3,767	3,767
Treasury shares	*8*	(983)	(983)
Translation Reserve	*8*	(24,380)	(24,464)
Retained earnings	*8*	61,383	68,593
Total equity		**39,787**	**46,913**

** Comparative information, including applicable Notes, has been restated due to adoption of the December 2014 amendments to IFRS 10. See Note 1 (d) for details.*

Registered number: 08998697

The financial statements were approved by the Board of Directors and authorised for issue on 7 June 2024 and signed on its behalf by:

DocuSigned by:
Sam Dobbyn
C9FE21DBC9A4428...

Sam Dobbyn
Non-Executive Director

The accompanying notes on pages 28 to 48 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023		Share capital		Treasury Shares		Other	Accumulated	Total
		Shares	Amount	Shares	Amount	reserve	reserves	equity
	Note		$' 000	000's	$' 000	$' 000	$' 000	$' 000
Balance at 31 December 2021		**242,187,985**	**3,767**	**(2,538)**	**(738)**	**(55,215)**	**107,357**	**55,171**
Total comprehensive loss for the year								
Loss for the year		—	—	—	—	—	(2,316)	(2,316)
Foreign currency translation		—	—	—	—	5,161	(10,907)	(5,746)
Derecognition of Subsidiary	1 (d)	—	—	—	—	25,590	(25,527)	63
Total comprehensive loss for the year Restated*						**30,751**	**(38,750)**	**(7,999)**
Repurchase of ordinary share		—	—	(2,176)	(245)	—	—	(245)
Equity-settled share based payments		—	—	—	—	—	(14)	(14)
Balance at 31 December 2022 Restated*		**242,187,985**	**3,767**	**(4,714)**	**(983)**	**(24,464)**	**68,593**	**46,913**
Total comprehensive loss for the year								
Total comprehensive loss for the year		—	—	—	—	84	(7,212)	(7,128)
Equity-settled share based payments	4	—	—	—	—	—	2	2
Balance at 31 December 2023		**242,187,985**	**3,767**	**(4,714)**	**(983)**	**(24,380)**	**61,383**	**39,787**

** Comparative information, including applicable Notes, has been restated due to adoption of the December 2014 amendments to IFRS 10. See Note 1 (d) for details.*

The accompanying notes on pages 28 to 48 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023	*Note*	**2023** $ '000	**2022 Restated*** $ '000
Cash flows from operating activities:			
Loss for the year		(9,265)	(2,253)
Adjustments to reconcile net loss to net cash used in operating activities:			
Share-based compensation expense	***4***	2	(14)
Derecognition of subsidiary interest	***1(d)***	(584)	(691)
Unrealised movement in fair value of investments	***3***	8,137	(63)
(Increase)/decrease in trade and other receivables	***6***	(208)	291
Increase in trade and other payables	***7***	751	335
Other finance income		—	(92)
Net cash used in operating activities		**(1,167)**	**(2,487)**
Cash flows from investing activities:			
Proceeds from issuance of note receivable		—	(25)
Repayments of note receivable from subsidiary		1,163	2,598
Net cash used/provided by investing activities		**1,163**	**2,573**
Cash flows from financing activities:			
Payments to repurchase ordinary shares	***8***	—	(245)
Net cash provided by financing activities		**—**	**(245)**
Net increase/(decrease) in cash and cash equivalents		(4)	(159)
Cash and cash equivalents at beginning of the year		1,523	1,682
Cash and cash equivalents at end of the year		**1,519**	**1,523**

** Comparative information, including applicable Notes, has been restated due to adoption of the December 2014 amendments to IFRS 10. See Note 1 (d) for details.*

The accompanying notes on pages 28 to 48 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Material Accounting Policies

a) General Information

Allied Minds Plc ("Allied Minds" or the "Company") is a company incorporated and domiciled in the UK.

