ICONIC LABS PLC

Registered number: 10197256 (England & Wales)

AUDITED ANNUAL REPORT
&
ACCOUNTS

YEAR ENDED 30 JUNE 2023

CONTENTS

Directors	Emmanuel Blouin Marija Hrebac David Štýbr Bradley Taylor
Company secretary	AMBA Secretaries Limited 400 Thames Valley Park Drive Reading, Berkshire RG6 1PT
Company number	10197256
Registered office	7 Bell Yard London WC2A 2JR
Auditor	Royce Peeling Green Limited The Copper Room, Deva City Office Park Trinity Way Manchester M3 7BG
Solicitor	RWK Goodman 69 Carter Lane London EC4V 5EQ
Financial Adviser	Novum Securities Limited 2nd Floor 7-10 Chandos Street London W1G 9DQ
Registrar	Equiniti Group Limited Sutherland House Russell Way Crawley West Sussex RH10 1UH

Dear Shareholders,

I am pleased to present the audited accounts of Iconic Labs PLC and its subsidiaries (together, "Iconic" or the "Company") for the twelve months ended 30 June 2023. A significant amount of the information contained in these audited accounts can be found in the Company's Prospectus published on 8 August 2023, but several updates are also included.

Over the past twelve months, we have made strong progress in restructuring and stabilising the Company amid challenging circumstances, including:

- (i) Negotiated settlements of all outstanding disputes;
- (ii) Finalised and satisfied all conditions of the Company Voluntary Arrangement ("CVA") which was approved with the Joint Administrators at a creditors' meeting on 22 September 2022;
- (iii) Agreed financing terms with European High Growth Opportunities Securitization Fund ("EHGOSF") and Linton Capital LLP ("Linton"), requiring the Company to issue £750,000 in convertible notes to EHGOSF and £750,000 to Linton pursuant to the terms of the Deed of Issuance and Subscription dated 23 August 2022 (the "Settlement Deed");
- (iv) Finalised the terms of a new financing facility on 28 September 2022 with EHGOSF pursuant to which EHGOSF would provide Iconic with up to £3 million by subscribing for up to 3,000 Loan Notes each with a par value of £1,000 (the "Financing Facility"), convertible into Ordinary Shares in the Company with Warrants attached; and
- (v) Lifted the trading suspension such that trading resumed on 24 January 2023.

As part of the requirements for the Company's successful exit from administration and renewed trading on the London Stock Exchange, the Company published a Prospectus on 8 August 2023 to provide the Company with the ability to issue further Ordinary Shares under the Prospectus Regulation Rules as follows:

- (i) Up to 1,674,130,609 Ordinary Shares to be issued to unsecured creditors under the CVA;
- (ii) Up to 45,045,045,045 Ordinary Shares to be issued to EHGOSF to convert £750,000 in convertible notes, and to Linton Capital to convert £750,000 in convertible notes under the Settlement Deed;
- (iii) Up to 80,180,180,180 Ordinary Shares to be issued to EHGOSF to satisfy £2,670,000 in unconverted drawdowns and certain fees pursuant to the Financing Facility;
- (iv) Up to 36,038,525,658 Ordinary Shares to be issued to EHGOSF to satisfy the exercise of its Warrants under the Financing Facility; and
- (vi) Up to 22,027,027,027 Ordinary Shares to be issued to Ott Ventures s.r.o and/or Ott Ventures USA, Inc. under the Management Services Agreement for outstanding fees as set out in the 2022 Accounts totalling, to date, £690,000 and a further £125,000 in part lieu of fees for the balance of the calendar year, being in aggregate £815,000.

Since trading resumed, EHGOSF has converted £530,000, at the year end, of convertibles notes under the Financing Facility resulting in the Company issuing a total of 8,901,668,621 Ordinary Shares of £0.00001 each and 2,236,616 Ordinary Shares of £0.1 each, post consolidation, to EHGOSF. In addition, the Company has also issued 6,458,946,078 Warrants to EHGOSF.

The Company held its Annual General Meeting ("AGM") on 25 August 2023 at which all resolutions were duly passed, including a resolution for the consolidation of the Company's Ordinary Shares on a 10,000 for 1 basis, such that every 10,000 Ordinary Shares of £0.00001 each were consolidated into 1 Ordinary Share of £0.1 each in nominal value. The primary objective of the consolidation was to reduce the number of Ordinary Shares, with the intention of creating a higher share price per Ordinary Share in the capital of the Company, which we believe will make the Company and the Ordinary Shares more attractive to a broader range of investors.

Since the publication of the Prospectus and the AGM, the Company was pleased to announce that it had satisfied the final condition to bring the CVA to a successful conclusion when it issued 83,256 Ordinary Shares of £0.1 each to the creditors under the CVA. As of 21 September 2023, all documents concluding the CVA had been filed with, and accepted by, Companies House.

Emergence and Growth Vision

We are proud to report that the Company has successfully navigated the challenges of administration and financial restructuring and is now poised to seek revenue-generating advisory services as it continues to search for a suitable acquisition target that will most likely take the form of a reverse takeover. As digital evolution shapes our future, the Company is eyeing opportunities in online media, artificial intelligence, big data gathering, processing and analysis sectors with which it can enter into advisory services contracts. Our intent is to support companies, especially in their infancy, that have crafted innovative products and captured markets but are inhibited by various growth constraints. We possess the executive acumen to steer these entities, building robust systems and strategies that propel them towards long-term success.

Gay Star News ("*GSN*"): A Promising Asset

Our immediate objectives centre around GSN, which we acquired in 2019 for £33,000 through our subsidiary Nuuco Media Limited. GSN's potential continues to be evident from its strong foothold in the LGBTQ+ media realm. Despite past fiscal adversities, the resilience and promise of GSN's brand have always shone through. Our goal is to amplify this potential and fortify GSN's position in the market, with Greencastle MM LLP's expertise. The partnership terms with Greencastle ensure a balanced growth trajectory, keeping the best interests of both parties in mind.

We aim to position GSN as a leading LGBTQ+ hub for diverse content. The future growth of GSN lies in our ability to produce and curate valuable content. By doing so, we expect to see a steady rise in engagements and subscriptions. Our primary competition comprises renowned publications like Pink News, Gay Times, and Attitude. The expansion of GSN's operations into Europe is also on the horizon, as we target a growth of 50,000 subscribers by the end of 2023 and a long-term vision of 1 million subscribers by 2024.

M&A and Funding

We are actively exploring acquisition opportunities to further enhance shareholder value. It is worth noting that the consideration for any such moves would primarily be in the form of company equity. Our management, spearheaded by me, is actively overseeing this initiative.

In conclusion, while the path ahead is competitive, I am confident that with the administration and financial restructuring behind us, we can now turn the page and begin a new chapter for the Company as we continue to implement our plan towards generating shareholder value.

Brad Taylor

Bradley Taylor
Chief Executive Officer
Date: 30 October 2023

INTRODUCTION

This is the sixth set of financial statements prepared by Iconic. This Strategic Report should also be read in conjunction with the Chief Executive Officer's statement together with the Prospectus published on 8 August 2023.

Principal Activities and Business Review

Iconic is a media and technology business focused on the identification, acquisition and growth of technology-driven companies in the online media, artificial intelligence, and big data gathering, processing and analysis sectors.

Iconic's sole asset is Gay Star News ("GSN"), an online media platform dedicated to the LGBTQ+ community, which Iconic intends to continue developing with strategic partners.

PRINCIPAL RISKS AND UNCERTAINTIES

The following risks are considered by the Board to be the most significant to the business:

Revenue, Profitability and Funding Risk

Iconic currently only has one asset, GSN, which is not cash-generative and otherwise currently generates no revenues including from consultancy. The Company is therefore reliant upon the Financing Facility with EHGOSF for its sole source of working capital.

The Financing Facility is subject to a number of conditions ("Conditions") including in particular:

- The shares of Iconic trade on the Main Market of the London Stock Exchange;
- The closing market price of the Shares for each of the ten consecutive trading days falling immediately prior to the relevant closing date must be at least higher than 150% of the nominal value of Iconic's shares;
- The average daily value traded of Iconic's shares (excluding 5% of the data points from the top and excluding 5% of the data points from the bottom of the data set) for the 20 trading days immediately prior to the applicable closing date must be at least £10,000;
- From the fifth drawdown tranche onwards, Iconic having published a Prospectus;
- No binding commitment has been entered into by Iconic pursuant to which a change of control in Iconic would occur;
- No occurrence that constitutes an event of default having occurred and is continuing;
- The Board having the required authority;

  (1) For the allotment and issue of at least 200% of such number of Shares as would be required upon conversion of all outstanding Notes together with the Notes to be issued pursuant to the relevant drawdown notice calculated by dividing the aggregate principal amount of all such Notes by the Closing VWAP as of the date of such drawdown notice; and

  (2) To deviate from the Shareholders' pre-emption and/or preferential subscription right (as applicable) with respect to such number of Shares; and
- No payment is due by the Company to EHGOSF (or any of its Affiliates) and no delivery of Shares (o

certificates evidencing such Shares) resulting from a conversion of Notes or exercise of any Warrants by EHGOSF (or any of its Affiliates) is outstanding.

Iconic maintains a limited amount of cash on its account as it relies entirely at this time on the EHGOSF financing facility to meet its operational expenditures. There currently remains approximately £1.75 million available for drawdown under the Financing Facility. The expected ordinary course cash burn of the business is approximately £100,000 per month for the next 12 months.

