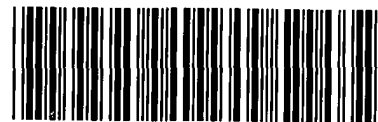


ICONIC LABS PLC
AUDITED ANNUAL REPORT
&
ACCOUNTS

YEAR ENDED 30 JUNE 2021

THURSDAY



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COMPANIES HOUSE

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Directors	Brad Taylor David Stybr Wilhelmus Van Der Meer Marija Hrebac
Company secretary	AMBA Secretaries Limited 400 Thames Valley Park Drive Reading, Berkshire RG6 1PT
Company number	10197256
Registered office	3 Field Court London WC1R 5EF
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Brokers	Novum Securities Limited 2 nd Floor, Lansdowne House 57 Berkeley Square London W1J 6ER
Registrar	SLC Registrars Limited Elder House St Georges Business Park Brooklands Road Weybridge Surrey KT13 0TS

Dear Shareholders,

I am pleased to present the audited accounts for the twelve months ended 30 June 2021. I took over as Chief Executive Officer of Iconic Labs PLC and its subsidiaries (together, "*Iconic*" or the "*Company*") on 23 March 2021 and since that time have worked with our team to restructure and stabilize the Company amid challenging circumstances.

While these accounts cover the period ended 30 June 2021, given the administration that began on 4 June 2021 and suspension of trading, our focus has, of necessity, been on restructuring the Company, settling various legal disputes, and exiting administration rather than on the accounting, operational, and strategic tasks that we would have undertaken in normal circumstances. As such, it is only now, in the fourth quarter of 2022 that we have been able to prepare these accounts.

The Company Voluntary Arrangement (the "*CVA*") was approved by the creditors, any other legal disputes relating to this period have been settled, the challenge period for the CVA expired without any objections, and the administration ended such that control of Iconic is once again in the hands of the Directors.

With this successful restructuring behind us, our goal now is to get the suspension of Iconic's shares lifted so that trading can resume, financing can continue, and we can implement our strategic objectives for the Company.

Therefore, in this report, we will not only be providing the Audited Annual Report & Accounts for the twelve months ended 30 June 2021, but we will also be providing an update on where Iconic stands as of the fourth quarter of 2022 in the interest of full transparency and providing the market with the most up to date information on the Company.

Before doing so, an overview of the situation prior to entering administration is in order.

PRIOR TO ADMINISTRATION

The twelve months ended 30 June 2021 involved a split period in terms of the Board of Directors and management of the Iconic, with the current Directors taking over in March of 2021.

During the second half of 2020, the former Directors continued the process of cleaning up the old WideCells business that had failed to make any commercial progress or generate any meaningful revenues. Iconic at that stage had significant liabilities from the WideCells operations, which the former Directors resolved in order to avoid an insolvency event. These included liabilities to former employees, closing offices in London, Manchester and Portugal and closing the laboratory facility at Manchester University. None of these facilities had developed any commercial operations, and the old WideCells business had failed to generate any revenues.

The former Directors also built a new media business involving both owned brands, such as GSN, and management service agreements ("*MSAs*") in respect of TheLondonEconomic, the JOE Media group and Lovin' Media.

Iconic has been historically funded by European High Growth Opportunities Securitization Fund ("*EHGOSF*") through convertible loan notes with warrants attached.

In October 2020, the former Directors terminated the EHGOSF funding arrangements and then signed a secured debt facility with Shard Merchant Capital ("*Shard*") on 12 November 2020.

EHGOSF contested the validity of Iconic's termination. In January 2021, Iconic was served with a High Court claim by EHGOSF in relation to alleged breaches of the EHGOSF funding arrangements. In turn, Iconic denied that it had breached these funding arrangements. Following attempts by Ott Holdings to convene a general meeting and remove the former Directors, the former Directors and most Iconic personnel resigned in January and February 2021.

Sarah Dees was appointed CEO on 5 February 2021 and Stephen Birrell appointed to the Board of Directors on 9 February 2021. Both resigned on 23 March 2021.

New board members Brendan O'Mahony, David Štýbr and Wilhelmus Van Der Meer were appointed on 19 March 2021, with Brad Taylor being appointed to the Board and also as CEO on 23 March 2021.

A formal Settlement Agreement was completed on 26 March 2021 between EHGOSF and Iconic in respect of the High Court claim and other matters.

On 28 April 2021, Brendan O'Mahony resigned from the Board and was replaced on 24 May 2021 by Marija Hrebac, subject to regulatory checks, which were confirmed on 4 June 2021, but her appointment could not be formalized given the administration proceedings set forth below.

On 3 June 2021, Arch Capital Partners LLP ("**Arch Capital**") took an assignment of all of Shard's rights and benefits under the secured debt facility dated 12 November 2020. Shard and Arch Capital gave Iconic notice of the assignment on the same date. Separately, on the same date, Arch Capital issued a notice of default to Iconic listing various events of default and demanding immediate repayment of the sums due being £184,295.

As the sum demanded was not repaid, Arch Capital appointed Joint Administrators, Antony Batty and Hugh Jesseman, to Iconic Labs on 4 June 2021.

On 7 June 2021, the Joint Administrators invited the Financial Conduct Authority ("**FCA**") to temporarily suspend trading in the Company's shares.

EVENTS POST-CLOSING OF THE 2021 ACCOUNTS:

On 26 July 2021, Iconic submitted a Statement of Affairs to the High Court of Justice, Business & Property Courts setting forth a summary of the Company's assets, liabilities, creditors, and shareholders as of 4 June 2021 when the administration began. On the same date, the Joint Administrators submitted to the creditors Proposals Relating to Iconic, wherein, among other items, they proposed that if adequate funding could be found, a CVA proposal could be submitted to the creditors for their consideration.

Following several adjournments, a Shareholders' General Meeting was ultimately held on 8 December 2021 for shareholders to vote on the meeting agenda that was convened on 20 May 2021. All resolutions were passed and involved the ability of Iconic to allot shares and finance the Company as set forth below:

- **Resolution 1:** Authority to allot relevant securities in respect of the 2019 Issuance Agreement and the Amended 2020 Issuance Agreement. This Resolution authorised the Directors to convert the notes and/or warrants issued under the 2019 Issuance Agreement and the Amended 2020 Issuance Agreement and issue further notes and/or warrants under such agreements, including in respect of subsequent drawdowns under the Amended 2020 Issuance Agreement. This authority is for relevant securities up to an aggregate nominal amount of £692,246, is in addition to any existing other authorities to allot relevant securities and expires on 14 June 2026.
- **Resolution 2:** Authority to allot relevant securities in respect of any Flexible Facility. This Resolution authorised the Directors to issue convertible securities (which grant rights to subscribe for ordinary shares) and ordinary shares on conversion of such convertible securities in connection with any "Flexible Facility" (as described in the Resolution). This authority is for relevant securities up to an aggregate nominal amount of £807,754, is in addition to any existing other authorities to allot relevant securities and expires on 14 June 2026.
- **Resolution 3:** Disapplication of pre-emption rights in respect of the 2019 Issuance Agreement and the Amended 2020 Issuance Agreement. This Resolution was subject to the passing of Resolution 1, which passed. In turn, this third Resolution authorised the Company to disapply the pre-emption rights conferred by the Companies Act 2006 in connection with the allotment authority conferred by

Resolution 1 in respect of the 2019 Issuance Agreement and the Amended 2020 Issuance Agreement. This authority applies to the relevant securities which were the subject of the allotment authority conferred by Resolution 1, is in addition to any existing powers conferred on the Company and expires on 14 June 2026.

- **Resolution 4:** Disapplication of pre-emption rights in respect of any Flexible Facility. This Resolution was subject to the passing of Resolution 2, which passed. In turn, this fourth Resolution authorised the Company to disapply the pre-emption rights conferred by the Companies Act 2006 in connection with the allotment authority conferred by Resolution 2 in respect of any Flexible Facility. This authority applies to the relevant securities which are the subject of the allotment authority conferred by Resolution 2, is in addition to any existing powers conferred on the Company and expires on 14 June 2026.
- **Resolution 5:** Disapplication of pre-emption rights in respect of the allotment authorities from the Company's Annual General Meeting ("AGM"). At the Company's AGM on 31 December 2020, the shareholders passed a resolution that authorised the Directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £124,684.16 as well as up to a further aggregate nominal amount of £124,684.16 in connection with a rights issue. This fifth Resolution authorised the Company to disapply the pre-emption rights conferred by the Companies Act 2006 in connection with the allotment authorities conferred on the Company at the last AGM described above. This authority is in addition to any existing powers conferred on the Company and expires at the conclusion of the Company's next AGM.