The Company was listed on the main market of the London Stock Exchange until 2 November 2022 when it passed a matter to cancel the listing of the ordinary shares of the Company ("Shares") on the Official List of the Financial Conduct Authority ("FCA") and the trading thereof on the main market of the London Stock Exchange (the "Delisting Resolution") was voted on by way of a poll and was duly passed by the requisite majority of the Company's shareholders. Following the passing of the Delisting Resolution the last day of dealings of the Shares on the Main Market was Tuesday 29 November 2022. Cancellation of the listing of the Shares on the Official List of the FCA took effect at 8:00 am on Wednesday 30 November 2022.

Around the time of the Delisting Resolution, the Board's focus moved from having a degree of practical control over the Company's subsidiaries in their ongoing activities, to that of managing the investments to an orderly windup. As further outlined in note 1 (d), the Board have assessed that the Company now meets the definition of an investment entity, as set out in IFRS 10 "Consolidated Financial Statements" in relation to all its subsidiaries and have prepared the financial statements on this basis for the year ended 31 December 2023.

The Company's financial statements for the prior year were prepared on a consolidated basis for the Company and its subsidiaries (together referred to as the "Group") as the Group existed for the majority of that financial year. Under the transitional provisions of IFRS 10, this change in accounting policy is required to be accounted for retrospectively and the relevant comparative figures have been restated. Information on the quantitative impact on this change in accounting policy is shown below.

b) Basis of Preparation

The annual financial statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

These financial statements have been prepared under the historical cost convention with the exception of financial assets measured at fair value through profit or loss.

The functional currency of the Company is British pounds. The Financial Statements are presented in United States Dollars, the Company's reporting currency. All amounts have been rounded to the nearest thousand unless otherwise indicated.

New and amended standards and interpretations applied

The following new standards or interpretations are effective for the first time for periods beginning on or after 1 January 2023 and had an effect on the Company's financial statements:

- Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*);
- Definition of Accounting Estimates (Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*).

New and amended standards and interpretations not applied

At the date of authorisation of these financial statements, the following amendments had been published and will be effective in future accounting periods.

Effective for accounting periods beginning on or after 1 January 2024:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 *Presentation of Financial Statements*);

Effective for accounting periods beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The impact of these standards is not expected to be material to the reported results and financial position of the Group.

c) Going Concern

The financial statements and accounts have been prepared on a going concern basis. In determining this judgement, and assessed as a period of 12 months from the date the financial statements are approved, the directors assess the Company's working capital needs and irrevocably committed financial obligations. This considered sensitivities around the Company's operating costs and the future capital requirements of its portfolio companies. As stated in the Company Overview on pages 3 to 4, the Directors remain focused on supporting our existing portfolio companies and maximising monetisation opportunities for portfolio company interests, and not to deploy any capital into new portfolio companies. This approach reflects the continuation of the Company's existing strategy and, taken together with significant reductions of its central costs, allows the Company to remain viable for the going concern period. This strategy, pursued to its conclusion, would see the Company's existing assets continue to be managed and eventually monetised, with no investments in new companies being taken on and with a view to returning surplus proceeds to shareholders.

The Directors carried out an assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, and the other principal and emerging risks detailed in the Strategic Report. The period under review includes the assumption that further funding is not required by the Company in the form of proceeds from either the sale of individual portfolio companies, the sale of certain portfolio company interests in secondary market transactions, or a combination thereof. The Directors believe that their assessment is appropriate as it aligns with the Company's normal and well-established budgeting process.

In making their assessment, the Directors considered a wide range of information, including present and future economic conditions, future projections of profitability, cash flows and capital requirements, and the potential sale of certain portfolio company interests in secondary market transactions.

In summary, the Directors have assessed the Going Concern of the Company over the 12 month period from the date of the Annual Report's approval. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due.

d) Accounting for Subsidiaries

For all reporting periods up to and including 31 December 2022, the desired goal of the business was that of an IP commercialisation company to develop technologies in early-stage businesses by providing shared services and having a degree of practical control over those investments to achieve that aim. The underlying measurement of success for the consolidated portfolio investments was progress in relation to key strategic milestones in bringing their products to market and not the fair value of the business. Hence, the Company did not apply the IFRS 10 Investment Entity exemption. The Company therefore consolidated the results of its sole subsidiary, Allied Minds LLC, using the equity accounting method.