However, it is possible that in the future certain of these conditions may not be met, some of which are outside the control of the Company, although it is not currently known when this may happen. As a result, in the event any such condition is not met, the Company may not be in a position to further drawdown on the Financing Facility. Although the Directors would endeavour to pursue certain options to mitigate the consequence of such breach there is no certainty that any such options could be achieved either in part or at all. In such an event the Company would need to wind down its operations, realise any assets and may enter administration, if and to the extent there are creditors of the Company who cannot be paid. In such an event, the Company would no longer manage the affairs of the Company or the realisation of its assets. As a result of either winding down the business or entering into administration, the Ordinary Shares would be cancelled from the Official List and Shareholders may receive little or no value for their Ordinary Shares.

Dilution and Pricing Risk

If EHGOSF exercises its full rights under the Financing Facility for conversion of Loan Notes and Warrants into Shares, this could result in a significant holding in the Company by EHGOSF. However, EHGOSF's strategy is generally to sell shares in the market as soon as practicable following the exercise of such rights and in any event under the Financing Facility, inter alia, EHGOSF cannot hold more than 29.9% of the Company. Accordingly, there is a risk that should the Company seek to drawdown under the Loan Notes and EHGOSF thereafter exercise and sell Shares in significant amounts over a lengthy period, this could have a material negative impact on the price of the Shares.

Key Executive Risk

Given the wholesale change in the Board of Directors and executive team in February and March of 2021, coupled with the complexity of the restructuring, administration, CVA, and lifting of the trading suspension, there is a risk of Iconic not being able to retain key executives, which could adversely affect Iconic's operating and financial performance. Retaining and motivating Bradley Taylor (Chief Executive Officer) and David Štýbr (Executive Director) is a critical component of the future success of the business. Without the participation of these key executives, it is unlikely that the execution of the CVA, continued trading of the Company, and financing with EHGOSF can continue.

Copycat Website

A copycat website, www.gaystarnews.co.uk ("Copycat Website") was registered on 19 October 2022. Whilst it is not currently seeking to compete with the 'Gay Star News' brand created more than a decade ago, the operator of the Copycat Website has refused to deliver up the website. The Company has alerted the operators that any use of the Gay Star News brand will constitute passing off and breach of copyright but there is no certainty of a positive resolution to this dispute. If this dispute is not resolved, and the Copycat Website is not delivered up, it could result in lost website traffic and therefore a loss of revenue to the Company.

The Company is dependent upon advertising agencies to implement its growth strategy

The Company seeks to access a number of advertising agencies to implement its growth strategies. In the event that these do not wish to engage with the Company this could significantly impact the Company's ability to implement its growth strategies and/or could adversely impact profits.

Regulation of the internet and e-commerce is rapidly evolving and changes could adversely affect the Company's business

Regulation of the internet and e-commerce is rapidly evolving and there are an increasing number of directly applicable laws and regulations. It is possible that additional laws and regulations may be enacted with respect to the internet, covering issues such as user privacy, law enforcement, pricing, taxation, content liability, copyright protection and quality of products and services. The adoption of new laws and regulations could have a material adverse effect on the Company's business, results of operations and financial condition. In particular, digital advertising is subject to complex regulation. The regulations vary by jurisdiction of operation and are subject to continuous change, and compliance with such regulations and other legal requirements may be burdensome and costly. Changes to existing regulations could lead to increased costs or otherwise affect the Company's ability to generate revenues in a jurisdiction, for example, if a distribution channel ceases operations due to a change in existing regulation. In addition, the Company may face increased compliance costs and regulatory scrutiny each time it expands its operations into a new jurisdiction. In addition, any enquiries made, or proceedings initiated, by individuals or any regulator may lead to negative publicity and potential liability for the Company, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Global Economic Risk

The online media and publishing, technology, artificial intelligence, and data gathering, processing, and analytics sectors are susceptible to adverse developments in the global economy and particularly the UK economy where Iconic is located. The continual uncertainty over the war in Ukraine, the high inflationary environment and the threat of global recession, for example, may continue to delay spending by potential clients which may have a negative effect on the demand for services which could affect Iconic's revenues.

Potential Unrecorded Legacy Liabilities

As evidenced by the administration and disputes involving various key parties, there were significant legacy issues that predated management's arrival. Following the exit from administration and the entering into of confidential settlement agreements with various parties, the Directors consider that it is unlikely that there are any material unknown liabilities of Iconic, however there is the potential for unknown creditors to emerge which would increase the liabilities of the Company.

The Company will be dependent on the strength of its brand and its reputation and on developing these further and would suffer if this were not possible for any reason

A strong brand and reputation are vital to the Company's growth strategies. Brand strength and awareness is important to generate new and subsequently retain custom. The management team are in the process of developing the brand and reputation but there can be no assurances that this will be successful. The actions of competitors, negative publicity involving the Company's management or any of its employees, a lack of sufficient funds or other factors may all adversely impact the brand or reputation. These in turn may have a materially adverse effect on the Company's business, prospects for growth and/or financial position.

Inability to contract with customers on the most favourable terms

The Company enters into contracts with a wide variety of companies, many of whom possess greater negotiating leverage than is currently available to the Company. The Company may be required to tolerate terms which are less favourable than might be anticipated, and which may also be governed by the laws of other jurisdictions, and this could intensify if the number of competitors increases, thereby potentially giving existing or prospective customers more options. Furthermore, if the Company enters into more onerous terms than it would ideally enter into, it may risk not being able to satisfy those terms. Breaching onerous terms or failing to secure the best commercial terms possible could have a material impact on the Company's business revenue, financial condition and profitability.

Access to further capital

Part of the Company's growth strategy is to identify and acquire similar businesses that are of a smaller scale and which are well-priced. In the longer term, the Company is intending to grow the business organically and continue to identify and acquire similar businesses, albeit the Company anticipates such future acquisitions to be of a larger scale than those the Company is looking to make in the near term. The Company's longer term growth strategy may require additional funds in order to respond to business challenges, enhance existing services and complete any future acquisitions.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences, and privileges superior to those of current shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

Financial Risk Management

The Board monitors the internal risk management function across Iconic and advises on all relevant risk issues. There is regular communication with internal departments, external advisors and regulators. Iconic's policies on financial instruments and the risks pertaining to those instruments are set out in the accounting policies in note 1 of the financial statements.

Financial Review

Iconic made a profit in the 2023 financial year of £4,768,623 (2022 - loss of £762,107), which is largely attributable to the writing back of creditor balances previously mentioned in the Chief Executive Officer's Report.

The revenue of the Group in the year was £Nil (2022 - £26,823). Administrative expenses decreased by £4,972,509 in the year, mainly due to the writing back of creditors balances which are no longer due.

At 30 June 2023, Iconic held total assets of £50,244 (2022 - £6), this is relating to the amounts held as cash at bank. The Group had liabilities of £3,690,141 at the balance sheet date (2022 - £8,938,526), a decrease of £5,248,385.

Key Performance Indicators

The business is focused on the areas of cash management and operating results.

Iconic has identified the following key performance indicators which the Directors will use to measure success against the business plan:

- Gross revenue growth
- EBITDA growth
- Market value

BOARD COMPOSITION

As at the 30 June 2023, the Board was comprised as follows:

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	3	75%	100%	2	100%
Women	1	25%	0	0	0

FUTURE DEVELOPMENT AND STRATEGY

Market Trends

The Directors closely follow the trends and developments in the online media and publishing, technology, artificial intelligence, and big data gathering, processing, and analytics sectors. We see the shift continuing towards leaner online companies that can scale rapidly, operate internationally with an inexpensive footprint, and provide a broad array of services across various sectors through the effective use of information and video gathering, data mining, just-in-time processing, and online collaboration technology.

While the administration paused Iconic's ability to conduct transactions in these sectors, the Directors nevertheless continue to follow these market trends and are well positioned now that Iconic has exited administration to take advantage of opportunities in these areas.

Company Strategy

We aim to position Gay Star News as a leading LGBTQ+ hub for diverse content. The future growth of GSN lies in our ability to produce and curate valuable content.

In addition, the Directors have identified numerous players in the sectors of interest, many of which have technological or operational advantages, but are unable to grow and scale rapidly or internationally for various reasons including the fragmented, localised, and isolated nature of their business models. We believe there is a significant opportunity to support, acquire, and integrate these companies into Iconic given the Directors' international capabilities and strategic growth expertise.

Going concern

The Board's assessment of going concern and the key considerations thereto are set out in our Corporate Governance Report.

Capital Structure

Details of the Ordinary Shares of the Company are shown in note 10. The Company has a class of Ordinary Shares with a nominal value of £0.00001 per share, which were consolidated and divided into Ordinary Shares of £0.1 each on 25 August 2023, and a class of Deferred Shares of £0.00249 per share, both of which carry no fixed income. Each holder of Ordinary Shares is entitled to receive Iconic's Annual Report and audited financial statements, to attend and speak or appoint proxies and to exercise voting rights at Iconic's general meetings.

The Company's Articles of Association (the "Articles") do not have any specific restrictions on the transfer of shares or restrictions on voting rights, and there are no limitations on holding such shares. Other than the obligations contained in the Financing Facility, the Settlement Deed, and the CVA, the Directors are not aware of any agreement between Iconic shareholders that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over Iconic's share capital and all issued shares are fully paid.

The appointment and replacement of Directors and the powers of the Directors are governed by the Articles, the Quoted Companies Alliance Corporate Governance Code, the Companies Act 2006 and related legislation. The powers of the Directors are described in the Corporate Governance Report on pages 11-16.

Environmental Issues

As far as the Directors are aware, Iconic's business activities do not cause a direct and disproportionate adverse effect on the environment.

