

**R8 CAPITAL INVESTMENTS PLC**  
**(FORMERLY MODE GLOBAL HOLDINGS PLC)**  
**ANNUAL REPORT 2023**

## **TABLE OF CONTENTS**

|                                                                             |    |
|-----------------------------------------------------------------------------|----|
| COMPANY INFORMATION                                                         | 3  |
| STRATEGIC REPORT                                                            | 4  |
| CORPORATE GOVERNANCE                                                        | 8  |
| DIRECTORS'REPORT                                                            | 13 |
| DIRECTORS' REMUNERATION REPORT                                              | 17 |
| INDEPENDENT AUDTOR'S REPORT TO THE MEMBERS<br>OF R8 CAPITAL INVESTMENTS PLC | 18 |
| GROUP FINANCIAL STATEMENTS                                                  | 23 |
| NOTES TO THE GROUP FINANCIAL STATEMENTS                                     | 28 |
| COMPANY FINANCIAL STATEMENTS                                                | 45 |
| NOTES TO THE COMPANY FINANCIAL STATEMENTS                                   | 47 |

## COMPANY INFORMATION

Directors: Jonathan Rowland  
Richard Morecroft  
David Anderson  
Yu Liu (resigned 20 February 2023)  
Michael Robertson (resigned 27 March 2023)  
David Shrier (resigned 20 February 2023)

Registered office: 2 Lemn Street,  
London, E1W 9US

Registrar: Neville Registrars  
Neville House,  
Steelpark Road,  
Halesowen, B62 8HD

Bankers: National Westminster bank Plc  
250 Bishopsgate,  
London, EC2M 4AA

Auditors: RPG Crouch Chapman LLP  
40 Gracechurch Street  
London  
EC3V 0BT

Solicitors &  
Company  
Secretary: Locke Lord (**UK**) LLP  
Second Floor,  
201 Bishopsgate,  
London, EC2M 3AB

Company  
Number: 12794676

Website: r8plc.com

For all enquiries, please contact [info@r8plc.com](mailto:info@r8plc.com)

## STRATEGIC REPORT

### Business Review

On 26<sup>th</sup> January 2023, the board of the Company decided to cease its customer operations for Fibermode Ltd, JGOO Ltd and Greyfoxx Ltd in light of adverse market sentiment resulting from the collapse of FTX and the consequential lack of investor appetite for crypto-related businesses. On February 2023, the Company notified the Financial Conduct Authority (“FCA”) of its decision and the fact it would no longer be using its EMI licence and received confirmation that it was approved on 23<sup>rd</sup> March 2023.

As a consequence of the cessation of commercial operations, Rita Liu, David Shrier and Michael Robertson resigned as directors of the Company.

As a result of funding pressures, the board of the Company considered the position of its creditors and as a result decided to place the Company’s principal operating subsidiary, Mode Global Limited, into a creditors’ voluntary arrangement which was subsequently approved by members and creditors at meetings held on 5 April 2023.

Due to the above actions and activities, the FCA wrote to the Company on 20<sup>th</sup> March 2024, indicating that the Company should consider their impact and whether as a result the Company should consider itself a cash shell for the purposes of the Listing Rules.

On 1 October 2023, the Company entered into heads of terms with the shareholders of Redwood Financial Partners Limited (“RFPL”) which set out the principal terms of the proposed acquisition by the Company of the entire issued and to be issued share capital of RFPL, the consideration for which would be the issue of shares in the capital of the Company to the RFPL shareholders. As a result of the Company’s status as a cash shell, the acquisition is considered a reverse takeover for the purposes of the Listing Rules and would require the publication of a prospectus. Accordingly, trading in the Company’s shares was suspended on 2 October 2023.

RFPL is the holding company of Redwood Bank Limited, an UK specialist business bank, principally offering loans to SME customers in the UK and with two local authority shareholders.

In September 2023, the holders of the outstanding convertible loan notes consented to, inter alia, the maturity of the notes being extended to 31 December 2024. The directors have had confirmation from the majority shareholders that should the convertible loan notes need to be extended to 31<sup>st</sup> December 2025 that they will support this decision and the change in terms.

R8 Capital Investments continues to work with the FCA and partners to return all fiat and crypto deposits to its customers over a winding down process.

The directors are aware of the risks and uncertainties facing the business, but the assumptions used are the directors’ best estimates of the future development of the business.

## Financial Review

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

Revenue for the year decreased significantly from £1,081k to £392k, a drop of £689k, this was driven primarily by the of the board to cease its operations in Fibermode, JGOO and Greyfoxx.

Administrative expenses were £1,061k (2022: £6,940k) reducing by £5,879k (85%) during the year. This was driven by the decision of the board to cease its operations 26<sup>th</sup> January in Fibermode, JGOO and Greyfoxx. All headcount of the group was made redundant which resulted in material reductions across all cost lines.

Cash Balances ended the year at £628k (2022: £814k).

### Strategy in 2023 Approach to Risk

In 2023, with the decision to cease operations in 3 entities this has meant that have greater focus on ensuring we plan and manage for business continuity, and the Risk Register is updated and managed by the Executive team. This is facilitated through a regular cadence of meetings and decision points to ensure management remains informed and has all the information they require to make decisions quickly.

### Risk Focused Approach - Embedding in Our Culture

The day-to-day focus on risk is already embedded in our approach and culture. However, our objective is to enhance our understanding and management of risk and control across the business by:

- recording risk, mitigations and actions plans in the Risk Register.
- embedding risk and control in all our thinking and in decisions.
- identifying the most significant risks within operations, taking appropriate actions to address and mitigate them.
- challenging our strategic planning from a risk and control perspective.

The Board oversees and reviews our approach to risk and control.

### Types of Risk

Our approach covers different types of risk, including:

- Business Strategy Risk
- Regulatory Risk
- Operational Risk
- Technological Risk

Additionally, we track emerging risks which while not seen as impacting the business yet are changing rapidly.

## **Business Strategy Risk**

R8 Capital Investments PLC currently operates as a Cash Shell for the purposes of the London Stock Exchange Rules. The business is not operating other than in the run-down of its subsidiary Fibermode Ltd. Its business strategy risk is therefore minimal. R8 Capital Investments is actively seeking an acquisition to reverse merge into the current listed company. The only risk associated with this is to find a suitable target company.

## **Regulatory Risk**

Regulatory risk is the effect of failure to comply with laws and regulations and any changes therein. The UK regulation under the FCA is mature and well understood. The FCA's recent steps to mandate the registration of crypto asset businesses under Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended (MLRs) show a proactive approach, providing greater clarity to R8 Capital Investments. As previously mentioned, we are active in having conversations with the regulator and continue dialogue to ensure our business remains compliant.

## **Operational Risk**

Operational risk covers the uncertainties and difficulties we face on a day-to-day basis. We have created an efficient governance and management structure to ensure we can systematically monitor, manage and control factors affecting our operation. This structure is agile and responsive to new challenges with decisions made quickly to minimise disruption and ensure business continuity. We are always learning and therefore improving our approach in ensuring we have a robust and efficient operation.

## **Technological Risk**

Technology risk is the potential for any technology failure or cyber incident to disrupt the business. At R8 Capital Investments, technology is at the core of our operations, so we manage technology risks proactively and appropriately. Our approach focuses on de-risking several areas including:

- internal system failures
- external third-party failures
- security breaches
- malicious attacks

We take a proactive and continual approach to mitigate these risks through cutting-edge and intelligent design, systems redundancy, continual security/penetration testing and activity monitoring. This continual approach is adapted to respond to new products, scale and new threats.

As a holder of digital assets, we have developed strong security procedures and protocols to minimise the chances of breaches. As previously mentioned, we partner with best-in-class digital asset custodians who are insured for loss of assets in cold storage. Our operational and financial governance processes ensure minimal exposure to losses through an unlikely breach, whether that be external or internal.

## **Climate Risk**

At the time of writing this report and at the year ended 31 December 2023 as the Group is not trading its climate-related risks and opportunities are minimal. Going forward the Group will

develop suitable policies in compliance with the Taskforce for Climate-related Financial Disclosures to minimize the risk of any adverse effect on the environment associated with its activities with a thoughtful consideration of such key areas as energy use, pollution, transport, renewable resources, health and wellbeing. The Group also aims to ensure that its suppliers and advisors meet with their legislative and regulatory requirements and that codes of best practice are met and exceeded.

### **Responsibility for preparing the Annual Report and Accounts**

Under section 172 of the Companies Act 2006, the Board is required to consider the interests of stakeholders across the business in our decision making.

The requirements of section 172 are for the Directors to:

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

The Board has demonstrated our commitment to the ongoing consideration for stakeholder interests through this report including on pages 9 and 14 and in the Corporate Governance and Stakeholder sections. The Board is responsible for maintaining adequate accounting records and seeks to ensure compliance with statutory and regulatory obligations. An explanation from the Directors about their responsibility for preparing the financial statements is on page 15 in the Statement of Directors' Responsibilities. The Company's external auditors explain their responsibilities on pages 21.

On Behalf of the Board



Jonathan Rowland Chairman

## **CORPORATE GOVERNANCE**

### **Corporate Governance Statement**

Our Board has a collective objective of promoting the long-term success of R8 Capital Investments for its shareholders and provides dedicated leadership in the development and promotion of the business' strategy, and the monitoring of its implementation, on an ongoing basis. A key part of our Board's role is ensuring that we have the appropriate people, financial and other resources to achieve our aims.

As a company with a Standard Listing, we are not required to comply with the provisions of the UK Corporate Governance Code. The directors have decided, so far as is practicable given our size and nature, to voluntarily adopt and comply with the QCA Corporate Governance Code. Our Board maintains governance structures that are fit for purpose and support good decision making.