Subsequent to the Delisting Resolution, it is the view of the Board that the Company now meets the criteria of an Investment Entity as prescribed by IFRS 10 in relation to its subsidiaries and that the Company continues to satisfy the 3 essential criteria to be regarded as an investment entity as defined in IFRS 10, IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Consolidated and Separate Financial Statements".

The 3 essential criteria are such that the entity must:

1. Obtain funds from one or more investors for the purpose of providing these investors with professional investment management services;
2. Commit to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and
3. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In satisfying the second essential criteria, the notion of an investment time frame is critical. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. The Company intends to hold its investments to an orderly wind up to preserve the capital value of the portfolio, which demonstrates a clear exit strategy from these investments.

Subsidiaries are therefore measured at fair value through profit or loss, in accordance with IFRS 13 "Fair Value Measurement" and IFRS 9 "Financial Instruments". The financial support provided by the Company to its unconsolidated subsidiaries is disclosed in note 10.

The Company makes its investments through its single, direct subsidiary, Allied Minds LLC, in which it is the sole shareholder. Effective from 1 January 2023, the Company no longer accounts for its investment in Allied Minds LLC using the equity accounting method. The Board believes that using fair value as the basis of accounting for the investment portfolio will provide more relevant information for the users of the accounts and therefore Allied Minds LLC is now recognised at fair value through profit or loss.

Under the transitional provisions of IFRS 10 this change in accounting policy is required to be accounted for retrospectively and the relevant comparative figures have been restated. Information on the quantitative impact on this change in accounting policy is shown below in Note 1(d).

This change does affect the total net assets and introduces presentational changes to the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and to many notes to the accounts, with relevant comparative figures being restated.

The following tables illustrate the quantitative impact to the amendment on the restated comparative balances shown in the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

The impact on reserves as outlined in the Statement of Changes in Equity brought forward from 31 December 2022 and as at 31 December 2023 is $2.1m.

d) Accounting for subsidiaries (continued)

Statement of Comprehensive Loss:

For the year ended:	**2022**	**2022 Adjustments**	**2022 Restated**
	$ '000	$ '000	$ '000
Interest Income	691	—	691
	691	—	691
Net gains on financial assets held at fair value through profit or loss	—	63	63
Operating income	**691**	**63**	**754**
Expenses			
Administrative expenses	3,007	—	3,007
	3,007	**—**	**3,007**
Tax	—	—	—
Operating loss	**(2,316)**	**63**	**(2,253)**
Other comprehensive loss:			
Foreign currency translation differences	(5,746)	—	(5,746)
Total other comprehensive loss	**(5,746)**	**—**	**(5,746)**
Total comprehensive loss for the year	**(8,062)**	**63**	**(7,999)**

d) Accounting for subsidiaries (continued)

Statement of Financial Position:

	2022 As reported $ '000	2022 Adjustments $ '000	2022 Restated $ '000
Non-current assets			
Investments at fair value through profit or loss	—	63	63
Loan to subsidiary	45,737	—	45,737
Total non-current assets	**45,737**	**63**	**45,800**
Current assets			
Cash and cash equivalents	1,523	—	1,523
Trade and other receivables	17	—	17
Total current assets	**1,540**	—	**1,540**
Total assets	**47,277**	**63**	**47,340**
Current liabilities			
Trade & other payables	427	—	427
Total current liabilities	**427**	**—**	**427**
Net current assets	1,113	—	1,113
Net assets	**46,850**	**63**	**46,913**
Equity			
Share capital	3,767	—	3,767
Treasury shares	(983)	—	(983)
Other reserves	(50,054)	25,590	(24,464)
Retained earnings/(losses)	94,120	(25,527)	68,593
Total equity	**46,850**	**63**	**46,913**

Valuing the subsidiary at fair value through profit or loss, in accordance with IFRS 13 “Fair Value Measurement” and IFRS 9 “Financial Instruments”, has resulted in an overall impact on reserves of $2.1m.

d) Accounting for subsidiaries (continued)

Statement of Cash Flows:

For the year ended:	**2022 As reported** $ '000	**2022 Adjustments** $ '000	**2022 Restated** $ '000
Cash flows from operating activities:			
Loss for the year	(2,316)	63	(2,253)
Adjustments to reconcile net loss to net cash used in operating activities:			
Share-based compensation expense	(14)	—	(14)
Derecognition of subsidiary interest	(691)	—	(691)
Unrealised movement in fair value of investments	—	(63)	(63)
Decrease in trade and other receivables	291	—	291
Increase in trade and other payables	335	—	335
Other finance cost	(92)	—	(92)
Net cash used in operating activities	**(2,487)**	**-**	**(2,487)**
Cash flows from investing activities:			
Proceeds from issuance of note receivable	(25)	—	(25)
Repayments of note receivable from subsidiary	2,598	—	2,598
Net cash provided by investing activities	**2,573**	**—**	**2,573**
Cash flows from financing activities:			
Payments to repurchase ordinary shares	(245)	—	(245)
Net cash used by financing activities	**(245)**	**—**	**(245)**
Net decrease in cash and cash equivalents	(159)		(159)
Cash and cash equivalents at beginning of the year	1,682		1,682
Cash and cash equivalents at end of the year	**1,523**	**—**	**1,523**

e) Foreign Currency

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

f) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid instruments with original maturities of three months or less.

g) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company offsets financial assets and financial liabilities if the Company has a legally enforceable legal right to offset the recognised amounts and interests and intends to settle on a net basis or realise the asset and liability simultaneously.

Classification – Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets are initially measured at fair value. The Company has not classified any of its financial assets as 'held to maturity' or as 'available for sale'.

The Company's financial assets comprise of only financial assets held at fair value through profit or loss, cash and loans and receivables.

Classification – Financial Liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All financial liabilities are initially recognised at fair value net of transaction costs incurred. All purchases of financial liabilities are recorded on the trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values.

The Company's financial liabilities consist of only financial liabilities measured at amortised cost.

Financial Instruments Issued by the Company

Under IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the financial instrument is classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in the financial information for share capital account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists, these components are separated and accounted for individually under the above policy.

h) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

i) Share Capital

Ordinary shares are classified as equity. The Company considers its capital to comprise share capital, treasury shares, translation reserve, and accumulated deficit.

j) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current Income Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Income Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities where the Company intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred taxes are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

k) Finance Income and Finance Costs

Finance income mainly comprises interest income on funds invested and foreign exchange gains. Finance costs mainly comprise of loan interest expenses and foreign exchange losses. Interest income and interest payable are recognised as they accrue in profit or loss, using the effective interest method.

l) Share-based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company. The Company's share-based payment scheme, which awards shares in the Company, includes recipients who were not employees in the company, but in its subsidiaries.

The grant date fair value of share-based payment awards granted is recognised as an expense, with a corresponding increase in equity, over the period that the members become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

m) Use of judgements and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively. The unquoted equity has been valued based on unobservable inputs (see Note 3).

The area involving a high degree of judgement or complexity or area where assumptions and estimates are significant to the financial statements has been identified as the valuation of the Company's investment in Allied Minds LLC which is driven in large part by the valuation of the portfolio of investments held by Allied Minds LLC (see Note 3).

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

The Board has considered the criteria of the amendments to IFRS 10 (the Consolidation Exception Amendments) issued in December 2014 to assess the investment entity status of the Company and has concluded that it is an investment entity. As a result, the Company is no longer permitted to consolidate Allied Minds LLC in the preparation of its financial statements. Subsidiaries are now recognised at fair value through profit and loss as from 1 January 2023. This is discussed in more detail in Note 3.

2. Administrative Expenses

For the year ended 31 December	**2023**	**2022 restated**
	$ '000	**$ '000**
Administration Fees	500	182
Audit Fees	416	873
Directors Remuneration	351	271
Insurance	293	389
Legal and Professional	86	1,278
Other Expenses	66	14
Total	**1,712**	**3,007**

3. Financial assets held at fair value through profit or loss

The Company's accounting policy on the measurement of these financial assets, held through its sole subsidiary Allied Minds LLC, is discussed in Note 1 and below.