Employee Matters

As of 30 June 2023, and continuing through the fourth quarter of 2023, Iconic does not have any employees and its management is being conducted primarily by Bradley Taylor and David Štýbr who have worked with the Joint Administrators and creditors to restructure the Company and exit administration, resolve all outstanding disputes, and get the trading suspension on Iconic's shares lifted.

Social, Community and Human Rights Issues

Iconic seeks to achieve the highest ethical standards and behaviours in conducting its business, with integrity, openness, diversity and inclusiveness being a priority.

We have adopted a formal equal opportunities policy which is contained in our employee handbook. The aim of the policy is to ensure no job applicant, employee or worker is discriminated against either directly or indirectly on the grounds of race, sex, disability, sexual orientation, gender reassignment; marriage or civil partnership; pregnancy or maternity; religion or belief or age.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors continue to have regard to the interests of Iconic's personnel and other stakeholders, the impact of its activities on the community, the environment and its reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of Iconic for its members in the long term. We explain in this annual report, and below, how the board engages with stakeholders.

Relations with key stakeholders such as employees, shareholders and suppliers are considered in more detail on page 16.

The Directors are aware of their responsibilities to promote the success of Iconic in accordance with section 172 of the Companies Act 2006. To ensure Iconic was operating in line with good corporate practice, all Directors received refresher training on the scope and application of section 172 in writing. This encouraged the Board to reflect on how Iconic engages with its stakeholders and opportunities for enhancement in the future. A section 172 notice has been included with the Board papers since this date. As required, Iconic's Company Secretary will provide support to the Board to help ensure that sufficient consideration is given to issues relating to the matters set out in s172(1)(a)-(f).

The Board regularly reviews Iconic's principal stakeholders and how It engages with them. This is achieved through information provided by management and by direct engagement with stakeholders themselves. We aim to work responsibly with our stakeholders, including suppliers. The Board has recently reviewed its anti-corruption and anti-bribery, equal opportunities and whistleblowing policies.

The key events and Board decisions made in the year are set out below:

23 August 2022 - Finalised terms with EHGOSF and Linton under the Settlement Deed.

22 September 2022 - Finalised terms of CVA with Joint Administrators.

28 September 2022 - Finalised the terms with EHGOSF of the Financing Facility.

14 December 2022 - Confirmation of Marija Hrebac to the Board of Directors following regulatory checks.

22 December 2022 - Publication of Annual Financial Report 2021.

3 January 2023 - Publication of Annual Financial Report 2022.

25 January 2023 - FCA lifted the suspension of the listing in the Company's Ordinary Shares.

20 February 2023 – Confirmation of Emmanuel Blouin to the Board of Directors following regulatory checks.

23 February 2023 – Approval for the conversion of the Ott Companies' outstanding £365,000 success fee plus £125,000 in monthly management fees and any further outstanding monthly management fees following the publication of the Prospectus into new Ordinary Shares.

31 March 2023 - Approval of Interim Accounts for the six months ended 31 December 2022.

8 August 2023 - Publication of Prospectus.

25 August 2023 - AGM held and Ordinary Shares Consolidated.

15 September 2023 – 83,256 Ordinary Shares issued to all creditors under the CVA.

12 October 2023 – Documents terminating CVA filed with and accepted by Companies House.

Brad Taylor

Bradley Taylor
Director

Date: 30 October 2023

As Chief Executive Officer of the Company, it is my responsibility to work with my fellow Board members to ensure that the Company embraces the highest standards of corporate governance and to manage the Board in the best interests of our many stakeholders. The Board shares my belief that practicing solid corporate governance is essential for building a successful and sustainable business, and our commitment to good corporate governance has allowed us to build a healthy corporate culture throughout the organisation.

The Company adopts the Quoted Companies Alliance Corporate Governance Code (2018) (the "QCA Code"), which it believes to be the most appropriate governance code for Iconic. We report our compliance with the QCA Code in this Annual Report.

The Directors closely follow the trends and developments in the online media and publishing, technology, artificial intelligence, and big data gathering, processing, and analytics sectors. Iconic has a corporate strategy to identify and develop leaner online companies that can scale rapidly, operate internationally with an inexpensive footprint, and provide a broad array of services across various sectors through the effective use of information and video gathering, data mining, just in time processing, and online collaboration technology. Iconic delivers its business strategy with tightly controlled overheads, supplementing its financial resources through corporate transactions, JVs and partnerships as well as trading and disposals or exchanges of non-core assets.

The Board upholds its responsibility to govern the Company in the best interests of all its stakeholders. The Board takes charge of formulating, reviewing and approving the Company's strategy, financial activities and operational performance. There are Audit and Remuneration Committees established to provide additional review and scrutiny in their respective areas. The Committees report back to the Board, following each committee meeting and make appropriate recommendations with regard to the matters under their purview.

The Board is committed to instilling a culture across the Company, delivering strong values and behaviours.

Iconic recognises all sectors of stakeholders in delivering our strategy and we are mindful of our responsibilities and duties to our stakeholders. The importance of engaging with our shareholders continues, and the Board strives to ensure that there are opportunities for investors to engage with the Board.

QCA CODE – APPLICATION, PRINCIPLES AND DISCLOSURE REQUIREMENTS

Until October 2019, Iconic gave due regard to the principles set out in the UK Corporate Governance Code published in April 2016 by the Financial Reporting Council and the Quoted Companies Alliance published Corporate Governance Guidelines. In October 2019, Iconic formally adopted the QCA Code which is an enabling, principles-based, corporate governance code for companies focused on growth. Iconic is committed to maintaining and promoting robust corporate governance structures and processes to support its long-term success.

The QCA Code sets out ten principles that are listed below together with a short explanation of how the Company applies each of the principles and reasons for any non-compliance.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

Details on the strategy and business model are included in the strategic report on pages 4-10.

Principle 2: Seek to understand and meet shareholder needs and expectations

<u>Relationship with shareholders</u>

Primary responsibility for effective communication with shareholders lies with the Chairman and Chief Executive Officer, Bradley Taylor, but all Directors are available to meet with shareholders throughout the year. Mr. Taylor has been active in meeting with and preparing presentations for investors. Iconic endeavours to answer all queries raised by shareholders promptly.

Principle 3: Take into account wider stakeholder and social responsibilities and their implication for long-term success

Environmental Issues

As far as the Directors are aware, Iconic's business activities do not cause a direct and disproportionate adverse effect on the environment.

Employee Matters

As of 30 June 2023, Iconic does not have any employees and its management is solely being conducted by the Executive and Non-Executive Directors who are working with the Joint Administrators and creditors to restructure the company and exit administration and resolve all outstanding disputes.

Social, community and human rights issues

Iconic seeks to achieve the highest ethical standards and behaviours in conducting its business, with integrity, openness, diversity and inclusiveness being a priority.

We have adopted a formal equal opportunities policy which is contained in our employee handbook. The aim of the policy is to ensure no job applicant, employee or worker is discriminated against either directly or indirectly on the grounds of race, sex, disability, sexual orientation, gender reassignment; marriage or civil partnership; pregnancy or maternity; religion or belief or age.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Details on the strategy and business model are included in the strategic report on pages 4-10.

Principle 5: Maintain the board as a well-functioning, balanced team led by the CEO

Details of all Directors in post throughout the period are set out on page 21.

As of 30 June 2023, the Board comprised the following:

- Bradley Taylor, Chief Executive Officer
- David Štýbr, Non-Executive Director
- Marija Hrebac, Non-Executive Director
- Emmanuel Blouin, Non-Executive Director

How the Board functions

The Board is collectively responsible for Iconic's long-term success. The Board provides entrepreneurial leadership for Iconic within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board considers the management team's proposals for strategy and, following a consideration of those proposals, determines Iconic's strategy and ensures that the necessary resources are in place for management to execute that strategy. Further details on Iconic's business model and strategy can be found in the Strategic Report.

An important part of the Board's role is the review of management performance. Iconic's process for evaluating the effectiveness of the Board and Directors' performance will comprise an annual internal review of Executive and Non-Executive Directors' performance and a triennial review of Board performance by external providers. The results of such reviews will be used to determine whether any alterations are needed or whether any additional training would be beneficial.

Responsibility and delegation

The Board has specifically reserved a number of matters for its consideration and approval. These include:

- Overall leadership of Iconic and setting Iconic's values and standards
- Approval of Iconic's long-term objectives and commercial strategy
- Approval of the annual operating and capital expenditure budgets and any changes to them
- Major investments or capital projects
- The extension of Iconic's activities into any new business or geographic areas
- Any decision to cease any material operations
- Changes in Iconic's capital structure or management and control structure
- Approval of the annual report and accounts and preliminary and half-yearly financial statements
- Approval of treasury policies, including foreign currency exposures and use of financial derivatives
- Ensuring the maintenance of a sound system of internal control and risk management
- The entering into of agreements that are not in the ordinary course of business or material strategically or by reason of their size
- Changes to the size, composition or structure of the Board and its committees

Board balance

The Board comprises individuals with wide business experience gained in various industry sectors related to Iconic's business and it is the intention of the Board to ensure that the balance of the Directors reflects the changing needs of that business. The Board considers that it is of a size and has the balance of skills, knowledge, experience and independence that is appropriate for Iconic's business. While not having a specific policy regarding the constitution and balance of the Board, potential new Directors are considered on their own merits with regard to their skills, knowledge, experience and credentials, regardless of gender, race, ethnicity, or national background.