### **Board activity**

Our Board's meeting schedule for 2024 has been approved and our Board will meet formally at least four times during the year with additional ad hoc meetings called as and when appropriate, as was the case in 2023. In 2023 at least 6 Board meetings were held throughout the year with all Directors at the time attending. Our Board's activities throughout the year are underpinned by our external reporting calendar and our internal business planning processes. A rolling annual agenda ensures that all important topics receive sufficient attention. Standing agenda items provide an anchor to the strategy and provide our Board with a consistent view of progress during the year.

At each Board meeting the standing agenda includes:

- quorum.
- approval of minutes (circulated to all directors in advance for comment) and review of outstanding actions.
- corporate governance and Committee reports.
- reports from the Chairman, including key business developments.
- and financial and operational review.

The agendas and accompanying papers are distributed to Board members in advance of each Board meeting. These include reports from Executive Directors, and other members of the Executive team, as appropriate. All directors have direct access to the Executive team and other senior management should they require additional information on any of the items to be discussed.

### **Expertise and experience of the directors**

Our Board is satisfied that the directors, both individually and collectively, have the range of strategic and commercial experience, knowledge, diversity of experience and dedication necessary to lead R8 Capital Investments. Our Board is responsible for the appointment, removal and re-election of directors and when such a decision is required it will take account of our need for a balance of market, operational and financial experience.

## **Appointment of directors**

R8 Capital Investments' Articles of Association contain detailed rules for the appointment and retirement of directors. There is a formal procedure in place to select and appoint new directors to our Board. These directors are required to retire at the next Annual General Meeting (AGM) but can offer themselves for re-election by shareholders. Under the Articles, all directors are required to submit themselves for re-election at intervals not exceeding three years.

All of the directors shall retire and, being eligible, each offers themselves reappointment by the shareholders at the AGM.

## **Independence of the Non-Executive Directors**

As at the date of this report, our Board comprised the Chairman, the Executive Directors and the Non-Executive Directors. We have not appointed a senior independent director. These appointments are reflective of our size and nature as a company, and the size and composition of our Board. We are looking to appoint independent Non-Executive Directors in the future.

Circumstances likely to impair, or which could appear to impair, a director's independence include whether a director participates in our share option scheme. As an early-stage company, we have granted options to Non-Executive Directors under R8 Capital Investments' share option scheme. Our Board does not consider that the granting of options to Non-Executive Directors, or the continued vesting of options already granted, impairs the independence of those directors concerned.

## **Committees and Policies**

Our Board has delegated certain responsibilities to members of the Executive team which can be exercised through committees, approved policies and guidance for certain functions of the business, see below. At this point in time only Board Members are present and therefore manage the business of the Company exclusively.

- Audit Committee
- Disclosure Committee
- Remuneration Policy
- Share Dealing Policy
- Internal Policies - Anti Bribery and Corruption (ABC), Whistleblowing, Anti-Fraud, Know Your Customer (KYC) and Anti Money Laundering (AML)
- Diversity and Inclusion Guidance

The matters reserved for the Board and its Committees include:

- Group strategy, which is reviewed by the Board regularly during the year.
- Group's Budget approval.
- Risk management approach and risk mitigation.
- Direct shareholder communications.
- Board membership and other appointments.
- Corporate governance matters; and

- Remuneration of directors and the Executive team.

The Board, as a whole will review the Board's size, structure and composition and scale and structure of the directors' fees, taking into account the interest of shareholders and our performance as a company.

### **Audit Committee**

The Audit Committee, which comprises Jonathan Rowland and David Anderson, are responsible, amongst other things, for monitoring R8 Capital Investments' financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of our annual and half yearly financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing our relationship with external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of our internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit Committee gives due consideration to laws and regulations, the applicable provisions of the UK Corporate Governance Code and the requirements of the FCA's Listing Rules.

### **Disclosure Committee**

Our Board has delegated to the Disclosure Committee responsibility for overseeing the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation, the FCA's Listing Rules and the Disclosure and Transparency Rules. The Disclosure Committee is chaired by the Chairman and comprises the Chairman (Jonathan Rowland), the Chief Operations Officer (Richard Morecroft), and the Chief Executive Officer (Rita Liu) resigned 20<sup>th</sup> February 2023.

### **Remuneration Policy**

Refer to the Directors' Remuneration Report on page 14.

### **Share Dealing Policy**

We have adopted a share dealing policy which sets out the requirements and procedures for dealings in any of our listed securities. The share dealing policy applies widely to all directors of R8 Capital Investments and our subsidiaries, certain employees and persons closely associated with them. The policy complies with the Market Abuse Regulations, which came into effect on 10 July 2016 and was transposed into UK law on 31 December 2020.

### **Internal Policies**

We have an employee handbook in place which details our expectations of employees and promotes an open culture. This is supported by policies covering Anti Bribery and Corruption (ABC), Whistleblowing, Anti-Fraud, Know Your Customer (KYC) and Anti Money Laundering (AML). Training and assessments are undertaken to ensure the team are aware and compliant with these policies.

## **Diversity and Inclusion Guidance**

The current Board does not meet the diversity requirements of LSE, and this is due to the company no longer trading and all staff being let go in H1 2023, and that the current Board is sufficient for the current needs of R8 Capital Investments.

We are, and always have been, committed to baking inclusion into our processes and ways of working, and promoting equality of opportunity in everything we do. It goes without saying that we do not accept discrimination, harassment or bullying of any kind.

## **Risk Management and Control**

Our Board is responsible for promoting the company's long-term success for the benefit of shareholders, as well as taking account of other stakeholders including employees and customers. This includes ensuring that an appropriate approach to risk is embedded throughout the Group, taking into account both opportunities and threats. To discharge this responsibility, the Board has established processes for risk management and internal control and reserves for itself the setting of our risk appetite as a business.

The Board retains ultimate responsibility for our approach to risk and control but has delegated in-depth monitoring of the establishment and operation of prudent and effective controls to the Chief Operations Officer.

Members of the Executive team are responsible for the application of internal control and risk management, for implementing and monitoring the operation of the systems of internal control and for providing assurance to the Chief Operations Officer and the Board.

## **Stakeholders**

The Board believes that maintaining strong stakeholder relationships is essential to our long-term, sustainable success, and is committed to effective engagement with all stakeholders within R8 Capital Investments.

## **Our Shareholders**

We are committed to establishing a strategy and business model which promotes long-term value for shareholders.

The Board also aims to be transparent and have an open engagement with our shareholders. This enables the Board to clearly communicate its strategy, provide updates on business performance and receive regular feedback. It also gives the opportunity to respond to questions and suggestions.

At R8 Capital Investments, we provide regular updates via RNS and RNS Reach, as well as social media publications. The Chief Investor Relations Officer provides regular reports to the Board on shareholder interactions.

Shareholder communications, such as our trading results, half-year results, Annual Reports, notices of general meetings and other information, are provided on our investor website at [r8plc.com](http://r8plc.com). Shareholders can sign up via our website to receive automated email alerts when news and updates are published.

## **Financial Conduct Authority (FCA)**

When considering proposed changes to our product offerings in the UK, the Board and Executive Committee carefully considered the views of the FCA, in addition to customer feedback, to ensure any new features or products fall within all applicable regulations, as well as being beneficial to our customers.

The Board ensures it is kept apprised of key legal and regulatory changes affecting the business to inform its strategy and decision making.

## **DIRECTORS'REPORT**

The Directors present their report and the audited financial statements for R8 Capital Investments PLC for the year ended 31 December 2023.

The preparation of these financial statements is in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and that apply to financial years commencing on or after 1 January 2021. The Group financial statements consolidate the financial statements of the Company and its subsidiaries. The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

### **Principal Activities**

R8 Capital Investments PLC (R8) is a holding company. It is the parent company of; Mode Global Limited, a UK based company incorporated on 9<sup>th</sup> September 2015, JGOO Limited (incorporated: 26<sup>th</sup> July 2016), Fibermode Limited (incorporated: 28<sup>th</sup> November 2018) Greyfoxx Ltd (25<sup>th</sup> July 2019) and Fibere Limited (incorporated 17<sup>th</sup> January 2020).

On 26<sup>th</sup> January 2023, the board of the Company decided to cease its customer operations for Fibermode Ltd, JGOO Ltd and Greyfoxx Ltd, in light of adverse market sentiment resulting from the collapse of FTX and the consequential lack of investor appetite for crypto-related businesses. On February 2023, the Company notified the Financial Conduct Authority ("FCA") of its decision and the fact it would no longer be using its EMI licence.

As explained in the Strategic Report, Mode Global Limited which operated cryptocurrency treasury function and digital wallet product (Trading name: Mode), Greyfoxx Limited was electronic payment administrator, JGOO Limited operated the trading platform (Mode Global services), Fibermode Limited facilitates Crypto trading, rewards and cashback for Mode customers and Fibere Limited was set to manage the Mode Store selling retail items. These have ceased trading operations and are in the process of winding down and returning customer funds and settling liabilities.

### **Business review and future developments**

A review of the period's operations, future developments and key risks is contained in the Strategic Report. The directors do not recommend a final ordinary dividend for the period (2022: £nil).

### **Directors and directors' interests**

The directors who held office during the period and subsequently were as follows:

Jonathan Rowland

Richard Walker-Morecroft

David Anderson

Rita Liu – resigned 20<sup>th</sup> February 2023

Michael Robertson – resigned 27<sup>th</sup> March 2023

David Shrier – resigned 20<sup>th</sup> February 2023

With regard to the appointment and replacement of directors, the Company is governed by its articles of association, the Companies Act and related legislation. The articles themselves may be amended by special resolution of the shareholders.