The Company has loaned its excess cash to Allied Minds, LLC, as part of its continuing working capital investment program, to enable the Company to deliver its strategic plans. The note bears an interest of 1.25% and in the foreseeable future, repayment is neither planned nor likely to occur.

Investments at fair value through profit or loss comprise the fair value of the investment portfolio held by Allied Minds LLC, the Company's single direct subsidiary, which is valued annually by the Directors, and the fair value of Allied Minds LLC cash, fixed assets, other current assets and debt balances. A reconciliation of the investment portfolio value to financial assets at fair value through profit or loss shown on the Statement of Financial Position is shown below.

Investments for the year ended 31 December 2023	**Loans $ '000**	**Equity Interest $ '000**	**Total $ '000**
Opening balance	45,737	63	45,800
Additions	584	-	584
Repayments	(1,163)	-	(1,163)
Unrealised movement in fair value	-	(8,137)	(8,137)
Unrealised - FX	2,137	-	2,137
Closing balance	**47,295**	**(8,074)**	**39,221**

Investments for the year ended 31 December 2022	**Loans $ '000**	**Equity Interest $ '000**	**Total $ '000**
Opening balance	53,271	-	53,271
Additions	715	-	715
Repayments	(2,598)	-	(2,598)
Derecognition of subsidiary	-	(7,408)	(7,408)
Unrealised movement in fair value of investments	-	7,471	7,471
Unrealised - FX	(5,651)	-	(5,651)
Closing balance	**45,737**	**63**	**45,800**

a) Fair value measurements

IFRS 13 'Fair Value Measurement' requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels. The fair value hierarchy has the following levels:

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The only financial instruments carried at fair value are the investments held by the Company, through Allied Minds LLC, which are fair valued at each reporting date. The Company's investments have been classified within Level 3 as Allied Minds LLC investments are not traded and contain unobservable inputs.

As at 31 December 2023	**Amount**	**Level 1**	**Level 2**	**Level 3**
Financial assets designated as fair value through profit or loss				
Investments held at fair value	39,221	-	-	39,221
Total	39,221	-	-	39,221

As at 31 December 2022	**Amount**	**Level 1**	**Level 2**	**Level 3**
Financial assets designated as fair value through profit or loss				
Investments held at fair value	45,800	-	-	45,800
Total	45,800	-	-	45,800

b) Transfers during the year

There have been no transfers between levels during the year ended 31 December 2023. Any transfers between the levels will be accounted for on the last day of each financial period. Due to the nature of the investments, these are always expected to be classified as Level 3.

c) Directors' Valuation methodology and process

The Company's investments at fair value represent securities of portfolio companies where Allied Minds holds preferred shares or a minority stake in those companies. These investments are initially measured at fair value through profit or loss and are subsequently re-measured at fair value at each reporting date and on derecognition.

The fair value of these investments is derived using the option pricing model ("OPM"), the Probability-Weighted Expected Return Method ("PWERM") or a hybrid of the two.

The key inputs into these valuation models include the equity value of the portfolio company, the term of the instrument, risk free rate and volatility.

Other valuation approaches

In certain cases, the value of a portfolio company is determined using a market instead of income- based approach.

Where there has been a third party funding round in the year this has been used as the implied value of the portfolio company or comparable guideline public companies or comparable transactions, adjusted for indexation where this is deemed to be appropriate.

Whilst the Board considers the methodologies and assumptions adopted in the valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be material.

PWERM and OPM

The principal methods the Group applies for allocation of value are the PWERM, the OPM as well as a hybrid of the two. These models take assumptions such as the equity values, term of the instruments, risk free rate and volatility to determine the fair value of each share class.

The PWERM estimates the value of equity securities based on an analysis of various discrete future outcomes, such as an IPO, merger or sale, dissolution, or continued operation as a private enterprise until a later exit date. The equity value today is based on the probability-weighted present values of expected future investment returns, considering each of the possible outcomes available to the enterprise, as well as the rights of each security class. The key judgement relates to probability weighting of the scenarios.