The QCA Code requires that the boards have an appropriate balance between Executive and Non-Executive Directors. Given the Board comprises two Executive Director and two Non-Executive Directors it is felt that given the current size of the Board and the Company, there is a strong enough presence of independent judgement.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

Board Member Biographies

Bradley Taylor
Bradley began his career as an attorney with law firms Akin Gump Strauss Hauer & Feld in Houston, and Greenberg Traurig in Dallas before switching to private equity as a director with Holland Park Capital in Austin. From there, he worked in Paris as the General Counsel and member of the Executive Committee of Orco Property Group. While at Orco, he served on the board of Orco Germany in Berlin, and the board of Suncani Hvar Hotels, a public private partnership with the Republic of Croatia. Now based in Washington DC, he is the CEO of Ott Ventures USA and of Iconic Labs, an LSE listed company. A Canadian citizen, he has a Bachelor of Commerce degree from McGill University, a Juris Doctorate from Baylor University School of Law, an MBA from INSEAD, and studied International Law at Cambridge University.

David Štýbr
David's career has been oriented on business activities, project leadership and asset management. His main focuses have been in finance, investments, private equity, venture capital and real estate, with significant experience working for investment companies operating on US futures markets, management positions in a leading CEE real estate company, and leading a family office. He also has expertise in strategic planning and preparing measurable targets to be achieved by corporations, as well as financial oversight.

Wilhelmus van der Meer *(Resigned 27 January 2023)*

Mr. Van Der Meer has extensive experience in the equity, capital raising, and restructuring sectors throughout Europe. A Dutch native, he began his career in institutional equity sales with DW Brand NV before becoming the founder of one of the largest mid/small cap investment banks in the Netherlands, Amsterdam Effecten Kantoor. He has also served as the CEO of Greenstone Gold, the Founder and General Manager of Petite Fleur, and Senior Advisor to Global EcoPower, S.A.

Marija Hrebec

Marija has over 20 years of executive experience managing a variety of complex organizations. She has worked with international corporations including Schering-Plough, MSD, L'Oréal, and Alas International at both the national and international levels, and has also worked across various industries including pharmaceutical, construction, cosmetics, hospitality, and banking. Marija's expertise revolves around the implementation of business processes, establishing organisational structures, turnarounds, crisis management, operational consolidations, and business integrations. Since 2012, Marija has been leading the Croatian Deposit Insurance Agency with a focus on implementing international standards and improving the national deposit guarantee system. In addition, she is a member of the Croatian Financial Stability Committee, a member of the Executive Council of the International Association of Deposit Insurers, and the vice-chair of the European Forum of Deposit Insurers. Marija holds a master's degree in Organizations and Management from the Faculty of Economics and Business at the University of Zagreb.

Emmanuel Blouin

Emmanuel has 25 years of investment and banking experience. He was a senior banker with Morgan Stanley, JP Morgan and BNP Paribas, during which he was involved in over €50 billion of capital markets, corporate finance and property transactions across Europe. In 2008, Mr. Blouin established Esterel Capital, a London-based boutique focusing on real estate and finance, where he continues to be Managing Partner. A French citizen, he has a Master in Finance from HEC Paris (Diplome HEC). He resides in London.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board holds regular meetings and on a quarterly basis conducts a review of Company performance based both on the quantitative metrics discussed in the strategic report and also longer term strategic targets such as acquisitions or capital sourcing.

Where there is an opportunity, the Board will add members who possess key experience and expertise in particular areas that align with the Company's long-term ambitions.

Principle 8: Promote a corporate structure that is based on ethical values and behaviours

Social, community and human rights issues

Iconic seeks to achieve the highest ethical standards and behaviours in conducting its business, with integrity, openness, diversity and inclusiveness being priorities from the Board to senior management and throughout the workforce.

We have adopted a formal equal opportunities policy which is contained in our employee handbook. The aim of the policy is to ensure no job applicant, employee or worker is discriminated against either directly or indirectly on the grounds of race, sex, disability, sexual orientation, gender reassignment; marriage or civil partnership; pregnancy or maternity; religion or belief or age.

In presenting this report, and having monitored, reviewed or approved recent shareholder communications, the Board is confident that it has presented a balanced and understandable assessment of the Iconic's position and prospects.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Remuneration Committee

At 30 June 2023, the Remuneration Committee is comprised of Marija Hrebac and Emmanuel Blouin. There are no employees as of that date and continuing through the fourth quarter of 2023. Since the change of management in March 2021 until the fourth quarter of 2023, there have been no Remuneration Committee meetings as a result of the administration and restructuring of the Company.

The Remuneration Committee's role is to set Iconic's remuneration policy, determine the remuneration packages of the executive Directors and set the targets for performance-related pay.

The Remuneration Committee shall:

- Discuss and approve the salaries and benefits for the key employees and executives.
- Discuss and agree deferral of certain parts of the salaries and benefits.
- Discuss a proposed employee option scheme which it intends to implement in the near future.

Audit Committee

At 30 June 2023, the Audit Committee is comprised of Marija Hrebac and Emmanuel Blouin. Iconic's accounting is provided by Nordens Limited and its audits are conducted by Royce Peeling Green Limited. Since the change of management in March 2021 until the fourth quarter of 2023, there has only been one Audit Committee meeting that was held to approve the 2021 and 2022 Audited Annual Report & Accounts.

The Audit Committee shall:

- Monitor the integrity of the financial statements and any formal announcements relating to financial performance.
- Review internal financial controls and risk management systems.
- Make recommendations to the Board in relation to the appointment, re-appointment and removal of auditors, including approving the remuneration and terms of engagement of the auditor.
- Review the auditor's independence and objectivity.
- Develop and implement the non-audit services policy.

Board and Committee Responsibility and Activity

The Terms of Reference for each of the committees are available on request.

Board meetings are usually held at the Company's principal working office, however due to the COVID-19 pandemic the Directors moved towards holding meetings online. Directors are provided with comprehensive background information for each meeting and all Directors have been able to participate fully and on an informed basis in the Board decisions. In addition, certain members of the senior management team have been invited to attend the whole or parts of the meetings to deliver reports on the business. Any specific actions arising during meetings are agreed by the Board and followed up and reviewed at subsequent Board meetings to ensure their completion.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Relationship with shareholders

Up until the time that Iconic entered administration, the Chief Executive Officer was active in meeting with and preparing presentations for investors. Since the administration began, Iconic, through the office of the Joint Administrators, has endeavoured to answer all queries raised by shareholders promptly.

Investor relations (IR) and communications

Whenever required, the Executive Directors communicate with shareholders to gauge sentiment and speak to Iconic's Financial Adviser to consult on particular governance issues.

In the period since Iconic's admission, regulatory announcements have been released informing the market of certain matters. Copies of these announcements, together with other IR information and documents, are available on Iconic's website www.iconiclabs.co.uk.

Insurance and indemnity

In accordance with Article 54 of the Articles of Association, Iconic's Directors and officers are entitled to an indemnity from Iconic against liabilities incurred by them in the actual or purported exercise of their duties, or exercise of their powers including liability incurred in defending any proceedings (whether civil or criminal) which relate to anything done or omitted to be done and in which judgment is given in his favour, or in which he is acquitted, or which are otherwise disposed of.

Going Concern Assessment

The Board of Directors has carefully considered the financial position of Iconic in light of progress during the twelve months ended 30 June 2023, with particular focus on funding received under the Financing Facility and the successful conclusion of the CVA. We have concluded that Iconic remains a going concern.

Brad Taylor

Bradley Taylor
Director
Date: 30 October 2023

Remuneration Committee

Once Iconic resumes trading and operations are stabilised, a Remuneration Committee will be held to assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on employment contracts for key personnel, bonus compensation to those who restructured the Company, exited administration, resolved all outstanding legal disputes, and relisted the Company, and a policy on executive remuneration, setting the over-arching principles, parameters and governance framework of the Iconic's remuneration policy and determining the individual remuneration and benefits package of each of the Executive Directors.

The Remuneration Committee shall ensure compliance with the QCA Code in relation to remuneration wherever possible.

Remuneration Policy

The main aim of Iconic's remuneration policy shall be to align the interests of Executive and Non-Executive Directors with Iconic's business strategy and the long-term creation of shareholder value. The policy shall aim to pay the Directors competitively, whilst considering the remuneration practices of other international companies of similar size and scope, the current economic climate, the regulatory and governance framework, remuneration around these companies and the need to ensure that the Directors are remunerated appropriately, whilst ensuring that Iconic pays no more than is necessary.

The Remuneration Committee shall have no formal method of involving employees in the setting of Directors' remuneration, however the members of the Remuneration Committee shall have access to employees both in formal and informal settings and take into account the level of employee remuneration when setting Directors' remuneration.

Shareholders' views on Directors' remuneration shall be taken into account when setting the Remuneration Policy.

Compensation

All management services for the Company, including, but not limited to, financial and corporate restructuring, negotiations with the joint administrators and creditors, implementation of the CVA, settlement of all outstanding disputes, negotiation with EHGOSF for financing, corporate governance, administration and accounting, Shareholder meetings, identification of potential acquisitions, strategic development, relations with the FCA and LSE, and communications to the marketplace are being rendered to Iconic pursuant to a Management Services Agreement (the "MSA") effective on 1 February 2021 with Ott Ventures, s.r.o. and Ott Ventures USA Inc. (the "Ott Companies") for a total of £50,000 per month. Bradley Taylor is connected to Ott Ventures USA by virtue of being a Director of the Company and having an indirect shareholding through a company in which he has a beneficial interest.