## Directors' interests

The directors held the following beneficial interests in the shares of R8 Capital Investments PLC at 31 December 2023:

|                      | Ordinary shares<br>of 0.01p each | Issued share<br>capital % |
|----------------------|----------------------------------|---------------------------|
| Jonathan Rowland (1) | 18,973,559                       | 18.1%                     |

(1) As at 09 April 2021, Jonathan Rowland transferred his shares to JR Spac 1 Limited, a company wholly owned by Jonathan Rowland.

The remuneration of the directors in R8 Capital Investments PLC who held office during the year to 31 December 2023 was as follows:

| 2023                                 | Salaries (£)  | Pension (£) | Fees (£)      | Total (£)      |
|--------------------------------------|---------------|-------------|---------------|----------------|
| <b>Executive Directors</b>           |               |             |               |                |
| Jonathan Rowland                     | -             | -           | 60,833        | <b>60,833</b>  |
| Richard Morecroft                    | 50,000        | 440         | 23,333        | <b>73,773</b>  |
| David Anderson                       |               |             | 10,417        | <b>10,417</b>  |
| Rita Liu – resigned<br>20/2/23       | -             | -           | -             | -              |
| <b>Total</b>                         | <b>50,000</b> | <b>440</b>  | <b>94,583</b> | <b>145,023</b> |
|                                      |               |             |               |                |
| 2023                                 | Fees (£)      | Pension (£) | Fees (£)      | Total (£)      |
| <b>Non-Executive Directors</b>       |               |             |               |                |
| Mike Robertson -<br>resigned 27/3/23 | 8,333         | -           | -             | <b>8,333</b>   |
| David Shrier –<br>resigned 20/2/23   | 8,333         | -           | -             | <b>8,333</b>   |
|                                      | <b>16,666</b> | -           | -             | <b>16,666</b>  |

Directors and Key management personnel remuneration was fixed and did not include any element of performance measures.

## Events after the reporting date

Events after the reporting period are described in note 20 to the financial statements.

## Financial risk management

Details of financial risk management are provided in note 3 to the financial statements.

## Carbon emissions

The Group is mindful of carbon emissions and looks to obtain clean energy sources wherever possible. A low staff headcount and staff currently working from home allow the Group to maintain low emissions of less than 40,000kWh of energy consumed.

## Political and charitable contributions

The Group made no charitable or political donations during the year.

## Substantial shareholdings

The Company has been advised of the following interests in more than 3% of its ordinary share capital as at 31st December 2023:

|                                                | %            |
|------------------------------------------------|--------------|
| JR Spac 1 Limited                              | 18.1%        |
| Hargreaves Lansdown (Nominees) Limited         | 17.1%        |
| HSDL Nominees Limited                          | 12.3%        |
| Aurora Nominees Limited                        | 8.7%         |
| Interactive Investor Services Nominees Limited | 8.4%         |
| JP Morgan Securities LLC                       | 3.4%         |
| Tulham LLC                                     | 3.3%         |
| Lawshare Nominees Limited                      | 3.1%         |
| Goldman Sachs Securities (Nominees) Limited    | 3.1%         |
|                                                | <b>77.5%</b> |

## Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with company law, which requires the directors to prepare group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the Group consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the UK (together, "IFRSs") and have elected to prepare the parent company financial statements under United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the Group and the parent company for that period.

In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, or whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the directors confirms that, to the best of their knowledge:

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

### **Statement of Disclosure to the Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Auditors' appointment**

The board agreed to appoint RPG Crouch Chapman LLP as the auditors for the Group the year ended 31 December 2023.

Signed by order of the Board



**Jonathan Rowland**  
Chairman

## **DIRECTORS' REMUNERATION REPORT**

The information included in this report is not subject to audit other than where specifically indicated.

### **Remuneration policy**

R8 Capital Investments has implemented a Remuneration policy to steer the board of directors in determining and providing oversight of the remuneration of the Company's Board, directors, and employees, ensuring that the Company is able to attract, retain and motivate suitably skilled personnel.

The Remuneration policy aims to ensure that remuneration across the Company is competitive, fair, aligned to the Company values and rewards the right behaviours that deliver value to the business. This is being reviewed considering the changes to the future strategic redirection.

The Remuneration Policy covers the following aspects:

- the determination of board members and (where appropriate) other senior management remuneration, ensuring that such remuneration promotes long-term success, is aligned with Company purpose and values; is compliant with all legal and regulatory requirements and is aligned to the company risk policies and appetites
- within the terms of the policy, and in consultation with the Chairman as appropriate, help determine the total individual remuneration package of each board member.
- the design of all long-term incentive plans within the Company; and
- determining the Company's overall philosophy and approach to remuneration for all staff, ensuring that it supports and considers the strategic objectives, purpose and values of the Company.

The remuneration committee was made up of Jonathan Rowland (Chairman) and Richard Morecroft (COO).

### **Directors' interests**

The directors' interests in the share capital of the Company are set out in the Directors' report.

### **Directors' emoluments**

The directors' salaries, fees and long-term incentive plans are also set out in the Directors' report.

### **Shareholder approval**

At the next Annual General Meeting of the Company, a resolution approving this report is to be proposed as an ordinary resolution.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R8 CAPITAL INVESTMENTS PLC**

## **Qualified opinion**

We have audited the financial statements of R8 Capital Investments PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of financial position, consolidation, consolidated statement of changes in equity, consolidated statement of cash flows, company statement of financial position, company statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and UK adopted international accounting standards and as regards to the parent company financial statements, is applicable law and FRS101 – Reduced Disclosure Framework (UK GAAP).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023, and of the group's loss for the year then ended;
- the Group's the financial statements have been properly prepared in accordance with UK adopted International Financial Reporting Standards (IFRSs);
- the parent company's financial statements have been properly prepared in accordance with UK GAAP; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for qualified opinion**

As the group has ceased trading and closed a number of third-party accounts, insufficient third party records were provided to us in relation to our revenue testing. We were unable to satisfy ourselves by alternative means concerning revenue for the year ended 31 December 2023, which is included in the statement of income at £306k (of a total £392k), by using other audit procedures.

Consequently, we were unable to determine whether any adjustment to this amount was necessary.

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

## **Material uncertainty related to going concern**

We draw attention to the going concern note in the accounting policies, concerning the Group's ability to continue as a going concern.

The matters explained indicate that the base case forecast for the Group requires short-term working capital funding from the principal stakeholder. It also indicates that the Group needs to raise further funds

to enable the Group to invest in future ventures as they deem appropriate at the time.

These events or conditions along with the matters set forth in the accounting policies indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

We have highlighted going concern as a key audit matter. In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included (but not limited to):

- Review of management's cash flow projections for the period ended 30 October 2025.
- Review of management's assumptions based on historical expenditure and contractual commitments.
- Sensitivity analysis on cash flow forecast to consider the available headroom under different reasonably possible scenarios.
- Consideration of certainty of receipt of finance inflows including review of conditions precedent on financing agreements; and
- Review of adequacy and completeness of disclosures in the financial statements in respect of the going concern assumption.

## **Our approach to the audit**

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

## **Key audit matters**

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the basis for qualified opinion section and the use of the Going Concern basis described in the material uncertainty related to going concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

| Key audit matter                                                                                                                                                                                                                                                                                                    | How our work addressed this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Convertible loan notes</b><br><br>The Company had a £2m loan facility during the year.<br>The terms of the loan are complex and due to IFRS financial reporting requirements and the use of a number of assumptions potentially included in the accounting treatment, we consider this to be a significant risk. | <b>Our audit work included, but was not restricted to:</b> <ul style="list-style-type: none"> <li>• <i>Confirming amounts received to drawdowns and confirming liability at year end to confirmation.</i></li> <li>• <i>Obtaining supporting documentation and examining the key terms and conditions of the loan notes.</i></li> <li>• <i>Obtaining direct confirmation from convertible loan note holders.</i></li> <li>• <i>Reviewing board minutes and other appropriate documentation to confirm authorisation of transactions.</i></li> <li>• <i>Verifying amounts, interest rates and maturities used in management's calculations to be supporting documentation.</i></li> <li>• <i>Gaining an understanding of the transactions throughout the year and ensuring correct treatment and disclosures in the accounts in accordance with IFRS; and</i></li> <li>• <i>Reviewing the post year end convertible loan note transactions.</i></li> </ul> |

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We consider net assets to be the most significant determinant of the Group's financial performance used by the users of the financial statements. We have based materiality on 2% of net assets for R8 Capital Investments PLC, Fibermode Limited, JGOO Limited and Mode Global Limited. Materiality for each of Greyfoxx Limited and Fibere Limited was set at 25% of group materiality. Overall materiality for the group was therefore set at £47,000. For each component, the materiality set was lower than the overall group materiality.

## Other information

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning revenue for the year of £306k (of a total £392k). We have concluded that where the other information refers to revenue or related balances such as accrued or deferred income, it may be materially misstated for the same reason.