The OPM treats common stock or derivatives thereof as call options on the enterprise’s value or overall equity value. The value of a security is based on the optionality over and above the value securities that are senior in the capital structure (e.g. preferred stock), considering the dilutive effects of subordinate securities. In the OPM, the exercise price is based on a comparison with the overall equity value rather than per-share value.

Quantitative information of significant unobservable inputs – Level 3 – Subsidiary

As of 31 December:	2023	2022
Volatility	51.5% - 83.5%	54.0%-72.9%
Time to Liquidity (years)	1.00 – 2.00	0.65 - 2.75
Risk-Free Rate	4.23% - 4.79%	4.27% - 4.73%
IPO/M&A/Sale Probability	0%/ 100%/ n/a	0%/ 100%/ n/a

The Directors believe that it is appropriate to measure the Allied Minds LLC using an adjusted net asset value, incorporating a valuation of the underlying investments which has taken into account risks to fair value, inclusive of liquidity discounts, through appropriate discount rates.

d) Sensitivity Analysis

The table below analyses the sensitivity of the fair value of the Directors' Valuation to an individual input, while all other variables remain constant.

The Directors consider the changes in inputs to be within a reasonable expected range based on their understanding of market transactions. This is not intended to imply that the likelihood of change or that possible changes in value would be restricted to this range.

For the year ended 31 December 2023, the valuations of the Company's investments, through Allied Minds LLC, are detailed in the Strategic Report.

As at 31 December		**2023**	**2022**
		$ '000	**$ '000**
Input	**Sensitivity range**	**Financial assets increase/(decrease)**	
Enterprise Value	-2%	(475)	(700)
	2%	551	768
Volatitlity	-10%	318	406
	10%	(221)	(199)
Time to liquidity	-6 months	370	(78
	+6 months	(292)	(173)
Risk-Free Rate (1)	0.434782609	370	(78
	5%/0.18%	(292)	(173)

The difference between the fair value of Allied Minds LLC, and the fair value of the underlying investments at 31 December 2023 is due to an outstanding loan to Allied Minds PLC of $47.3m, Investments in subsidiaries of $2.9m and Current Assets of $1.4m.

4. Share-based Payments

Under the UK Long Term Incentive Plan ("LTIP"), awards of Ordinary Shares may be made to employees, officers and directors, and other individuals providing services to the Company and its subsidiaries. Awards may be granted in the form of share options, share appreciation rights, restricted or unrestricted share awards, performance share awards, restricted share units, phantom-share awards and other share-based awards.

Vesting is subject to the achievement of certain performance conditions and continued services of the participant.

Awards have been granted under the LTIP based on the following vesting criteria:

- awards subject to performance conditions based on the Company's total shareholder return ("TSR") performance or relative total shareholder return (rTSR) performance over a defined of time;

- awards subject to performance conditions based on a basket of shareholder value metrics ("SVM"). Performance is assessed on these measures on a scorecard basis over a defined period of time;
- awards that vest 100 per cent after a period of time subject to continued service condition only.

No shares were issued in respect of historic awards under the LTIP during 2023 (2022: nil Ordinary shares).

The share grants that vest upon the occurrence of a market condition (i.e. the TSR performance) and service condition were adjusted to current market price at the date of the grant to reflect the effect of the market condition on the non-vested shares' value.

The Company used a Monte Carlo simulation analysis utilising a Geometric Brownian Motion process with 50,000 simulations to value those shares. The model takes into account share price volatilities, risk-free rate and other covariance of comparable UK public companies and other market data to predict distribution of relative share performance. This is applied to the reward criteria to arrive at expected value of the TSR awards.

The Company recognized total expenses/(credit) of $2,291 (2022: $(13,860)) related to equity-settled share-based-payment transactions. There was no income tax benefit recognised for share-based payment arrangements for the years ended 31 December 2023 and 2022, respectively, due to operating losses. As at 31 December 2023, all grants of share options have vested.

5. Cash and Cash Equivalents

As at 31 December	2023 $ '000	2022 restated $ '000
Cash at bank	1,519	1,523
Total cash and cash equivalents	**1,519**	**1,523**

6. Trade and Other Receivables

As at 31 December	2023 $ '000	2022 restated $ '000
Prepayments and other current assets	225	17
Total trade and other receivables	**225**	**17**

The directors consider that the carrying amount of trade and other receivables is approximate to their fair value. No significant receivables balance is impaired at the reporting date.