As at 30 June 2023, the Ott Companies were due fees totalling £365,000 under the MSA and had submitted a claim for £270,000 in unpaid fees under the CVA. As with all unsecured creditors, Ott Ventures s.r.o. will receive Iconic shares at £0.25 per £1.00 of claims at an exchange rate of £0.00016 per share under the CVA in full satisfaction of this £270,000 claim.

On 1 October 2022, only after the CVA had been approved by both the creditors and shareholders, settlements of all disputes had been executed, and a new £3 million Financing Facility with EHGOSF had been signed, did the Ott Companies invoice Iconic £365,000 as a success fee for the extensive restructuring and settlement work they had performed up to 30 September 2022. Given that the cash priorities at this time involve making payments to the preferential and critical creditors under the CVA and paying the costs and expenses related to the CVA, the Ott Companies have not yet been paid by Iconic related to this £365,000 success fee. In October of 2022, the Ott Companies also resumed invoicing Iconic £50,000 per month under the MSA. However, in an effort again to manage the Company's cash flow, the Ott Companies have only been paid 7 payments of £25,000 per month over the past 10 months in cash between October 2022 and July 2023 from the first six tranches of the new £3 million Financing Facility with EHGOSF.

The Ott Companies are being compensated in line with the time commitment and responsibilities their personnel are providing to Iconic. This compensation is similar to that provided to firms whose senior executives are engaged in the complex restructuring, CVA, stabilisation, settlement, and strategic business planning required to manage publicly listed companies involved in similarly distressed situations as Iconic.

On 23 February 2023, the Iconic Board of Directors, following a proposal from the Ott Companies, resolved that the Company would: (i) convert the Ott Companies' outstanding £365,000 success fee plus £125,000 in monthly management fees (for October, November and December of 2022 and January and February of 2023) into new Shares at the 10-day average VWAP preceding the date that the conversion into shares will take place; and (ii) convert any further outstanding monthly management fees between the date of the 23 February 2023 board meeting until the conversion can take place following the publication of the prospectus into new shares at the 10-day average VWAP preceding the date that the conversion into shares will take place. As such, as of the date of the prospectus (8 August 2023), the Ott Companies were due a total of £690,000 from the Company and have agreed to receive this amount through the issue of Shares instead of cash.

The Ott companies may elect to take future compensation as Ordinary Shares instead of cash for up to 12 months from the date of this Document.

Directors Remuneration

Director's fees totalling £26,800 have been charged.

Recruitment Policy

At present, recruiting is not a priority, but once trading has resumed, and strategic objectives begin to be implemented, the Remuneration Committee's approach to remuneration with regard to recruiting staff shall be to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role. The Remuneration Committee would consider payment of compensation for the forfeiture of variable awards from previous employers on an individual basis. Iconic would only consider candidates for a Directorship if they hold the necessary experience and qualities to help Iconic prosper, and in turn generate value for the shareholders. The table below sets out the principles upon which the Remuneration Committee shall approach recruitment of new Executive Directors in regard to each element of remuneration.

Remuneration Type	**Purpose**
Basic Salary	To provide the basis of a market competitive overall remuneration. Takes account of the role, skills, experience and contribution of the individual.
Annual Bonus	To incentivise executives to achieve key strategic outcomes and deliver value for the shareholders.

Exit Payments

When determining any loss of office payment for a departing individual the Remuneration Committee shall ensure that a consistent approach is adopted so that there is no reward for poor performance and the liabilities of Iconic are minimised where appropriate.

No amount shall be payable if an Executive Director is dismissed for serious breach of contract, serious misconduct or under-performance or acts that bring the Executive Directors, or Iconic, into serious disrepute.

The table below sets out the policy on exit payments in relation to each element of remuneration for Executive Directors:

Remuneration Type	Effect of termination
Basic Salary	Basic salary will be paid up to and including the termination date. Payment in-lieu of notice may be considered.
Annual Bonus	The executive may still be entitled to an annual bonus should their performance merit, although this is at the discretion of the Remuneration Committee. In the event of misconduct, the executive will lose any entitlement to a bonus.

Brad Taylor

Bradley Taylor

Director

Date: 30 October 2023

The Audit Committee considers Iconic's financial reporting, including accounting policies, and internal financial controls. It is responsible for ensuring that Iconic's financial performance is properly monitored and reported on. The Audit Committee aims to meet at least twice a year, once with the auditors, and is comprised of Bradley Taylor and David Štýbr. Since the change of management in March 2021 until the fourth quarter of 2023, there has only been one Audit Committee meeting that was held to approve the 2021 and 2022 Audited Annual Report and Accounts.

Iconic's accounting is provided by Nordens Limited and its audits are conducted by Royce Peeling Green Limited.

Role of the Committee

The Audit Committee determines and examines any matters relating to the financial affairs of the Group including:

- Monitoring the integrity of the financial statements and any formal announcements relating to financial performance to ensure that they adequately comply with appropriate accounting policies, practices and legal requirements;
- Reviewing internal financial controls and risk management systems;
- Making recommendations to the Board in relation to the appointment, re-appointment and removal of auditors, including approving the remuneration and terms of engagement of the auditor;
- Reviewing the auditor's independence and objectivity; and
- Developing and implement the non-audit services policy.

The Directors present their report together with the audited financial statements of Iconic Labs PLC and its subsidiaries for the year ended 30 June 2023.

Directors

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

Bradley Taylor – appointed 19 March 2021
David Štýbr – appointed 19 March 2021
Marija Hrebac – appointed 14 December 2022
Wilhelmus Van Der Meer – resigned 27 January 2023
Emmanuel Blouin – appointed 20 February 2023

Matters Covered in the Strategic Report

A review of the business, future developments, subsequent events and risks and uncertainties is included in the strategic report.

Share Capital and Dividends

The Company's share capital consists of 46,306,916,660 Ordinary Shares of £0.1 each and 1,637,129,905 Deferred Shares of £0.00249 each. The Directors do not believe there are any persons with a significant direct or indirect holding of securities in the Company.

The Directors do not recommend the payment of a dividend for the year ended 30 June 2023 (period ended 30 June 2022: £nil).

Diversity and Equality

The Company is committed to a corporate culture that embraces equal opportunity, diversity, social responsibility, safety and commitment to the environment and is based on sound ethical values and behaviours. The Company promotes its commitment through its public statements on its website, in its report and accounts and internally through its communications to its stakeholders.

Corporate Governance statement

The Corporate Governance report forms part of the Directors' Report.

Post Balance Sheet Events

The company entered administration in June 2021 but officially exited administration on 21 September 2023.

Greenhouse Gas Emissions

As far as the directors are aware the company's current business activities (the creation of online media and advertising) do not cause more than a negligible amount of emissions.

Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of Iconic and its results for that period.

In preparing these 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 the financial statements comply with IFRS as adopted by the European Union; and

- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Iconic and Company will continue in business.

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

Substantial shareholders

The Company has been notified of the following interest of 3 per cent or more in its issued share capital as at 30 October 2023:

Shareholder	Number of ordinary shares	%
Hargreaves Lansdown Nominees Limited	1,535,720	21.88*
Interactive Investor Services Nominees Limited	1,075,557	15.32*
HSDL Nominees Limited	877,741	12.50*
Global Prime Partners Limited	608,248	8.665*
Barclays Direct Investing Nominees Limited	482,911	6.88*
Vidacos Nominees Limited	318,881	4.54*
Interactive Brokers LLC	363,107	5.17*
Puma Nominees Limited	401,260	5.72*
Lawshare Nominees Limited	279,664	3.98*

**Shares are held in a nominee account with no beneficial holder owning 3% or more of the issued share capital*

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

Directors' Responsibilities Pursuant to DTR 4
The Directors confirm that to the best of their knowledge:

- Iconic's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of Iconic; and
- The Annual Report includes a fair review of the development and performance of the business and the position of Iconic, together with a description of the principal risks and uncertainties that they face.

Statement of disclosure to auditor
Each Director at the date of approval of this annual report confirms that:
- So far as the Directors are aware, there is no relevant audit information of which Iconic's auditor is unaware; and
- All the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditors, Royce Peeling Green Limited, were appointed by the Board on 19 October 2023.

Brad Taylor

Bradley Taylor
On behalf of the Board
Director
Date: 30 October 2023

Opinion

We have audited the financial statements of Iconic Labs Plc (the 'parent Company)' and its subsidiaries (together the 'Group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, 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 their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and parent Company as at 30 June 2023 and of the profit of the Group and parent Company for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

The scope of our audit was the audit of the Group and parent Company for the year ended 30 June 2023. The audit was scoped by obtaining an understanding of the Group and parent Company and their environment, including the parent Company's system of internal control and assessing the risks of material misstatement.

Audit work to respond to the assessed risks was planned and performed directly by the engagement team which performed full scope audit procedures.

Key Audit Matters	**How our scope addressed this matter**
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period 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.	
Going concern and adherence with the Company Voluntary Arrangement ("CVA")	We discussed future plans for the Group and parent Company with the Directors. The Directors provided an update on their search for an acquisition target which is likely to take the form of a reverse takeover. We reviewed trading and cash flow forecasts prepared by the Directors and considered recent cash flows and potential sensitivities. We assessed the available headroom within the £3,000,000 Financing Facility with the European High Growth Opportunities Securitisation Fund to facilitate these plans. We confirmed that at the year end the Group had undrawn facilities of £1,970,000. We reviewed the reports and correspondence with the Administrator running the CVA and confirmed that the terms of the CVA had been adhered to. We confirmed that the Group had completed the CVA as 21 September 2023 and control of the Group had been returned to the Board of Directors. We concluded that the Group and parent Company have sufficient resources to continue for at least a period of 12 months following approval of these financial statements.