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

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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**

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

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

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

### **Responsibilities of directors**

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

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

### **Auditor 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 aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant taxation legislation.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

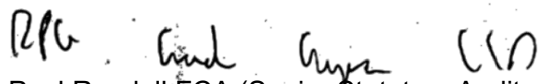
Because of the field in which the parent company operates, we identified that employment law, LSE Listing Rules and compliance with the Companies Act 2006 are most likely to have a material impact on the financial statements.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



Paul Randall FCA (Senior Statutory Auditor)

For and on behalf of RPG Crouch Chapman LLP

Chartered Accountants

Statutory Auditors

40 Gracechurch Street

London

EC3V 0BT

Date: 3 December 2024

## GROUP FINANCIAL STATEMENTS - R8 CAPITAL INVESTMENTS PLC (12794676)

### Consolidated Statement of Income

|                                      |      | Continuing<br>Operations | Discontinued<br>Operations | Total 31<br>December<br>2023 | Continuing<br>Operations | Discontinued<br>Operations | Total 31<br>December<br>2022 |
|--------------------------------------|------|--------------------------|----------------------------|------------------------------|--------------------------|----------------------------|------------------------------|
|                                      | Note | £'000                    | £'000                      | £'000                        | £'000                    | £'000                      | £'000                        |
| Revenue                              | 4    | -                        | 392                        | 392                          | -                        | 1,081                      | 1,081                        |
| Cost of sales                        |      | -                        | (94)                       | (94)                         | -                        | (1,012)                    | (1,012)                      |
| <b>Gross profit</b>                  |      | -                        | <b>298</b>                 | <b>298</b>                   | -                        | <b>68</b>                  | <b>68</b>                    |
| Administrative expenses              | 5    | (517)                    | (544)                      | (1,061)                      | (246)                    | (6,693)                    | (6,940)                      |
| <b>Operating Loss</b>                |      | <b>(517)</b>             | <b>(246)</b>               | <b>(763)</b>                 | <b>(246)</b>             | <b>(6,625)</b>             | <b>(6,871)</b>               |
| Finance costs                        |      | (124)                    | -                          | (124)                        | (64)                     | -                          | (63)                         |
| <b>Loss before taxation</b>          |      | <b>(641)</b>             | <b>(246)</b>               | <b>(887)</b>                 | <b>(310)</b>             | <b>(6,625)</b>             | <b>(6,934)</b>               |
| Taxation                             | 7    | -                        | -                          | -                            | -                        | 520                        | 520                          |
| <b>Loss for the period</b>           |      | <b>(641)</b>             | <b>(246)</b>               | <b>(887)</b>                 | <b>(310)</b>             | <b>(6,105)</b>             | <b>(6,415)</b>               |
| Basic and diluted loss per share (p) | 8    | -                        | (1)                        | (1)                          | -                        | (6)                        | (6)                          |

## Consolidated Statement of Comprehensive Income (12794676)

|                                                                       | Continuing<br>Operations | Discontinued<br>Operations | Total 31<br>December<br>2023 | Continuing<br>Operations | Discontinued<br>Operations | Total 31-<br>December<br>2022 |
|-----------------------------------------------------------------------|--------------------------|----------------------------|------------------------------|--------------------------|----------------------------|-------------------------------|
| Note                                                                  | £'000                    | £'000                      | £'000                        | £'000                    | £'000                      | £'000                         |
| Loss for the period                                                   | (641)                    | (246)                      | (887)                        | (310)                    | (6,105)                    | (6,415)                       |
| Other Comprehensive<br>Income:                                        |                          |                            |                              |                          |                            |                               |
| Reclassified to profit<br>or loss when specific<br>conditions are met | -                        | -                          | -                            | -                        | (194)                      | (194)                         |
| <b>Total Comprehensive<br/>Loss for the year</b>                      | <b>(641)</b>             | <b>(246)</b>               | <b>(887)</b>                 | <b>(310)</b>             | <b>(6,299)</b>             | <b>(6,609)</b>                |

The notes on pages 28 to 44 form an integral part of this consolidated financial information.

## Consolidated Statement of Financial Position (12794676)

|                                                           |       | FY<br>31-December<br>2023 | FY<br>31-December<br>2022 |
|-----------------------------------------------------------|-------|---------------------------|---------------------------|
|                                                           | Notes | £'000                     | £'000                     |
| <b>Assets</b>                                             |       |                           |                           |
| <b>Non-current Assets</b>                                 |       |                           |                           |
| Property, plant and equipment                             | 10    | 1                         | 11                        |
| <b>Intangible Non-Current Assets</b>                      |       |                           |                           |
| Software                                                  |       | -                         | 21                        |
| Treasury BTC                                              | 9     | -                         | -                         |
| <b>Current Assets</b>                                     |       |                           |                           |
| Inventory - Treasury Crypto                               |       | -                         | 45                        |
| Trade and other receivables                               | 11    | 117                       | 176                       |
| Cash and cash equivalents                                 | 12    | 628                       | 814                       |
| <b>Total Assets</b>                                       |       | <b>746</b>                | <b>1,067</b>              |
| <b>Equity and Liabilities</b>                             |       |                           |                           |
| <b>Equity attributable to equity holders of the Group</b> |       |                           |                           |
| Share Capital - Ordinary shares                           | 14    | 1,048                     | 1,029                     |
| Share Premium account                                     | 14    | 17,031                    | 17,050                    |
| Profit and Loss Account                                   |       | (20,963)                  | (20,152)                  |
| Group Reorganisation Reserve                              |       | 454                       | 454                       |
| Revaluation Reserve                                       |       | -                         | -                         |
| Share Option Reserve                                      | 15    | -                         | 77                        |
| <b>Total Equity</b>                                       |       | <b>(2,430)</b>            | <b>(1,542)</b>            |
| <b>Current Liabilities</b>                                |       |                           |                           |
| Convertible Loan Notes                                    | 16    | 1,746                     | 1,622                     |
| Current trade and other payables                          | 13    | 1,430                     | 987                       |
| <b>Total Liabilities</b>                                  |       | <b>3,176</b>              | <b>2,609</b>              |
| <b>Total Equity and Liabilities</b>                       |       | <b>746</b>                | <b>1,067</b>              |



These financial statements were approved and authorised for issue by the board of directors on 2<sup>nd</sup> December 2024 and were signed on its behalf by:

**Jonathan Rowland**  
Chairman

The notes on pages 28 to 44 form an integral part of this consolidated financial information.

## Consolidated Statement of Changes in Equity (12794676)

| Notes                                 | Share capital<br>£'000 | Share premium<br>£'000 | Accum. deficit<br>£'000 | Share Option Reserve<br>£'000 | Revaluation Reserve<br>£'000 | Group Reorg. Reserve<br>£'000 | Total equity<br>£'000 |
|---------------------------------------|------------------------|------------------------|-------------------------|-------------------------------|------------------------------|-------------------------------|-----------------------|
| <b>As at 31 December 2021</b>         | <b>914</b>             | <b>16,723</b>          | <b>(14,720)</b>         | <b>1,058</b>                  | <b>194</b>                   | <b>455</b>                    | <b>4,624</b>          |
| Shares issued                         | 115                    | 327                    | -                       | -                             | -                            | -                             | 442                   |
| Share Option Lapsing                  | -                      | -                      | 981                     | (981)                         | -                            | -                             | -                     |
| Total Comprehensive Loss for the year | -                      | -                      | (6,415)                 | -                             | (194)                        | 1                             | (6,608)               |
| <b>As at 31 December 2022</b>         | <b>1,029</b>           | <b>17,050</b>          | <b>(20,153)</b>         | <b>77</b>                     | <b>-</b>                     | <b>456</b>                    | <b>(1,542)</b>        |
| Impairment                            | -                      | -                      | -                       | -                             | -                            | -                             | -                     |
| Share Option Lapsing                  | -                      | -                      | 77                      | (77)                          | -                            | -                             | -                     |
| Shares issued                         | 19                     | (19)                   | -                       | -                             | -                            | -                             | -                     |
| Total Comprehensive Loss for the year | -                      | -                      | (887)                   | -                             | -                            | (1)                           | (888)                 |
| <b>As at 31 December 2023</b>         | <b>1,048</b>           | <b>17,031</b>          | <b>(20,963)</b>         | <b>-</b>                      | <b>-</b>                     | <b>455</b>                    | <b>(2,430)</b>        |

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

## Consolidated Statement of Cashflows (12794676)

|                                                               | FY<br>31-December<br>2023 | FY<br>31-December<br>2022 |
|---------------------------------------------------------------|---------------------------|---------------------------|
|                                                               | £'000                     | £'000                     |
| <b>Cash flows from operating activities</b>                   |                           |                           |
| Operating loss                                                | (887)                     | (6,933)                   |
| (Increase)/decrease in receivables                            | 59                        | 1,082                     |
| Increase / (decrease) in payables                             | 443                       | (356)                     |
| Finance Income                                                | -                         | -                         |
| Finance Cost                                                  | 124                       | 64                        |
| <b>Adjustment for:</b>                                        |                           |                           |
| Depreciation and amortisation                                 | 8                         | 16                        |
| Research and development tax credit                           | -                         | 520                       |
| Impairment of BTC                                             | -                         | 369                       |
| Impairment of IC                                              | -                         | 0                         |
| Interest received / (paid)                                    | -                         | (64)                      |
| <b>Net cash generated from operations</b>                     | <b>(253)</b>              | <b>(5,302)</b>            |
| <b>Cash flows from financing activities</b>                   |                           |                           |
| Disposal of Property, plant & Equipment                       | 21                        | -                         |
| Net proceeds from issue of shares/ CLN                        |                           | 2,000                     |
| <b>Net cash from financing activities</b>                     | <b>21</b>                 | <b>2,000</b>              |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>(232)</b>              | <b>(3,302)</b>            |
| Cash and cash equivalents at the beginning of the period      | 814                       | 4,155                     |
| Effect of exchange rate changes on cash and cash equivalents  | 42                        | (39)                      |
| <b>Cash and cash equivalents at end of period</b>             | <b>628</b>                | <b>814</b>                |
| <b>Represented by: Bank balances and cash</b>                 | <b>628</b>                | <b>814</b>                |

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 1. General information

R8 Capital Investments Plc (previously named Mode Global Holdings Plc until 7<sup>th</sup> September 2023) is the holding company for a group of companies that trade under the name 'Mode Global'. R8 Capital Investments was incorporated on 5 August 2020 under the laws of England with a registered number of 12794676. R8 Capital Investments is in the financial services business. Its business address is 2 Leman Street, London, United Kingdom, E1W 9US.

R8 Capital Investments wholly owns Mode Global Limited ("Mode Global"), which in turn owns 100% of JGOO Limited ("JGOO"), 100% of Greyfoxx Limited ("Greyfoxx") and 100% of Fibere Limited ("Fibere"). Greyfoxx wholly owns Fibermode Limited ("Fibermode"). R8 Capital Investments, together with its subsidiaries, are referred to herein as the "Group". All the limited companies are incorporated and domiciled in England. The registered company numbers of these companies are 09768854 (Mode Global Limited) 10805100 (JGOO Limited), 12123111 (Greyfoxx Limited), 12408852 (Fibere Limited) and 11085143 (Fibermode Limited).

| Name                | Country of incorporation | Holding  | Ownership | Nature of Business                                          |
|---------------------|--------------------------|----------|-----------|-------------------------------------------------------------|
| Mode Global Limited | United Kingdom           | Direct   | 100%      | Holding Company                                             |
| JGOO Limited        | United Kingdom           | Indirect | 100%      | No Longer Trading                                           |
| Fibermode Limited   | United Kingdom           | Indirect | 100%      | Mode Digital Wallet (Including Cryptocurrency) – wound down |
| Greyfoxx Limited    | United Kingdom           | Indirect | 100%      | No Longer Trading                                           |
| Fibere Limited      | United Kingdom           | Indirect | 100%      | No Longer Trading                                           |

Fibermode is currently being wound down and it did provide customers the ability to manage their traditional (fiat) money and their digital assets (cryptocurrency) using the same mobile (or web) application. Through MODE's mobile interface, customers have an all-encompassing view of their traditional fiat and cryptocurrency balances and will be able to initiate various transactions in both.

JGOO is no longer trading, it was a payment processing, marketing and advertising company.

Greyfoxx is no longer trading and ceased its membership in March 2023 with Financial Conduct Authority (FCA).

Fibere Limited is no longer trading and it was the R8 Capital Investments Clothing Store where customers can get Bitcoin cashback for buying items that advertise R8 Capital Investments as a brand.

The Group's principal activity was to invest in fintech companies. On 26<sup>th</sup> January 2023,

the board of the Company decided to cease its customer operations for Fibermode Ltd, JGOO Ltd and Greyfoxx Ltd in light of adverse market sentiment resulting from the collapse of FTX and the consequential lack of investor appetite for crypto-related businesses.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as "the Group") as at 31 December 2023 and for the year to 31 December 2023.

## **2. Accounting policies**

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

### **Basis of preparation**

This financial information has been prepared in accordance with IFRS, including IFRS Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) as adopted by the UK and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention. The principal accounting policies adopted are set out below and these policies have been consistently applied.

The preparation of financial statements, in compliance with adopted IFRSs, requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed below.

### **Basis of consolidation**

The consolidated financial statements include the results of the Group as if they formed a single entity for the full period or, in the case of acquisitions, from the date control is transferred to the Group. The Company controls an entity when the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, whereby it is classified as a subsidiary. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Subsidiaries are all entities over which R8 Capital Investments Plc has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. All subsidiaries have a reporting date of 31 December.

### **Changes in accounting policies and disclosures**

The accounting policies adopted are consistent throughout the financial period. Standards and amendments to IFRS effective as of 01 January 2023 have been applied by the Group. There were a number of standards and interpretations which were in issue at 31 December 2022 but were not effective at 31 December 2023 and have not been adopted

for these Financial Statements.

These include:

- Amendments to IFRS 17 Insurance Contracts (applicable on or after 1 January 2023) measurement of insurance liabilities
- Amendments to IFRS 7 and IFRS 9 Disclosure - regarding the classification and measurement of financial instruments (applicable on or after 1 January 2026)
- Amendments to IFRS 7 and IFRS 9 Disclosure - regarding supplier finance arrangements (applicable on or after 1 January 2026)
- Amendments to IAS 1 – regarding the classification of liabilities (applicable on or after 1 January 2024)

The Directors have assessed the impact of these accounting changes on the Group. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements.

There are no other IFRS or IFRIC interpretations that are effective for the first time in this financial year that would be expected to have a material impact on the Group.

### **Going concern**

The consolidated financial statements are prepared on the going concern basis.

The Directors regularly review multiple scenarios of cash flow forecasts for R8 Capital Investments PLC to determine whether it has sufficient cash reserves to meet its future working capital requirements and development plans. The Group's plans indicate that they need to raise further finance, and the Directors are confident based on past history of successful fundraising and discussions with investors that it will be successful in raising these funds.

Also, as part of this process, the Group's board approved for Mode Global Limited to enter into a Company Voluntary Arrangement with its creditors on 5th April 2023. The CVA was completed on 28th May 2024 and all creditors have been settled under the agreement.

Additionally, £1.6 million of convertible loan notes will expire on 31st December 2024. The directors have had confirmation from the majority shareholders that should the convertible loan notes need to be extended to 31st December 2025 that they will support this decision and the change in terms.

The Group currently have insufficient funds to cover current liabilities for a period of 12 months from date of approval of these financial statements. A principal stakeholder has provided confirmation to the group that they will provide sufficient working capital to allow these liabilities to be met.

To secure a longer-term future of the R8 Capital Investments PLC status, the Board of Directors are in conversations with multiple parties to raise funds and to therefore enable the vehicle to invest in future ventures as they seem appropriate at the time.

Lastly on 1st October 2023, the Company entered heads of terms with the shareholders of Redwood Financial Partners Limited ("RFPL") which set out the principal terms of the proposed acquisition by the Company of the entire issued and to be issued share capital of RFPL. The acquisition is considered a reverse takeover ("RTO") and will require the publication of a prospectus with work on going. The Company's shares were suspended on 2

October 2023 and work on the RTO is still ongoing with completion date set for Q1 2025. The directors are confident that this will complete, or future funding will be available to the Group if the RTO does not complete.

However, as at the date of approval of these financial statements, there are no legally binding agreements in place in relation to any fundraising or extension of terms with creditors and as the success of any finance raising is outside the control of the Group, there can be no certainty that additional funds will be forthcoming, which indicates the existence of a material uncertainty which may cast doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

### **Foreign currency**

The functional currency of the Group and subsidiaries is the Pound Sterling (£). The presentational currency of the Group and subsidiaries is £ because a significant amount of its transactions is in £.

Transactions entered by the Group's entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occurs. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of outstanding monetary assets and liabilities are also recognised in the income statement.

### **Share capital**

The costs directly associated with the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. For the options, these have been detailed below as share based payments.

### **Revenue recognition**

#### **Digital Wallet - Fibermode**

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business.

Revenue represents commission on customer trading activities and includes interest received on Bitcoin holdings lent out to a third-party Network. Commission is recognised on the day the trade completes.

On 26<sup>th</sup> January 2023 the board of the Company decided to cease its customer operations. R8 Capital Investments continues to work with the FCA and partners to return all fiat and crypto deposits to its customers over a wind down process.

#### **Global Services - JGOO**

Revenue is recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue on the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled, in exchange for those services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised on service contracts at the point at which the service has been completed, or for contracts covering a period of time, monthly, over the period of the contract. Revenues exclude intra-group sales and value added taxes and represent funds received on a gross basis, as the transaction revenue is received by JGOO as the principal in respect of completing the payment transaction. We control the service of completing payments on our payments platform and bear primary responsibility for the fulfilment of the payment service. JGOO has full discretion in determining fees charged to UK merchants, which is independent of the revenue we receive from Alipay and WeChat Pay. We therefore bear the risk when completing transactions and report these items as separate transactions.

On 26<sup>th</sup> January, the board of the Company decided to cease its customer operations for JGOO and all accounts with Alipay and WeChat were closed in Q1 2023.

### **Employee benefits**

#### **(i) Short-term benefits**

Wages, salaries, paid annual leave and sick leave and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

#### **(ii) Defined contribution plan**

As at year ended 31 December 2023, the Company had a defined contribution pension scheme for employees with Scottish Widows. For this defined contribution plan, the Company pays contributions to a privately administered pension insurance plan on a mandatory basis. The contributions are recognised as an employee benefit expense when they are due. This scheme was closed when all staff were let go as part of the decision to cease trading in Q1 2023

### **Operating leases**

The Group has elected not to recognise right-of-use assets and lease liabilities for its leases, all of which qualify as short-term leases which are defined as those with a lease term of 12 months or less with no purchase options. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **Current taxation:**

Current tax is the amount of income tax payable (or refundable) in respect of the taxable profit (or loss) for the year or prior years. Tax is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted by the period end. Research and development tax credits are recognised on a cash basis due to the uncertainty around whether claims will be approved by the UK tax authorities.

### **Deferred taxation**

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill.
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

The Group is entitled to a tax deduction on the exercise of certain employee share options. A share-based payment expense is recorded in the income statement over the period from the grant date to the vesting date of the relevant options. As there is a temporary difference between the accounting and tax bases, a deferred tax asset may be recorded. The deferred tax asset arising on share option awards is calculated as the estimated amount of tax deduction to be obtained in the future (based on the Group's share price at the balance sheet date) pro-rated to the extent that the services of the employee have been rendered over the vesting period. If this amount exceeds the cumulative amount of the remuneration expense at the statutory rate, the excess is recorded directly in equity, against retained earnings. Similarly, current tax relief in excess of the cumulative amount of the Share-based payments expense at the statutory rate is also recorded in retained earnings.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

### **Equity instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for distribution.

### **Share-based payments**

The Company did operate an unapproved share-based compensation plan, this closed when operations ceased on 26<sup>th</sup> January 2023 and all share options have lapsed.

### **Intangible assets - Software**

Software has a finite life and is therefore carried at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost of software and websites over their estimated useful lives of three years.

### **Accounting for cryptocurrencies**

The Group's cryptocurrencies are held for the purpose of liquidity and settling customer trades in a timely manner. As a result, we account for cryptocurrencies as inventory under IAS2. Inventory is held at the lower of cost and net realisable value. Impairments are taken to the Profit and Loss account.

### **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

Computer equipment: 33% straight-line Plant and machinery: 33% straight-line

### **Financial assets and liabilities**

#### *Recognition and initial measurement*

The Group initially recognises loans and advances, trade and other receivables/payables, and borrowings plus or minus transactions costs, when and only when the Group becomes party to the contractual provisions of the instruments.

#### *Financial assets at amortised cost*

The Group's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows. They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost comprise trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction and are subsequently measured at amortised cost using the effective interest method.

#### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum

of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

#### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

### **Summary of critical accounting estimates and judgements**

The preparation of financial information, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the directors and management, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future, and other key estimated uncertainties at the date of the financial statements, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, 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 periods if the revision affects both current and future periods.

Management do not believe there to be estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

## **3. Financial risk management**

### **Financial instruments**

|                              | <b>31-December<br/>2023</b> | <b>31-December<br/>2022</b> |
|------------------------------|-----------------------------|-----------------------------|
|                              | <b>£'000</b>                | <b>£'000</b>                |
| <b>Financial assets</b>      |                             |                             |
| Cash and cash equivalents    | 628                         | 814                         |
| Treasury BTC                 | -                           | 45                          |
| Other receivables            | 117                         | 176                         |
| <b>Financial assets</b>      | <b>745</b>                  | <b>1,035</b>                |
| <b>Financial liabilities</b> | <b>£'000</b>                | <b>£'000</b>                |
| Convertible Notes            | 1,746                       | 1622                        |
| Trade payables               | 1,171                       | 805                         |
| Other Payables               | 199                         | 142                         |
| Accruals                     | 60                          | 40                          |
| <b>Financial liabilities</b> | <b>3,176</b>                | <b>2,609</b>                |

### Fair value hierarchy

All the financial assets and financial liabilities recognised in the financial statements which are short- term in nature are shown at the carrying value, which also approximates the fair values for short- term financial instruments. Therefore, no separate disclosure for fair value hierarchy is required. The disclosure on fair value hierarchy does not apply to financial leases.

The Group's activities expose it to a variety of financial risks, mainly credit risk, liquidity risk and interest rate risk.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with companies which are demonstrably creditworthy.

The aggregate financial exposure is continuously monitored. The maximum exposure to credit risk is the value of the Group's outstanding bank balances. The Group's exposure to credit risk on cash and cash equivalents is considered to be low as the bank accounts are with banks with high credit ratings.

### Liquidity risk

The Group currently holds cash and Bitcoin balances to manage trading activity and is managed centrally. Trade and other payables are monitored as part of normal management operations.

The below, for 2023, is predominantly made up of accrued costs and tax liabilities relating to payroll:

| 2023                     | Within 1<br>year<br>£'000 | 1-2 years<br>£'000 | 2-5 years<br>£'000 |
|--------------------------|---------------------------|--------------------|--------------------|
| Trade and other payables | 3,177                     | 0                  | 0                  |
| <b>Total</b>             | <b>3,177</b>              | <b>0</b>           | <b>0</b>           |

| 2022                     | Within 1<br>year<br>£'000 | 1-2 years<br>£'000 | 2-5 years<br>£'000 |
|--------------------------|---------------------------|--------------------|--------------------|
| Trade and other payables | 2,609                     | 0                  | 0                  |
| <b>Total</b>             | <b>2,609</b>              | <b>0</b>           | <b>0</b>           |

### Market risk - interest rate risk

The Group carries no interest rate risk at the respective year ends.

### Capital risk management

The Group's capital management objectives are to ensure that the Group continues to operate as a going concern and provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

To meet these objectives, the Company reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Company through to profitability and achieve a positive cash flow.

All working capital requirements are financed from existing cash resources.

#### 4. Segment information

The Group's Revenue is made up of the trading commission on cryptocurrency assets (Fibermode), as well as bespoke payment and marketing solutions on its Global Services platform (JGOO) and the "other" segment refers to all other activities of the Group including business development and group management and other no allocated functions.

The Group currently only operates in the UK and so for now the presentation of a geographical split is not applicable.

| 31-December 2023                      |             |            |               |                |
|---------------------------------------|-------------|------------|---------------|----------------|
|                                       | JGOO        | Fibermode  | Other         | Total          |
|                                       | £'000       | £'000      | £'000         | £'000          |
| Revenue                               | 86          | 306        | -             | 392            |
| Cost of sales                         | (84)        | (9)        | -             | (94)           |
| <b>Gross Profit / (Loss)</b>          | <b>2</b>    | <b>297</b> | <b>-</b>      | <b>299</b>     |
| Administrative expenses               | (31)        | (71)       | (960)         | (1,061)        |
| <b>Operating Loss</b>                 | <b>(29)</b> | <b>226</b> | <b>(960)</b>  | <b>(762)</b>   |
| <b>Assets</b>                         | <b>-</b>    | <b>761</b> | <b>(14)</b>   | <b>747</b>     |
| <b>Liabilities</b>                    | <b>13</b>   | <b>119</b> | <b>3,045</b>  | <b>3,177</b>   |
| <b>Equity</b>                         | <b>(13)</b> | <b>642</b> | <b>(3059)</b> | <b>(2,430)</b> |
| <b>Total Liabilities &amp; Equity</b> | <b>(-)</b>  | <b>761</b> | <b>(14)</b>   | <b>747</b>     |

| 31-December 2022                      |                |                |                |                |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | JGOO           | Fibermode      | Other          | Total          |
|                                       | £'000          | £'000          | £'000          | £'000          |
| Revenue                               | 927            | 154            | -              | 1,081          |
| Cost of sales                         | (916)          | (96)           | -              | (1,012)        |
| <b>Gross Profit / (Loss)</b>          | <b>11</b>      | <b>58</b>      | <b>-</b>       | <b>69</b>      |
| Administrative expenses               | (414)          | (762)          | (5,762)        | (6,938)        |
| <b>Operating Loss</b>                 | <b>(403)</b>   | <b>(704)</b>   | <b>(5,762)</b> | <b>(6,869)</b> |
| <b>Assets</b>                         | <b>68</b>      | <b>619</b>     | <b>380</b>     | <b>1,067</b>   |
| <b>Liabilities</b>                    | <b>3,366</b>   | <b>6,428</b>   | <b>(7,185)</b> | <b>2,609</b>   |
| <b>Equity</b>                         | <b>(3,298)</b> | <b>(5,809)</b> | <b>7,565</b>   | <b>(1,542)</b> |
| <b>Total Liabilities &amp; Equity</b> | <b>68</b>      | <b>619</b>     | <b>380</b>     | <b>1,067</b>   |

## 5. Loss from operations

|                                                 | 31-December<br>2023<br>£'000 | 31-December<br>2022<br>£'000 |
|-------------------------------------------------|------------------------------|------------------------------|
| <b>Operating loss is stated after charging:</b> |                              |                              |
| Directors' fees                                 | 111                          | 150                          |
| Consultancy and advisory fees                   | 114                          | 1,367                        |
| Premises                                        | 1                            | 102                          |
| Software costs                                  | 61                           | 669                          |
| Advertising                                     | 30                           | 182                          |
| Legal and professional fees                     | 210                          | 556                          |
| Audit Fees                                      | 35                           | 35                           |
| Other administrative expenses                   | 499                          | 3,879                        |
| <b>Total Administrative expenses</b>            | <b>1,061</b>                 | <b>6,940</b>                 |

## 6. Employment costs & directors

The average number of employees (including directors) during the period was made up as follows:

|                                               | Year ended<br>31-December<br>2023 | Year ended<br>31-December<br>2022 |
|-----------------------------------------------|-----------------------------------|-----------------------------------|
|                                               | Number                            | Number                            |
| Directors (including non-executive directors) | 3                                 | 6                                 |
| Administrative                                | 7                                 | 33                                |
| <b>Total</b>                                  | <b>10</b>                         | <b>39</b>                         |

The cost of employees (including directors) during the period was made up as follows:

|                                          | Year ended<br>31-December<br>2023<br>£'000 | Year ended<br>31-December<br>2022<br>£'000 |
|------------------------------------------|--------------------------------------------|--------------------------------------------|
| Salaries and wages (including directors) | 273                                        | 2,226                                      |
| Social security costs                    | 30                                         | 280                                        |
| Pension Costs                            | 5                                          | 28                                         |
| Share Based Remuneration                 | -                                          | (981)                                      |
| <b>Staff costs</b>                       | <b>308</b>                                 | <b>1,553</b>                               |

The compensation of key management personnel, principally directors of R8 Capital Investments PLC, for the period were as follows:

|                                          | Year ended<br>31-December<br>2023<br>£'000 | Year ended<br>31-December<br>2022<br>£'000 |
|------------------------------------------|--------------------------------------------|--------------------------------------------|
| Salaries/fees                            | 50                                         | 295                                        |
| Social security costs                    | 7                                          | 40                                         |
| Other benefits and pension contributions | -                                          | 3                                          |
| <b>Total</b>                             | <b>57</b>                                  | <b>338</b>                                 |

The above remuneration (including share-based payments) of directors includes the following amounts paid to the highest paid Director:

|                       | Year ended<br>31-December<br>2023<br>£'000 | Year ended<br>31-December<br>2022<br>£'000 |
|-----------------------|--------------------------------------------|--------------------------------------------|
| Highest paid Director | 57                                         | 172                                        |

No directors or key management personnel received termination benefits upon their departure.

## 7. Taxation

|                                                                                                                                                          | Year ended<br>31 December<br>2023<br>£'000 | Year ended<br>31 December<br>2022<br>£'000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Total current tax (Relief for R&D)                                                                                                                       | -                                          | (520)                                      |
| <b>Factors affecting the tax charge for the period</b>                                                                                                   |                                            |                                            |
| Loss on ordinary activities before taxation                                                                                                              | (887)                                      | (6,934)                                    |
| Loss on ordinary activities before taxation multiplied by average rate of UK corporation tax of 23.5% (2022: 19%).<br>Note tax rate change 1st April 25% | (208)                                      | (1,317)                                    |
| Effects of:                                                                                                                                              |                                            |                                            |
| Depreciation                                                                                                                                             | 8                                          | 54                                         |
| Research & Development tax credits                                                                                                                       | -                                          | (520)                                      |
| Tax losses carried forward                                                                                                                               | 200                                        | 1,263                                      |
| <b>Current tax charge/(credit) for the period</b>                                                                                                        | <b>-</b>                                   | <b>(520)</b>                               |

## Changes in tax rates

The UK small company's corporation tax rate has been changed on 1st April 2023 to 25%. Accordingly, the deferred tax asset has been calculated based on the rate of 25% at the balance sheet date. No liability to UK corporation tax arose on ordinary activities for the current period.

The Group has estimated tax losses of £19,885,658 (2022: £19,093,000) available for carry forward against future trading profits.

The tax losses have resulted in a deferred tax asset of approximately £3,824,275 (2022: £3,638,000) which has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

## 8. Earnings per share (EPS)

|                                                                      | Year ended<br>31 December<br>2023 | Year ended<br>31 December<br>2022 |
|----------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Basic and diluted</b>                                             |                                   |                                   |
| Loss for the period and earnings used in basic & diluted EPS (£'000) | (886,538)                         | (6,414,636)                       |
| Weighted average number of shares used in basic and diluted EPS      | 104,791,280                       | 104,791,280                       |
| Loss per share (p)                                                   | (0.01)                            | (0.06)                            |

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the number of ordinary shares in issue at the end of the period.

## 9. Intangible assets - Treasury BTC

|                                    | Year ended<br>31-December<br>2023<br>£'000 | Year ended<br>31-December<br>2022<br>£'000 |
|------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>At period start (1 January)</b> | -                                          | <b>463</b>                                 |
| Additions                          |                                            | 41                                         |
| Revaluation                        |                                            | (369)                                      |
| Reclassification to Inventory      |                                            | (135)                                      |
| <b>At period end (31 December)</b> | -                                          | -                                          |

## 10. Tangible assets – computer equipment

|                             | Year ended<br>31-December<br>2023<br>£'000 | Year ended<br>31-December<br>2022<br>£'000 |
|-----------------------------|--------------------------------------------|--------------------------------------------|
| At period start (1 January) | 11                                         | 33                                         |
| Additions                   | -                                          | -                                          |
| Disposals                   | (2)                                        | (6)                                        |
| Depreciation                | (8)                                        | (16)                                       |
| At period end (31 December) | 1                                          | 11                                         |

## 11. Trade and other receivables

|                  | Year ended<br>31-December<br>2023<br>£'000 | Year ended 31-<br>December<br>2022<br>£'000 |
|------------------|--------------------------------------------|---------------------------------------------|
| Other receivable | 99                                         | 86                                          |
| VAT Receivable   | 18                                         | 90                                          |
|                  | 117                                        | 176                                         |

## 12. Cash and cash equivalents

Where cash at bank earns interest, the interest accrues at floating rates based on daily bank deposit rates. The fair value of the cash and cash equivalents is as disclosed below. For the purpose of the cash flow statement, cash and cash equivalents comprise of the amounts shown below.

|                          | Year ended<br>31-December<br>2023<br>£'000 | Year ended<br>31-December<br>2022<br>£'000 |
|--------------------------|--------------------------------------------|--------------------------------------------|
| Cash at bank and in hand | 628                                        | 814                                        |

## 13. Trade and other payables

|                | Year ended<br>31-December<br>2023<br>£'000 | Year ended<br>31-December<br>2022<br>£'000 |
|----------------|--------------------------------------------|--------------------------------------------|
| Trade payables | 1,171                                      | 805                                        |
| Other payables | 199                                        | 142                                        |
| Accruals       | 60                                         | 40                                         |
|                | 1,430                                      | 987                                        |

## 14. Share capital

|                                   | Ordinary<br>shares<br>Number | Nominal<br>value/share<br>£ | Share capital<br>£'000 | Share<br>premium<br>£'000 | Total<br>consideration<br>£'000 |
|-----------------------------------|------------------------------|-----------------------------|------------------------|---------------------------|---------------------------------|
| <b>At 31 December 2022</b>        | <b>102,901,243</b>           | <b>0.01</b>                 | <b>1,029</b>           | <b>17,050</b>             | <b>18,079</b>                   |
| Ordinary Shares issued on Placing | 1,890,037                    |                             | 19                     | -19                       | 0                               |
| <b>At 31 December 2023</b>        | <b>104,791,280</b>           | <b>0.01</b>                 | <b>1,048</b>           | <b>17,031</b>             | <b>18,079</b>                   |

All shares of the Company rank pari passu in all respects.

## 15. Share-based remuneration

The parent operates an unapproved share option plan for all employees of the Group. In accordance with standard vesting terms, the full award will vest four years after the start of the vesting date (5th October 2021), with 20% vesting on the initial IPO date and a further 5% of the options vested on each three-month anniversary. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

The details of the movements in the share scheme are as follows:

|                                    | <b>Unapproved Options</b>     |                                               |
|------------------------------------|-------------------------------|-----------------------------------------------|
|                                    | Number of<br>share<br>options | Average<br>Exercise<br>price per<br>share (£) |
| Outstanding as at 31 December 2022 | 422,819                       | 0.50                                          |
| Granted during the period          | 0                             | 0.00                                          |
| Exercised during the period        | -                             | -                                             |
| Forfeited during the period        | (422,819)                     | 0.50                                          |
| Outstanding as at 31 December 2023 | 0                             | 0.00                                          |

No options were exercisable at the end of the period. No share-based payments were settled during the period and therefore the method of settlement is not applicable.

The weighted average fair value of the options granted under the unapproved options scheme were £0.18 per option using the Black Scholes model.

In September 2022, new employees were granted 5.1m options at an exercise price of £0.075 and all existing options were modified to have an exercise price of £0.075 also. Based on a fair value assessment of the share option modification it was assessed that the fair value had decreased however, in line with IFRS 2, we continued to account for the share options of the original grant at the original fair value.

The significant inputs into the model are as follows:

|                                            |       |
|--------------------------------------------|-------|
| Current Price (£) on date issued           | 0.55  |
| Option Exercise Price (£)                  | 0.50  |
| Expected Life of Options in years          | 4     |
| Volatility                                 | 59%   |
| Risk Free interest rate                    | 0.72% |
| Adjustment for sub-optimal exercise factor | 20%   |

The expected volatility was determined using the trading prices for R8 Capital Investments Plc from the period it listed until February 16<sup>th</sup> 2021, to all for sufficient time to provide enough scope. The reason for only considering R8 is that there were no other similar companies listed in the UK with comparable operations to R8.

Following the year end, all options were lapsed following the discontinued operations. For prior year grants, the charged booked in prior years was reversed through the share option reserve and retained earnings.

## **16. Convertible Loan Notes**

In July 2022, £2.0m convertible loans notes were issues repayable in July 2023 now extended to 31<sup>st</sup> December 2024. This attracted interest at a rate of 8% pa.

The notes shall be converted by the Company on the earlier to occur of:

- (i) a change of control (in respect of which the Company shall have provided the Noteholders with reasonable notice to allow it to exercise its conversion rights hereunder); or
- (ii) a qualifying financing being completed; or
- (iii) the maturity date (31<sup>st</sup> December 2024).

The convertible loan has been treated as a short-term liability as the maturity date is less than 12 months. Interest has been accrued on a quarterly basis.

The equity element of the convertible loan notes in issue at the year-end is £442k (2022: £442k)

## 17. Reserves

The following describes the nature and purpose of each reserve within equity:

|                              |                                                                                                                                                                                                 |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Share premium                | Amount subscribed for share capital in excess of nominal value.                                                                                                                                 |
| Retained earnings            | Retained earnings represent all other net gains and losses and transactions with shareholders (example dividends) not recognised elsewhere.                                                     |
| Revaluation Reserve          | Revaluation Reserve is the excess over nominal value for the purchased Intangible Bitcoin Assets                                                                                                |
| Group Reorganisation Reserve | The consolidation of Mode Global Limited and its subsidiaries resulted in the elimination of the parent's investment in the subsidiaries, and the recognition of a group reorganisation reserve |
| Share Based Payment Reserve  | Cumulative estimated expense amount based on the price of MGH's share options                                                                                                                   |

## 18. Capital commitments

The Company has no capital commitments at the years ended 31 December 2023 and 31 December 2022.

## 19. Related Party Transactions

The group has taken advantage of the exemption available under IAS 2 Related Party Disclosures not to disclose details of transactions between Group undertakings which are eliminated on consolidation.

## 20. Events after the reporting date

The convertible loan notes are due to expire on 31<sup>st</sup> December 2024. The directors have had confirmation from the majority shareholders that should the convertible loan notes need to be extended to 31<sup>st</sup> December 2025, that they will support this decision and the change in terms.

Lastly on 1<sup>st</sup> October 2023, the Company entered heads of terms with the shareholders of Redwood Financial Partners Limited ("RFPL") which set out the principal terms of the proposed acquisition by the Company of the entire issued and to be issued share capital of RFPL. The acquisition is considered a reverse takeover ("RTO") and will require the publication of a prospectus with work on going. The Company's shares were suspended on 2 October 2023 and work on the RTO is still ongoing with completion date set for Q1 2025.

## 21. Ultimate controlling party

There is no ultimate controlling party of the Company.

## Company Statement of Financial Position

|                                                           |       | 31-December<br>2023<br>£'000 | 31-December<br>2022<br>£'000 |
|-----------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                           | Notes |                              |                              |
| <b>Assets</b>                                             |       |                              |                              |
| <b>Non-current Assets</b>                                 |       |                              |                              |
| Net amounts due from subsidiaries                         | 3.1   | -                            | -                            |
| Investment in group companies                             |       | -                            | -                            |
| <b>Current Assets</b>                                     |       |                              |                              |
| Trade and other receivables                               |       | 111                          | 102                          |
| Cash and cash equivalents                                 |       | 414                          | 7                            |
| <b>Total Assets</b>                                       |       | <b>525</b>                   | <b>109</b>                   |
| <b>Equity and Liabilities</b>                             |       |                              |                              |
| <b>Equity attributable to equity holders of the Group</b> |       |                              |                              |
| Share Capital - Ordinary shares                           |       | 1,048                        | 1,029                        |
| Share Premium account                                     |       | 17,031                       | 17,050                       |
| Profit and Loss Account                                   |       | (47,218)                     | (46,917)                     |
| Merger Relief Reserve                                     |       | 26,940                       | 26,940                       |
| Share Option Reserve                                      |       | -                            | 77                           |
| <b>Total Equity</b>                                       |       | <b>(2,199)</b>               | <b>(1,821)</b>               |
| <b>Current Liabilities</b>                                |       |                              |                              |
| Convertible Loan Notes                                    |       | 1,746                        | 1,622                        |
| Accruals                                                  |       | 20                           |                              |
| Current trade and other payables                          |       | 958                          | 308                          |
| <b>Total Liabilities</b>                                  |       | <b>2,724</b>                 | <b>1,930</b>                 |
| <b>Total Equity and Liabilities</b>                       |       | <b>525</b>                   | <b>109</b>                   |

The Company profit and loss account has been approved by the directors, and the use of the exemption under s408 of the Companies Act has been applied to publish an individual profit & loss statement. These financial statements were approved and authorised for issue by the board of directors on 2<sup>nd</sup> December 2024 and were signed on its behalf by:



**Jonathan Rowland**  
Chairman

## Company Statement of Changes in Equity

|                               | Share<br>capital<br>£'000 | Merger<br>Relief<br>Reserve<br>£'000 | Share<br>premium<br>£'000 | Accumulated<br>deficit<br>£'000 | SBP<br>Reserve<br>£'000 | Total<br>equity<br>£'000 |
|-------------------------------|---------------------------|--------------------------------------|---------------------------|---------------------------------|-------------------------|--------------------------|
| <b>As at 31 December 2021</b> | <b>914</b>                | <b>26,940</b>                        | <b>16,723</b>             | <b>(42,197)</b>                 | <b>1,058</b>            | <b>3,438</b>             |
| Shares issued (incl Placing)  | 115                       | -                                    | 327                       | -                               | -                       | 442                      |
| Share Option Reserve          | -                         | -                                    | -                         | -                               | (981)                   | (981)                    |
| Loss for Year                 | -                         | -                                    | -                         | (4,720)                         | -                       | (4,720)                  |
| <b>As at 31 December 2022</b> | <b>1,029</b>              | <b>26,940</b>                        | <b>17,050</b>             | <b>(46,917)</b>                 | <b>77</b>               | <b>(1,821)</b>           |
| Shares issued (incl Placing)  | 19                        | -                                    | (19)                      | -                               | -                       | -                        |
| Share Option Reserve          | -                         | -                                    | -                         | -                               | (77)                    | (77)                     |
| Loss for Year                 | -                         | -                                    | -                         | (301)                           | -                       | (301)                    |
| <b>As at 31 December 2023</b> | <b>1,048</b>              | <b>26,940</b>                        | <b>17,031</b>             | <b>(47,218)</b>                 | <b>-</b>                | <b>(2,199)</b>           |

Share capital is the amount subscribed for shares at nominal value.

Merger relief reserve is the excess over the nominal value for shares issued as part of a share-for-share exchange.

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

## **NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

### **1. General information**

R8 Capital Investments Plc is an investment company incorporated by shares in the United Kingdom. The address of the registered office is 2 Leman Street, London, United Kingdom, E1W 9US. The Company was incorporated and registered in England and Wales on 5<sup>th</sup> August 2020 as a public limited company.

As at 31 December 2023 the Company had shareholdings in five entities, a direct holding in Mode Global Limited, and indirect holdings in JGOO Limited 100%, Greyfoxx Limited 100%, Fibermode Limited (100%) & Fibere Limited (100%).

### **2. Accounting policies Basis of preparation**

The financial statements of the parent company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS101") and the requirements of the Companies Act 2006 in accordance with applicable accounting standards.

These policies have been consistently applied.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures.
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- the requirements of IAS 7 Statement of Cash Flows.
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f), and 135(c) to 135(e) of IAS 36 Impairment of Assets.

The Company has also taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account.

The preparation of financial statements, in conformity with FRS101, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the Company statement of financial position. Although these estimates are based on management's experience and knowledge of current events and actions, actual results may ultimately differ

from these estimates.

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

## **Changes in accounting policies and disclosures**

The accounting policies adopted are consistent throughout the financial period. Standards and amendments to IFRS effective as of 01 January 2023 have been applied by the Company.

There were a number of standards and interpretations which were in issue at 31 December 2022 but were not effective at 31 December 2023 and have not been adopted for these Financial Statements.

These include:

- Amendments to IFRS 7 and IFRS 9 Disclosure - regarding the classification and measurement of financial instruments (applicable on or after 1 January 2026)
- Amendments to IFRS 7 and IFRS 9 Disclosure - regarding supplier finance arrangements (applicable on or after 1 January 2026)
- Amendments to IAS 1 – regarding the classification of liabilities (applicable on or after 1 January 2024)

The Directors have assessed the impact of these accounting changes on the company. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Financial Statements.

There are no other IFRS or IFRIC interpretations that are effective for the first time in this financial year that would be expected to have a material impact on the Company.

## **Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

## **Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income using the expected credit loss method. The carrying amount of these assets approximates their fair value.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

## **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

## **Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at their fair value and are subsequently measured at their amortised cost using the effective interest rate method. Due to the short-term nature of these balances, the carrying amount of trade payables approximates to their fair value.

## **Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Critical accounting estimates and judgments**

The Company makes certain judgements and estimates which affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Company's accounting policies, which are described above, the directors do not believe that they have had to make any assumptions or judgements that would have a material effect on the amounts recognised in the financial information.

## **Financial risk management**

The Company's activities may expose it to some financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

## **Capital risk**

The Company takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. Investments are closely monitored.

## Investments in subsidiary companies

The Company's investment in its subsidiaries is carried at cost less provision for any impairment. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition.

## Impairment of investments in subsidiaries

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the cash-generating unit is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

## 3. Notes to the financial statements

### 3.1 Net amounts due from subsidiaries

|                                   | <b>31-December<br/>2023<br/>£'000</b> | <b>31-December<br/>2022<br/>£'000</b> |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Amounts due from subsidiaries     | 19,521                                | 19,740                                |
| Impairment Provision              | (19,521)                              | (19,740)                              |
| Net amounts due from subsidiaries | -                                     | -                                     |

During the period, management reviewed the future cash flow projections and market value of R8 Capital Investment Plc's subsidiary undertakings and deemed it appropriate to pass an impairment provision to reduce their values to nil. Management will continue to review the forecasts of the subsidiary undertakings and assess whether it is appropriate to reverse this impairment charge in future periods.

### 3.2 Capital risk management

The directors' 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. At the date of this financial information, the Company had been financed by the introduction of capital. In the future, the capital structure of the Company is to consist of borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

### 3.3 Investments in subsidiary undertakings

The principal undertakings in which the Company has an interest at the period-end is as follows:

| Name                 | Country of incorporation | Holding  | Ownership | Nature of Business                                          |
|----------------------|--------------------------|----------|-----------|-------------------------------------------------------------|
| Mode Global Limited  | United Kingdom           | Direct   | 100%      | Holding Company                                             |
| JGOO Limited *       | United Kingdom           | Indirect | 100%      | No Longer Trading                                           |
| Fibermode Limited ** | United Kingdom           | Indirect | 100%      | Mode Digital Wallet (Including Cryptocurrency) – wound down |
| Greyfoxx Limited *   | United Kingdom           | Indirect | 100%      | No Longer Trading                                           |
| Fibere Limited *     | United Kingdom           | Indirect | 100%      | No Longer Trading                                           |

\* - direct 100% investments of Mode Global Limited

\*\* - direct 100% investment of Greyfoxx limited

### Share in group undertakings

|                                    | 31-December<br>2023<br>£'000 | 31-December<br>2022<br>£'000 |
|------------------------------------|------------------------------|------------------------------|
| <b>At period start (1 January)</b> | -                            | -                            |
| Additions                          | 219                          | 5,805                        |
| Impairment                         | (219)                        | (5,805)                      |
| <b>At period end (31 December)</b> | -                            | -                            |

During the period, management reviewed the future cash flow projections and market value of R8 Capital Investments Plc's subsidiary undertakings and deemed it appropriate to pass an impairment to reduce their values to nil. Management will continue to review the forecasts of the subsidiary undertakings and assess whether it is appropriate to reverse this impairment charge in future periods.

### 3.4 Share capital

For details of the share capital see Note 14 of the consolidated financial statements.

### 3.5 Related party transactions

The group has taken advantage of the exemption available under IAS 2 Related Party Disclosures not to disclose details of transactions between Group undertakings which are eliminated on consolidation.

### 3.6 Merger relief reserve

The merger relief reserve was created to recognise the excess over par value of the shares issued as part of the share-for-share exchange with the previous shareholders of Mode Global Limited.

### **3.7 Share-based payment reserve**

See Note 15 of the consolidated financial statements.

### **3.8 Contingent liabilities**

The Company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

### **3.9 Capital commitments**

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

### **3.10 Ultimate controlling party**

There is no ultimate controlling party of the Company.