7. Trade and Other Payables

	2023 $ '000	2022 restated $ '000
Trade payables	243	224
Accrued expenses	199	203
Other current liabilities	736	-
Total trade and other payables	**1,178**	**427**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the outstanding balances at various interest rates. The Company has financial risk management policies in place to ensure that all payables are paid within the pre agreed credit terms.

8. Equity

Allied Minds Plc was incorporated with the Companies House under the Companies Act 2006 as a public company on 15 April 2014. A breakdown of its equity can be seen in the table below.

As at 31 December	2023 $ '000	2022 restated $ '000
Share capital, $0.01 par value, issued and fully paid 242,187,985 and 242,187,985, respectively	3,767	3,767
Treasury Shares	(983)	(983)
Other reserve	(24,380)	(24,464)
Accumulated deficit	61,383	70,636
Total	**39,787**	**48,956**

On 17 November 2022, ALM's Board of Directors (the "Board") approved a new share buyback programme ("Buyback Programme"). The purpose of the buyback programme is to satisfy the Company's obligations arising from its 2014 Long Term Incentive Plan ("LTIP").

The programme is expected to purchase up to a maximum aggregate consideration of £225,000 of the Company's ordinary shares. Share purchases took place in open market. As of 31 December 2023, the Company purchased 2,176,229 of its Ordinary Shares of £0.01 each ("Ordinary Shares") for a total value of $245,027. The Ordinary Shares purchased will be held in treasury until transferred by the Company to the directors and employees in satisfaction of awards under the 2014 LTIP. During 2023 and 2022, there were no options exercised under the U.S. Stock Plan. Additionally, no shares (2022: nil shares) were issued to existing and former employees of the Group during the year as result of vesting of RSUs under the LTIP.

Share capital is the nominal value paid for the share capital of the Company. Share capital re-acquired by the Company from the shareholders for retention, is reflected in 'Treasury Shares'. All foreign exchange differences arising from net gains and losses arriving on translation from the functional currency to the presentational currency, are reflected in 'Other reserve'. All other net gains and losses and transactions with owners not recognised elsewhere are reflected in 'Accumulated deficit'.

9. Capital and Financial Risk Management

The Company's policy is to maintain a strong asset base so as to maintain investor, creditor and market confidence, and to sustain future development of the business. Management monitors the level of capital deployed and available for deployment in subsidiary projects. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of deployed capital and the advantages and security afforded by a sound capital position.

The Company's Board of Directors have overall responsibility for establishment and oversight of the Company's risk management framework. The Company is exposed to certain risks through its normal course of operations. The Company's main objective in using financial instruments is to promote the commercialisation of intellectual property through the raising and investing of funds for this purpose. The Company's policies in calculating the nature, amount and timing of funding are determined by planned future investment activity. Due to the nature of activities and with the aim to maintain the investors' funds secure and protected, the Company's policy is to hold any excess funds in highly liquid and readily available financial instruments and reduce the exposure to other financial risks.

The Company has exposure to the following risks arising from financial instruments:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, investments held at fair value, and trade and other receivables.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to credit ratings (if available) or to historical information about counterparty default rates.

Company policy is to maintain its funds in highly liquid deposit accounts with reputable financial institutions.

The Company's investments are accounted for at fair value through profit or loss (FVTPL) in accordance with IFRS 9. This measurement is appropriate as these financial assets are not held with the objective to collect contractual cash flows which are solely payments of principal and interest (SPPI) on the principal amount outstanding. The entity is primarily focused on fair value information and uses that information to assess the asset's performance and to make decisions. The subsidiary preferred shares values and movement in credit risk are being constantly monitored as new information becomes available.

The Company has a concentration of credit risk in respect of its financial assets held – through its sole subsidiary, Allied Minds LLC - at fair value through the profit or loss which relate to ordinary and preferred share investments with movements in fair value of $8.1 million (decrease) in the year.