SETTLEMENT AND CVA

With these resolutions passed, we turned our attention to (i) negotiating settlements to all outstanding disputes; (ii) finalizing a CVA with the Joint Administrators and the critical, preferential, secured, and unsecured creditors; and (iii) agreeing to financing terms with EHGOSF to support the Company upon exiting from administration. Given the numerous parties involved and their competing interests, complexity of the various legal and financial issues confronting the parties, and volume of related legal documentation to be agreed upon, this process took until August 2022.

At that time, settlement agreements resolving all disputes were finalized, and notices were issued for a Creditors' Meeting to be held on 22 September 2022 to approve the CVA and a Shareholders' General Meeting to also be held on 22 September 2022 after the Creditors' Meeting. As part of the settlement agreements, EHGOSF agreed to cancel its outstanding convertible loan notes and warrants in exchange for new convertible loan notes of £750,000, and in addition, £750,000 in new convertible loan notes were to be issued to Linton Capital, which had been assigned Arch's Capital's positions. These new convertible loan notes were issued to EHGOSF and Linton Capital, respectively, on 16 December 2022, but to date have not been converted into new shares in Iconic.

At the Creditors' Meeting on 22 September 2022, the CVA was approved. In summary, a payment plan was approved over a period of nine months for the critical and preferential creditors as well as all costs and expenses associated with the administration. In addition, unsecured creditors agreed to be repaid in Iconic shares at a rate of £0.25 per £1.00 of unsecured claims against the Company, resulting in a reduction of more than £800,000 of liabilities against Iconic. These new Iconic shares will be issued to the unsecured creditors once all payments have been made to the critical and preferential creditors, and all costs and expenses associated with the administration have been paid in full. Subject to Iconic's trading suspension being lifted, and financing continuing under the new £3m financing facility with EHGOSF, set forth in detail below, Iconic anticipates these new shares to be issued to the unsecured creditors in May of 2023. A total of 1,674,130,609 new shares will be issued to the unsecured creditors at that time.

At the Shareholders' General Meeting also held on 22 September 2022, all resolutions were passed as set forth below:

- **Resolution 1:** The CVA that had been approved earlier in the day by the creditors was then approved at the General Meeting by the shareholders.
- **Resolution 2:** Authority to allot relevant securities to the creditors of the Company in respect of the CVA. The shareholders granted authority to the Company under the Companies Act 2006 for the Company to issue 1,674,130,609 ordinary shares to the relevant creditors in accordance with the CVA. This authority is for relevant securities up to an aggregate nominal amount of £16,741.31, is in addition to any existing other authorities to allot relevant securities and expires 5 years from the date of this Resolution.
- **Resolution 3:** Authority to allot securities generally for purpose the Directors may deem necessary or expedient in promoting the success of the Company. The shareholders granted authority to the Company to issue ordinary shares for such purposes as deemed fit to promote the success of the Company, and for those general commercial purposes that are in the best interest of the Company and its shareholders. The Company is authorised to issue ordinary shares up to 14,962,099,216 of £0.00001 per share in the capital of the Company. An aggregate nominal amount of £149,620.99 represents approximately forty per cent (40%) of the issued ordinary share capital of the Company as of 30 August 2022. This authority is for relevant securities up to an aggregate nominal amount of £149,620.99, is in addition to any existing other authorities to allot relevant securities and expires 5 years from the date of this Resolution.
- **Resolution 4:** Disapplication of pre-emption rights in respect of the ordinary shares to be issued in accordance with the CVA. This Resolution was subject to the passing of Resolution 2, which passed. In turn, this fourth Resolution authorised the Company to disapply the pre-emption rights conferred by the Companies Act 2006 in connection with the issue of 1,674,130,609 ordinary shares to the creditors of the Company pursuant to the CVA and applies to the allotment authority conferred by Resolution 2 above. This authority is in addition to any existing powers conferred on the Company and expires 5 years from the date of this Resolution.
- **Resolution 5:** Disapplication of pre-emption rights in respect of the general authority to issue up to 14,962,099,216 of ordinary shares. This Resolution was subject to the passing of Resolution 3, which passed. In turn, this fifth Resolution authorised the Company to disapply the pre-emption rights conferred by the Companies Act 2006 in connection with the issue of up to 14,962,099,216 of ordinary shares representing approximately forty per cent (40%) of the issued ordinary share capital of the Company as of 30 August 2022 and applies to the allotment authority conferred by Resolution 3 above. This authority is in addition to any existing powers conferred on the Company and expires 5 years from the date of this Resolution.

NEW FINANCING FACILITY WITH EHGOSF

Following the approval of the CVA by creditors and shareholders, on 28 September 2022 Iconic entered into a £3 million Deed of Issuance and Subscription in respect of loan notes ("**Notes**") convertible into new ordinary shares with share subscription warrants ("**Warrants**") attached (together "**the Financing Facility**") with EHGOSF. The Financing Facility can be drawn down in up to 14 sequential tranches over a maximum period of 18 months and each Note has a duration of 24 months as from its date of issue.

On the same day, Iconic submitted a drawdown notice for the first tranche of £250,000 and 781,250,000 warrants with an exercise price of GBP 0.00016. The subsequent tranches will be as follows: (i) £150,000 for tranches 2 through 6; and (ii) £ 250,000 for tranches 7 through 14.

Under the Financing Facility, EHGOSF will provide Iconic with up to £3 million by subscribing for up to 3,000 Notes, each with a par value of £1,000, convertible into new ordinary shares in the Company, with the Warrants attached. Each Note is convertible into shares of Iconic at a conversion price equal to the highest of a) 90% of

the lowest volume-weighted average price of the 15 trading days prior to delivery of a conversion notice and b) the nominal value of the shares. Iconic is to pay a commitment fee of £ 150,000 in Notes under the terms of the Financing Facility. On termination of the Financing Facility Iconic has an obligation to pay EHGOSF an administration fee in the total aggregate amount of twenty percent (20%) of the principal amount of all Notes outstanding at the time of the termination.

The Financing Facility is subject to Iconic complying with certain obligations and conditions precedent, including:

- With respect to the fourth tranche onwards, that the suspension on Iconic's shares from trading on the London Stock Exchange be lifted with 3 months of the agreement being entered into, and that the shares of Iconic recommence trading on Main Market of the London Stock Exchange (the "*Commencement of Trading*");
- From the first tranche following the Commencement of Trading onwards:
 - 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; and
 - 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 Tranche onwards, Iconic having published a prospectus;
- No binding commitment having been entered into by Iconic pursuant to which a change of control in Iconic would occur; and
- No occurrence that constitutes an event of default having occurred and is continuing.

The Warrants will amount to 50% of the financing provided by EHGOSF such that the number of Warrants will be equal to 50% of the principal amount of the Notes divided by the warrant exercise price.

Before the trading suspension on Iconic's shares is lifted and trading resumes, the warrant exercise price will be equal to the share price immediately prior to suspension, or £0.00016 per share.

If the trading suspension in Iconic's shares is lifted and trading resumes, the warrant exercise price will be equal to 120% of the share volume weighted average price of the shares over the 15 trading days immediately preceding the relevant subscription or issuance request.

Iconic will only be able to draw down on the first three tranches, for a total of £550,000, prior to the trading suspension in Iconic's shares being lifted by the Financial Conduct Authority and Iconic is once again trading on the Main Market of the London Stock Exchange. The Iconic executive team, advisors and auditors are diligently working to have the trading suspension lifted as soon as possible. Iconic will provide updates on its progress in due course.

On 28 October 2022, Iconic received a Subscription Form from EHGOSF for the second tranche of notes amounting to £ 150,000 and 468,750,000 warrants with an exercise price of GBP 0.00016.

On 29 November 2022, Iconic received a Subscription Form from EHGOSF for the third tranche of notes amounting to £ 150,000 and 468,750,000 warrants with an exercise price of GBP 0.00016.

CVA PAYMENTS

On 21 October 2022, the first payments due to critical and preferential creditors under the CVA were timely paid. In addition, on the same day, the challenge period to the CVA expired without any challenges having been made. As such, the CVA was final, and the Joint Administrators submitted the requisite filings with Companies House to this effect.

On 29 October 2022, the second payments due to critical and preferential creditors under the CVA were timely made.

On 8 November 2022, the Joint Administrators submitted their Final Report to Companies House and the High Court of Justice, Business & Property Courts seeking to exit the administration and return control of the Company to the Directors.

On 28 November, the third payments due to critical and preferential creditors under the CVA were timely made.

On 29 November, Companies House and the High Court of Justice, Business & Property Courts confirmed and acknowledged the Joint Administrators' Final Report such that the administration ended, and control of the Company was returned to the Directors.

On 28 December 2022, the fourth payments due to critical and preferential creditors under the CVA shall be timely made.

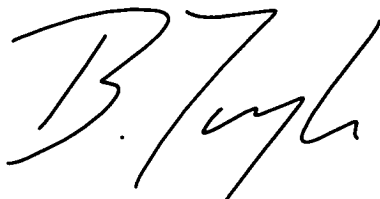
The Company and its advisors are currently in discussions with the FCA to lift the trading suspension on the Company's shares as soon as possible.

FINANCIAL SUMMARY

Iconic incurred a loss for the 2021 financial year of £7,697,306. The loss includes penalties incurred as a result of the defaults in the period, as disclosed above, totaling £4,663,154 and also includes the costs incurred in the settlement agreements with the ex-directors and staff.

Currently, Iconic is at an early stage of development its future strategy and is not currently profitable. Future revenues and profitability are dependent on the trading suspension being lifted.

Further details regarding the financial performance of Iconic can be found in the Strategic Report on the following pages.



Brad Taylor

Date: 20 December 2022

INTRODUCTION

This is the fifth set of financial statements prepared by Iconic. For the reasons set forth in the Chief Executive and Chairman's Report above, this Strategic Report has been prepared in the fourth quarter of 2022 and as such, details the strategy and risks of the Company from that time. This Strategic Report should also be read in conjunction with the Chief Executive and Chairman's statement which is included within the 2021 Annual Report.

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 and that Iconic intends to continue developing with strategic partners.

Iconic's principal activities in the short term are ensuring compliance with the terms of the CVA and settlement agreements and working with the FCA to lift the trading suspension on Iconic's shares as soon as possible so that the Directors can begin working on the operational and strategic objectives for the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Revenue and Profitability Risk

Iconic remains at an early stage of development with only one asset, GSN. Since the balance sheet date, it has had to rebalance all previous activities and is focusing on compliance with the terms of the CVA and settlement agreements and working with the FCA to lift the trading suspension on Iconic's shares as soon as possible so that the Directors can begin working on the operational and strategic objectives for the Company.

Iconic's Financing Facility with EHGOSF is conditional upon the Company trading again. In the event the Company is not relisted and Iconic cannot obtain financing to acquire companies for its portfolio, there is a risk that Iconic will not generate the revenue and profitability to remain a going concern.

Administration Risk

As of the closing of the 2021 accounts, the Joint Administrators controlled Iconic, however post-closing of the 2021 accounts, Iconic entered into a CVA with all creditors, has exited administration, and is working with the FCA on getting the trading suspension on its shares lifted. There is, however, a risk that Iconic's trading suspension will not be lifted, in which case the EHGOSF financing will cease, and the Company would have to examine alternative financing strategies or undergo liquidation proceedings should it not be able to comply with its financial obligations under the CVA.

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 relisting processes, 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 key executives, particularly those who worked diligently with the Joint Administrators, EHGOSF, and the various parties involved in disputes with the Company, to successfully restructure Iconic is a critical component of the future success of the business. Without the participation of these key executives, it is highly unlikely that the execution of the CVA, relisting of the Company, financing with EHGOSF, and implementation of its strategic vision will be implemented. The departure of any of Iconic's executive officers would have a significant negative impact on its operations and likely result in the liquidation of Iconic.

Funding Risk

Iconic is at an early stage of development, with only a single asset, and is not currently profitable. While Iconic has entered into a £3million financing facility with EHGOSF there are numerous conditions to the financing that if not met will result in EHGOSF suspending or terminating its financing of the Company. In the short term, the highest risk affecting this financing from EHGOSF is getting the trading suspension on Iconic's shares lifted. In the event the trading suspension is not lifted, the likelihood of future financing from EHGOSF or any other financing partner will be difficult if not impossible.

Market Risk

The online media and publishing, technology, artificial intelligence, and data gathering, processing, and analytics sectors are continually changing and have a significant amount of competition. Iconic has identified various acquisition targets, but until such time as the trading suspension is lifted and Iconic's financing situation can correspondingly be solidified, it is difficult to predict the likelihood of these acquisition targets remaining interested. Until such time, Iconic will also be materially affected by the actions of competitors, partners and suppliers. As a Company at an early stage of development, Iconic's competitors could offer superior scale and put pressure on prices which could affect Iconic's revenues and profit margins.

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 Brexit or COVID, 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 the new management's arrival when they took control of the business. Following the exit from administration and the entering into of confidential settlement agreements with various parties, it is highly unlikely that there are any material unknown liabilities of Iconic.

The current status of the old Widecells subsidiaries is as follows:

- Widecells Limited – was dissolved on 23 August 2022
- WideAcademy – was dissolved on 26 April 2022
- Widecells Espana – Has entered liquidation process. DIRECTORSHIP CIBELES, SL, a subsidiary of Gestiona-t, appointed liquidator.
- Widecells Portugal – Following the decision to cease operations and in the absence of local Directors the UK Board have been taking legal advice and are in the process of instructing a local liquidator to formalise the cessation of this company and discharge any identified obligations.
- Cellplan International LDA – Following the decision to cease operations and in the absence of local Directors the UK Board have been taking legal advice and are in the process of instructing a local liquidator to formalise the cessation of this company and discharge any identified obligations. As part of this review the Directors are making enquiries into the regulatory arrangements surrounding the company's promoting of the Stem Cell insurance product.
- Cellplan Limited – shareholder of Cellplan International LDA. Dormant
- Widecells International Limited – dormant

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 loss in the 2021 financial year of £7,697,306 (2020 - £2,390,121), which is largely attributable to the default penalties and settlement agreements previously mentioned in the Chief Executive and Chairmans' Report.

The revenue of the Group in the year was £509,171 (2020 - £107,303) and related to the provision of management services. Administrative expenses increased by £1,220,230 in the year, mainly due to an increase in consultancy and staff costs which included the costs of settlement agreements. Defaults and penalties totalled £4,663,154 (2020 - £611,380).

At 30 June 2021, Iconic held total assets of £154,056 (2020 - £360,722), following the writing down of fixed assets and a provision for bad debts in the year. The Group had liabilities of £8,330,469 at the balance sheet date (2020 - £3,473,388), an increase of £4,857,081. The increase in liabilities is mainly due to the defaults and settlement agreements previously detailed in the Chief Executive and Chairmans' Report. Details of the CVA which has been approved post year end are also detailed in that report.

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

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 continued 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

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, localized, 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 14. The Company has a class of ordinary shares with a nominal value of £0.00001 per share 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 with EHGOSF 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 12-16.

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 2021, and continuing through the fourth quarter of 2022, 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 Board decisions made in the year are set out below:

8 July 2020 – New management services contract with JOE Media.

16 July 2020 – New management services contract with JOE Media Ireland.

5 August 2020 – Additional management services contract with JOE Media.

10 September 2020 – Decision to cease drawing down funds under the EHGOSF financing facility.

30 September 2020 – Partnership with Glimpse Protocol for Ad-tech.

14 October 2020 – Termination of all contracts and other arrangements with EHGOSF.

12 November 2020 – Secured debt facility entered into with Shard Merchant Capital.

16 November 2020 – New management services contract with Lovin' Media.

18 January 2021 – Board response to announcement by Ott Holdings.

1 February 2021 – John Quinlan, Liam Harrington and Sam Asante resign from the Board due to situation with EHGOSF and Ott Holdings.

5 February 2021 – Sarah Dees appointed CEO and to the Board of Directors.

9 February 2021 – Stephen Birrell appointed to the Board of Directors.

12 February 2021 – Katharine Lewis resigns from the Board of Directors.

3 March 2021 – Brendan O'Mahony, Wilhelmus van der Meer and David Štýbr appointed to the Board of Directors subject to regulatory checks.

19 March 2021 – Appointment of Bradley Taylor, subject to regulatory checks, and confirmation of Brendan Mahoney, David Štýbr, and Wilhelmus van der Meer to the Board of Directors following regulatory checks; Appointment of Bradley Taylor as Chief Executive Officer; Resignation of Sarah Dees and Stephen Birrell from the Board of Directors.

23 March 2021 – confirmation of Bradley Taylor to the Board of Directors following regulatory checks.

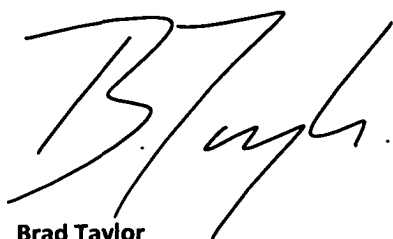
25 March 2021 – Approval of Settlement Agreement between EHGOSF and Iconic.

28 April 2021 – Brendan O'Mahony resigns from the Board of Directors.

29 April 2021 – Approval of Interim Accounts for the six months ended 31 December 2020; drawdown request sent to EHGOSF for £250,000 under the £2.75 million financing facility; with £2.5 million remaining under the financing facility combined with negotiations for a further £50 million financing facility with EHGOSF, Board determined that Iconic remained a going concern; resignation of MSP Secretaries and appointment of AMBA Secretaries Limited.

19 May 2021 – Approved the Deed of Variation regarding the 2020 Issuance Agreement as contemplated by the Settlement Agreement approved on 25 March 2021; Approved the 29 April 2021 drawdown notice and approved Side Letter permitting EHGOSF to submit a "Conversion Notice" or "Warrant Exercise Notice" to Iconic pursuant to the 2020 Issuance Agreement; Approved the Notice, Agenda and Circular to convene a General Meeting to be held on 15 June 2021.

24 May 2021 – Marja Hrebac appointed to the Board of Directors (upon completion of regulatory checks, which were confirmed on 4 June 2021).



Brad Taylor

Date: 20 December 2022

As Chairman 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 has adopted 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, as a whole, is committed to instill a culture across the Company, delivering strong values and behaviours.

Iconic recognizes 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 7-11.

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

Relationship with shareholders

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 2021, Iconic does not have any employees and its management is solely being conducted by the executive officers and non-executive Directors who are working 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.

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 7-11.

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

Details of all Directors in post throughout the period are set out on page 20.

As of 30 June 2021, the Board comprised the following:

-
- Brad Taylor: Chief Operating Officer & Chairman
- David Štýbr: Non-Executive Director
- Wilhelmus van der Meer: Non-Executive Director
- Marija Hrebac, 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 regards to their skills, knowledge, experience and credentials, regardless of gender, race, ethnic, or national background.

The QCA Code requires that the boards of companies have an appropriate balance between Executive and Non-Executive Directors. Given the Board comprises one Executive Director and three 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

Brad Taylor

Mr. Taylor 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

Mr. Štýbr'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

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.

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

The Board hold regular meetings and on a quarterly basis conduct 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 2021, the Remuneration Committee is comprised of Brad Taylor and David Štýbr. There are no employees as of that date and continuing through the fourth quarter of 2022. Since the change of management in March 2021 until the fourth quarter of 2022, 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 2021, the Audit Committee is comprised of Brad Taylor and David Stybr. Iconic's accounting is provided by Azets and its audits are conducted by Nordens Audit Limited. Since the change of management in March 2021 until the fourth quarter of 2022, there has only been one Audit Committee meeting that was held to approve this 2021 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 shall be available to view on the Company's website.

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 communicates with Iconic's brokers to confirm shareholder sentiment and 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.

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

Prior to entering administration, the Board was taking steps to ensure that Iconic would be in a position to meet its operating costs going forward and was confident that all liabilities that existed would be capable of being met via financing with EHGOSF.

At present, given that Iconic is in administration, restructuring work will be undertaken with all creditors with a goal of finding a resolution to all claims and outstanding disputes such that Iconic can exit administration, resume trading, and begin implementing its strategic objectives.



Brad Taylor

Date: 20 December 2022

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 1 February 2021 with Ott Ventures, s.r.o. and Ott Ventures USA Inc. (the "*Ott Companies*") for a total of £50,000/month.

As of 30 June 2021, the Ott Companies received £225,000 out of £250,000 for the five months since the MSA was signed, and then received an additional £140,000 out of £400,000 for the eight months through February of 2022 when the Ott Companies submitted a claim for £270,000 in unpaid fees under the CVA. As with all unsecured creditors, the Ott Companies will receive Iconic shares at £0.25 per £1.00 of claims 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 through 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 from 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 to again manage Iconic's cash flow, the Ott Companies have only been paid £25,000 per month for October, November and December 2022 from the first three 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 Iconic. This compensation is similar to that provided to firms whose senior executives are engaged in the complex restructuring, CVA, stabilization, settlement, and strategic business planning required to manage publicly listed companies involved in similarly distressed situations as Iconic.

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.

Former Board Members

John Quinlan

Mr Quinlan was appointed as Executive Director on 18 March 2019 and resigned on 31 January 2021. For the 12 months ended 30 June 2021, Mr. Quinlan received £295,979

Liam Harrington

Mr Harrington was appointed as Executive Director on 18 March 2019 and resigned on 31 January 2021. For the 12 months ended 30 June 2021, Mr. Harrington received £294,622.

Samuel Regan-Asante

Mr Regan-Asante was appointed as Executive Director on 29 November 2019 and resigned on 31 January 2021. For the 12 months ended 30 June 2021, Mr. Regan-Asante received £271,937.

Katharine Lewis

Ms. Lewis was appointed as Non-Executive Director on 14 May 2020 and resigned on 12 February 2021. For the 12 months ended 30 June 2021, Ms. Lewis received £nil.

Sarah Dees

Ms. Dees was appointed as Executive Director on 5 February 2021 and resigned on 19 March 2021. For the 12 months ended 30 June 2021, Ms. Rees received an undisclosed sum pursuant to a confidential settlement agreement.

Stephen Birrell

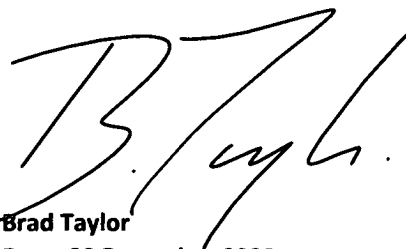
Mr. Birrell was appointed as non-executive Director on 5 February 2021 and resigned on 19 March 2021. For the 12 months ended 30 June 2021, Mr. Birrell received an undisclosed sum pursuant to a confidential settlement agreement.

Brendan O'Mahony

Mr. O'Mahoney was appointed as non-Executive Director on 3 March 2021 and resigned on 29 April 2021. For the 12 months ended 30 June 2021, Mr. O'Mahony received zero compensation.

Dr. Christoph Manthe

Dr. Manthe was appointed as non-Executive Director on 19 May 2021 and resigned on 16 June 2021. For the 12 months ended 30 June 2021, Dr. Manthe received zero compensation.



Brad Taylor

Date: 20 December 2022

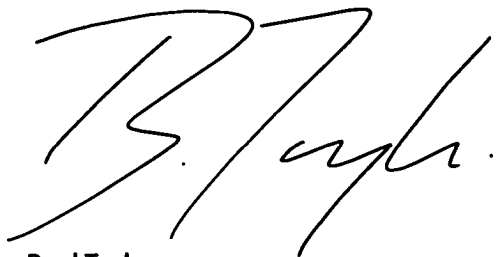
The Audit Committee considers Iconic's financial reporting, including accounting policies, and internal financial controls. It is responsible for ensuring that Iconic's financial performance is properly monitored and reported on. The Audit Committee aims to meet at least twice a year, once with the auditors,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

Iconic's accounting is provided by Azets and its audits are conducted by Nordens Audit 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.



Brad Taylor
Date: 20 December 2022

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of Iconic Labs PLC and its subsidiaries for the year ended 30 June 2021.

Directors

The Directors as of 30 June 2021 were:

Brad Taylor – appointed 23 March 2021

David Štýbr – appointed 19 March 2021

Willem Van Der Meer – appointed 19 March 2021

Marija Hrebac – appointed 24 May 2021 subject to regulatory checks, which were confirmed on 4 June 2021.

Other directors that serviced during the year were:

Stephen Birrell – appointed 9 February 2021, resigned 19 March 2021

Sarah Dees – appointed 4 February 2021, resigned 19 March 2021

Liam Harrington – resigned 1 February 2021

Katharine Lewis – resigned 12 February 2021

Stefan Manthe – appointed 19 May 2021, resigned 8 June 2021

Brendan O'Mahony – appointed 19 March 2021, resigned 28 April 2021

John Quinlan – resigned 1 February 2021

Samuel Regan-Asante – resigned 1 February 2021

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.

Dividends

The Directors do not recommend the payment of a dividend for the year ended 30 June 2021 (period ended 30 June 2020: £nil).

Corporate Governance statement

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

Post Balance Sheet Events

The company entered administration in June 2021 and as of 30 June 2021 remained in administration. Given that this report has been prepared in the fourth quarter of 2022, numerous post balance sheet events have been presented.

Further details can be found in note 25 of the financial statements.

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 the 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.

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:

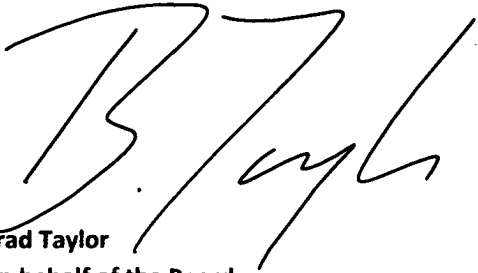
- so far as the Directors are aware, there is no relevant audit information of which Iconic's auditor is unaware; and
- all the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

ICONIC LABS PLC

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

Auditor

The auditor, Nordens Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

A handwritten signature in black ink, appearing to read 'B Taylor', is written over the printed name.

Brad Taylor

On behalf of the Board

Date: 20 December 2022

What we have audited

We have audited the financial statements of Iconic Labs PLC (the "*Parent Company*") and its subsidiaries (the "*Group*") for the year ended 30 June 2021, 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 the notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, concerning the Directors' assessment of the Group and the Parent Company's ability to continue as a going concern.

The directors have prepared cashflow forecasts for a period of at least 12 months from the date of approving these financial statements which indicate that the Group is at an early stage of development and it not currently profitable. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 and the Group having net liabilities at the 30 June 2021 of £8,176,414 (2020: £3,112,666), indicate that a material uncertainty exists that may cast significant doubt on the ability of the Parent Company and the Group to continue as a going concern. As mentioned in the Strategic Report earlier in these financial statements, the financing from EHGOSF is conditioned upon the Company trading again. In the event that the Company is not relisted and Iconic cannot obtain financing to acquire companies for its portfolio, there is a risk that it will not generate the revenue and profitability to remain a going concern. Our opinion is not modified in respect of this matter.

Given the uncertainties note above, we considered going concern to be a 'Key Audit Matter' and our audit response was as follows:

- Review of documentation regarding the CVA that was approved and put in place on 22 September 2022.
- Review of the Financing Facility in place with EHGOSF
- Review of the confirmation of the Company exiting administration on 29 November 2022

The Company has not currently prepared forecasts for a period of at least 12 months from the date of approval of the financial statements due to there being no confirmation of the relisting at the date of approval and therefore, we are unable to review these at this current time. We have confirmed with management that they are not aware of any other factors that might adversely impact on their assessment of the Group's and Company's ability to continue as a going concern other than those already noted in the financial statements.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgment, we determined overall materiality for the financial statements as a whole to be £150,000 (2020: £93,000), based on 5% of adjusted group loss before tax. Materiality for the parent Company financial statements as a whole was set at £130,000 (2020: £46,000) based on 5% of the adjusted loss before tax.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate, performance materiality may be reduced to a lower level, such as, for related party transactions and directors remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £13,000 (2020: £4,600). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

There are two significant components of the Group, located and operating in the United Kingdom. The audits of Iconic Labs PLC and its UK subsidiary undertakings were conducted from the UK by the engagement team. Financial information from other components not considered to be individually significant was subject to limited review procedures carried out by the audit team.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud and error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors and Audit Committee.

Based on our understanding of the Group and industry, discussions with management and the Audit Committee, we identified financial reporting standards, and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risks of acts by the Group which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing rule and IFRS adopted by the European Union.

As part of our discussion with internal engagement team about how and where the Group's financial statements may be materially misstated due to fraud, we identified an increase risk of fraud in revenue completeness.

Our audit procedures included:

- Enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- Examining supporting documents for all material balances, transactions and disclosures;
- Review of the Board of Directors minutes;
- Enquiry of management about litigations and claims and inspection of relevant correspondence;
- Evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- Analytical procedures to identify any unusual or unexpected relationships;
- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Review of accounting estimates for bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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) that we identified. These matters included 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.

We have identified above the going concern key audit matter and, given that the administration of the Company previously detected all known liabilities and there has been limited trading within the Group during the period, no further key audit matters were identified.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 where 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 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 21 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 the 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.

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

Independence

We were appointed by the Audit Committee on 19 October 2022 and therefore, our period of uninterrupted engagement is less than one year covering the financial year ending 30 June 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRS Ethical Standard as applied to listed public interest entities.

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

Use of our report

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

Lorraine Curtis BFP ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Nordens Audit Limited

Statutory Auditor

Essex

Date: 20 December 2022

ICONIC LABS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Continuing operations			
Revenue		509,171	107,303
Gross profit		<u>509,171</u>	<u>107,303</u>
Administrative expenses	3	(3,577,595)	(2,357,366)
Direct costs incurred in connection with EHGOF financing facility	3	(70,000)	(262,000)
Other operating income		37,945	25,000
Operating loss		<u>(3,100,479)</u>	<u>(2,487,063)</u>
Finance costs	6	(4,593,154)	(353,120)
Loss before taxation		<u>(7,693,633)</u>	<u>(2,840,183)</u>
Taxation	7	-	-
Loss for the period from continuing operations		<u>(7,693,633)</u>	<u>(2,840,183)</u>
Profit/(loss) for the period from discontinued operations	5	(3,673)	450,062
Loss for the period		<u>(7,697,306)</u>	<u>(2,390,121)</u>
Total comprehensive loss for the period		<u>(7,697,306)</u>	<u>(2,390,121)</u>
Loss per ordinary share	8		
Basic and diluted			
- from continuing operations		(0.00)	(0.00)
- from discontinued operations		(0.00)	(0.00)

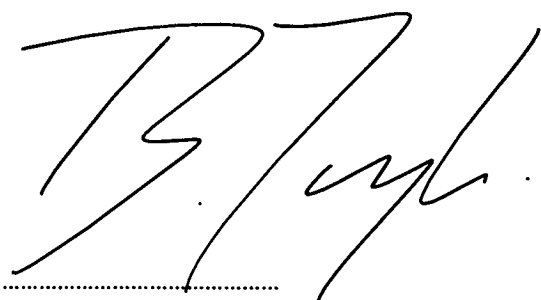
The loss for the year and total comprehensive loss for the year are wholly attributable to the equity holders of the parent.

ICONIC LABS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	30 June 2021 £	30 June 2020 £
Assets			
Non-current assets			
Property, plant and equipment	9	-	22,590
Intangible assets	10	1	21,600
Total non-current assets		1	44,190
Current assets			
Trade and other receivables	12	103,126	136,135
Cash and cash equivalents	13	50,929	180,397
		154,055	316,532
Total assets		154,056	360,722
Equity			
Share capital	14	4,450,506	4,138,936
Share premium	15	7,900,778	5,578,789
Retained deficit	15	(20,527,697)	(12,830,391)
		(8,176,413)	(3,112,666)
Liabilities			
Current liabilities			
Trade and other payables	16	5,881,469	1,699,794
Loans and borrowings	17	2,415,000	1,739,594
Provisions	18	34,000	34,000
		8,330,469	3,473,388
Total liabilities		8,330,469	3,473,388
Total equity and liabilities		154,056	360,722

The financial statements of Iconic Labs plc were approved by the Board and authorised for issue on 20 December 2022. They were signed on its behalf by:



Brad Taylor
Director

ICONIC LABS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Share capital £	Share premium £	Retained deficit £	Total Equity £
Balance at 30 June 2019	3,498,257	5,124,900	(10,440,270)	(1,817,113)
Loss for the period	-	-	(2,390,121)	(2,390,121)
Total comprehensive loss for the period	-	-	(2,390,121)	(2,390,121)
Transactions with owners:				
Issue of shares	640,679	453,889	-	1,094,568
Costs of placings	-	-	-	-
Total contribution by and distribution to owners	640,679	453,889	-	1,094,568
Transfer between reserves	-	-	-	-
Balance at 30 June 2020	4,138,936	5,578,789	(12,830,391)	(3,112,666)
Loss for the year	-	-	(7,697,306)	(7,697,306)
Foreign exchange translation	-	-	-	-
Total comprehensive loss for the year	-	-	(7,697,306)	(7,697,306)
Transactions with owners:				
Issue of shares	311,570	2,406,223	-	2,717,793
Cost of placings	-	(84,234)	-	(84,234)
Total contribution by and distribution to owners	311,570	2,321,989	-	2,633,559
Balance at 30 June 2021	4,450,506	7,900,778	(20,527,697)	(8,176,413)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Cash flows from operating activities			
Total comprehensive loss for the period		(7,697,306)	(2,390,121)
(Profit)/Loss from discontinued operations	5	3,673	(450,062)
(Profit)/Loss from sale of tangible assets		20,087	-
Impairment of intangible assets		21,599	
Depreciation	3	2,504	2,503
Finance costs	6	4,593,154	353,120
		<u>(3,056,289)</u>	<u>(2,484,560)</u>
Decrease/(increase) in trade and other receivables		33,009	(120,213)
(Decrease)/increase in trade and other payables		4,181,675	1,212,679
(Decrease) in provisions		-	(6,000)
Operating cash flows used by continuing activities		<u>1,158,394</u>	<u>(1,398,094)</u>
Operating cash flows generated from/(used by) discontinued operations		<u>(3,673)</u>	<u>(204,561)</u>
Net cash used in operating activities		<u>1,154,721</u>	<u>(1,602,655)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	-	(18,000)
Purchase of intangible assets	10	-	(21,600)
Investing cash flows used by continuing activities		<u>-</u>	<u>(39,600)</u>
Investing cash flows used by discontinued operations		-	-
Net cash used in investing activities		<u>-</u>	<u>(39,600)</u>
Cash flows from financing activities			
Interest paid	6	(4,593,154)	(353,120)
Repayment of leases	17	(31,981)	(47,438)
Loan from director		-	16,000
Repayment of loan from director	17	(12,613)	(3,387)
Issue of share capital	14	2,717,793	-
Cost of issuing share capital		(84,234)	-
Issue of convertible loan notes	17	720,000	2,195,000
Financing cash flows from continuing activities		<u>(1,284,189)</u>	<u>1,807,055</u>
Financing cash flows used by discontinued operations		-	-
Net cash flows from financing activities		<u>(1,284,189)</u>	<u>1,807,055</u>
Net increase/(decrease) in cash and cash equivalents		<u>(129,468)</u>	<u>164,800</u>
Cash and cash equivalents at beginning of period		<u>180,397</u>	<u>15,597</u>
Cash and cash equivalents at period end	13	<u>50,929</u>	<u>180,397</u>

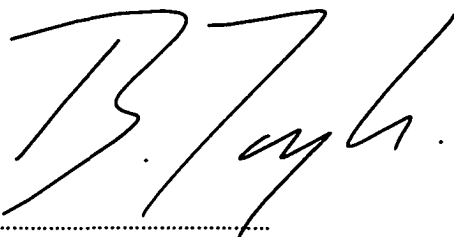
ICONIC LABS PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	30 June 2021 £	30 June 2020 £
Non-current assets			
Property, plant and equipment	9	-	4,590
Investments	11	2	2
Non-current assets		2	4,592
Current assets			
Trade and other receivables	12	400,795	9,116
Cash and cash equivalents	13	838	144,138
		401,633	153,254
Total assets		401,635	157,846
Equity			
Share capital	14	4,450,506	4,138,936
Share premium	15	7,900,778	5,578,789
Retained deficit	15	(19,886,206)	(12,524,595)
		(7,534,922)	(2,806,870)
Current liabilities			
Trade and other payables	16	5,521,557	1,225,122
Loans and borrowings	17	2,415,000	1,739,594
		7,936,557	2,964,716
Total liabilities		7,936,557	2,964,716
Total equity and liabilities		401,635	157,846

The Company's loss and total comprehensive loss for the year ended 30 June 2021 was £7,361,611 (30 June 2020: £2,338,454)

The financial statements of Iconic Labs plc, company number 10197256, were approved by the Board and authorised for issue on 20 December 2022. They were signed on its behalf by:



Brad Taylor
Director

ICONIC LABS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Share capital £	Share premium £	Retained deficit £	Total equity £
Balance at 30 June 2019	3,498,257	5,124,900	(10,186,141)	(1,562,984)
Loss for the period	-	-	(2,338,454)	(2,338,454)
Total comprehensive loss for period	-	-	(2,338,454)	(2,338,454)
Transactions with owners				
Issue of shares	640,679	453,889	-	1,094,568
Total contributions by and distributions to owners	640,679	453,889	-	1,094,568
Transfer between reserves	-	-	-	-
Balance at 30 June 2020	4,138,936	5,578,789	(12,524,595)	(2,806,870)
Loss for the year	-	-	(7,361,611)	(7,361,611)
Total comprehensive loss for year	-	-	(7,361,611)	(7,361,611)
Transactions with owners				
Issue of shares	311,570	2,406,223	-	2,717,793
Cost of placings	-	(84,234)	-	(84,234)
Total contributions by and distributions to owners	311,570	2,321,889	-	2,633,559
Balance at 30 June 2021	4,450,506	7,900,778	(19,886,206)	(7,534,922)

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 7-11 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 company 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 Company 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 Company relisted as soon as possible.

The Company has, like most, been affected by the COVID-19 pandemic and has lost some revenue however the Company is confident that it’s risk to the pandemic has been mitigated. The Company has completed fundraising which will reduce the reliance of the Company on revenue. The Directors remain satisfied that the assumptions they have used in the forecasts to assess that Iconic is a going concern.

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.

For the year ended 30 June 2021, the Group used 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

During the 2020 financial year the company entered into a contract to deliver management services to a digital and social publisher. With regards to the provision of said services, a price is agreed in advance and these services are provided over the term of the contract. Revenue is recognised on a straight line basis over the term of the contract and the client is billed monthly in arrears. The contract also contains a variable element of revenue. The company is entitled to a profit share on a rolling 3 month basis. The company would invoice the customer for the profit share on a quarterly basis. The income would be recognised in the period that the profit was made by the customer. Any profit share due for the period which was not invoiced until after the period end will be included in accrued income.

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

1. Accounting Policies (Continued)

Discontinued operations

Discontinued operations represent major operations of the business that the Group have decided to terminate. The post-tax profit or loss of the discontinued operations is presented as a single line on the face of the consolidated income statement. The presentation of discontinued operations within prior periods is restated to reflect consistent classification of discontinued operations across all periods presented.

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.

Retirement benefit costs

The Group operates defined contribution retirement benefit schemes. Payments to these schemes are charged as an expense in the period to which they relate. The assets of the scheme are held separately from those of the Group in independently administered funds.

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.

1. Accounting Policies (Continued)

Taxation (Continued)

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.

Property, plant and equipment

Items of plant and equipment are initially recognised at cost. As well as purchase price, cost includes directly attributable costs.

Depreciation is provided on all items of property, plant and equipment, so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Plant & Machinery -	33% straight line basis
Leasehold Improvements -	33% straight line basis
Computer Hardware -	33% straight line basis

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
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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 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.

1. Accounting Policies (Continued)

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 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.

1. Accounting Policies (Continued)

Trade and other receivables (Continued)

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. 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;

1. Accounting Policies (Continued)

Leased assets (Continued)

- 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.

New standards adopted

In the current year, the Group has applied a number of amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2020. These have not had any material impact on the amounts reported for the current and prior years:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3: Definition of a Business
- Amendments to IAS 1 and IAS 8: Definition of Material
- Covid-19 Related Rent Concessions (Amendment to IFRS 16).

New standards, interpretations and amendments not yet effective

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements, all of which are effective for the accounting period commencing 1 January 2022. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Narrow scope amendments to IFRS 3, IAS 16 and IAS 27
- Annual improvements to IFRS Standards 2018 – 2020
- Amendments to IAS 1: Classification of Liabilities as Current or non Current

The directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

From 1 January 2021 the company will apply UK-adopted IAS. At the date of application, both UK-adopted IAS and EU-adopted IFRS will be the same.

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:

2. Critical Accounting Estimates and Judgements (Continued)

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 EHGOS 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. Loss from Operations

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
The loss for the period is stated after charging:		
Depreciation	2,504	2,503
Auditors remuneration – audit services	50,000	40,000
Auditors remuneration – corporate finance services	-	63,500
Expenses by nature:	£	£
Legal and professional fees	911,787	632,978
Consultancy fees	1,053,856	213,098
Other supplies and external services	444,473	359,101
Staff costs	1,164,975	999,686
Total operating expenses	3,575,091	2,204,863
Depreciation, amortisation and impairment of assets	2,504	2,503
Impairment of loans	-	150,000
Total administrative expenses	3,577,595	2,357,366
Direct costs in connection with EHGOF financing facility	70,000	262,000
Other penalties	4,593,154	-
	8,240,749	2,619,366

4. Staff Costs

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Staff costs (including directors) comprise:		
Wages and salaries	1,128,545	905,958
Defined contribution pension cost	(150)	25,370
Social security contributions and similar taxes	36,580	68,358
Staff costs relating to continuing activities	1,164,975	999,686

Employee Numbers

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

General and administration	3	7
	3	7

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 19.

5. Discontinued operations

In March 2019 the Board made the decision to discontinue the stem cell research operations. The operating loss until the date of discontinuation of the operations is summarised as follows:

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Revenue	-	-
Administrative expenses – write back of creditor balances	(3,673)	450,062
Operating profit/(loss)	(3,673)	450,062
Taxation	-	-
Profit/(loss) for the period	(3,673)	450,062
Other comprehensive expense	-	-
Total comprehensive profit/(loss) for the period	(3,673)	450,062

6. Finance Costs

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Finance costs		
Penalties on redemption of convertible loan notes	-	277,380
Penalties on make whole agreement	-	72,000
Other loan penalties	4,592,522	-
Interest on leases	632	3,740
Total finance expense	4,593,154	353,120

7. Taxation

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
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 2021	Year ended 30 June 2020
	£	£
Loss before taxation	(7,694,775)	(2,390,121)
Tax using the parent company's domestic tax rate of 19% (2019: 19%)	(1,462,007)	(454,123)
Effects of:		
Unrelieved tax losses and other deductions arising in the period	1,462,007	383,779
Expenses not deductible for taxation purposes	-	70,344
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.

8. Loss per share

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Numerator		
Loss for the period	(7,697,306)	(2,390,121)
Denominator		
Weighted average number of ordinary shares used in basic EPS	22,750,589,218	2,500,412,604
Basic and diluted loss per share		
- continuing operations	(0.00)	(0.00)
- discontinued operations	(0.00)	(0.00)

9. Property, plant and equipment

Group

	Plant & Machinery £	Leasehold Improvements £	Computer Hardware £	Total £
Cost				
Balance at 30 June 2020	355,772	185,849	83,095	624,716
Additions	18,000	-	-	-
Balance at 30 June 2020	373,772	185,849	83,095	624,716
Disposals	(373,772)	(185,849)	(83,095)	(624,716)
Balance at 30 June 2021	-	-	-	-
Amortisation				
Balance at 30 June 2019	355,772	185,849	76,002	617,623
Charge for the period	-	-	2,503	2,503
Impairment in the period	-	-	-	-
Balance at 30 June 2020	355,772	185,849	78,505	620,126
Charge for the year	-	-	2,504	2,504
Eliminated on disposal	(355,772)	(185,849)	(81,009)	(622,630)
Balance at 30 June 2021	-	-	-	-
Carrying amounts				
Balance at 30 June 2021	-	-	-	-
Balance at 30 June 2020	18,000	-	4,590	22,590

Right of use asset

The group does not lease any buildings or equipment which are required to be disclosed under IFRS 16.

9. Property, plant and equipment (continued)

Company

	Computer Hardware £	Total £
Cost		
Balance at 30 June 2019	76,921	76,921
Additions	-	-
Balance at 30 June 2020	76,921	76,921
Disposals	(76,921)	(76,921)
Balance at 30 June 2021	-	-
Amortisation		
Balance at 30 June 2019	69,828	69,828
Charge for the period	2,503	2,503
Impairment in period	-	-
Balance at 30 June 2020	72,331	72,331
Charge for the year	2,504	2,504
Eliminated on disposal	(74,835)	(74,835)
Balance at 30 June 2021	-	-
Carrying amounts		
Balance at 30 June 2021	-	-
Balance at 30 June 2020	4,590	4,590

10. Intangible Assets

	Intellectual Property £	Computer software £	Total £
Cost			
Balance at 30 June 2019	-	139,106	139,106
Additions	21,600	-	39,600
Balance at 30 June 2020	21,600	139,106	178,706
Disposals	-	(139,106)	(139,106)
Balance at 30 June 2021	21,600	-	21,600
Amortisation			
Balance at 30 June 2019	-	-	-
Impairment	-	139,106	139,106
Balance at 30 June 2020	-	139,106	139,106
Impairment	21,599	-	21,599
Eliminated on disposal	-	(139,106)	(139,106)
Balance at 30 June 2021	21,599	-	21,599
Carrying amounts			
Balance at 30 June 2021	1	-	1
Balance at 30 June 2020	21,600	-	21,600

11. Investments

Company

	30 June 2021 £	30 June 2020 £
Investments in subsidiaries	2	2
	2	2

11. Investments (continued)

Subsidiaries as at 30 June 2021:

<i>Entity</i>	<i>Registered office address</i>	<i>Country of incorporation</i>	<i>Nature of business</i>	<i>Notes</i>
WideCells International Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Holding company	(c)
WideCells Limited	3 Field Court, Gray's Inn, London, WC1R 5EF	United Kingdom	In liquidation	(a)
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)
WideAcademy Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Dormant company	(a)
CellPlan Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Dormant company	(a)
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)
Iconic Labs UK Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Trading company	(c)
Iconic Labs IP Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Trading company	(c)
Nuuco Media Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Trading company	(d)
Coalition Media Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Dormant company	(f)

Associates

<i>Entity</i>	<i>Registered office address</i>	<i>Country of incorporation</i>	<i>Nature of business</i>	<i>Notes</i>
Medium Channel Media Limited	7 Bell Yard, London, WC2A 2JR	United Kingdom	Dormant company	(e)

Notes: (a) 100% owned by WideCells International Limited (b) 100% owned by CellPlan Limited
(c) 100% owned by Iconic Labs plc (d) 100% owned by Iconic Labs UK Limited
(e) 24% owned by Iconic Labs plc (f) 50% owned by iconic Labs UK Limited

From September 2019, Widecells Limited has been placed into liquidation.

From November 2019, Widecells Espana has been placed into liquidation.

12. Trade and other receivables

Group

	30 June 2021 £	30 June 2020 £
Trade receivables	100,000	110,409
Other receivables	3,126	25,726
Total receivables	103,126	136,135

Trade and other receivables

Trade and other receivables do not contain any impaired assets. The group does not hold any collateral as security and the maximum exposure to credit risk at the consolidated statement of financial position date is the fair value of each class of receivable.

Book values approximate to fair value at 30 June 2021 and 30 June 2020.

Company

	30 June 2021 £	30 June 2020 £
Amounts due from group companies	398,185	-
Other receivables	2,610	9,116
	400,795	9,116

13. Cash and cash equivalents

Group

	30 June 2021 £	30 June 2020 £
Cash at bank available on demand	50,929	180,397
Bank overdraft	-	-
Total cash and cash equivalents	50,929	180,397

Company

	30 June 2021 £	30 June 2020 £
Cash at bank available on demand	838	144,138
Total cash and cash equivalents	838	144,138

14. Share Capital

	30 June 2021		30 June 2020	
	Number	£	Number	£
Authorised, allotted and fully paid – classified as equity				
Ordinary shares of £0.0025 each	-	-	-	-
Ordinary shares of £0.00001 each	37,405,248,039	374,052	6,248,241,015	62,482
Deferred shares of £0.00249 each	1,637,129,904	4,076,454	1,637,129,905	4,076,454
Total	39,042,377,943	4,450,506	7,885,370,920	4,138,936

At 1 July 2020 the company had 6,248,241,015 Ordinary shares of £0.00001 in issue. During the period, the company issued 31,166,999,985 Ordinary shares of £0.00001 as follows:

- 13 July 2020 – 2,000,000,000 shares issued, at a premium of 0.008p per share;
- 30 July 2020 – 1,555,555,554 shares issued, at a premium of 0.008p per share;
- 17 August 2020 – 1,857,142,857 shares issued, at a premium of 0.006p per share;
- 2 September 2020 – 2,428,571,428 shares issued, at a premium of 0.006p per share
- 14 September 2020 – 3,428,571,428 shares issued, at a premium of 0.006p per share;
- 25 September 2020 – 5,000,000,000 shares issued, at a premium of 0.006p per share;
- 14 October 2020 – 4,555,555,555 shares issued, at a premium of 0.008p per share;
- 16 October 2020 – 2,100,000,000 shares issued, at a premium of 0.009p per share;
- 16 October 2020 – 1,999,999,999 shares issued, at a premium of 0.006p per share; and
- 20 November 2020 – 6,231,610,203 shares issued, at a premium of 0.011p per share.

At 30 June 2021, the company had 37,405,248,039 Ordinary shares of £0.00001 in issue.

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

Pursuant to a resolution passed on 16 June 2016, the Company resolved that:

- The directors be generally authorised in accordance with the Articles to exercise all powers of the company to allot Ordinary shares, or grant rights to subscribe for, or convert any security into Ordinary shares, up to a maximum aggregate nominal value of £500,000, provided always that such authority conferred on the directors shall (unless previously renewed, varied or revoked prior to that time) expire at the conclusion of the company's next annual general meeting or on the date falling 18 months after the date of the passing of the resolution, whichever is the sooner. The company may make an offer or agreement which would or might require Ordinary shares to be allotted pursuant to the resolution referred to in paragraph 3.6.1 of the listing prospectus before the expiry of their authority to do so, but allot the Ordinary shares pursuant to any such offer or agreement after that expiry date.
- All pre-emption rights in the Articles to be waived; (i) for the purposes of, or in connection with, the Placing, the issue of the Conversion shares and the issue of the Warrant shares; (ii) generally for such purposes as the directors may think fit (including the allotment of equity securities for cash) up to a maximum aggregate amount of £40,543.54; and (iii) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary share, but subject to the directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient; (A) to deal with the equity securities representing fractional entitlements; and (B) to deal with legal or practical problems in the laws of any territory, or the requirements of any regulatory body; on the basis that the authorities conferred under the resolution referred to in paragraph 3.6.2 of the listing prospectus shall (unless previously renewed, varied or revoked prior to that time) expire at the conclusion of the company's next annual general meeting or on the date falling 18 months after the date of the passing of the resolution, whichever is the sooner. The company may make an offer or agreement which would or might require equity securities to be issued before the expiry of its power to do so, but allot the equity securities pursuant to any such offer or agreement after that expiry date.

14. Share Capital (continued)

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.

15. 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

16. Trade and other payables

Group

	30 June 2021 £	30 June 2020 £
Trade payables	821,249	587,747
Other payables	4,660,251	620,931
Accruals	95,621	328,713
Tax and social security	304,348	162,403
Total	5,881,469	1,699,794

Book values approximate to fair values at 30 June 2021 and 30 June 2020.

Company

	30 June 2021 £	30 June 2020 £
Trade payables	775,376	539,418
Other payables	4,657,060	592,824
Accruals	89,121	92,880
Tax and social security	-	-
Total	5,521,557	1,225,122

Book values approximate to fair values at 30 June 2021 and 30 June 2020.

17. Loans and borrowings

Group

	30 June 2021	30 June 2020
	£	£
Current		
Leases	-	31,981
Directors' loans	-	12,613
Convertible loans	2,415,000	1,695,000
Total	2,415,000	1,739,594

Book values approximate to fair values at 30 June 2021 and 30 June 2020.

During the year, the company issued convertible loan notes totalling £720,000. At 30 June 2021, £2,415,000 was still outstanding and included within loans and borrowings.

Leases were secured on the relevant assets.

Company

	30 June 2021	30 June 2020
	£	£
Current		
Leases	-	31,981
Directors' loans	-	12,613
Convertible loans	2,415,000	1,695,000
Total	2,415,000	1,739,594

18. Provisions

	30 June 2021	30 June 2020
	£	£
Provisions brought forward	34,000	40,000
Provision for costs relating to liquidation of subsidiary undertakings	-	-
Released against costs in the period	-	(6,000)
Provisions carried forward	34,000	34,000

The Group has made the decision to cease stem cell research operations. This has led to number of subsidiary undertakings being liquidated. A provision for the anticipated costs relating to the liquidation are included in these financial statements.

19. Financial Instruments – Risk Management

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

- Credit risk
- Market risk
- Liquidity risk

19. Financial Instruments – Risk Management (continued)

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

Group:

	2021	2020
	£	£
Cash and cash equivalents	50,929	180,397
Trade and other receivables	103,126	136,135
Total financial assets – amortised cost	154,055	316,532

	2021	2020
	£	£
Trade and other payables	5,881,469	1,699,794
Loans and borrowings	2,415,000	1,739,594
Total liabilities – amortised cost	8,269,469	3,439,388

Company:

	2021	2020
	£	£
Cash and cash equivalents	-	144,138
Trade and other receivables	400,795	9,116
Total financial assets – amortised cost	400,795	153,254

	2021	2020
	£	£
Trade and other payables	5,520,417	1,225,122
Loans and borrowings	2,415,000	1,739,594
Total liabilities – amortised cost	7,935,417	2,964,716

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.

19. Financial Instruments – Risk Management (continued)

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

	2021	2020
	£	£
Cash held at HSBC – S&P Rating AA	46,746	176,214
Cash held at Santander – S&P rating A	4,183	4,183
Total financial assets	50,929	180,397

Company

	2021	2020
	£	£
Cash held at HSBC – S&P Rating AA	838	144,138
Total financial assets	838	144,138

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 2021 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:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
2021	£	£	£	£	£
Trade and other payables	5,881,469	-	-	-	-
Leases	-	-	-	-	-
Borrowings	2,415,000	-	-	-	-
Total	8,296,469	-	-	-	-

19. Financial Instruments – Risk Management (continued)

	Up to 3 months £	Between 3 and 12 months £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
2020					
Trade and other payables	1,141,178	67,500	-	-	-
Leases	28,877	3,104	-	-	-
Borrowings	1,695,000	12,613	-	-	-
Total	2,865,055	83,217	-	-	-

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

- Trade and other payables – note 16
- Loan and borrowings – note 17

At the balance sheet date, the Group had liabilities due for settlement within 3 months of £8,296,469, compared to a cash balance of £50,929. 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.

£2,415,000 of borrowings re convertible loan notes which can be settled by way of an issue of share capital.

Capital risk management

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 Company 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 12-16.

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

Reconciliation of movement in net cash

	Net cash at 01 July 2020 £	Cash flow £	Loan notes issued in the period £	Repayment of borrowings (continuing activities) £	New loans in the period £	Net cash at 30 June 2021 £
Cash at bank and in hand	180,397	(129,468)	-	-	-	50,929
Borrowings	(1,739,594)	-	(720,000)	44,594	-	(2,415,000)
Total financial liabilities	(1,559,197)	(129,468)	(720,000)	44,594	-	(2,364,071)

19. Financial Instruments – Risk Management (continued)

	Net cash at 01 July 2019	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 2020
	£	£	£	£	£	£	£
Cash at bank and in hand	15,597	164,800	-	-	-	-	180,397
Borrowings	(79,419)	-	(2,195,000)	500,000	47,438	(12,613)	(1,739,594)
Total financial liabilities	(63,822)	164,800	(2,195,000)	500,000	47,438	(12,613)	(1,559,197)

20. Retirement Benefits

The group operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are to be administered by trustees in funds independent from those of the group.

21. Leases

The group was leasing the more expensive pieces of laboratory equipment for the stem cell processing and storage facility in Manchester. The future payments are as follows:

Group:

	Minimum lease payments	Interest	Present value
	£	£	£
2021			
Not later than one year	-	-	-
Between one year and five years	-	-	-
Later than five years	-	-	-
	-	-	-
Current liabilities			-
Non-current liabilities			-

	Minimum lease payments	Interest	Present value
	£	£	£
2020			
Not later than one year	31,981	632	31,349
Between one year and five years	-	-	-
Later than five years	-	-	-
	31,981	632	31,349
Current liabilities			31,349
Non-current liabilities			-

Company:

	Minimum lease payments	Interest	Present value
	£	£	£
2021			
Not later than one year	-	-	-
Between one year and five years	-	-	-
Later than five years	-	-	-
	-	-	-
Current liabilities			-
Non-current liabilities			-

21. Leases (Continued)

	Minimum lease payments	Interest	Present value
2020	£	£	£
Not later than one year	31,981	632	31,349
Between one year and five years	-	-	-
Later than five years	-	-	-
	31,981	632	31,349
Current liabilities			31,349
Non-current liabilities			-

22. Capital commitments

Iconic had no capital commitments at 30 June 2021 or 30 June 2020.

23. Related party Transactions

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

24. Contingent Liabilities

Iconic had no contingent liabilities at 30 June 2021 or 30 June 2020.

25. Post Balance Sheet Events

In the fourth quarter of 2022 exited administration. Further details can be found in the Chief Executive and Chairmans' Statement.

26. Ultimate Controlling Party

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