Our application of materiality

The scope and focus of our audit were influenced by our assessment and application of materiality.

We define materiality as the magnitude of misstatement that could reasonably be expected to influence the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

We set materiality for the financial statements as a whole at £141,000, determined by reference to an adjusted Loss Before Taxation of the Group. This was considered an appropriate level of materiality given the limited trading activity of the Group and the absence of any significant assets at the year end date. To arrive at the adjusted Loss Before Taxation, the write back of creditor balances of £6,117,481 which was credited to the Consolidated Statement of Comprehensive Income in the year has been removed; this was considered to be the most appropriate measure to use given the ongoing position of the Group. Performance materiality was set at £88,000, being 62.5% of materiality.

We report to the Board of Directors any corrected or uncorrected misstatements arising exceeding £4,000.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and parent Company's ability to continue to adopt the going concern basis of accounting included the matters set out in Key Audit Matters above.

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

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

Other Information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the 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's and 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 parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements.

Our audit procedures included but were not limited to:

- Discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the parent Company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the FRC's website at:
https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board of Directors on 19 October 2023 to audit the financial statements for the year ended 30 June 2023. Our total uninterrupted period of engagement is one year.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent Company and we remain independent of the Group and the parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Royce Peeling Green Limited

Jonathan Hayward
Senior Statutory Auditor
For and on behalf of Royce Peeling Green Limited

Chartered Accountants
Statutory Auditor

30 October 2023

The Copper Room
Deva City Office Park
Trinity Way
Manchester M3 7BG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Continuing operations			
Revenue		**-**	26,823
Gross profit		**-**	26,823
Administrative expenses	3	**4,768,579**	(203,930)
Direct costs incurred in connection with EHGOF financing facility	3	**-**	(585,000)
Other operating income		**44**	-
Operating Profit / (Loss)		**4,768,623**	(762,107)
Profit / (Loss) before taxation		**4,768,623**	(762,107)
Taxation	5	**-**	-
Profit / (Loss) for the period from continuing operations		**4,768,623**	(762,107)
Profit / (Loss) for the period		**4,768,623**	(762,107)
Total comprehensive profit / (loss) for the period		**4,768,623**	(762,107)
Loss per ordinary share	6		
Basic and diluted			
- from continuing operations		(0.00)	(0.00)
- from discontinued operations		(0.00)	(0.00)

The profit for the year and total comprehensive profit for the year are wholly attributable to the equity holders of the parent.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	30 June 2023 £	30 June 2022 £
Assets			
Non-current assets			
Intangible assets	7	**1**	1
Total non-current assets		**1**	1
Current assets			
Cash and cash equivalents	9	**50,243**	5
		50,243	5
Total assets		**50,244**	6
Equity			
Share capital	10	**4,539,523**	4,450,506
Share premium	11	**8,341,761**	7,900,778
Retained deficit	11	**(16,521,181)**	(21,289,804)
		(3,639,897)	(8,938,520)
Liabilities			
Current liabilities			
Trade and other payables	12	**1,750,141**	6,523,526
Loans and borrowings	13	**1,940,000**	2,415,000
		3,690,141	8,938,526
Total liabilities		**3,690,141**	8,938,526
Total equity and liabilities		**50,244**	6

The financial statements of Iconic Labs plc were approved by the Board and authorised for issue on 30th October 2023. They were signed on its behalf by:

Brad Taylor
……………………………………

Bradley Taylor
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Share capital £	Share premium £	Retained deficit £	Total Equity £
Balance at 30 June 2021	4,450,506	7,900,778	(20,527,697)	(8,176,413)
Loss for the period	-	-	(762,107)	(762,107)
Total comprehensive loss for the period	-	-	(762,107)	(762,107)
Transactions with owners:				
Balance at 30 June 2022	4,450,506	7,900,778	(21,289,804)	(8,938,520)
Profit for the year	-	-	4,768,623	4,768,623
Foreign exchange translation	-	-	-	-
Total comprehensive loss for the year	-	-	4,768,623	4,768,623
Transactions with owners:				
Issue of shares	89,017	440,983	-	530,000
Cost of placings	-	-	-	-
Total contribution by and distribution to owners	89,017	440,983	-	530,000
Balance at 30 June 2023	4,539,523	8,341,761	(16,521,181)	(3,639,897)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Cash flows from operating activities			
Total comprehensive profit / (loss) for the period		4,768,623	(762,107)
(Profit)/Loss from sale of tangible assets		-	-
Net write back of loan notes		(915,000)	-
Depreciation		-	-
Finance costs		-	-
		3,853,623	(762,107)
Decrease/(increase) in trade and other receivables		-	103,126
(Decrease)/increase in trade and other payables		(4,773,385)	642,057
(Decrease) in provisions		-	(34,000)
Operating cash flows used by continuing activities		(919,762)	(50,924)
Operating cash flows generated from/(used by) discontinued operations		-	-
Net cash used in operating activities		(919,762)	(50,924)
Cash flows from financing activities			
Issue of share capital	10	-	-
Issue of share premium		-	-
Cash flows from issue of convertible loan notes	13	970,000	-
Financing cash flows from continuing activities		970,000	-
Financing cash flows used by discontinued operations		-	-
Net cash flows from financing activities		970,000	-
Net increase/(decrease) in cash and cash equivalents		50,238	(50,924)
Cash and cash equivalents at beginning of period		5	50,929
Cash and cash equivalents at period end	9	50,243	5

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	30 June 2023 £	30 June 2022 £
Non-current assets			
Investments	8	**1**	2
Non-current assets		**1**	2
Current assets			
Cash and cash equivalents	9	**50,243**	-
		50,243	-
Total assets		**50,244**	2
Equity			
Share capital	10	**4,539,523**	4,450,506
Share premium	11	**8,341,761**	7,900,778
Retained deficit	11	**(16,521,181)**	(21,289,344)
		(3,639,897)	(8,938,060)
Current liabilities			
Trade and other payables	12	**1,750,141**	6,523,062
Loans and borrowings	13	**1,940,000**	2,415,000
		3,690,141	8,938,062
Total liabilities		**3,690,141**	8,938,062
Total equity and liabilities		**50,244**	2

The Company's profit and total comprehensive profit for the year ended 30 June 2023 was £4,768,163 (30 June 2022: £1,403,138 loss).

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Share capital £	Share premium £	Retained deficit £	Total equity £
Balance at 30 June 2021	4,450,506	7,900,778	(19,886,206)	(7,534,922)
Loss for the period	-	-	(1,403,138)	(1,403,138)
Total comprehensive loss for period	-	-	(1,403,138)	(1,403,138)
Transactions with owners				
Balance at 30 June 2022	4,450,506	7,900,778	(21,289,344)	(8,938,060)
Profit for the year	-	-	4,768,163	4,768,163
Total comprehensive profit for year	-	-	4,768,163	4,768,163
Transactions with owners				
Issue of shares	89,017	440,983	-	530,000
Cost of placings	-	-	-	-
Total contributions by and distributions to owners	89,017	440,983	-	530,000
Balance at 30 June 2023	4,539,523	8,341,761	(16,521,181)	(3,639,897)

1. Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("adopted IFRS") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under adopted IFRS.

These consolidated financial statements are presented in Pounds Sterling ('**GBP'**), which is considered by the directors to be the functional and presentation currency.

The Company's individual statement of comprehensive income has been omitted from the Group's annual financial statements having taken advantage of the exemption not to disclose under Section 408(3) of the Companies Act 2006.

Going concern

The Directors consider it is appropriate to prepare the Iconic financial statements on the basis that that they are able to continue to operate for a period of at least 12 months from the date of approving these financial statements.

As noted in the Strategic Report on pages 4-10 when making this assessment the Directors have prepared forecasts which consider the expected level of expenditure over the course of the review period together with the anticipated revenues arising from the new business and acquisitions completed shortly after the period end. Key to the compilation of the forecasts central to the Directors' assessment of going concern are the following factors:

- The Group is at an early stage of development and is not currently profitable. Despite strong confidence in its business plan and forecasts, the Directors recognise there is a risk that it may require more funding but not be able to find agreement with a funding partner.
- The Group has only recently exited administration and the Board is working diligently to ensure compliance with the terms of the CVA and also to get the Group relisted as soon as possible.

Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries. Subsidiaries are entities controlled by the Group. The parent company controls a subsidiary if it has power over the investee to significantly direct the activities, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investors' returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The results of subsidiaries acquired or disposed in the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1. Accounting Policies (Continued)

Basis of consolidation (Continued)

The results and net assets of subsidiaries whose accounts are denominated in foreign currencies are retranslated into Sterling at average rates and year-end rates respectively.

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Business combinations

The Group applies the acquisition method of accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and equity interests issued by the Group. Acquisition costs are expensed as incurred.

Revenue recognition

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for the provision of its services to the client, net of discounts and sales taxes.

The Group uses the five-step model as prescribed under IFRS15 on the Group's revenue transaction. This included the identification of the contract, identification of the performance obligations, determination of the transaction price, allocation of the transaction price to the performance obligations and recognition of revenue. The point of recognition arises when the Group satisfies the performance obligation by transferring control of a promised service to the customer which could occur over time or at a point in time. Provision is made for all foreseeable losses where the Company believes that a contract will deem to be unprofitable, or a client fails to remunerate the Company for services provided.

Sale of Services

Revenue that has been billed to the client, but which is yet to be paid is accrued within trade receivables.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

1. Accounting Policies (Continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Intangible fixed assets

Intangible assets comprise capitalised computer software which are initially recognised at cost.

Amortisation is provided so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Computer Software	33% straight line basis

Intangible assets also comprise intellectual property which is initially measured at cost. The useful economic life of the asset is considered to be such that any amortisation charge would be immaterial to the financial statements. The directors have therefore decided that an annual impairment review rather than an systematic amortisation is more appropriate for this asset.

Impairment of non-current assets

At each reporting date the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment

1. Accounting Policies (Continued)

Impairment of non-current assets (Continued)

loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial asset.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and substantially all of the risks and rewards are transferred.

The financial assets of the Group are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:
- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

The classification is determined by both:
- The Group's business model for managing the financial asset
- The contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs and finance income.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
  - They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
  - The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where its effect is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance against trade

1. Accounting Policies (Continued)

Financial assets (Continued)

and other receivables. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Trade and other receivables

The group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade and other receivables on a collective basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. These are initially and subsequently recorded at fair value.

Financial liabilities

The Group's principal financial liabilities include trade and other payables, leases and convertible debt none of which would be classified as fair value through profit or loss.

Therefore, these financial liabilities are classified as financial liabilities at amortised cost, as defined below:

Other financial liabilities include the following items:

- Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Convertible loan notes

Convertible loan notes issued by the Group comprise loan notes that can be converted to ordinary shares at the option of the holder.

The liability component of the convertible loan notes is recognised on the date of inception and is determined using a market interest rate for an equivalent non-convertible instrument. The equity element is recognised as the difference between the value of the financial instrument as a whole and the value of the liability component.

1. Accounting Policies (Continued)

Convertible loan notes (Continued)

Any directly attributable transaction costs are allocated to the equity and liability components in proportion to their initial carrying amounts.

Subsequently, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method.

Leased assets

The company applies IFRS 16 Leases. Accordingly leases are all accounted for in the same manner:

- A right of use asset and lease liability is recognised on the statement of financial position, initially measured at the present value of future lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities are recognised in the statement of comprehensive income;
- The total amount of cash paid is recognised in the statement of cash flows, split between payments of principal (within financing activities) and interest (also within financing activities)

The initial measurement of the right of use asset and lease liability takes into account the value of lease incentives such as rent free periods.

The costs of leases of low value items and those with a short term at inception are recognised as incurred.

Share capital

The Group's ordinary shares are classified as equity instruments.

Changes in accounting standards, amendments and interpretations

At the date of authorisation of the financial statements, the following amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2022. These have not had any material impact on the amounts reported for the current and prior periods.

Standard or Interpretation	Effective Date
Annual improvements to IFRS Standards 2018-2020	1 January 2022
IAS 37 – Onerous Contracts	1 January 2022
IAS 16 – Property, Plant and Equipment	1 January 2022
IFRS 3 – Reference to the Conceptual Framework	1 January 2022
IFRS 9 Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2022

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not early adopted any of the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	**Effective Date**
IAS 1 – Disclosure of Accounting Policies	1 January 2023
IAS 1 Amendments regarding the classification of liabilities	1 January 2023
IAS 1 Amendments to defer the effective date of the January 2020 amendments	1 January 2023
IAS 8 – Amendments regarding the definition of accounting estimates	1 January 2023
IAS 12 – Deferred Tax Arising from a Single Transaction	1 January 2023
IFRS 17 – Insurance Contracts	1 January 2023

As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The Directors do not expect any material impact as a result of adopting standards and amendments listed above in the financial year they become effective.

2. Critical Accounting Estimates and Judgements

The group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Significant management judgements are as follows:

Legacy Issues

- Due to the change in the Board, key management and operations of the Group that took place in March 2021, it is possible that there are unrecorded liabilities relating to discontinued activities about which the Board are unaware. The Board have undertaken, to the extent possible, a thorough review of the creditor position of the Parent Company and the Group, with a core focus on the legacy business operations. Notwithstanding the Board's assessment, there is a residual risk unforeseen liabilities may arise. However, due to the publicity around the new business, shutting down the old one and drawing down on the EHGOSF facility, a number of claims were made against the company. Since the period end, no additional creditors have made a claim against the Group or the Parent Company. While it is important to consider these liabilities in these accounts the Board have however made a judgment that the risk of unrecorded actual or contingent liabilities is now low.
- The Group's former Board under through its Cellplan subsidiary was promoting bespoke stem cell medical insurance and launched a website to market the product. After due enquiry, the new Board is not aware that any such policies were issued. There does however remain a residual risk that policies may have been issued. The board consider that the incidence and financial impact is now low.

3. Profit/(Loss) from Operations

	Year ended 30 June 2023 £	Year ended 30 June 2022 £
The loss for the period is stated after charging:		
Auditors remuneration – audit services	30,000	50,000

Expenses by nature:	**£**	**£**
Legal and professional fees	772,578	(7,102)
Consultancy fees	433,368	255,254
Other supplies and external services	112,957	86,027
Total operating expenses	**1,348,903**	**334,179**
Creditors written off	(6,117,482)	-
Impairment of loans	-	(130,249)
Total administrative expenses	**(4,768,579)**	**203,930**
Direct costs in connection with EHGOSF financing facility	**-**	**585,000**
Other penalties	**-**	**-**
	(4,768,579)	**788,930**

4. Staff Costs

No wages were paid during this year or the previous year.

Employee Numbers

The average number of staff employed by the group during the period amounted to:

General and administration	3	4
	3	4

Key management personnel compensation

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

Remuneration of the directors and highest paid director is shown in the Remuneration Committee Report on page 17-19.

5. Taxation

	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Current tax	-	-
Total current tax	-	-

The reason for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to losses for the period are as follows:

	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Profit/(Loss) before taxation	4,768,623	(762,107)
Tax using the parent company's domestic tax rate of 19% (2022: 19%)	906,038	(144,800)
Effects of:		
(Utilisation of)/unrelieved tax losses and other deductions arising in the period	(906,038)	144,800
Expenses not deductible for taxation purposes	-	-
Total tax charged in the income statement	**-**	-

The deferred taxation attributable to losses arising in the year and for losses carried forward has not been recognised in these accounts due to the uncertainty over whether this will be recovered.

6. Loss per share

	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Numerator		
Profit/(Loss) for the period	4,768,623	(762,107)
Denominator		
Weighted average number of ordinary shares used in basic EPS	46,306,916,660	37,405,248,039
Basic and diluted loss per share		
- continuing operations	(0.00)	(0.00)
- discontinued operations	(0.00)	(0.00)

7. Intangible Assets

	Intellectual Property £	Total £
Cost		
Balance at 30 June 2022	21,600	21,600
Additions	-	-
Balance at 30 June 2023	21,600	21,600
Amortisation		
Balance at 30 June 2022	21,599	21,599
Impairment	-	-
Balance at 30 June 2023	21,599	21,599
Carrying amounts		
Balance at 30 June 2023	1	1
Balance at 30 June 2022	1	1

8. Investments

Company

	30 June 2023 £	30 June 2022 £
Investments in subsidiaries	1	2
	1	2

8. Investments (continued)

Subsidiaries as at 30 June 2023:

Entity	*Registered office address*	*Country of incorporation*	*Nature of business*	*Notes*
WideCells International Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Holding company	(c) (d)
WideCells Portugal SA	Rua Da Casa Branca, 97 Coimbra 3030-109, Portugal	Portugal	Trading company	(a)
WideCells Espana SL	Calle Castillo de Fuensaldana, 4, 28232 Las Rozas, Madrid	Spain	In liquidation	(a)
CellPlan Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Dormant company	(a) (d)
CellPlan International Lda	Edificio Tower Plaza Rotunda Eng, Edgar Cardoso, no. 23, 11 F, 4400-676 Vila Nova de Gaia, Portugal	Portugal	Dormant company	(b) (d)
Nuuco Media Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Dormant company	(c) (d)

Notes: (a) 100% owned by WideCells International Limited
(b) 100% owned by CellPlan Limited
(c) 100% owned by Iconic Labs plc
(d) Ordinary Shares Held

9. Cash and cash equivalents

Group

	30 June 2023 £	30 June 2022 £
Cash at bank available on demand	50,243	5
Bank overdraft	-	-
Total cash and cash equivalents	50,243	5

Company

	30 June 2023 £	30 June 2022 £
Cash at bank available on demand	50,243	-
Total cash and cash equivalents	50,243	-

10. Company Share Capital

	30 June 2023		30 June 2022	
	Number	£	Number	£
Authorised, allotted and fully paid – classified as equity				
Ordinary shares of £0.00001 each	46,306,916,660	463,069	37,405,248,039	374,052
Deferred shares of £0.00249 each	1,637,129,905	4,076,454	1,637,129,905	4,076,454
Total	**47,944,046,565**	**4,539,523**	**39,042,377,944**	**4,450,506**

At 30 June 2023, the Company had 46,306,916,660 Ordinary shares of £0.00001 in issue.

As at 30 June 2023 the Company had 1,637,129,905 Deferred Shares of £0.00249 each.

In accordance with the Companies Act 2006, the company has no limit on its authorised share capital.

The holders of Ordinary shares have full voting, dividend and capital distribution rights. The Ordinary shares do not confer any rights of redemption.

On or following the occurrence of a change of control the receipts from the acquirer shall be applied to the holders of the Ordinary shares pro rata to their respective holdings.

Ordinary shares and Deferred Shares are recorded as equity.

At 30 June 2023 the Company had issued 6,125,000,000 warrants to EHGOSF at a strike price of £0.00003 per share. All warrants remain outstanding at the year end date.

11. Reserves

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

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value
Retained deficit	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere

12. Trade and other payables

Group

	30 June 2023 £	30 June 2022 £
Trade payables	1,704,142	809,844
Other payables	-	5,574,562
Accruals	45,999	139,120
Tax and social security	-	-
Total	1,750,141	6,523,526

Book values approximate to fair values at 30 June 2023 and 30 June 2022.

Company

	30 June 2023 £	30 June 2022 £
Trade payables	1,704,142	809,380
Other payables	-	5,574,562
Accruals	45,999	139,120
Tax and social security	-	-
	1,750,141	6,523,062

Book values approximate to fair values at 30 June 2023 and 30 June 2022.

13. Loans and borrowings

Group

	30 June 2023	30 June 2022
Current	**£**	**£**
Convertible loans	1,940,000	2,415,000
Total	**1,940,000**	**2,415,000**

13. Loans and borrowings (Continued)

Book values approximate to fair values at 30 June 2023 and 30 June 2022.

During the year, as part of the settlement agreements, EHGOSF agreed to cancel the outstanding convertible loan agreements and warrants in exchange for new convertible loan notes of £750,000, and in addition, £750,000 in new convertible loan notes were issued to Linton Capital. These remain unconverted at the end of the year. These convertible loan notes are secured by relevant legal charges over the assets of the Company.

Also during the year, the Company entered into a financing facility with EHGOSF for the issue of up to £3m of further convertible loan notes. At the year end the Company had drawn down £1,030,000 of the facility of which £530,000 had been converted into shares and fees of £60,000 had been deducted. This facility is unsecured.

Company

	30 June 2023	30 June 2022
Current	**£**	**£**
Convertible loans	1,940,000	2,415,000
Total	**1,940,000**	**2,415,000**

14. Provisions

	30 June 2023	30 June 2022
	£	**£**
Provisions brought forward	-	34,000
Provision reversed in the year	-	(34,000)
Provisions carried forward	**-**	**-**

15. Financial Instruments – Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Liquidity risk

In common with other businesses, the group is exposed to risks that arise from use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks and the methods used to measure them.

The principal financial instruments used by the group, from which the financial instrument risks arise, are as follows:

- Cash and cash equivalents
- Trade and other payables
- Loans and borrowings

A summary of the financial instruments held by category is provided below:

- Financial assets – amortised cost
- Financial liabilities – amortised cost

15. Financial Instruments – Risk Management (continued)

Group:

	2023	2022
	£	£
Cash and cash equivalents	50,243	5
Trade and other receivables	-	-
Total financial assets – amortised cost	**50,243**	**5**

	2023	2022
	£	£
Trade and other payables	1,750,141	6,523,526
Loans and borrowings	1,940,000	2,415,000
Total liabilities – amortised cost	**3,690,141**	**8,938,526**

Company:	2023	2022
	£	£
Cash and cash equivalents	50,243	-
Trade and other receivables	-	-
Total financial assets – amortised cost	**50,243**	**-**

	2023	2022
	£	£
Trade and other payables	1,750,141	6,523,062
Loans and borrowings	1,940,000	2,415,000
Total liabilities – amortised cost	**3,690,141**	**8,938,062**

The Board has overall responsibility for the determination of the Group’s risk management objectives and policies.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Groups’ competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk
Credit risk is the risk of financial loss to the Group if a counterparty to the financial instrument fails to meet its contractual obligations. It is Group policy to assess the credit risk of new customers before entering into contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with high credit status are accepted.

The Group does not enter into derivatives to manage credit risk.

Cash in bank
Group

	2023	2022
	£	£
Cash held at Wise Payments Limited	50,243	5
Total financial assets	50,243	5

15. Financial Instruments – Risk Management (continued)

Company

	2023 £	2022 £
Cash held at Wise Payments Limited	50,243	-
Total financial assets	50,243	-

Market risk

Foreign exchange risk
Foreign exchange risk arises because the Group has operations in Portugal and Spain, whose functional currency is not the same as the functional currency of the Group. The Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling.

As of 30 June 2023, the Group's exposure to foreign exchange risk was not material as the overseas operations had been discontinued.

Liquidity risk
Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board will continue to monitor long term cash projections and will consider raising funds as required.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

Group:

2023	Up to 3 months £	Between 3 and 12 months £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
Trade and other payables	1,750,141	-	-	-	-
Borrowings	1,940,000	-	-	-	-
Total	3,690,141	-	-	-	-

2022	Up to 3 months £	Between 3 and 12 months £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
Trade and other payables	6,523,526	-	-	-	-
Borrowings	2,415,000	-	-	-	-
Total	8,938,526	-	-	-	-

More details in regard to the line items are included in the respective notes:

- Trade and other payables – note 12
- Loan and borrowings – note 13

15. Financial Instruments – Risk Management (continued)

At the balance sheet date, the Group had liabilities due for settlement within 3 months of £3,690,141, compared to a cash balance of £50,243. Since the year end, the Group has negotiated settlements on all outstanding disputes, finalised a CVA with the Joint Administrators and the critical, preferential, secured, and unsecured creditors and agreed to financing terms with EHGOSF to support the Company.

£1,940,000 of borrowings re convertible loan notes which are to be settled by way of an issue of share capital.

The Group monitors capital which comprises all components of equity (i.e. share capital, share premium and accumulated deficit).

The directors are aware of the need for the Group to obtain capital in order to fund the growth of the business and are in continual discussions with providers of both debt and equity capital. The directors regularly review the status of such discussions and aim at all times to have offers of capital funding available to the Company which more than exceed the needs of the Company over the coming period.

In the medium term and in addition to the need to safeguard the entity's ability to continue as a going concern, the directors are aware of the views of members on certain financing structures and therefore have set an objective to move towards a conventional, simplified capital structure based on equity capital.

Further details about the directors' assessment of the Group's ability to continue as a going concern and the key considerations there to are set out in the Corporate Governance Report on pages 11 to 16.

At present the directors do not intend to pay dividends but will reconsider the position in future periods, as the Group becomes profitable.

16. Capital commitments

Iconic had no capital commitments at 30 June 2023 or 30 June 2022.

17. Related party Transactions

Details of Directors' remuneration are given in the Remuneration Report.

18. Contingent Liabilities

Iconic had no contingent liabilities at 30 June 2023 or 30 June 2022.

19. Ultimate Controlling Party

The Directors do not consider that there is an ultimate controlling party of Iconic.

20. Reconciliation of movement in net (debt)/cash

	Net debt at 01 July 2022	Cash flow	Non-cash change in loan notes	Repayment of borrowings (continuing activities)	Conversion of loan notes to equity	Net cash at 30 June 2023
	£	£	£	£	£	£
Cash at bank and in hand	5	50,238	-	-	-	50,243
Borrowings	(2,415,000)	(970,000)	915,000	-	530,000	(1,940,000)
Total financial liabilities	(2,414,995)	(919,762)	915,000	-	530,000	(1,889,757)

	Net cash at 01 July 2021	Cash flow	Loan notes issued in the period	Loan notes converted in the period	Repayment of borrowings (continuing activities)	New loans in the period	Net cash at 30 June 2022
	£	£	£	£	£	£	£
Cash at bank and in hand	50,929	(50,924)	-	-	-	-	5
Borrowings	(2,415,000)	-	-	-	-	-	(2,415,000)
Total financial liabilities	(2,364,071)	(50,924)	-	-	-	-	(2,414,995)

21. Post Balance Sheet Events

As part of the requirements for the Company's successful exit from administration and renewed trading on the London Stock Exchange, the Company published a Prospectus on 8 August 2023 to provide the Company with the ability to issue further Ordinary Shares under the Prospectus Regulation Rules as follows:

(i) Up to 1,674,130,609 Ordinary Shares to be issued to unsecured creditors under the CVA;

(ii) Up to 45,045,045,045 Ordinary Shares to be issued to EHGOSF to convert £750,000 in convertible notes, and to Linton Capital to convert £750,000 in convertible notes under the Settlement Deed;

(iii) Up to 80,180,180,180 Ordinary Shares to be issued to EHGOSF to satisfy £2,670,000 in unconverted drawdowns and certain fees pursuant to the Financing Facility;

(iv) Up to 36,038,525,658 Ordinary Shares to be issued to EHGOSF to satisfy the exercise of its Warrants under the Financing Facility; and

(vii) Up to 22,027,027,027 Ordinary Shares to be issued to Ott Ventures s.r.o and/or Ott Ventures USA, Inc. under the Management Services Agreement for outstanding fees as set out in the 2022 Accounts totalling, to date, £690,000 and a further £125,000 in part lieu of fees for the balance of the calendar year, being in aggregate £815,000.

The Company held its Annual General Meeting ("AGM") on 25 August 2023 at which all resolutions were duly passed, including a resolution for the consolidation of the Company's Ordinary Shares on a 10,000 for 1 basis, such that every 10,000 Ordinary Shares of £0.00001 each were consolidated into 1 Ordinary Share of £0.1 each in nominal value. The primary objective of the consolidation was to reduce the number of Ordinary Shares, with the intention of creating a higher share price per Ordinary Share in the capital of the Company, which we believe will make the Company and the Ordinary Shares more attractive to a broader range of investors.

21. Post Balance Sheet Events (continued)

Since the publication of the Prospectus and the AGM, the Company was pleased to announce that it had satisfied the final condition to bring the CVA to a successful conclusion when it issued 83,256 Ordinary Shares of £0.1 each to the creditors under the CVA. As of 21 September 2023, all documents concluding the CVA had been filed with, and accepted by, Companies House.