These investments are reviewed in detail in Note 3. The Company assesses the credit quality of customers, taking into account their current financial position.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company seeks to manage liquidity risk, ensuring that sufficient liquidity is available to meet foreseeable requirements. The following table details the Company's expected maturity for its financials assets and liabilities. These are undiscounted contractual cash flows:

	< 1 Year $ '000	1 - 5 Years $ '000	> 5 Years $ '000	Total as at 31 December 2023 $ '000
Assets*				
Financial Assets held at Fair Value through Profit and Loss	-	39,221	-	39,221
Cash and Other Equivalents	1,519	-	-	1,519
Liabilities				
Other payables and accrued expenses	(1,178)	-	-	(1,178)
Total	**341**	**39,221**		**39,562**

*Excluding Prepayments

At 31 December 2023 total cash readily available to Allied Minds PLC through wholly owned subsidiaries is $4,578k

Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company maintains the exposure to market risk from such financial instruments to insignificant levels. The Company exposure to changes in interest rates is determined to be insignificant.

Capital Risk Management

The Company is funded by equity finance. Total capital is calculated as 'total equity' as shown in the consolidated statement of financial position.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or borrow new debt.

10.Taxation

No tax liability has been recognised in the financial statements.

As at 31 December	**2023** **$ '000**	**2022 restated** **$ '000**
UK Corporation tax charge	-	-
Total	**-**	**-**

For the year ended 31 December	**2023** **$ '000**	**2022 restated** **$ '000**
Loss on ordinary activities before tax	(9,265)	(2,289)
Tax on loss on ordinary activities at standard CT rate of 23.52%	(2,179)	(435)
Effects of:		
Expenses not deductible for tax purposes	1,910	-
Remeasurement of deferred tax for changes in tax rates	(17)	-
Movement in deferred tax not recognised	287	435
Tax charge/(credit) for the year	**-**	**-**

For the year ended 31 December	**2023** **$ '000**	**2022** **$ '000**
Deferred tax asset	2,520	2,128

As at 31 December 2023, the Company has not recognised a deferred tax asset of $2,519,535 (2022: $2,127,993) arising on losses carried forward.

11. Related Parties

Transactions with Key Management Personnel

Directors' remuneration for the year comprised the following:

As at 31 December	**2023** **$ '000**	**2022 restated** **$ '000**
Directors' fees	351	271
Total	**351**	**271**

Executive management and Directors of the Company control 0.6% of the voting shares of the Company as at 31 December 2023 (2022: 0.6 %).

The Company has not engaged in any other transactions with key management personnel or other related parties.

The Company has taken advantage of exemption, under the terms of IAS 24 'Related Party Disclosures' not to disclose related party transactions with wholly owned subsidiaries within the Group.

12.Employee Information

The Company had no employees during 2023 (2022: none).

13. Ultimate Controlling Party

There is no one ultimate controlling party.

14. Subsequent Events

On 25 January 2024 Allied Minds completed an additional investment, in the form of a convertible loan note in Ocuterra worth $1m. OcuTerra ("Assignor") executed an Assignment for the Benefit of Creditors on May 1, 2024, with the applicable Assignment for the Benefit of Creditors provisions under the laws of the State of Delaware (the "Assignment"), in favor of OcuTerra ABC, LLC (the "Assignee").

On 15 March 2024 Allied Minds completed an additional investment, in the form of a convertible loan note in Orbital Sidekick, Inc. worth $500k

Company Information

Company Registration Number 08998697

Registered Office
5th Floor
20 Fenchurch Street
London
England
EC2V 7NQ

Website
www.alliedminds.com

Board of Directors
Sam Dobbyn
(Non-Executive Director)

Mark Lerdal (Appointed 29 February 2024)
(Non-Executive Director)

Bruce Failing (Resigned 29 February 2024)
(Non-Executive Director)

Administrator and Company Secretary
Ocorian
5th Floor
20 Fenchurch Street
London
England
EC2V 7NQ

Registrar
Link Company
The Registry
Unit 10
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors
DLA Piper UK LLP
160 Aldersgate Street
London EC1A 4HT
United Kingdom

Independent Auditor
Cooper Parry
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA