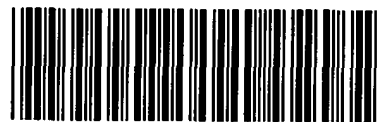




Ocean Harvest Technology Group plc

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Annual report and
group financial statements
for the year ended 31 December 2023

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Overview	IBC

Harvested seaweed which would fill

Fed in Canada²

Fed globally³

Saved over of animal
feed in the swine and poultry sectors
globally⁴

This reduced CO₂ eq emissions by over

1. Estimate of wet volume of seaweed harvested, equivalent to the 3,495 tonnes of dry seaweed purchased by O-HT in 2023
2. Estimate based on sales to piglet customers, assuming consumption of 175kg of feed per piglet fed a diet with an OceanFeed™ inclusion rate of 0.5%
3. Estimate based on sales to poultry customers, assuming consumption of 4kg of feed per broiler and layer hen fed on diets with an OceanFeed™ inclusion rate of 0.25%
4. Estimate based on sales of OceanFeed™ Swine and OceanFeed Poultry™, assuming feed efficiency improvements of 5% in those diets



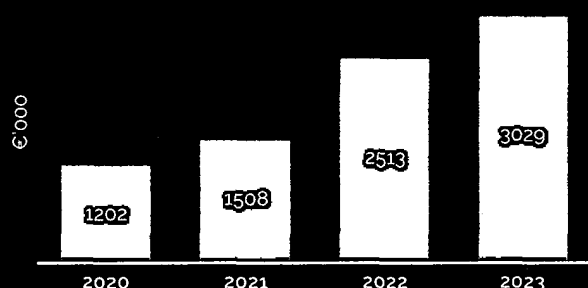
Financial Highlights and KPIs



Improving the efficiency and sustainability of food production

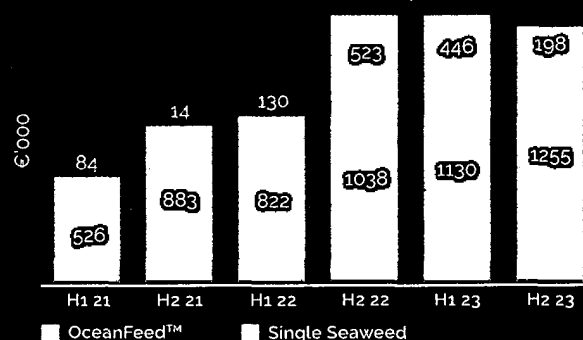
Product revenue by year

Over 20% growth in Product revenue in 2023



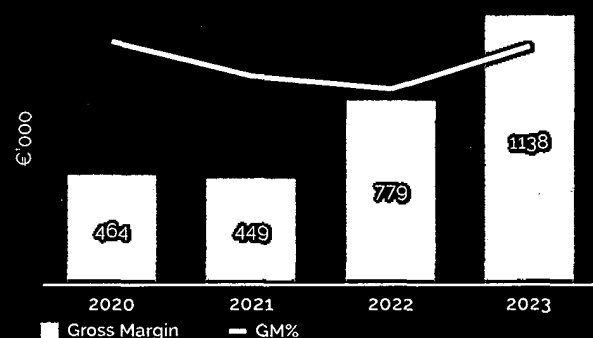
Product Revenue by half year

Over 28% growth annually in OceanFeed™ revenue



Gross Margin amount and % by full year

Gross Margin increased to 37.8% due to pricing, improvements in sourcing and production efficiency

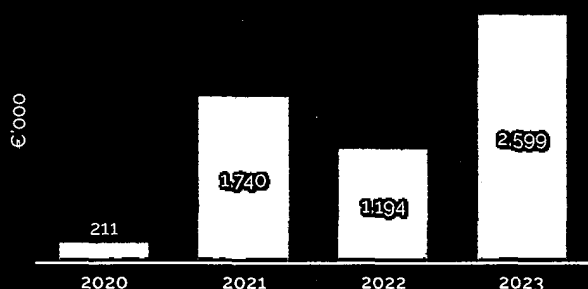


EBITDA by half year

EBITDA loss reducing with cost control



Cash position in €'000



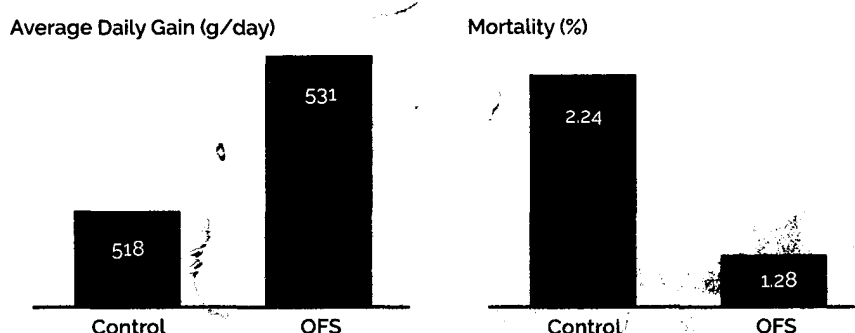
Case studies of OceanFeed™ customer success

These cases explain the benefits that some of our long-term customers have experienced from using OceanFeed™

Antibiotic-free piglet diets

- Antibiotics have traditionally been used to help support piglet growth during the vulnerable stage when they are weaned from their mother's milk onto a cereal-based feed
- Without this support, there is often poor weight gain, higher mortality and health issues
- Several trials have demonstrated that OceanFeed™ Swine is effective at supporting piglet health and growth in antibiotic-free diets

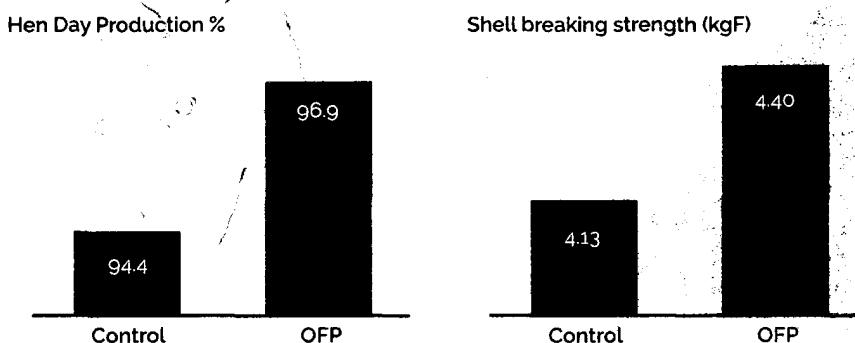
Data from 2018 trial showing OceanFeed™ Swine diet against control group with Antibiotic Growth Promoters in the diet



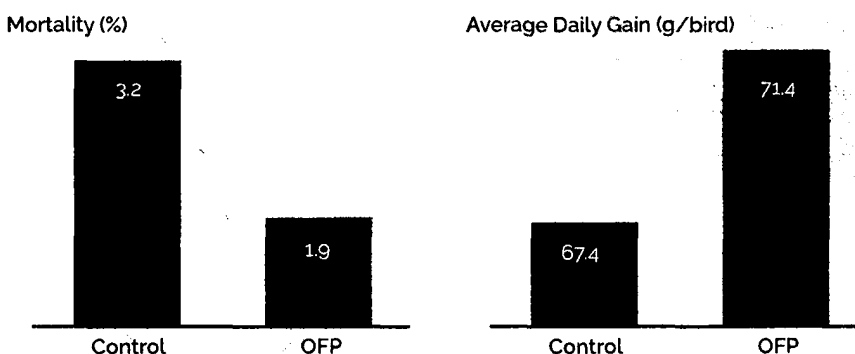
Improved performance and health in poultry production

- OceanFeed™ Poultry has been used by OHT customers to support improved performance in producing eggs and chicken meat
- Trials have demonstrated that layer hens with OceanFeed™ in their diet produce more eggs with stronger shells
- Similarly, broiler chickens (reared for meat production) fed OceanFeed™ in their diets have higher growth rates and lower mortality

Layer charts: Egg Production and Eggshell Strength from 2021 trial



Broilers charts from Canadian University trial 2018



OHT's product portfolio

OHT produces OceanFeed™ products, each with a different blend of green, red and brown seaweed, for each of its main target animal species

OceanFeed™ Bovine

- Shown in trials to increase milk volume as well as milk fat and protein yields
- Trials show a 5:1 return on investment for producers using OceanFeed™



BOVINE

OceanFeed™ Aqua

- Employed in salmon and other finfish to improve fish performance and reduce mortality
- Shown in trials to reduce mortality and improve growth and feed efficiency in shrimp



AQUA

OceanFeed™ Poultry

- Shown in trials to improve feed efficiency in poultry
- Reduces mortality
- Improvement in laying persistency and egg quality including shell strength in layers/breeders



POULTRY

OceanFeed™ Equine

- Improves condition in both competition and companion horses
- Used in stallions and mares to improve fertility



EQUINE

OceanFeed™ Swine

- Used in piglets fed antibiotic-free and low-zinc diets
- Maintains swine performance and reduces mortality in more sustainable production systems



SWINE

OceanFeed™ Pet

- Low arsenic and iodine replacement for kelp
- More palatable and better in supporting gut health



PET



1. Higher Growth Rates
2. Lower Mortality
3. Greater Feed Efficiency
4. Lower Carbon Footprint

Investment Case

Our blended seaweed feed additive products improve the efficiency and sustainability of our animal and feed producing customers

We expect to grow sales in this large global market, driving profits and increased value for our shareholders and other stakeholders

Leading Position in a niche part of a large and growing market

- The animal feed market produces over one billion metric tonnes of feed per year, with annual spending of over US\$500 billion.
- OHT operates within the feed additives sub-sector which has revenue of almost US\$40 billion per annum.
- OHT believes it is the largest provider of proprietary blended seaweed additives into this market and is leading the development of seaweed as a sustainable additive providing demonstrable commercial benefits to animal and feed producers.

Demonstrated product IP

- The proprietary formulae of the OceanFeed™ branded products combine species of brown, green and red seaweed specially selected for the benefits they can generate.
- OHT has been granted patents over the mode of action of its seaweed blend which protects the claim that its seaweed blends have a prebiotic effect which increases growth rates and improves feed efficiency in a wide range of animals (GB2594433) and improves egg production and quality in laying poultry (GB2594432).
- Multiple trials have demonstrated that better gut health leads to improved nutrient absorption which has resulted in higher growth rates, lower mortality and improved feed efficiency in multiple animal species.

Established and growing supply chain

- OHT has established a broad and diversified supply chain of seaweed around the world covering Asia, Africa, Europe and the Americas.
- It sourced over 27,000 wet weight tonnes of fresh harvested seaweed in 2023, more than double the amount it sourced in 2022.
- The supply chain is managed to the strict quality control standards required by the animal feed industry.

Upside from R&D Pipeline

- OHT has ongoing trials designed to demonstrate further use cases of using OceanFeed™.
- Trials to demonstrate performance benefits and methane reduction in beef and dairy cattle, health and performance benefits in sows and full lifecycle benefits in salmon are all in progress and due to report during 2024.
- Successful results in these trials would significantly increase the size of OHT's addressable markets.

Sustainability and Social Responsibility benefits

- OceanFeed™ has a lower carbon footprint than the majority of other ingredients and additives used in animal feed.
- OHT sources wild seaweed blooms and harvesting these, often invasive, species brings ecological benefits to the local environment.
- OHT's harvesting activity generates valuable economic activity in many remote and developing areas which directly benefits the communities engaged in its supply chain.

Chairman's statement

Solid progress in our first year as a public company



Ashley Head

I am delighted to announce, on behalf of the Board, Ocean Harvest Technology's ('OHT' or the 'Company') first set of full year results following the successful admission of the Company to the Alternative Investment Market ('AIM') in April 2023. I would also like to take this opportunity to thank our longer term shareholders for their ongoing support and to welcome all our new shareholders.

Strategy

Ocean Harvest Technology's business model is centred on creating blended seaweed feed additives that deliver a number of specific benefits across multiple animal species based on the polysaccharides and other bioactive ingredients present in particular species of seaweeds.

Through its research and development ('R&D') programme, the Company continues to build a portfolio of intellectual property and has had commercial success in selling its products as ingredients to improve the efficiency, profitability and sustainability of the animal feed chain by delivering improvements in animal gut health.

Our core OceanFeed™ product has demonstrated benefits across multiple species through improved growth rates, feed efficiency and lower mortality rates. OceanFeed™ has a lower carbon footprint than additives produced from land-based plants and generates significant economic benefits in the communities where our seaweed raw material is harvested.

Ocean Harvest Technology's ambition is to continue to pioneer the use of proprietary blended seaweed ingredients to the global animal feed industry.

We expect to grow sales in this large global market, driving profits and increased value for our shareholders and other stakeholders.

Highlights of the year under review

The funds raised at IPO have enabled the Company to focus on its strategic growth objectives of investing in and strengthening its global sales and marketing effort, building out its supply chain and continuing to invest in R&D to innovate and enhance the Company's existing customer offering in the growing markets that it operates in.

The Company achieved total revenue for the year of €3.4 million (2022: €3.0 million) with a significantly improved gross margin of 38% on its product revenue. Pleasingly, there has been strong momentum in customer wins throughout the year from our growing pipeline of trials with 15 new customers onboarded including our first penetration into the Indian market. In addition, Ocean Harvest Technology has grown its supply chain to new regions including East Africa and the Philippines.

Board and Governance

At the time of the IPO, we strengthened the Board with the appointments of David Tilston and Professor Christine Maggs as Non-Executive Directors and Stephen Walker shortly thereafter, each of whom bring additional expertise and experience to our discussions.

As a Board, we are committed to promoting the highest standards of corporate governance and ensuring effective communication with shareholders. We remain focused on ensuring the Company delivers on its long-term growth strategy and is run in a sustainable and socially responsible manner with a strong level of governance oversight from the Board of Directors.

People

We have a wealth of knowledge and experience across the business and our people are core to Ocean Harvest Technology's success. I would like to thank everyone for their hard work during the year and for building the platform for Ocean Harvest Technology's future growth.

I would like to welcome Chris Scott to the Company, who joined as CFO and Executive Director post year end, and Nico Stein who recently joined as Chief Commercial Officer. We have recently announced that Hadden Graham will retire during 2024. I would like to thank him for all his contribution to our Company and for his ongoing support during the transition period this year. We have also announced that after many years on the Board, Tom Onions will not be seeking re-election at the next AGM, I thank Tom for his valuable service.

Outlook

The Board believes that Ocean Harvest Technology has enormous potential to capitalise on the growing demand for sustainable and natural ingredients which improve the profitability and sustainability of feeding production animals. This is supported by our solid revenue base from long standing repeat customers and the strength and depth of the future sales pipeline.

The Company anticipates that upcoming R&D trial data will further demonstrate the wide and expanding range of additional benefits provided by its feed additives, which the Directors believe will enable Ocean Harvest Technology to attract additional new customers and access new markets within the animal nutrition industry.

The market drivers for our business are supportive and we look forward to reporting further progress in the year ahead.

DocuSigned by:

Ashley Head

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Ashley Head

Chairman

22 March 2024

CEO's Statement

Growing current and future revenue from sales of our proprietary seaweed blends



Mark Williams

Introduction

This has been a significant year for Ocean Harvest Technology. We successfully joined AIM in April 2023, an important milestone on our journey as a listed business to invest for future growth.

Ocean Harvest Technology is pioneering the use of blended seaweed additives in the animal feed industry. The business has continued to grow in 2023, driven by the acquisition of new customers, the expansion of our supply chain and continued investment in research and development.

Delivering our strategic ambitions

OHT has a strong position within a growing market. Our strategy is focused on three core areas: Research and Development; Sales and Marketing; and Seaweed Supply. Underpinning these is a portfolio of animal feed additives made from a blend of seaweeds which have a proven pre-biotic effect in livestock and companion animals.

Research and Development

The Company has conducted extensive research and development to demonstrate the many benefits of its products. Research has shown that OHT's products improve gut health and lead to a number of benefits in livestock including higher growth rates, improved feed efficiency and lower mortality, which together contribute to improved profitability and sustainability of livestock production.

OHT's Research and Development activities during the year have been divided into:

- i) Supporting potential customers to conduct trials of OceanFeed™ in their own production systems to generate near term sales growth; and
- ii) Conducting trials to demonstrate additional applications of OceanFeed™ in various animal species to support future sales growth.

The key results of trials conducted during 2023 are summarised on page 7 of this annual report and include the following:

- A laying hen trial confirmed improvements in both egg production and feed efficiency when birds were fed an OceanFeed™ Poultry supplemented diet. These performance improvements materially increased income per hen.
- A catfish trial demonstrated that fish fed with OceanFeed™ Aqua in their diets had higher feed intake and weight gain, leading to a substantial increase in final live weight.
- A trial with juvenile shrimp where OceanFeed™ Aqua improved both weight gain and feed efficiency, thus reducing production costs. OceanFeed™ Aqua also helped reduce mortality in a disease challenge trial run in parallel.

- A commercial swine trial reported material improvements in feed efficiency in piglets with OceanFeed™ Swine included in their diet. OceanFeed™ Swine successfully replaced a combination of seven conventional gut health additives.
- A research institution led study demonstrating significantly improved survivability of poultry in the presence of a Necrotic Enteritis challenge which is a major disease faced by the poultry sector.

During 2023, the Company was also granted its first patent. Patent No: GB 2 594 432 is focused on the efficacy of OceanFeed™ in layer hens and protects the claim made by the Company that use of a seaweed blend as a feed supplement for egg laying birds improves the quantity and/or quality of eggs produced.

Subsequent to the year end, on 20 February 2024, the Company was granted its second patent (GB2594433B). This patent protects a number of claims which are key for OHT's business including OHT's specific seaweed blend can improve body weight and feed efficiency in a host animal through acting as a prebiotic and favourably altering the composition of the intestinal microbiome.

New Customer Acquisition

OHT sells its products into the global animal nutrition market, primarily those customers who either produce animal protein at large scale or manufacture the feed that is used in animal production. OHT sold products to over 45 customers during 2023. The customer base is global with approximately 50% of revenue earned from customers in the Americas, 30% from those in Europe, Middle East and Africa and 20% from the Asia Pacific region. During 2023, OHT made sales for the first time to Taiwan, South Korea and India, and achieved good growth in the UK and North America. OHT recently achieved product registration in Brazil, clearing the way for sales into that large animal nutrition market.

The majority of OHT's new customers are operating in the swine and poultry sectors, areas where the Company has particularly strong data supporting the performance benefits of its OceanFeed™ products.

"Sourcing sustainable feed additives from naturally blooming seaweed"

Seaweed growing naturally in the ocean uses no:

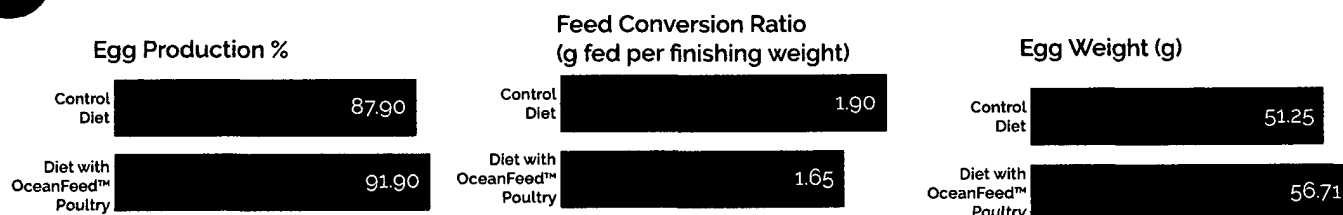
- Arable land
- Fresh water
- Fertilisers

CEO's Statement (continued)

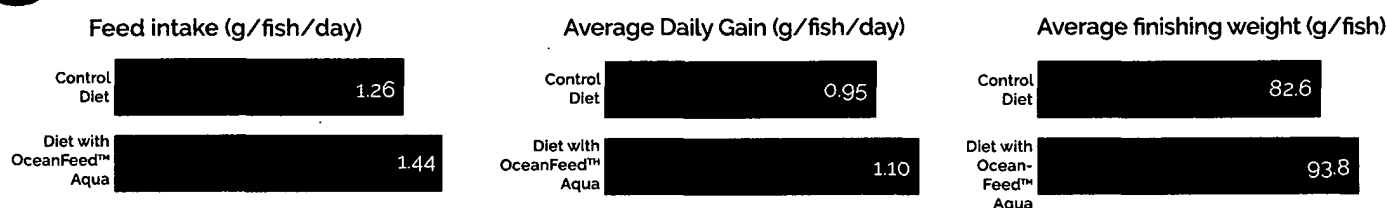
OHT's R&D program strengthened the IP of the core benefits of our products



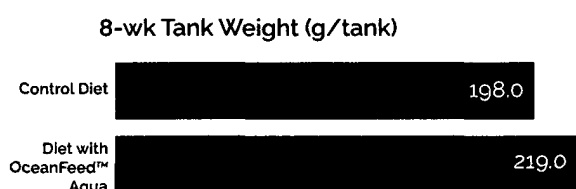
Significantly improving the performance of 28 week old layer hens



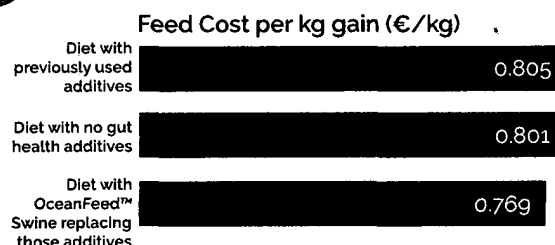
Significantly improved weight gain in juvenile pangasius catfish



Significantly improved weight gain in juvenile shrimp



Reduced feeding costs in piglet diets



...and demonstrating additional benefits to help customers with specific problems

Reducing feed costs against backdrop of rising prices

OceanFeed™ replacing 7 other gut health additives to achieve the same benefits in swine diet

Replacing cooked cereals to reduce piglet diet costs



Increasing survivability in the face of disease challenges



CEO's Statement (continued)



Product revenue for 2023 was €3.0 million, up from €2.5 million in 2022, with the growth being underpinned by a 28% increase in revenue from the sale of OceanFeed™ products from €1.86 million to €2.39 million. OceanFeed™ is the Company's higher margin product, made from OHT's proprietary blend of seaweeds for specific animal species. Our customers include OceanFeed™ as an additive in their animal feeds and hence we see very consistent sales revenue from a customer once they have included the product in their diets.

Our sales of single seaweed products were €0.64 million, roughly the same as recorded in 2022. Whilst our focus is on maximizing revenue from the sales of OceanFeed™, which our trial data shows delivers superior performance for our customers, single seaweed sales are helpful in enabling the company to scale its seaweed supply chain and can be useful in gaining access to new customers for future blended product sales.

The growth in OceanFeed™ sales contributed to the increase in OHT's gross margin to 37.6% in 2023 (2022: 31.0%), as a result of production efficiency improvements and a shift in product mix towards the higher margin OceanFeed™ products.

We have continued to grow the pipeline of trials where potential customers use the OceanFeed™ product to demonstrate product efficacy in their own production systems before adopting the product in their diets. As at the end of 2023, there were 20 customer trials either recently completed, ongoing or scheduled, which is an increase from the start of the year.

Seaweed Sourcing and Processing

The Company has continued to expand its supply chain, on-boarding new suppliers in new and existing markets for its key seaweed species. We have commenced sourcing seaweed from East Africa for the first time during 2023 and returned to sourcing from the Philippines where we had not sourced from since before the pandemic. We have onboarded new suppliers in Indonesia and increased volumes from existing suppliers in that important supply region. Our visibility and confidence of future seaweed supplies has grown with these developments, which will support the Company's continued growth.

In addition, the Company entered into a strategic arrangement with a supplier of brown seaweed in Ireland, which has committed supply to the Company at favourable pricing for at least the next two years. We are looking to implement similar arrangements with other seaweed suppliers.

As well as the Company having improved visibility of much greater volumes of seaweed supply available to it, it has achieved an improvement in the quality of the seaweed it has sourced. Through having lower levels of sand, moisture, plastic and other physical impurities, OHT has achieved material improvements in production efficiencies when processing its finished products. This has contributed to the improvement in the Company's gross margin in 2023.

Our Vietnam facility had the full use of the second grinding line which was installed and commissioned in late 2022. In addition to providing increased volume capacity of the facility, we have observed that the efficiency of this new line has also contributed to lower yield losses when processing the seaweed raw material. This has also contributed to our margin improvement.



CEO's Statement (continued)

Environmental Factors

OHT is very proud of the multiple sustainability, environmental and social benefits that are generated from the sourcing of its seaweed and the use of its OceanFeed™ products.

OHT sources wild blooming red, green and brown seaweeds, the majority of which are invasive and can cause ecological damage if they are not removed from the areas where they are harvested.

During the year we commissioned an independent party to conduct a Life Cycle Analysis (LCA) of our OceanFeed™ product and calculate its carbon footprint. The findings of this work, summarised on page 10 of this report, were that OceanFeed™ has a significantly lower carbon footprint than the majority of other ingredients and additives used in animal feed. Seaweed uses no arable land, fresh water or fertiliser when it grows naturally. Furthermore, due to the carbon capture benefits of the seaweed and the reduced feed consumption benefits of using OceanFeed™ as an additive, we have calculated that every tonne of OceanFeed™ used leads to a ten tonne reduction in CO₂ equivalent emissions from the animal feed chain.

OHT sourced over 3,000 dry weight tonnes of raw seaweed during 2023. This has generated tens of thousands of euros for each of the multiple communities which harvest the seaweed. In many of these communities this seaweed harvesting forms an instrumental component of the income generating activity, often alongside fishing and seaweed cultivation. We have observed that the harvesting and drying of OHT's wild blooming seaweed has tended to employ the use of female members of the community who previously had limited opportunity for income generation.

Global Seaweed Market

OHT operates at the heart of the global seaweed market and is one of the only globally commercially viable seaweed feed ingredient businesses in a global feed additives market worth US\$40bn growing at c. 6% p.a. In August 2023, the World Bank stated in its Global Seaweed Report 2023 that it views seaweed as a high growth input to many developing industries. In particular:

- The top four opportunities cited for new growth in seaweed applications are Animal Feed, Pet Feed, Methane Reduction Additives and Biostimulants.
- In discussing the animal feed and pet feed opportunities the report cites the pre-biotic effect of seaweed, and states the improvements in feed efficiency, production economics and anti-biotic replacement ability of seaweed.
- The report cites OceanFeed™ as a product that delivers specific benefits to animals, quoting the performance benefits of OceanFeed™ Bovine and OceanFeed™ Swine.

Majority of OHT's harvested seaweed is INVASIVE

- **Green tides can choke local waterways of oxygen and damage marine life**
- **Harvesting these seaweeds clears the waterways and prevents CO₂ release when they rot**

- It acknowledges the challenge in building the supply chain but goes on to say that OHT is a company that has already built a supply chain that gives it access to high volumes of seaweed.
- The report cites the three key challenges in growing an industry of seaweed ingredients for animal and pet feed as:
 - o having the R&D to demonstrate product efficacy;
 - o having a new customer onboarding timeline; and
 - o building the supply chain.

This independent analysis supports our conviction around the major drivers for our business and our strategy to exploit them.

Conclusion and Outlook

The Company has strong revenue momentum and continues to onboard new customers. There is good visibility of further growth in 2024 driven by:

- the stable revenue base provided by long standing, repeat OceanFeed™ customers;
- newly acquired customers that are increasing their usage of OceanFeed™ and are expected to use the product for the full year in 2024;
- existing customers who have trialed or are trialing OceanFeed™ products for additional applications with in their business;
- further new customers wins which in aggregate represent a pipeline of approximately €15 million revenue potential from OceanFeed™ annual sales. It is important to note that nearly all of these potential customers are trialing the product for applications for which OHT has already demonstrated efficacy; and
- ongoing demand from customers demanding single seaweed products.

CEO's Statement (continued)

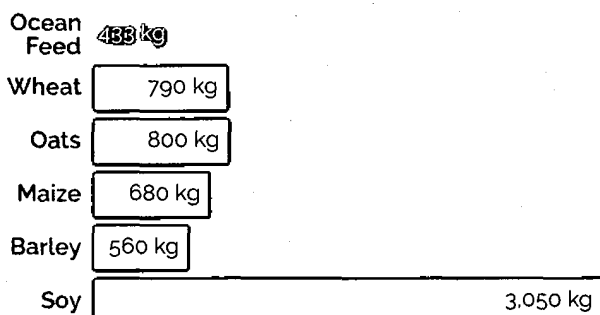
A lower carbon footprint than most other animal feed ingredients and additives

Total CO₂ eq emissions per tonne of OceanFeed™ Swine

- Processing, Production, Transport = 433 kg^a
- Indirect emissions = 163 kg
- Total Emissions = 596 kg

^a This figure is comparable to the Global Ecoinvent data on other ingredients

Other Animal Feed Ingredients (CO₂ eq/tonne)



Source: Global Ecoinvent data

The Company has a strong pipeline of research trials where customers trial OceanFeed™ to replicate in their own production systems the efficacy that OHT has demonstrated in its trials. This can be key to winning new customers orders. OHT currently has trials scheduled or in progress with over 20 potential customers, an increase in the size of our customer trial pipeline since the start of the year. The pipeline of customer trials represents potential annual product revenue of approximately €15 million, which is an increase from the start of the year. The growth in the value of this customer pipeline provides the key visibility of OHT's revenue growth opportunity for the coming years.

The medium to longer term outlook for the business also remains very strong. The market backdrop remains supportive of OHT's products with customers looking for more sustainable feed additives which improve animal production metrics and can replace existing additives such as antibiotics, other synthetic additives and feed ingredients from land based plants. The global market for animal feed additives is estimated to be valued over US\$40 billion per annum. Whilst the current value of potential revenue from OHT's customer trial pipeline of approximately €15 million is only a small share of this, it demonstrates how much growth is available to OHT from the on-boarding of these customers which are currently engaged and interested in using its OceanFeed™ products.

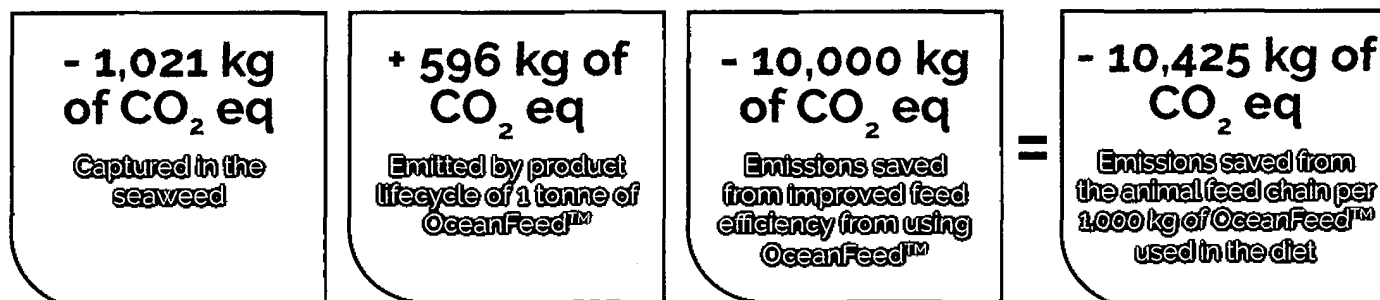
A number of our existing and potential customers are facing challenges in their own markets. Shrimp producers, for example, have suffered declines in prices for their harvest and feed manufacturers generally have had to endure material increases in costs over the past year. This can make the timing and process of onboarding new customers challenging as they turn their attention to manage their own internal profitability issues. Whilst this could impact the timing of a new customer's onboarding OceanFeed™ into their feeds, we do not believe these factors fundamentally impact the overall demand from customers to trial our innovative products which can provide the performance, efficiency and sustainability improvements that they are seeking.

The Company's own R&D program during the coming year is designed to demonstrate additional benefits of using OceanFeed™ as an additive in animal feeds for various species. This includes key trials in beef and dairy cattle for both performance and enteric methane emissions, salmon performance and health data as well as sow performance and fertility data. The data demonstrating these additional applications is expected to help generate further growth in future years over and above the growth which the markets for the Company's existing applications offer.

We expect to maintain the improvements the Company achieved in gross margin on the sale of OceanFeed™ during 2023 and aim to further improve on that margin. We believe this is achievable through a combination of monitoring and adjusting price levels for customers, achieving production efficiencies on increased throughput in our facility and from the benefits of more efficient sourcing of high quality seaweed raw material.

CEO's Statement (continued)

OceanFeed™ can reduce CO₂ emissions from the animal feed chain



The outlook for OHT's supply of seaweed remains strong and will help underpin the Company's continued growth. OHT has worked with existing suppliers to help them access additional biomass and has also been developing new geographic regions for seaweed supply. Some of these new regions are expected to come online during 2024. In addition to providing access to increased volumes, OHT's recent work on its supply chain has helped improve the quality of the seaweed it is sourcing and made it more diversified so it can better manage any volatility in price or volume from specific geographic areas. OHT hopes to further develop strategic projects with some of its suppliers during 2024 to create greater alignment with these suppliers as the basis for long term supply partnerships.

OHT has also been reviewing its working capital requirements and future capacity expansion options in an effort to reduce the amount of cash that these can require. With the recent improvements in the reliability of our seaweed supply chain we will begin reducing the number of days sales of inventory that we hold. We are in the process of reviewing various options to increase production capacity as it is required and believe that this could be done more cost effectively through an expansion of our existing Vietnam site or utilizing third party manufacturers before looking to build a new facility in another market.

We have ambitious targets. We are operating in a very large market with a product which has demonstrated it brings many economic and sustainability benefits to customers. We have a well developed and expanded supply chain to serve this market and we have an R&D program which is designed to further expand our addressable market. We look forward to executing our growth plan and are grateful to all of our shareholders for their support.

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

On behalf of the Board

Mark Williams
22 March 2024

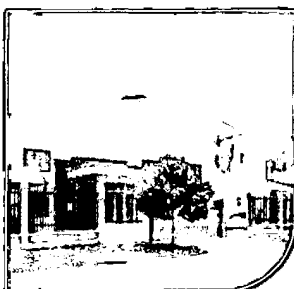
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Mark Williams
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CEO's Statement (continued)

Valuing employees and suppliers globally, enabling access to economic activity

Vietnam

- Employs over **35 staff** in our Vietnam facility
- Strong focus on HSE with **zero lost time injuries** in 2023
- Average factory employee salary **>70% higher** than the local minimum wage



Harvesters and suppliers

Generating recurring income streams for the communities we source from in remote locations across Vietnam, The Philippines and Indonesia. These benefit from **tens of thousands of euros** of additional income per community each year

Much of the additional income is earned by women who previously had little economic activity

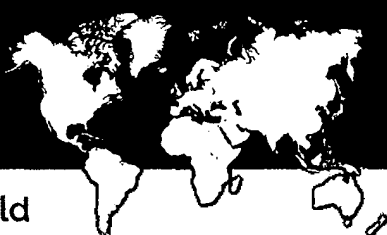
Our supplier in East Africa partners with local government and the UN to **promote economic enablement of women**

We also generate additional economic activity in remote regional communities of our seaweed harvesters in the North Atlantic.



Rest of the World

- Employs **13 staff** outside of Vietnam in the UK, Europe and North America
- Scientific, sales, quality and corporate roles aligned in working to support the growth of OHT



CFO's Statement

Strong revenue growth, reduced losses, stronger balance sheet



Christopher Scott

The Company has prepared the following financial summary, in addition to the attached financial statements. This summary shows its product revenue and separates the other revenue it records which is a reimbursement of shipping arranged by OHT on behalf of its customers and on which it does not charge a margin. Adjusted EBITDA excludes IPO costs, share based payments, other income/expenses. 2022 comparatives in the table below are updated to reflect this definition.

	Year ended 31-Dec-23 €'000	Year ended 31-Dec-22 €'000
Product revenue	3,029	2,513
Other revenue	339	495
Reported revenue	3,368	3,008
Cost of goods sold	2,230	2,229
Gross Margin	1,138	779
Gross Margin % Product revenue	38%	31%
Overheads excluding IPO costs, share based payments, depreciation and finance costs	(3,321)	(3,164)
Adj EBITDA	(2,183)	(2,385)
Finance expense	(66)	(212)
Depreciation & Amortisation	(226)	(207)
Other	(55)	13
Adj Earnings	(2,530)	(2,791)
IPO transaction costs	(763)	-
Share based payments	(185)	(109)
Profit (loss) before tax	(3,478)	(2,900)

Key Performance Indicators

The Company has identified that the Key Performance Indicators it should measure for the business include Product Revenue growth, Gross Margin, EBITDA and its cash balance.

Revenue

Product revenue grew 21% to €3.0 million (2022: €2.5 million). The product revenue on our OceanFeed™ products grew more impressively by 28% to €2.4 million (2022: €1.9 million), whereas the sales of the single seaweeds were flat for the year at €0.6 million. The table below shows the steady growth recorded in OceanFeed™ revenue, whereas the revenue from single seaweed species is less predictable in each period.

Revenue €000s	H1 21	H2 21	H1 22	H2 22	H1 23	H2 23
Ocean Feed	526	883	822	1,038	1,130	1,255
Single Seaweed	84	14	130	523	446	198
Total Product Revenue	610	897	952	1,561	1,576	1,453

The growth in OceanFeed™ product revenue was driven from new customer acquisition and an increase in average selling prices. The Company sold significant volumes of its proprietary blended seaweed products to over 45 customers, increasing from the 30 sold to during 2022. The Company sold OceanFeed™ products for the first time in 2023 to customers in Taiwan, Korea, India and also commenced sales to one of the largest UK animal feed pre-mix companies.

The Company has been able to increase average selling prices by demonstrating the significant financial benefits of using its products to new customers and through eliminating selling concessions which the Company had offered to customers in previous years in response to the high shipping costs resulting primarily from the Covid-19 pandemic. The average selling price achieved on our OceanFeed™ products in 2023 was €1,743 per tonne, an increase of 8% on the level achieved in 2022.

Profitability

The Company recorded gross margin of €1.14 million in the year vs €0.78 million achieved last year. Gross margins have benefited from the increases in average selling prices but also from expanded seaweed sourcing with improved quality, and therefore better production yields. The gross margin of 38% on product revenue in 2023 is a substantial increase on the equivalent margin of 31% recorded in 2022. We believe that we will be able to further improve gross margin through operational leverage as we scale the business further.

Operating expenses excluding IPO costs and share based payments have been kept at similar levels, recording €3.3 million in 2023, an increase of just 5% on 2022. This led to an adjusted earnings loss of €2.5 million in the year vs a loss of €2.8 million in 2022. Accordingly an adjusted EBITDA loss of €2.2 million was recorded for the year against a €2.4 million loss in 2022.

The Company also recorded non-operating expenses in the year of €0.9 million which included IPO transaction expenses including legal, professional and advisory costs, and share based payments. The total reported loss for the year after these items has increased to a loss of €3.5 million from €2.9 million in 2022 primarily due to these items.

EPS

Basic loss per share of €0.031 has reduced from a loss of €0.044 in 2022.

Cash Flow and Balance Sheet

Net cash outflow from operating activities was €2.1 million (2022: €2.4 million), impacted by working capital increases from inventory build, particularly of semi-finished goods to support sales volume growth, and trade debtors increased in line with sales growth.

Net cash used in investing activities was €0.3 million (2022: €0.3 million) with investment in the Vietnam manufacturing facility, R&D activity and systems development costs.

Net cash generated from financing activities was €4.9 million (2022: €1.9 million) with IPO gross proceeds of €6.9 million significantly improving cash flow. All of the convertible loan notes which were previously outstanding were converted into shares in the Company, in addition the IPO proceeds were used to repay the working capital facility that the Company had with one of its shareholders, hence it is in a strong financial position and has no external debt.

Total assets at year end increased to €6.5 million (2022: €3.7 million) through higher cash balance, trade debtors and inventory. Net Assets at year end increased to €6.0 million (2022: €0.4 million).

At the end of 2023, the Company had net cash of €2.6 million and also had €0.3 million receivable from government VAT refunds.

Events occurring since 31 December 2023

Since the year end the Company has entered into a receivables purchasing facility which enables it to draw down up to €2,000,000 worth of finance against specific trade receivables.

There have not been any further material events since 31 December 2023.

Additional Information

Additional information relating to Ocean Harvest Technologies, can be found on the Company's website at www.oceanharvesttechnology.com

Christopher Scott

22 March 2024

DocuSigned by:

Chris Scott

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Principal Risks and Uncertainties

The Board, through the Audit and Risk Committee, is responsible for monitoring the key risks facing the Company and ensuring that mitigants are put in place to reduce the potential impact of these risks on the operations and financial performance of the Company. The management team meet at least weekly and regularly discuss the status of the key risks facing the Company and report the findings of this to the regular Board meetings.

The tables below summarise the key risks and uncertainties facing Ocean Harvest Technology.

Competition, customer retention and acquisition

Description

OHT competes with multiple different types of feed additives and ingredients when selling its OceanFeed™ products. Its growth is dependent on the acquisition of new customers and the retention of a relatively small number of customers that comprise the majority of its current revenue.

Mitigation

The management team closely tracks the order levels from existing customers and the progress being made in the new customer acquisition pipeline. This information is also reported to the Board in regular reports and in specific sales pipeline discussions held with the Board.

The Company currently has six sales people responsible for the management of relationships with existing and new potential customers and also involves senior management in those relationships.

Factors impacting demand from major existing and target customers

Description

OHT's customers are largely in the animal nutrition business and this can be negatively impacted by outbreaks of disease such as Avian Influenza and African Swine Fever.

Mitigation

OHT has sought to diversify its global revenue sources across multiple regions and animal species. The Company has customers from each of Asia, Europe/Middle East and the Americas which operate in all of the major species being poultry, swine, bovine, aqua, pet and equine.

The management team monitors the industry for any emerging disease threats and keeps the Board informed of emerging threats and their potential impact on the commercial operations of OHT.

Seaweed supply and supplier relationships

Description

OHT does not have long term supply contracts with its seaweed suppliers. The seaweed supply chain can be quite fragmented, operating in remote locations with poor infrastructure.

Mitigation

OHT Management has invested significant time building relationships with its key suppliers in different regions. Employees of OHT often visit the harvesters with representatives of its suppliers and conduct joint training and investment to support the communities to conduct the harvesting. The Board receives reports on the progress being made with existing and potential new suppliers. OHT's experience has been maintaining good relationship and providing reliable payment terms results in strong loyalty from these suppliers toward OHT. OHT has recently made some strategic investments with seaweed suppliers and is looking to increase this in future.

Environmental events impact on supply

Description

The majority of OHT's seaweed is harvested from wild blooms and hence the location and volumes of biomass available can vary from season to season.

Mitigation

OHT has built up a supply chain diversified across a number of seaweed species and suppliers located in different regions of a number of countries in Asia, Africa and the North Atlantic. The Board receives regular reports on the seaweed being purchased by supplier and the management team hold regular planning meetings with suppliers on how much biomass they expect to be able to supply over the future months. OHT's experience has been that this diversification and supply planning has enabled it to compensate for any variation of available biomass that may occur in a particular species or region.

Principal Risks and Uncertainties (continued)

Interruption to manufacturing and distribution

Description

OHT's business is reliant on its ability to produce and distribute its products for customers on a timely basis and external events could interrupt this.

Mitigation

The Company has redundancies in place in its manufacturing process to allow for periods when its processing equipment is not available. Its products also have a long shelf life so can be stored for future shipment to customers. The majority of OHT's sales are now made on an ex-works basis so customers are responsible for the cost of shipping, however management regularly monitor the movement in global shipping rates to try and help customers achieve the lowest shipping costs. The Company also has business interruption insurance in place.

Reputational Risk

Description

Maintaining OHT's reputation as a reliable provider of products which consistently meet the performance and sustainability requirements of our customers is key to the success of the Company. Any problem with our product availability or quality could impact our reputation.

Mitigation

OHT has standard product specifications and qualities which it monitors through its quality control functions and reports this to the Board. It also submits itself to regular audits from external parties to ensure product quality compliance. The management team regularly reviews the sales and supply forecasts and makes adjustments to ensure it has sufficient product to meet customer demand.

OHT also has strict conditions which it requires its suppliers to adhere to in their management of the supply chain. These are designed to ensure sustainable and fair practices are maintained and these are regularly audited by OHT management.

Regulatory and Compliance Risks

Description

OHT's products are required to meet the published quality standards of a number of regulators around the world. In addition, its general operations are subject to requirements to comply with various legislation.

Mitigation

OHT's Quality Control team conducts strict reviews of each batch of OceanFeed™ produced, maintains records and subjects itself to annual audits by the various regulatory bodies.

The Company maintains a register of the additional non-product regulations that it is required to adhere to, has policies in place for complying with those and provides staff with annual training on these policies.

Financial risks

Description

The Company faces a number of financial risks, particularly as it is not yet profitable. These include funding, credit and liquidity risks.

Mitigation

The Board monitors the Company's financial performance and cash position and regularly reviews the forecasts of how those are expected to develop in the future. It monitors options available to the Company to access borrowings and other funding should it be required. Given the size of the Company's debtors balance management reviews the collections and credit risk monthly and reports any exceptions from this to the Board.



Board of Directors

Biographies of the Executive Management Team and Board of Directors:

Ashley Head
Chairman



Ashley Head has been the Chair of the Company since November 2021.

Ashley began his career with Chase Manhattan Bank, where he rose through the ranks of technology and online banking. He then joined MasterCard, where he became responsible for the African region of the group. After recognising the opportunities within eCommerce Ashley founded Proc Cyber, growing the business to a valuation of over GBP£60 million in three years and then merging with Datacash in 2006 where he assumed the role of Chair. Under Ashley's leadership, Datacash grew to a market leading position with MasterCard purchasing the company in 2010. Ashley continues to lead a vibrant portfolio career and currently serves as Chair of The AI Corporation, MySense Group and Champagne Piaff in addition to other director positions. He is also a trustee for the National Emergency Trust, Epsom College and Stonegate Foundation.

Committees: None

Mark Williams
Chief Executive Officer



Mark Williams has been the Chief Executive Officer of the Company since April 2022, after joining the Ocean Harvest Technology Group in February 2022.

Mark was previously the Chief Financial officer of Insect Technology Group, a developer of sustainable protein and other products derived from insects. In his four years in that role, Mark led the development and financing of new facilities in Asia, the US and Europe, formed joint ventures with commercial partners over feedstock supply and product offtake and was responsible for developing the commercial R&D plan and IP protection. Prior to that, Mark was an investment banker for UBS and Nomura, holding numerous senior positions running teams across Asia Pacific which were responsible for delivering capital markets and advisory services for corporate clients. He began his career with KPMG, where he qualified as a chartered accountant in Sydney.

Committees: None

Hadden Graham
Executive Director



Hadden Graham has been the Chief Commercial Officer of the Company since June 2022 and joined the Company in April 2021. He has announced he will retire in 2024.

Hadden has extensive experience and success in building animal feed additive businesses globally over the past 30 years. Previously, at AB Vista and Farnimfeeds/Danisco, Hadden led the launch and commercialisation of new feed enzyme additives, driving sales from US\$1 million to over US\$200 million in both companies. He was formerly the President of the European Feed Additives Association (FEFANA). Hadden holds a PhD in Agricultural Biochemistry from the Queens University of Belfast followed by 10 years in academia in University College Dublin, the Swedish University of Agricultural Sciences and Montana State University.

Hadden will not be seeking re-election at OHT's AGM in 2024.

Committees: None

Chris Scott
Chief Financial Officer



Chris has been the Chief Financial Officer since joining the company in January 2024.

Chris joined the team from FrieslandCampina, a dairy co-operative and consumer food manufacturer where he was the Finance Director for UK & Ireland. Prior to that, Chris held various senior finance positions including at the leading multinational Kimberly-Clark UK. He began his career at USS Investment Management, a large investment fund where he worked on the £5bn UK equities portfolio as an equity analyst and portfolio manager. Chris has a 1st class degree in Physics with Astrophysics and is CFA charter holder and an FCCA chartered accountant.

Committees: None

David Tilston

Non-Executive Director



David Tilston joined the Board in March 2023 as Senior Independent Director. He is Chair of the Board's Audit Committee and member of the Remuneration Committee.

David Tilston is a Fellow of both the Institute of Chartered Accountants in England and Wales and the Association of Corporate Treasurers. He has over 30 years' experience in finance functions within public companies, including at Group CFO level. He is currently Senior Independent Director, Audit Committee Chair and a member of the Nomination and Remuneration Committee at AIM-listed SDI Group plc and is Audit Committee Chair and a member of the Remuneration Committee at AIM-listed EnSilica plc. He is also Trustee and Treasurer at British Exploring Society, a youth development charity.

Committees: Audit & Risk Committee (Chair), Remuneration Committee

Christine Maggs

Non-Executive Director



Christine Maggs joined the Board in March 2023. She is Chair of the Board's Remuneration Committee and a member of the Audit & Risk Committee.

Christine has extensive experience with seaweeds worldwide. Her PhD in the University of Galway led to academic and management positions at Queen's University Belfast and Bournemouth University (Dean of Science and Technology), and to becoming Chief Scientist of JNCC (part of the Defra group). She has more than 150 publications, including on biological conservation and sustainable seaweed exploitation.

She was appointed as a Member of the Royal Irish Academy in 2013 and received the Award of Excellence of the Phycological Society of America. She is a long-serving Editor-in-Chief of the European Journal of Phycology and a founding editor of Applied Phycology.

Committees: Remuneration Committee (Chair), Audit & Risk Committee

Tom Onions

Non-Executive Director



Tom Onions joined the Board as a Non-Executive Director in 2015. He is a member of the Board's Remuneration Committee.

An experienced operational, strategy and financial executive with broad experience working with high growth companies, Tom was the Head of Santander's UK M&A department from 2012 to 2015 before joining the Board of OHT and establishing Clearshore Capital, a regulated financial boutique focused on high growth companies. Prior to that he helped lead large cap public and private M&A transactions at UBS and Citigroup with a focus on the Technology and Healthcare sectors. He is also the co-founder and Director of the London based Daisy Green Collection which he has helped grow to over £20 million per year in revenues. Tom holds a 1st class Masters Degree in Economics from Edinburgh University.

Tom will not be seeking re-election at OHT's AGM in 2024.

Committees: Remuneration Committee

Stephen Walker

Non-Executive Director



Stephen Walker joined the Board as a Non-Executive Director in April 2023, as a representative of Terance Butler Holdings Limited. He is a member of the Board's Audit & Risk and Remuneration Committees.

Stephen has extensive experience within the investment management and private-client facing environment. In his most recent roles Stephen was head of equities research and market strategy at Ashcourt Rowan Asset Management, a private client investment management firm, until 2015. Stephen subsequently joined Terance Butler Holdings Limited, a privately owned property development and investment company, as Director of Investment and Economic Strategy. He completed a Bachelor's Degree in Economics, Master's degree in Finance and Investment and is also both a CFA and CAIA Charterholder.

Committee: Audit & Risk Committee and Remuneration Committee

Directors' report

For the year ended 31 December 2023

The Directors present their Annual Report on the affairs of the Company, together with the Audited Consolidated Financial Statements and Independent Auditors' Report for the year ended 31 December 2023.

Principal activities

The principal activity of the Company is the production of blended seaweed ingredients for the animal feed market to improve the efficiency, profitability and sustainability of the animal feed chain by delivering improvements in animal gut health.

Directors

The following Directors have held office in the Company at various times in the period 1 January 2023 to the date of this report:

Name	Role	Date
Ashley Head	Chair	22 November 2021 to present
Mark Williams	Chief Executive Officer	11 April 2022 to present
Hadden Graham	Executive Director	28 March 2023 to present
Adrian Crockett	Chief Financial Officer	18 January 2023 to 9 June 2023
Chris Scott	Chief Financial Officer	15 January 2024 to present
David Tilston	Independent Non-Executive Director	28 March 2023 to present
Christine Maggs	Independent Non-Executive Director	28 March 2023 to present
Tom Onions	Non-Executive Director	22 November 2021 to present
Stephen Walker	Non-Executive Director	24 April 2023 to present
Graham Ellis	Chief Executive Officer	22 November 2021 to 29 March 2023
Jason Butler	Non-Executive Director	23 November 2021 to 29 March 2023
Elizabeth Quigley	Non-Executive Director	18 January 2023 to 27 January 2023
Stuart Waring	Non-Executive Director	4 November 2021 to 29 March 2023
Andrei Tretyakov	Non-Executive Director	22 November 2021 to 29 March 2023

Directors' Interests

The following table sets out the interests of the Directors and their families (within the meaning set out in the AIM Rules for Companies), including any interest known to that Director which could with reasonable diligence be ascertained by him or her, in the issued share capital of the Company as at 31 December 2023:

Name	Number of Ordinary Shares	% of Issued Share Capital
Ashley Head	14,068,078	11.18%
Mark Williams	1,460,707	1.16%
Hadden Graham	145,526	0.11%
David Tilston	93,584	0.07%
Christine Maggs	93,750	0.07%
Tom Onions	1,006,292	0.8%
Stephen Walker	415,000	0.33%

Business Review and Future Developments

A review of the business and the future developments of the Company is presented in the Strategic Report (which includes the Chief Executive Officer's Report).

Engagement with Employees, Suppliers and Customers

Information regarding the Company's engagement with employees, suppliers and customers is included in the Directors' statement under Section 172 of the Companies Act 2006 on pages 29 and 30.

Going Concern

At 31 December 2023 the Company had a cash position of €2.6 million (2022: €1.2 million) and no debt. The Directors have prepared detailed cashflow projections. These projections prepared until 31 March 2025 show the Company will be able to comfortably operate within the levels of cash available. As such, the Company continues to adopt the going concern basis in preparing the consolidated financial statements.

Financial Instruments Risk

The Company does not employ significant use of financial instruments. Its financial assets are held as cash in bank and it does not have any external debt.

Dividend Policy

The Company is currently loss making and when it achieves profitability the Directors initially expect to re-invest earnings to finance the development and expansion of the business. Accordingly, it is not envisaged that the Company will pay any dividends in the short to medium term, but the Directors will keep the situation under review.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Events since Balance Sheet Date

Since the year end the Company has entered into a receivables purchasing facility which enables it to draw down up to €2,000,000 worth of finance against specific trade receivables.

There have not been any further material events since 31 December 2023.

Directors' report (continued)

Future developments

OHT's strategy in the medium term is to achieve growth through continued investment in research and development, customer acquisition and its seaweed supply chain.

Research and development activities

As disclosed elsewhere in the report (pages 6-7), the Company has invested materially in research and development in 2023, and the Directors are supportive of a program of continued research and development to facilitate future growth from onboarding new customer and proving new product applications

Disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed above. So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. Saffery LLP have expressed their willingness to continue in office.

On behalf of the Board

DocuSigned by:

Mark Williams

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Mark Williams

Director

22 March 2024



Corporate Governance Statement

Chair's Corporate Governance Statement

I am delighted to present the Company's first Corporate Governance Statement as a newly listed company. As Non-Executive Chair of the Company, it is my responsibility to work with my fellow Board members to ensure that the Company supports high standards of corporate governance. My role as Chair is to provide leadership of the Board and ensure its effectiveness.

This report, together with the reports of the Audit & Risk and Remuneration Committees, seeks to demonstrate our commitment to high standards of governance.

The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the 'QCA Code') which it believes to be the most appropriate recognised corporate governance code for the Company. In adopting the QCA Code, the Board recognises its principles which seek to focus on the creation of medium to long term value for shareholders. The QCA has ten principles which the Company is required to adhere to and to make certain disclosures both within this report and on its website. The Company's website disclosures can be found at <https://oceanharvesttechnology.com/corporate-governance/corporate-governance-code/>

The Board noted that the QCA published a revised QCA Corporate Governance Code (QCA Code 2023) in November 2023 which will apply from April 2024 onwards. The Company will work towards adopting the revised principles during the

next financial year and will report on how it complies in the 2024 Annual Report.

The importance of a united Board working to ensure that the Company continues to deliver for its shareholders whilst maintaining high standards of employee welfare, safety, corporate governance and commitment to environmental issues is imperative to the continuing success of the business. During 2023, there were some substantial changes to the Board composition. Elizabeth Quigley, Andrei Tretyakov, Stuart Waring, Jason Butler and Graham Ellis stepped down as Non-Executive Directors. Adrian Crockett stepped down as Chief Financial Officer and Hadden Graham, Christine Maggs, David Tilston and Stephen Walker were appointed to the Board during 2023.

The Board strives to ensure that there are opportunities for investors to engage with both the Board and Executive Directors. During 2023, the Board welcomed shareholders at the Annual General Meeting. The Executive Directors met with shareholders at several Investor Meet Company presentations and also held one-to-one meetings with some shareholders after the half year results.

The Board will continue to monitor the governance framework of the Company as it grows.

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

Principles	Company Response
Establish a strategy and business model which promote long-term value for shareholders	The Company's business model and strategy is set out within the Strategic Report on pages 1 to 15, there are also details around the Company's business model and strategy contained within the Admission Document which can be found on the Company's website. The Board has held a number of sessions during the year dedicated to strategy. The outcome of such sessions and the principal risks facing the Company are set out in the Strategic Report.
Seek to understand and meet shareholder needs and expectations.	The Board is committed to open and ongoing engagement with Shareholders. The Board communicates with shareholders through: - the annual report and accounts; - the interim and full-year results announcements; - trading updates (where required or appropriate); - the Annual General Meeting, ("AGM"); - regular Investor Meet Company presentations; and - the sections relating to investor relations on the Company's website (in particular, the "RNS News" and "AIM Rule 26" pages). A contact email is established which shareholders can use to ask questions and provide comments. Regular meetings are held between the Chief Executive Officer, Chief Financial Officer, institutional investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively. The Board also intends to engage, where possible, with shareholders who do not vote in favour of resolutions at AGMs to understand their motivation. The Chair of the Company and the Senior Independent Director are available at any time to address any shareholder concerns.



Corporate Governance Statement (continued)

Principles	Company Response
Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Company seeks to be a responsible corporate citizen in all its areas of operation and is committed to maintaining a high standard of corporate governance. The Company takes its corporate social responsibilities seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including employees, existing and new customers and suppliers, in order to achieve long-term success. The Executive Directors maintain an ongoing dialogue with stakeholders to inform them about strategy and the day-to-day running of the business.
Embed effective risk management, considering both opportunities and threats, throughout the organisation	The principal risks facing the Company and the industry are contained in the Strategic Report.
Maintain the Board as a well-functioning balanced team led by the Chair	The Board structure and composition is detailed on pages 16 and 17. The Board has been constructed to ensure that it has the right balance of skills, experience, independence, and knowledge of the business. The Board is also supported by the Audit & Risk Committee and Remuneration Committee. The Board meet regularly at least six times a year. Processes are in place to ensure that each member of the Board is, at all times, provided with such information as is necessary for him/her to discharge his/her duties. The Company is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders.
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	The complementary skills and experience of our Board and Executive Management team are included on pages 16 and 17. The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, inter alia, the AIM Rules and the Company's Solicitors in respect of continued compliance with, inter alia, UK MAR.
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	The Chair is responsible for ensuring an effective Board. The Company intends to establish a formal process for evaluating the performance of the Board and the committees against its objectives to ensure that members of the Board provide relevant and effective contribution.
Promote a corporate culture that is based on ethical values and behaviours	The Company promotes a culture of integrity, honesty, trust and respect and all employees of the Company are expected to operate in an ethical manner in all of their internal and external dealings. The Company has a zero-tolerance approach to bribery and corruption and has an Anti-Bribery Policy in place to protect the Company, its employees and those third parties with which the business engages. The staff handbook and policies promote this culture and include such matters as Anti Bribery and Corruption, whistleblowing, social media, equal opportunities, and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Company, and for ensuring that such values and behaviours guide the objectives and strategy of the Company.



Corporate Governance Statement (continued)

Principles	Company Response
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	The Chair leads the Board and is responsible for its governance structures, performance, and effectiveness. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Chair is responsible for ensuring that the link between the Board and the shareholders is strong and efficient. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board. The Board is supported by the Audit & Risk Committee and Remuneration Committee. See details of these committees and their responsibilities on pages 26-28. From time to time, separate committees may be set up by the Board in order to consider and address specific issues, as and when they arise. The Board reviews the governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward. Further information on the Company's governance structures, including matters reserved for the Board are located on pages 23-25.
Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Company's financial and operational performance is summarised in the Annual Report and the Interim Report, with regular updates provided to stakeholders in other forums through the year. The Company uses the following methods of communication with its shareholders: • the Annual Report; • the interim and full-year results announcements; • trading updates (where required or appropriate); • the AGM • Regular Investor Meet Company presentations; • the sections relating to investor relations on the Company's website (in particular, the "RNS News" and "AIM Rule 26" pages). • The Company's website is updated on a regular basis with information regarding the Company's activities and performance. • The Company's reports, presentations, notices of annual general meetings, and results of voting at shareholder meetings are also be made available on the website.



Corporate Governance Framework

Governance Structure

The Board of Directors acknowledge the importance of corporate governance, believing that the QCA Code provides the Company with the right framework to maintain a strong level of governance.

The Board retains ultimate accountability for ensuring that the Company has a robust governance framework in place, ensuring that governance is appropriately embedded throughout the business. The Company holds regular Board meetings at which financial, operational, risk and other reports are considered and, where appropriate, voted on. The Board Committees provide regular updates at the meetings. The Board is responsible for the Company's strategy, performance, risk, key financial and compliance issues, approval of any major capital expenditure and the framework of internal controls.

The Chair has overall responsibility for the management and operation of the Board, which in turn oversees the Company's strategy and operational and financial performance and manages business requirements through a formal schedule of reserved matters for its decision making. A nominated Senior Independent Director (SID), David Tilston, provides additional support to the Chair in the delivery of the Company's objectives. Board meeting agendas are drafted prior to each Board meeting and regular reports submitted to the Board in advance of each Board and Committee meeting.

Our leadership structures are supported by our governance framework, to ensure oversight, integrity and control in all our business dealings. The Chief Executive Officer leads our business and oversees daily operations and the Company's objectives. The CEO is assisted by the Senior Management Team which focuses on the development and implementation of strategy, financial and operational performance, risk management, commercial developments, talent review and succession planning, sustainability and organisational development. There is a clearly defined organisational structure with lines of responsibility and delegation of authority to executive management. The Board is responsible for monitoring the activities of the executive management.

The Company has adopted a code of dealings in securities which the Board regards as appropriate for an AIM listed company and is compliant with the UK Market Abuse Regulations. The Company takes all reasonable steps to ensure compliance by the Directors, employees and agents with the provisions of the AIM rules relating to dealings in securities.

The Directors acknowledge the importance of ensuring that the Company, its employees and those third parties with which the business engages are operating within the requirements of the Bribery Act. The Company has adopted an Anti-Bribery & Corruption Policy to protect the Company, its employees and those third parties with which the Company engages. All employees and the Board are required to read and confirm they have understood the Anti-Bribery & Corruption Policy.

Board Composition

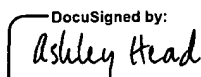
As at 31 December 2023, the Board of the Company consisted of the Non-Executive Chair, the Chief Executive Officer, Chief Commercial Officer, two Independent Non-Executive Directors and two Non-Executive Directors. The Chair and David Tilston, as the senior Independent Non-Executive Director, along with the other Independent Non-Executive Director ensure that the Board remains independent. All the Independent Non-Executive Directors are independent in character and judgement.

Board Committees and Structure

The Board has the following Committees: Audit & Risk Committee and Remuneration Committee. Both Committees operate under clearly defined terms of reference to ensure proper functioning and effective application of best practice. The Committee terms of reference are reviewed by the Committees and by the Board on an annual basis. Committees are required to report back to the Board following a Committee meeting.

More detailed information of each Committee can be found on pages 26 to 28.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The effectiveness of the Board, director and senior management appointments and the Company's succession planning is evaluated on a regular basis.

DocuSigned by:

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Ashley Head
 Non-Executive Chair
 22 March 2024

Review of The Board's Effectiveness

The Board considers that its effectiveness and the individual performance of its Directors is vital to the success of the Company.

It was recognised that to meet the requirements of the QCA Code, a formal evaluation process for each of the Board, its Committees, the Independent Non-Executive Directors and Non-Executive Directors should be conducted. The Board intends to conduct a formal evaluation of the Board effectiveness within 15 months of admission to AIM.

The Company will introduce a structure to set clear targets and objectives for improving and monitoring performance of the Board and will introduce a formal evaluation for all Board members to monitor their individual contribution and commitment. The evaluation process will set out criteria against which Board, Committee and individual effectiveness is measured.

There is a strong flow of communication between the Directors, and in particular between the Chief Executive Officer, Chief Financial Officer and the Chair, with consideration being given to the strategic and operational needs of the business. Comprehensive Board and Committee papers are circulated in advance of meetings, giving Directors due time to review the documentation and enabling an effective meeting. Minutes are drawn up to reflect the true record of the discussions and decisions made. Resulting actions are tracked for appropriate delivery and follow up.

The Directors have a wide knowledge of the Company's business and understand their duties as Directors of a quoted company. The Directors have access to the Company's Nominated Adviser (Nomad), auditors and solicitors as and when required. These advisors are available to provide formal support and advice to the Board from time to time and do so in accordance with good practice. The Company has implemented an annual schedule of Boardroom training.

Matters Reserved for the Board

The Board retains full and effective control over the Company and is responsible for the Company's strategy and key financial and compliance issues. There are certain matters that are reserved for the Board and they include but are not limited to:

Strategy and Management

Approval of the annual budget of the Company, the annual strategic plan for each company in the group and the Company's risk management policies.

Share Capital

To allot, grant options over, offer or otherwise deal with unissued shares in the capital of the Company. To fix any special rights or restrictions attaching to the shares.

Financial Items

To approve the annual accounts and half year financial statements of the Company. To fix the amount of any dividend. To approve any transfers to reserves. To authorize political or charitable contributions. To consider proposals for short and long-term financing plans. To approve the allotment of any debt securities. To approve the entering into of a finance or operating lease where the capital value exceeds £500,000, the giving of guarantees where the amount of the loan or liability exceeds £500,000. To review annually the effectiveness of the Company's system of internal controls.

Agreements

All agreements above £500,000, all disposals above £250,000 and any agreement relating to the sale, purchase or lease of land.

Administration

To grant power of attorney. To alter the Company's Articles of Association. To change the name, accounting reference date or registered office.

Communications with shareholders

To authorize the convening of any general meeting of the Company. To approve the issue of any circular to shareholders.

Board Appointments

To approve the appointment and removal of Directors or the Company Secretary. To establish Committees of the Boards, appoint members and Chairs and set Terms of Reference.



Review of The Board's Effectiveness (continued)

Directors' attendance at meetings

The Directors' attendance at Board meetings and Board committees during 2023 is detailed in the table below:

Director	Board Meeting post IPO	Ad Hoc Board and pre-IPO	Committee Chair	Audit & Risk	Remuneration
A Head (Chair of the Board)	9	4		3 [^]	3 [^]
M Williams	9	4		3 [^]	3 [^]
H Graham ^{**}	9	4		1 [^]	-
D Tilston ^{**}	8	-	Audit & Risk Committee	3	3
C Maggs ^{**}	8	-	Chair of Remuneration Committee from 12 December 2023	3	3
T Onions	8	4	Chair of Remuneration Committee until 11 December 2023	1 [^]	3
S Walker [*]	8	-		2	3
E Quigley [*]	-	-		-	-
J Butler [*]	-	-		-	-
G Ellis [*]	-	4		-	-
A Tretyakov [*]	-	-		-	-
S Waring [*]	-	4		-	-
A Crockett [*]	2	-		1	-
Total meetings				3	3

Notes:

The Chair, Chief Executive Officer and Chief Finance Officer attended a number of meetings of Committees of which they were not members during the course of the year at the invitation of the Committee chair

[^]Invitee

^{*} Elizabeth Quigley resigned from the Board on 27 January 2023, Graham Ellis, Jason Butler, Andrei Tretyakov and Stuart Waring resigned from the Board on 29 March 2023 and Adrian Crockett resigned from the Board on 9 June 2023

^{**} Hadden Graham, Christine Maggs and David Tilston joined the Board on 28 March 2023 and Stephen Walker joined the Board on 24 April 2023

Audit & Risk Committee Report

Purpose and Responsibilities

The Audit & Risk Committee determines and examines matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It receives and reviews reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and the internal control systems in use throughout the Company.

The Audit & Risk committee advises the Board on the Company's overall risk appetite and strategy including, inter alia, regularly reviewing and updating (if appropriate) the risk assessment processes in place, including in relation to remuneration and compliance functions, and assisting in overseeing implementation of the adopted strategy.

Membership

The Audit & Risk Committee comprises David Tilston (Independent Non-Executive Director and Chair), Christine Maggs (Independent Non-Executive Director) and Stephen Walker (Non-Executive Director).

David Tilston is a Fellow of both the Institute of Chartered Accountants in England and Wales and the Association of Corporate Treasurers.

The Committee meets at least 3 times a year and also holds private sessions with management and with the external auditor without management present whenever it deems it appropriate to do so.

2023 activities

- The Committee spent the majority of its time during the year reviewing the key accounting judgements associated with the Company's full and half-year results.
- The Committee reviewed the Company's existing systems of credit control and noted that improvements were made during the course of the year.
- The Committee gave approval for the ERP and is currently overseeing the implementation.
- The Committee was satisfied that the Company does not currently require an internal audit function, although this will be kept under review as the Company continues to grow.

External Auditors

The external auditors, Saffery LLP were re-appointed in 2023 at the Company's AGM. The Audit & Risk Committee will undertake a review of the quality, effectiveness, value and independence of the audit provided by Saffery LLP each year.

2024 activities

The Committee will continue to work according to its Terms of Reference, and in particular:

- Continue to oversee the implementation of the ERP.
- Keep under review the Company's existing control framework and controls over financial reporting to ensure that these remain appropriate.
- Review the risk management procedures and the Company's Risk Register.

Evaluation of the Audit & Risk Committee

The Committee shall periodically review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

DocuSigned by:

David Tilston

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David Tilston

Chair of the Audit & Risk Committee

22 March 2024



Directors' Remuneration Report

The Remuneration Committee

The Remuneration Committee reviews and makes recommendations in respect of the Executive Directors' remuneration and benefits packages, including share options and the terms of their appointment to support the delivery of business objectives and to align the interests of the Executives with the interests of long-term shareholders. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options to employees under the intended share option schemes.

The Company has adopted a code on dealings in securities which the Board regards as appropriate for an AIM listed company and is compliant with the Market Abuse Regulations. The Company takes all reasonable steps to ensure compliance by Directors and certain employees.

The Committee comprises Christine Maggs (Independent Non-Executive Director and Committee Chair from 12 December 2023), Tom Onions (Non-Executive Director and Committee Chair from 28 March 2023 to 11 December 2023), David Tilston (Independent Non-Executive Director) and Stephen Walker (Non-Executive Director). The Committee met three times in 2023.

The Committee invites the Chief Executive Officer to attend meetings to provide business context, but he is not present when his own remuneration is discussed.

Executive Directors' service contracts

Director	Effective term	Notice period
Mark Williams	29 March 2023	12 months from Executive 12 months from Company
Adrian Crockett	29 March 2023 – 9 June 2023	6 months from Executive 6 months from Company
Hadden Graham	29 March 2023	6 months from Executive 6 months from Company

Executive remuneration

The table below sets out the single total figure of remuneration and breakdown for each Executive Director paid for the 2023 financial year.

	Mark Williams	Adrian Crockett*	Hadden Graham
Salary	£197,700	£73,165	£169,600
Pension	£1,321	£220	£1,321
Other	£0	£0	£2,125
Total	£199,021	£73,385	£173,046

*Mr Crockett's Service Contract as Chief Finance Officer was terminated on 9 June 2023. The pay shown in the table above relates to his period of service as an Executive from 1 January 2023 to 9 June 2023.

Additional Details

Base salary

Following admission Mark William's salary was increased from £190,800 per annum to £200,000 per annum and the salary increase pursuant to Mark Williams' service contract, to £220,000 per annum from 1 January 2024 has been deferred. His service contract entitles him to £250,000 per annum from 1 January 2025. Thereafter, there shall be no obligation on the Company to increase Mark Williams's salary.

Following admission Adrian Crockett's salary was increased from £133,900 per annum to £140,000 per annum.

Annual Bonus

The Company may in its absolute discretion pay to Mark Williams a bonus of such amount, at such intervals and subject to such conditions as the Board may in its absolute discretion determine from time to time.

The Company may in its absolute discretion pay to Hadden Graham a bonus of such amount, at such intervals and subject to such conditions as the Board may in its absolute discretion determine from time to time.



Directors' Remuneration Report (continued)

Share Option Plans

The Company established the Share Option Plan on 22 February 2023. The Share Option Plan allows for the grant of options to acquire Ordinary Shares ("Options"). Options granted under the Share Option Plan alone will be non-tax advantaged share options ("NTA Options"). The Share Option Plan was adopted to provide incentives to retain and motivate employees prior to and following Admission. All employees of the Company (including Executive Directors) are eligible for selection by the Board to participate in the Share Option Plan. The Board may determine if an Option will be granted subject to the satisfaction of a performance condition which will determine the proportion of the Option which will vest and be exercisable.

In connection with adopting the Share Option Plan, the Company established the EMI Sub-Plan as a schedule to the Share Option Plan. The EMI Sub-Plan allows the Share Option Plan to be operated to grant options to acquire Ordinary Shares which are intended to qualify as enterprise management incentive share options ("EMI Options") under schedule 5 to the Income Tax (Employment and Pensions) Act 2003 ("Schedule 5"). The EMI Sub-Plan was adopted to provide tax advantaged incentives to retain and motivate UK resident employees prior to and, if appropriate, following Admission.

As at Admission, the Company has granted options under the Share Option Plan EMI Sub-Plan over 9,566,387 Ordinary Shares (in aggregate) exercisable at £0.01 per Ordinary Share to the Executive Directors and NTA Options over a further 5,232,180 Ordinary Shares. This includes EMI Options which have been granted to Hadden Graham which are subject to performance conditions and will vest in four tranches upon the achievement of certain Company market capitalisation targets. The EMI Options are subject to a 12-month holding period commencing on the date on which the EMI Option (or any part of it) vests.

The options granted to Mark Williams under the EMI Sub-Plan exceeds the statutory limit set out in Schedule 5. As such, the option shall be treated as two options: firstly EMI Options and secondly as NTA Options. The first tranche of Ordinary Shares under the EMI Option and NTA Option will vest on the date of grant and the second tranche will vest on the date of Admission. The remaining seven tranches are subject to performance conditions and will vest upon the achievement of certain Company Market capitalisation targets. A 12-month holding period will also apply.

The following table sets out details of the options held over Ordinary Shares by the Directors pursuant to the Share Option Plan (or in the case of Christine Maggs and David Tilston under separate option agreements):

Name	2023 Options granted under EMI Sub Plan	2023 NTA Options	Other option arrangements	Exercise price per Ordinary share
Mark Williams	1,562,493	5,232,180	-	£0.01
Hadden Graham	1,385,857	-	-	£0.01
David Tilston			90,000	£0.16
Christine Maggs			90,000	£0.16

THE CHAIR AND THE NON-EXECUTIVE DIRECTORS

2023 Non-Executive Director fees, which have been paid either since IPO or the Director's date of appointment after the IPO:

Non-Executive Directors	Director Fees (£)
Ashley Head	22,500
Christine Maggs	22,500
David Tilston	26,250
Tom Onions	22,500
Stephen Walker	20,577

DocuSigned by:

Christine Maggs

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Christine Maggs

Remuneration Committee Chair

22 March 2024

Directors' Statement under Section 172 (1) of the Companies Act 2006

The Section 172 (1) of the Companies Act obliges the Directors' to promote the success of the Company for the benefit of the Company's members as a whole.

The section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so have regard (amongst other things) to:

- a. the likely consequences of any decision in the long term,
- b. the interests of the Company's employees,
- c. the need to foster the Company's business relationship with suppliers, customers and others,
- d. the impact of the Company's operations on the community and environment,
- e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly as between members of the Company.

The Board of Directors is collectively responsible for the decisions made towards the long-term success of the Company and how the strategic, operational and risk management decisions have been implemented throughout the business.

Engagement Shareholders

The Board places equal importance on all shareholders and recognises the significance of transparent and effective communications with shareholders.

As an AIM listed company there is a need to provide fair and balanced information in a way that is understandable to all stakeholders and particularly our shareholders.

The primary communication tool with our shareholders is through the Regulatory News Service, ("RNS") on regulatory matters and matters of material substance. The Company's website provides details of the business, investor presentations and details of the Board and Board Committees, changes to major shareholder information and disclosure updates required under the QCA Code are promptly published on the website to enable shareholders to be kept abreast of the Company's affairs. The Company's Annual Report and Notice of AGMs are made available to all shareholders and the Interim Reports and other investor presentations are also available on our website.

The Board acknowledges that encouraging effective two-way communication with shareholders encourages mutual understanding and better connection with them. Both retail investor events and institutional investor meetings are held regularly during the year to provide updates and receive feedback. By providing a variety of ways to communicate with investors the Company feels that it reaches out to engage with a wide range of its stakeholders.

Employees

Our employees are one of the primary assets of our business and the Board recognises that our employees are the key resource which enables the delivery of Company's vision and goals.

We ensure that:

- Health and Safety and the Environment are considered paramount throughout the organization and there is regular Health & Safety training for staff at the plant in Vietnam.
- Annual pay and benefit reviews are carried out to determine whether all levels of employees are benefitting fairly, and to retain and encourage skills vital for the business.
- There is competitive pay and employee benefits.
- There is ongoing training and development and career prospects available.
- There are freely available Company policies and procedures.
- Personal development reviews and work appraisals are conducted.
- Weekly employee calls are held as well as informative emails and regular team meetings.
- Management updates of important business decisions are provided regularly, employees are informed of Company financial results and are encouraged to feel engaged.
- Working conditions are favourable in all Company locations.
- Team-building sessions and social events are arranged.
- The Plant Manager in Vietnam ensures that all local HR laws and regulations are complied with, and Senior Managers also visit the plant on a regular basis.
- Senior management engage with staff daily. In Vietnam, the Plant Manager leads an engagement programme to involve all employees.

The Remuneration Committee oversees and makes recommendations of executive remuneration and any long-term share awards.

Directors' Statement (continued)

Suppliers and Customers

The Board acknowledges that a strong business relationship with suppliers and customers is a vital part of growth. Whilst day to day business operations are delegated to the executive management and the senior management team, the Board sets directions with regard to new business ventures. The Board upholds ethical business behaviour across all of the Company's activities and encourages management to seek comparable business practices from all suppliers and customers doing business with the Company. We value the feedback we receive from our stakeholders, and we take every opportunity to ensure that where possible their wishes are duly considered.

Suppliers are located in geographically disperse locations around the world and the Company communicates with them regularly on demand levels and available supply of raw material. Most suppliers are visited annually by a senior employee.

The Company is currently working towards achieving SA 8000 Social Accountability from Social Accountability International (SAI) which is the most widely recognised global standard for managing human rights in the workplace and to achieve best practice in ethical employment, trading and operations. The Company reviews all suppliers against an SA 8000 Social Responsibility Questionnaire to ensure that that the correct levels of social responsibility across child labour, health and safety, discrimination, working hours and management systems can be evidenced.

Suppliers are also subject to a Quality Assurance questionnaire to ensure that all suppliers comply with the current feed hygiene and feed safety legislation and take all necessary steps to ensure that the products supplied to the Company are of good quality and can be used in animal feed.

Customers are also located in geographically disperse locations. The Company's sales team are in regular contact with existing and potential customers. Much of this is electronic communication but physical meetings at the customers' premises or at trade fairs are held a number of times a year.

Community and Environment

The Board advocates the highest standards of care towards the communities in which it operates. At its meetings, the Board considers the impact of the Company's operations on the environment and the neighbouring community. The Board takes its responsibility as a sustainable feed manufacturer very seriously. With regards to its Environmental Policy, the Company and its operations align closely with five of the United Nations Sustainable Development Goals set out in Agenda 2030.

Seaweeds are either sourced from natural wild blooms or seaweed plants harvested on a rotation basis to ensure sustainable regrowth. The Company's sourcing does not utilise material quantities of land, fresh water, fertilisers or other chemicals.

Senior management conduct visits to the local coastal communities which supply seaweed to ensure that there is a positive impact on the harvesting communities.

Agreements with each of the Company's harvesters of seaweed are outlined in the 'Harvester Supplier Agreement' Protocol, which ensures supply quality and continuous sustainable harvesting methods.

The Company monitors the quality of its products using detailed work agreements and site visits to its suppliers.

Maintaining High Standards of Business Conduct

The Company is incorporated in the UK and governed by the Companies Act 2006. The Company has adopted the QCA Code and the Board recognises the importance of maintaining a good level of corporate governance, which together with the requirements to comply with the AIM Rules ensures that the interests of the Company's stakeholders are safeguarded.

Anti-corruption and anti-bribery training is compulsory for all staff. The Company expects anyone representing it to promote honest, fair and professional behaviour and there is zero tolerance for bribery and unethical behaviour.

The Company acknowledges and supports a Code of Conduct, based on the SA 8000 Standard and seeks to conform to its standards and provisions as emphasized in the code of conduct. Areas covered are: Child Labour, Freely Chosen Employment, Health and Safety, Freedom of Association, Discrimination, Harsh or Inhumane Treatment, Working Hours and Minimum Wages.

The importance of making all employees feel safe in their environment is maintained and a Whistleblowing Policy is in place to enable staff to confidentially raise any concerns freely and to discuss any issues that arise. Strong financial controls are in place and are well documented.

On behalf of Board

DocuSigned by:

Ashley Head

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Ashley Head

Chair

22 March 2024



Environmental, Social and Governance (ESG)

The Board is committed to adopting best practice, where possible and appropriate, in its reporting of ESG issues. Ocean Harvest Technology takes its responsibility as a company, employer and sustainable feed manufacturer seriously. The Directors intend to establish dedicated programmes aimed at delivering key initiatives across a range of core areas as well as continuing to achieve the Company's ESG objectives. Its policies will be reviewed annually by the Board to ensure accurate reporting and measuring of relevant indicators.

Environmental policy

The Company and its operations closely align with five of the United Nations Sustainable Development Goals set out in Agenda 2030. These are:

Goal 2, Zero Hunger: by offering a sustainable solution to improving the efficacy of the rearing food producing animals Ocean Harvest Technology is contributing to more efficient farming practices which ultimately provide an increased yield of product for the global food supply as well as less wastage.

Goal 8, Decent Work and Economic Growth: Ocean Harvest Technology is helping develop economic activity in a number of the areas where it sources seaweeds. Many of these regions are considered as underdeveloped with poor infrastructure, low average earnings and relatively low education levels. By creating a sustainable economic value chain for a natural resource that was previously not exploited in these regions, and adhering to a strict code of conduct, the Company is able to fairly contribute to the economic growth in these regions.

Goal 12, Responsible Consumption and Production: Ocean Harvest Technology's seaweed harvest practices and supply chain utilise low levels of fossil fuels, fresh water and land, and therefore have a low ecological impact across the Company's global operations. Moreover, the use case of the Company's products supports more sustainable production and consumption across the wider food industry.

Goal 13, Climate Action: By working to improve farming efficiency in a sustainable manner, an indirect result of Ocean Harvest Technology's commercial success will be to reduce the environmental impact of the production of food for the global population.

Goal 14, Life Below Water: In extracting seaweed from aquatic environments at the right time and in a sustainable manner, Ocean Harvest Technology is removing excess carbon from arguably the most important ecosystem on earth whilst at the same time preserving levels of aquatic life that depend on the seaweed blooms.

Social responsibility

Ocean Harvest Technology acknowledges and supports a Code of Conduct, based on the SA 8000 standard from Social Accountability International and seeks to conform to its standards and provisions as emphasised in the code of conduct. Areas covered by this code which Ocean Harvest Technology aims to follow include Child Labour, Freely Chosen Employment, Health and Safety, Freedom of Association, Discrimination, Harsh or Inhumane Treatment, Working Hours and Minimum Wages.



Directors' Responsibilities Statement in Relation to the Group and Company Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The Directors have also chosen to prepare the parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

The Directors confirm that, to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group as a whole;
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the Group as a whole together with a description of the principal risks and uncertainties; and
- the Annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.



Independent Auditor's Report to the Members of Ocean Harvest Technology Group PLC

for the year ended 31 December 2023

Opinion

We have audited the financial statements of Ocean Harvest Technology Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of total comprehensive income, the consolidated and parent company statements of financial position, the consolidated statement of cash flows, the consolidated and parent company statements of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. 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 101, Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and of the parent company as at 31 December 2023 and of the group's loss for the year then ended.
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- 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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

We tailored the scope of the audit work to ensure we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls and the industry in which the group operates.

The group consists of four reporting components, incorporated and operating in the UK, Ireland and Vietnam. The group financial statements are a consolidation of these four components. The UK and Irish entities within the group have been subject to a full scope audit by the Group engagement team. The audit of the Vietnam component has been performed by the component auditors under the Group auditor's direction and supervision. We have performed a detailed review of the work carried out by the component auditors. We also tested the consolidation process and adjustments.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements. For example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement.

Key audit matters

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

Independent Auditor's Report to the Members of Ocean Harvest Technology Group PLC

(continued)

Key Audit Matter	How our scope addressed this matter
Inventory valuation At 31 December 2023, the Group held inventory of €1,450,884 (2022: €629,865). The group holds a material amount of inventory, representing a significant proportion of the group's current assets. It is assessed for obsolescence and impaired where it is considered that the recoverable amount is lower than the carrying value. Due to the significance of inventory to the financial statements and the subjectivity in determining the recoverable amount, we consider this to be a key audit matter.	Our audit procedures consisted of: - Assessing the design and implementation of key controls in place associated with inventory valuation. - Considering whether inventory had become obsolete by comparing inventory ageing to product shelf lives. - Performing substantive procedures by testing an appropriate sample of inventory lines to post year end sales to ensure that the carrying value was recorded at the lower of cost and net realisable value in accordance with the accounting policy. Based on our audit procedures we have not identified any material misstatements arising from the valuation of inventory.
Carrying value of investments in subsidiaries and intercompany receivables At 31 December 2023, the parent company has investments in subsidiaries of €1,043,719 (2022: €870,904) and intercompany receivables of €7,228,912 (2022: €2,031,138) Due to the significance of the carrying value of investments in subsidiaries and intercompany receivables to the parent company, we consider this to be a key audit matter.	Our audit procedures included the following: - Assessing whether there were indicators of impairment in respect of the investments in subsidiaries in accordance with IAS 36 and in respect of intercompany receivables, considered the expected credit losses in accordance with IFRS 9. - Reviewing and challenging management's discounted cash flow forecasts and assessing the underlying assumptions including the growth rate and discount rate. - Performing a sensitivity analysis on revenue, operating expenditure and the discount rate. - Comparing the projected activity to actual results and comparing the calculation of the discount rate used to external data. Considering whether forecasts were consistent with our understanding of the business and any other corroborative or contradictory evidence regarding assumptions used. Based on our audit procedures we have not identified any material misstatements arising from the carrying value of investment in the subsidiary.



Independent Auditor's Report to the Members of Ocean Harvest Technology Group PLC (continued)

Key Audit Matter	How our scope addressed this matter
Going Concern The going concern assumption is a fundamental and pervasive principle in the preparation of the financial statements. The requirement to access additional funds, together with the trading result in the year give rise to greater inherent risk and raises concern to whether the group has sufficient resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of the financial statements. Due to the significance of the going concern assumption in the financial statements and the current economic and trading conditions, going concern is considered to be a key audit matter.	Our audit procedures included the following: • Obtaining, critically appraising, and assessing for arithmetical accuracy the directors' formal going concern assessment, including the group's cash flow forecasts and considering the completeness and accuracy of the future cash flows assessed against historical results and existing contractual arrangements. • Challenging the key assumptions underpinning the cashflow forecasts supporting the directors' assessment of going concern. • Performing sensitivity analysis on key assumptions underlying the directors' assessment of going concern, including revenue growth, gross profit margin analysis and significant movements in the cost base of the business. • Reviewing the adequacy of disclosures made within the financial statements on the going concern basis of preparation; and • Discussing events after the reporting date with the directors to assess their impact on the going concern assumption. Based on this and our procedures, we concluded that there is not a material uncertainty in relation to going concern and the continued adoption of the going concern basis of accounting in these financial statements remains appropriate.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, as set out below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

We determined a materiality of €68,000 (2022: €50,000) for the group and €55,000 (2022: €49,999) for the parent

company financial statements. Group materiality is based on 2% of group revenue and the parent company materiality is based on 80% of group materiality per management accounts at the planning stage.

We determined a performance materiality of €51,000 (2022: €37,500) for the group and €41,000 (2022: €37,499) for the parent company financial statements. We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. Performance materiality was set at 75% of materiality for both the group and the parent company.

We set a level of triviality of €3,400 for the group which is 5% of planning materiality and €2,800 for the parent company which is also 5% of planning materiality. Any uncorrected audit differences below these levels were not reported to the Audit Committee, unless warranted under qualitative grounds.



Independent Auditor's Report to the Members of Ocean Harvest Technology Group PLC

(continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and the parent company's ability to continue to adopt the going concern basis of accounting is set out in the 'Key audit matters' section above.

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

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

Other information

The 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 32, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the group and parent company 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.

Independent Auditor's Report to the Members of Ocean Harvest Technology Group PLC (continued)

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors, communication with component auditors, and by updating our understanding of the sector in which the group and parent company operate.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation as well as similar laws and regulations prevailing in each country in which we identified a significant component.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jamie Lane FCCA
(Senior Statutory Auditor)
for and on behalf of Saffery LLP

DocuSigned by:
Jamie Lane
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Chartered Accountants
Statutory Auditors

Trinity
16 John Dalton Street
Manchester
M2 6HY

22 March 2024

Consolidated statement of total comprehensive income

For the year ended 31 December 2023

	Notes	31 Dec 2023 €	31 Dec 2022 €
Revenue	4	3,367,646	3,008,296
Cost of sales		(2,229,858)	(2,229,108)
Gross profit		1,137,788	779,188
Administrative expenses		(3,836,933)	(3,476,495)
Other operating income		50,327	9,004
Operating loss	5	(2,648,818)	(2,688,303)
Finance expense	7	(65,504)	(212,380)
IPO transaction costs		(763,315)	-
Loss before taxation		(3,477,637)	(2,900,683)
Taxation	8	71,639	64,817
Loss for the year		(3,405,998)	(2,835,866)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		12,159	50,321
Other comprehensive income, net of tax		12,159	50,321
Total comprehensive loss for the year		(3,393,839)	(2,785,545)
Earnings per share from continuing operations:			
Basic and diluted loss per share	9	(0.031)	(0.044)

Results above relate to continuing operations. The accompanying notes on pages 45 to 73 form part of these financial statements.



Consolidated statement of financial position

As at 31 December 2023

	Notes	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Assets				
Non-current assets				
Intangible assets	10	184,208	20,617	8,923
Property, plant, and equipment	11	398,788	346,521	124,212
Right-of-use asset	12	40,492	219,075	363,910
Loan receivable	13	50,000	-	-
Total non-current assets		673,488	586,213	497,045
Current assets				
Trade and other receivables	14	1,595,664	1,251,027	1,040,074
Inventories	15	1,450,884	629,865	729,868
Corporation tax receivable		71,269	62,412	48,507
Cash and cash equivalents	16	2,598,501	1,194,440	1,739,935
Total current assets		5,716,318	3,137,744	3,558,384
Total assets		6,389,806	3,723,957	4,055,429
Equity and liabilities				
Equity				
Share capital	17	1,477,482	761,448	761,448
Share premium	17	8,104,571	-	-
Share-based payment reserve		294,367	109,456	-
Merger reserve		26,932,455	26,932,455	26,932,455
Foreign exchange reserve		(35,680)	(47,839)	(98,160)
Retained losses		(30,807,666)	(27,401,668)	(24,565,802)
Total equity		5,965,529	353,852	3,029,941
Liabilities				
Non-current liabilities				
Lease liability	12	-	74,504	322,845
Total non-current liabilities		-	74,504	322,845
Current liabilities				
Trade and other payables	18	376,663	436,534	227,154
Convertible loan notes	19	-	2,285,030	-
Lease liability	12	47,614	170,514	61,130
Borrowings	20	-	403,523	414,359
Total current liabilities		424,277	3,295,601	702,643
Total liabilities		424,277	3,370,105	1,025,488
Total equity and liabilities		6,389,806	3,723,957	4,055,429

The accompanying notes on pages 45 to 73 form part of these financial statements.

The consolidated financial statements of Ocean Harvest Technology Group Plc, Company registered number 13411717, were approved by the board, and authorised for issue on 22 March 2024 and signed on its behalf by:

DocuSigned by:

Mark Williams

Mark Williams
Director

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Share capital €	Share premium €	Share-based payment reserve €	Merger reserve €	Foreign exchange reserve €	Retained losses €	Total equity €
As at 1 January 2022	761,448	-	-	26,932,455	(98,160)	(24,565,802)	3,029,941
<i>Comprehensive income</i>							
Loss for the year	-	-	-	-	-	(2,835,866)	(2,835,866)
Other comprehensive income	-	-	-	-	50,321	-	50,321
Total comprehensive income for the year	-	-	-	-	50,321	(2,835,866)	(2,785,545)
<i>Transactions with owners</i>							
Share-based payments	-	-	109,456	-	-	-	109,456
As at 31 December 2022	761,448	-	109,456	26,932,455	(47,839)	(27,401,668)	353,852
<i>Comprehensive income</i>							
Loss for the year	-	-	-	-	-	(3,405,998)	(3,405,998)
Other comprehensive loss	-	-	-	-	12,159	-	12,159
Total comprehensive income for the year	-	-	-	-	12,159	(3,405,998)	(3,393,839)
<i>Transactions with owners</i>							
Share placing	434,093	6,511,388	-	-	-	-	6,945,481
Conversion of convertible loan notes	281,941	2,220,658	-	-	-	-	2,502,599
Issue costs	-	(627,475)	-	-	-	-	(627,475)
Share-based payments	-	-	184,911	-	-	-	184,911
Total transactions with owners	716,034	8,104,571	184,911	-	-	-	9,005,516
As at 31 December 2023	1,477,482	8,104,571	294,367	26,932,455	(35,680)	(30,807,666)	5,965,529

The accompanying notes on pages 45 to 73 form part of these financial statements



Consolidated statement of cash flows

For the year ended 31 December 2023

	Notes	31 Dec 2023 €	31 Dec 2022 €
Cash flows from operating activities			
Loss before taxation		(3,477,637)	(2,900,683)
Adjustments for:			
Depreciation of property, plant and equipment	11	67,066	51,685
Loss on derecognition of right-of-use assets	12	–	153,232
Amortisation of intangible assets	10	26,250	–
Depreciation of right-of-use assets	12	133,012	–
Finance expense	7	65,504	212,380
(Profit)/loss on disposal of property, plant and equipment	11	(1,199)	1,426
Foreign exchange differences on convertible loan note		182,321	–
Share-based payment	23	184,911	109,456
IPO transaction costs		763,315	–
Net cash used in operating activities before changes in working capital		(2,056,457)	(2,372,504)
(Increase)/decrease in inventories	15	(821,019)	100,003
Increase in trade and other receivables	14	(294,267)	(210,953)
Decrease/(increase) in trade and other payables	18	(59,871)	210,959
Cash used in operating activities		(3,231,614)	(2,272,495)
Taxation received		62,412	50,914
Net cash used in operating activities		(3,169,202)	(2,221,581)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(131,590)	(273,752)
Purchase of intangible assets	10	(190,134)	(11,694)
Net cash used in investing activities		(321,724)	(285,446)
Cash flows from financing activities			
Proceeds from issue of share capital	17	6,945,481	–
Cost of share issue	17	(1,390,790)	–
Proceeds from convertible loan notes	19	–	2,160,030
Interest paid on borrowings	7	(13,339)	(49,890)
Other interest paid	7	(247)	(207)
Repayment of borrowings		–	(10,836)
Loan paid to supplier	13	(100,000)	–
Repayment of related party loan	20	(403,523)	–
Principal paid on lease liabilities	12	(151,415)	(147,976)
Interest paid on lease liabilities	12	(16,670)	(38,862)
Net cash generated from financing activities		4,869,497	1,912,259
Net increase/(decrease) in cash and cash equivalents		1,378,571	(594,768)
Cash and cash equivalents at beginning of year		1,194,440	1,739,935
Effects of foreign exchange rate movements		25,490	49,273
Cash and cash equivalents at end of year		2,598,501	1,194,440

Note 24 discloses significant non-cash transactions in relation to the Group's investing activities.

The accompanying notes on pages 45 to 73 form part of these financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2023

1. Corporate information

Ocean Harvest Technology Group Plc (the "Company") is a public limited Company, incorporated and domiciled in the UK. The Company is listed on the AIM market of the London Stock Exchange. The address of the registered office is 41 London Road, Reigate, England, RH2 9RJ. The registered number of the Company is 13411717.

The principal activity of the Company together with its subsidiary undertakings (the "Group") is that of researching, developing, and selling seaweed and ancillary products, largely in the animal feed sector.

2. Accounting policies

(a) Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards ("IAS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on historical cost basis and are presented in Euros (€).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

These are the Group's first annual consolidated financial statements prepared in accordance with IFRS; the Group previously prepared its annual consolidated financial statements under FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'). Therefore, the requirements of IFRS 1 'First-time adoption of First-time Adoption of International Financial Reporting Standards' ('IFRS 1') have been applied in these consolidated financial statements. The date of transition to IFRS is 1 January 2022 and the explanation of transition adjustments is included in note 29.

(b) Going concern

The Directors continue to adopt the going concern basis in the preparation of the financial statements as it is confident of the Group continuing operations into the foreseeable future.

The Board's forecasts for the Group include revenue from existing business, additional future revenues from anticipated new lines of business, potential future capital in-flows, continued operating losses, projected cash-burn of the Group (and taking account of reasonably possible changes in trading performance and also changes outside of expected trading performance) for a minimum period of at least twelve months from the date of approval of these financial statements.

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons. The Directors have prepared cash flow forecasts for a 12-month period from the date of approval of these financial statements. These have been prepared taking into account trading performance, bank and loan facilities available. They have applied a range of sensitivities to these forecasts and such forecasts and analysis have indicated that sufficient funds should be available to

enable the Group to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements by meeting its liabilities as they fall due for payment.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on page 5.

The financial statements at 31 December 2023 show that the Group generated a loss for the year of €3.4 million (2022: €2.9 million); with cash used in operating activities of €3.3 million (2022: €2.3 million). Group balance sheet also showed cash reserves at 31 December 2023 of €2.6 million (2022: €1.2 million).

(c) New and amended standards and interpretations

The Directors intend to adopt new and amended standards and interpretations, if applicable, when they become effective. At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue for the period beginning 1 January 2024 but not yet effective:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date – effective 1 January 2024
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent – Deferral of Effective Date – effective date 1 January 2024
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback – effective date 1 January 2024

The directors do not expect that the adoption of these standards will have a material impact on the financial information of the Group or Company in future periods.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Director considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Directors re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes to the consolidated financial statements (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) Foreign currencies

The functional currency for each entity in the Group is the currency of the primary economic environment in which the entity, or each branch within an entity, operates. The consolidated financial statements are presented in Euros, which is the Group's presentational currency.

Transactions in currencies other than the functional currency of each entity are recorded at the exchange rate on the date the transaction occurred. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in the statement of total comprehensive income.

On consolidation, the results of each entity in the Group with a non-Euro functional currency are translated into Euro at rates approximating to those ruling when the transactions took place. All assets and liabilities of these entities are translated at the rate ruling at the reporting date. The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

(f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources, making strategic decisions, and assessing performance of the operating segments, has been identified as the Board of Directors. The CODM has determined there is one single operating segment, the provision of seaweed products.

(g) Revenue recognition

IFRS 15 "Revenue from Contracts with Customers" is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer.

The Group earns revenue relating to the sale of animal feed through direct sales. Revenue is recognised at a point in time when the relevant performance obligation is satisfied. The Directors consider the control over goods is transferred to the customer at point of shipment. The performance obligation is considered to be satisfied when the Group dispatches a product to a customer and the bill of lading is signed. Contracts with customers do not contain a financing component or any element of variable consideration.

Other revenue has been recognised for income generated through shipping and delivery of products.

Invoices are raised at the point of shipment. As the Directors consider the significant risks and rewards of ownership of the goods to be transferred at this point, revenue is subsequently measured at this point and does not give rise to any contract assets or liabilities. New customers are required to make a payment on account prior to their first order which are recognised as contract liabilities.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

(h) Finance income and expense

Finance income comprises of bank interest received and is recognised in profit or loss when it is earned.

Finance expense comprises of interest payable, lease interest and interest on convertible loan notes which are expensed in the year in which they are incurred.

(i) Taxation

Income tax expense represents the sum of the current tax and deferred tax charge for the year. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax payable is based on the taxable profit for the year calculated on the basis of the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases and is accounted for using the balance sheet liability method.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted and are expected to apply in the period when the liability is settled, or the asset realised.

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.

Where applicable, the Group claims research and development tax reliefs in accordance with the Small and Medium Sized Enterprise R&D Relief Scheme. Projects are assessed by the Directors to ensure the claims made fit the criteria and definitions set out by the UK HM Revenue and Customs.

(j) Employee benefits: pension obligations

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position.

Notes to the consolidated financial statements (continued)

(k) Research and development

Research and development expenditure that does not meet the criteria of an intangible asset is recognised as an expense as incurred. Development costs are only capitalised after technical and commercial feasibility of the asset for sale or use have been established. There must be a clear intention to complete the asset and generate future economic benefit from it. If the costs incurred cannot be reliably distinguished between the research phase and development phase, then all costs are expensed as research costs within administrative costs in the consolidated statement of total comprehensive income. Capitalised costs include development trials designed to demonstrate to additional customers the market applications of this product and by providing them with additional data showing results of how the core benefits of the product manifests in particular applications. Development costs are amortised over a 3-year period on project completion.

(l) Intangible assets

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets comprise internationally registered patents and patent applications for natural and sustainable seaweed formulae that replace synthetic additives in fish and animal feed. Amortisation is recognised on a straight-line basis over their estimated useful lives, which are deemed to be the life of the patents. Amortisation charge is included within administrative expenses in the consolidated statement of total comprehensive income.

(m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following rates:

Leasehold improvements	over the period of the lease
Plant and machinery	15% straight line
Fixtures and fittings	20% reducing balance
Computers	20% straight line
Motor vehicles	25% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

(n) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation. An allowance is recorded for obsolescence and slow-moving items.

(o) Leases

At inception of a contract, the Directors assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: an identified physically distinct asset can be identified; and the Group has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

A lease will qualify for the low value asset exemption if the underlying asset is not dependant on, or highly interrelated with, other leased assets and the value of the leased asset is less than €5,000.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to access that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove, or restore the leased asset.

Notes to the consolidated financial statements (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate applicable at the date of estimation. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

(p) Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset or cash generating unit ("CGU") to which the asset has been allocated is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or 'CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

(q) Equity and reserves

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

Share capital

Represents the nominal value of shares that have been issued.

Share premium

Represents the amount subscribed for share capital in excess of nominal value less issue costs.

Share-based payment reserve

Represents the cumulative share-based payment charge for options that are outstanding.

Merger reserve

Merger reserve represents the difference between the carrying value of net assets acquired and the nominal value of the shares issued in the share-for-share exchange as a result of merger accounting that took place in 2021.

Foreign exchange reserve

Represents the cumulative foreign exchange differences.

Retained losses

Retained earnings relate to cumulative net gains and losses less distributions made.

(r) Share-based payments

Equity-settled share-based payment transactions with employee and others providing similar services are at the fair value of the equity instruments at the grant date.

The grant date fair value of share-based payment awards is recognised in profit or loss, with a corresponding increase in the share options reserve, over the period that the employees become unconditionally entitled to the awards.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

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

Market vesting conditions are factored into the fair value of the award at grant date. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

When share-based payments awards are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital and the share premium account. The fair value of the awards exercised or forfeited prior to vesting and previously recognised in the share options reserve is transferred to accumulated losses for capital maintenance purposes.

(s) Cash and cash equivalents

Cash and cash equivalents are financial assets and include cash at bank and in hand and short term highly liquid deposits which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities.

(t) Financial assets

The Group's financial assets are measured at amortised cost and comprise trade and other receivables, cash and cash equivalents and a loan to a Group supplier. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of the sale of goods.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less expected credit loss ("ECL") allowance.

Other receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less ECL allowance.

The loan to the Group supplier is initially recognised at fair value and is subsequently carried at amortised cost using the effective interest rate method.

Notes to the consolidated financial statements (continued)

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 'Financial Instruments' ('IFRS 9') using the lifetime expected credit losses. The ECL balance is determined based on historical data available to management in addition to forward looking information utilising management knowledge. For trade receivables, which are reported net; such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based on the general impairment model within IFRS 9. In doing so, the Group follows the 3-stage approach to expected credit losses. Step 1 is to estimate the probability that the debtor will default over the next 12 months. Step 2 considers if the credit risk has increased significantly since initial recognition of the debtor. Finally, Step 3 considers if the debtor is credit impaired, following the criteria under IFRS 9.

(u) Financial liabilities

All financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

The Group's financial liabilities measured at amortised cost comprise trade payables, other payables, accruals, lease liabilities, borrowings and convertible loan notes. It does not include other taxation, social security and deferred income.

These financial liabilities are initially measured at fair value net of any transaction costs directly attributable to the issue of the instrument and are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of a financial liability.

3. Critical accounting estimates and judgements

The preparation of the financial information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement and use assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The Directors believe that the estimates utilised in preparing the financial information are reasonable and prudent critical accounting judgements and estimates.

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. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial information is discussed below:

Key accounting judgements

Research and development

Under IAS 38 *Intangible assets*, the Directors must assess whether an R&D project in the research phase, when costs incurred are expensed, or in the development phase, when the costs incurred are capitalised. This requires judgement over the technical and commercial feasibility of the project. Total costs capitalised in the year ended 31 December 2023 was €190,134 (2022: €nil).

Key accounting estimates and assumptions

Discount rates

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate ('IBR'). The IBR has been determined by management using a range of data including current economic and market conditions, review of current debt and capital within the Group, lease length and comparisons against seasoned corporate bond rates and other relevant data points. A range between 10.24% - 12.66% has been adopted.

Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended, when necessary, to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets.

Share-based payments

The Directors are required to determine the fair value of equity-settled share-based payments and recognise this as an expense over the period in which the employees become unconditionally entitled to the awards. Therefore, the Directors are required to estimate the fair value of the share-based payments using an option valuation model and need to estimate inputs such as volatility. Where necessary, the directors use an external specialist. In addition to this, the terms of the share-based payments are such that the Directors are required to estimate the number of options expected to vest, and the time period over which these options are expected to vest. The Directors re-assess this estimate at each reporting period. Please refer to note 23 for information on estimates and judgements used.

Carrying value of inventories

Inventories are valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecasts of consumer demand, the promotional, competitive, and economic environment and inventory loss trends.

Estimation of trade receivable provisions

The estimation of the recoverability of the trade receivables has a significant impact throughout the year. The Group measures any impairment of the trade receivables using an expected credit loss model and recognises the lifetime expected losses on all trade receivables.

Notes to the consolidated financial statements (continued)

4. Revenue

All of the Group's revenue was generated from the sale of goods and was recognised at a point in time. The Group considers the control over goods is transferred to the customer at the point of shipment which is when the revenue is recognised.

The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined that there is one single operating segment, the provision of seaweed products.

	31 Dec 2023 €	31 Dec 2022 €
Revenue split by type		
Product sales	3,029,327	2,513,071
Other revenue	338,319	495,225
	3,367,646	3,008,296

Other revenue relates to delivery income where delivery costs incurred on behalf of the customer are recharged.

Revenue generated by the Group have been generated from the following geographic regions:

	31 Dec 2023 €	31 Dec 2022 €
Geographic split		
Europe	1,017,556	708,040
North America	1,847,777	1,606,208
South America	–	240,902
Asia	502,313	453,146
	3,367,646	3,008,296

3 customers make up 10% or more of revenue for the period ending 31 December 2023 (2022: 4):

	31 Dec 2023 €	31 Dec 2022 €
Revenue from customers		
Customer 1	817,465	525,851
Customer 2	528,438	677,554
Customer 3	426,121	212,484
Customer 4	–	28,707
Other customers	1,595,622	1,563,700
	3,367,646	3,008,296



Notes to the consolidated financial statements (continued)

5. Operating loss

Operating loss for the year has been arrived at after charging the following items:

	Note	31 Dec 2023 €	31 Dec 2022 €
Employee benefit expenses	6	1,890,458	1,676,834
Depreciation of property, plant and equipment	11	67,066	51,685
Depreciation of right-of-use assets	12	133,012	153,232
Amortisation of intangible assets	10	26,250	2,339
Share-based payments	23	184,911	109,456
Exchange difference		105,106	(4,863)
Inventory impairment		40,573	42,913

Auditors' remuneration

During the year, the Group obtained the following services from the Group's auditors:

	31 Dec 2023 €	31 Dec 2022 €
Fees payables for the audit of the Group's annual accounts	47,290	30,000
Fees payables for the audit of the Company's subsidiaries	34,603	49,928
Fees payables for all other pre-IPO non-audit services	201,848	100,000
	283,741	179,928

6. Employee benefit expenses

Employee benefit expenses consisted of the following:

	31 Dec 2023 €	31 Dec 2022 €
Wages and salaries	1,556,791	1,439,753
Social security contributions and similar taxes	134,471	118,764
Pension costs	14,285	8,861
Share-based payment expenses	184,911	109,456
	1,890,458	1,676,834

The average monthly number of employees during the year was:

	31 Dec 2023 Number	31 Dec 2022 Number
Directors	8	7
Employees	42	31
Total	50	38

Further details of Directors' remuneration are included in note 25 and the Remuneration report on pages 27 and 28.

Notes to the consolidated financial statements (continued)

7. Finance expense

Finance expense is outlined below:

	31 Dec 2023 €	31 Dec 2022 €
Interest on borrowings	13,339	49,890
Interest on lease liabilities	16,670	38,862
Interest on convertible loan notes	35,248	123,421
Other interest paid	247	207
	65,504	212,380

8. Taxation

	31 Dec 2023 €	31 Dec 2022 €
Current tax		
Current taxation on loss for the year	-	-
R&D tax credit	(71,639)	(64,817)
Total current tax	(71,639)	(64,817)
Deferred tax		
Obligation and reversal of temporary differences	-	-
Total deferred tax	-	-
Total tax credit	(71,639)	(64,817)

The total tax credits for the periods presented differ from the standard rate of corporate tax in the UK. The differences are explained below:

	31 Dec 2023 €	31 Dec 2022 €
Loss for the year	(3,477,637)	(2,900,683)
Tax at the applicable rate of 23.5% (2022:19%)	(817,245)	(551,130)
Expenses not deductible for tax	218,557	-
Additional deduction for R&D expenditure	(78,055)	(64,817)
Effect of tax losses not recognised as deferred tax assets	611,877	551,130
Other differences leading to a decrease in tax charge	(6,773)	-
Total tax credit for the year	(71,639)	(64,817)

The main rate of UK corporation tax was 23.5% for the year ended 31 December 2023 (2022: 19%). From 1 April 2023 the UK Government increased the corporation tax rates to 25% on profits above €284,000. Companies with profits of €57,000 or less will be taxed at 19% and companies with profits between €57,000 and €284,000 will pay tax at 25% that is reduced by marginal relief on a sliding scale.

The Group has tax losses relating to the UK and Ireland carried forward as at 31 December 2023 of €17,496,375 (2022: €15,449,334) which can be carried forward indefinitely.

The Group has Vietnamese tax losses carried forward as at 31 December 2023 of €1,520,134 (VND 40,762,678,527) (2022: €1,600,997 (VND 40,613,199,683)). The losses relating to Vietnam may be carried fully and consecutively for a maximum of five years. Carryback of losses is not permitted.

No deferred tax asset has been recognised in respect of these losses due to uncertainty over future taxable profits.

Notes to the consolidated financial statements (continued)

9. Loss per share

	31 Dec 2023 €	31 Dec 2022 €
Loss for the year from continuing operations	(3,405,998)	(2,835,866)
	31 Dec 2023 Number	31 Dec 2022 Number
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	110,095,106	63,999,613
	31 Dec 2023 €	31 Dec 2022 €
Basic and diluted loss per share	(0.031)	(0.044)

The loss incurred by the Group means that the effect of any outstanding options would be anti-dilutive and is ignored for the purposes of the diluted loss per share calculation. Details of the share options are set out in note 23.

10. Intangible assets

	Development costs €	Patents and licences €	Total €
Cost			
At 1 January 2022	-	15,602	15,602
Additions	-	14,033	14,033
Exchange rate differences	-	61	61
At 31 December 2022	-	29,696	29,696
Additions	190,134	-	190,134
Exchange rate differences	(373)	-	(373)
At 31 December 2023	189,761	29,696	219,457
Amortisation			
At 1 January 2022	-	6,679	6,679
Charge for the year	-	2,339	2,339
Exchange rate differences	-	61	61
At 31 December 2022	-	9,079	9,079
Charge for the year	21,190	5,060	26,250
Exchange rate differences	(80)	-	(80)
At 31 December 2023	21,110	14,139	35,249
Net book value			
At 31 December 2023	168,651	15,557	184,208
At 31 December 2022	-	20,617	20,617
At 1 January 2022	-	8,923	8,923

Amortisation charges are included within operating expenses in the consolidated statement of total comprehensive income. Development costs in prior years were immaterial.

11. Property, plant, and equipment

Notes to the consolidated financial statements (continued)

	Leasehold improvements €	Plant and machinery €	Fixtures and fittings €	Computers €	Motor vehicles €	Total €
Cost						
At 1 January 2022	52,980	733,271	141,539	39,615	73,833	1,041,238
Additions	–	269,322	3,819	611	–	273,752
Disposals	–	–	(9,761)	(24,774)	–	(34,535)
Exchange rate differences	–	13,197	(126)	–	–	13,071
At 31 December 2022	52,980	1,015,790	135,471	15,452	73,833	1,293,526
Additions	–	58,097	–	73,493	–	131,590
Disposals	(52,980)	(205,689)	(100,047)	(1,404)	(32,720)	(392,840)
Exchange rate differences	–	(45,001)	–	(10)	–	(45,011)
At 31 December 2023	–	823,197	35,424	87,531	41,113	987,265
Depreciation						
At 1 January 2022	52,980	652,644	124,484	33,641	53,277	917,026
Charge for the year	–	23,873	5,672	1,585	20,555	51,685
Eliminated due to disposals	–	–	(8,336)	(24,773)	–	(33,109)
Exchange rate differences	–	11,225	178	–	–	11,403
At 31 December 2022	52,980	687,742	121,998	10,453	73,832	947,005
Charge for the year	–	60,836	1,425	4,805	–	67,066
Eliminated due to disposals	(52,980)	(205,689)	(100,758)	(1,892)	(32,720)	(394,039)
Exchange rate differences	–	(31,817)	–	261	1	(31,555)
At 31 December 2023	–	511,072	22,665	13,627	41,113	588,477
Net book value						
At 31 December 2023	–	312,125	12,759	73,904	–	398,788
At 31 December 2022	–	328,048	13,473	4,999	1	346,521
At 1 January 2022	–	80,627	17,055	5,974	20,556	124,212

Depreciation is charged to operating expenses within the statement of total comprehensive income.

12. Leases

The Group leases assets in the jurisdictions from which it operates with all lease payments, in-substance, fixed over the lease term. Where there are leasehold properties which hold a variable element to lease payments made these are not fixed and not capitalised as part of the right of use asset. All expected future cash out flows are reflected within the measurement of the lease liabilities at each year end.

	31 Dec 2023 Number	31 Dec 2022 Number	1 Jan 2022 Number
Number of active leases	1	2	2

Notes to the consolidated financial statements (continued)

The Group lease relates to leasehold properties for commercial and head office use. The current lease commenced in 2018 with a lease term of 6 years.

Extension, termination and break options

The Group negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term;
- The economic stability of the environment in which the property is located; and
- Whether the location represents a new area of operations for the Group.

Incremental borrowing rate

The Group has historically adopted a rate with a range of 10.24% – 12.66% as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The rate adopted on the single current lease as at 31 December 2023 is 12.66%. This rate is used to reflect the risk premium over the borrowing cost of the Group measured by reference to the Group's facilities. The incremental borrowing rate includes an additional risk premium on a lease based in Vietnam and denominated in Vietnamese Dong (VND).

Right-of-use assets

	Leasehold property €
Cost	
At 1 January 2022	813,068
Exchange rate differences	14,990
At 31 December 2022	828,058
Additions	-
Disposals	(148,459)
Exchange rate differences	(11,294)
At 31 December 2023	668,305
Accumulated depreciation	
At 1 January 2022	449,158
Charge for the year	153,232
Exchange rate differences	6,593
At 31 December 2022	608,983
Charge for the year	133,012
Disposals	(106,535)
Exchange rate differences	(7,647)
At 31 December 2023	627,813
Net book amount	
At 31 December 2023	40,492
At 31 December 2022	219,075
At 1 January 2022	363,910

Notes to the consolidated financial statements (continued)

Lease liabilities

	Leasehold property €
At 1 January 2022	383,975
Interest expense	38,862
Lease payments	(186,838)
Exchange adjustments	9,019
At 31 December 2022	245,018
Disposals	(41,924)
Interest expense	16,670
Lease payments	(168,085)
Exchange adjustments	(4,065)
At 31 December 2023	47,614

Reconciliation of current and non-current lease liabilities is detailed below:

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Current	47,614	170,514	61,130
Non-current	-	74,504	322,845
Total	47,614	245,018	383,975

13. Loan receivable

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Amounts due from BeoBio	50,000	-	-

The Group advanced a €100,000 loan to BeoBio Teoranta ("BeoBio"), a Company registered in Ireland, in July 2023. BeoBio supplies the Group with raw materials. The term of the loan is 2 years and interest is charged at 10% per annum in the event that BeoBio fail to meet a supply commitment for two consecutive quarters. The supply commitment relates to raw materials being supplied to the Group.

As at 31 December 2023, no further advances or repayments have been made and no interest has been charged. The directors recognised the loan at amortised cost. The loan has been recognised appropriately between non-current assets and current assets as determined by the dates the amounts are due to be repaid.



Notes to the consolidated financial statements (continued)

14. Trade and other receivables

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Amounts due in less than 1 year:			
Trade receivables	871,324	915,912	822,863
Other receivables	387,580	218,830	107,764
Amounts due from BeoBio	50,000	-	-
Prepayments	286,760	116,285	109,447
	1,595,664	1,251,027	1,040,074

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The Group negotiates the terms and payment conditions with each customer separately. The amounts due from customers are generally due for settlement within 45 days, but the Group does offer extended credit terms to certain customers. For new customers, the Group adopts a policy whereby 50% of the payment is due before fulfilment of any order. Any amounts received in advance are held as a contract liability and recognised in revenue on dispatch.

Other receivables include deposits and recoverable VAT.

Analysis of trade receivables based on age of invoices:

	Current €	31 – 60 €	61 – 90 €	> 90 €	Total Gross €	ECL €	Total Net €
Expected Credit Loss rate	0%	0%	0%	0%	-	-	-
31 December 2023	586,753	165,539	55,103	63,929	871,324	-	871,324
31 December 2022	384,362	349,046	3,662	178,842	915,912	-	915,912
1 January 2022	540,194	159,850	3,099	119,720	822,863	-	822,863

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. During the assessment it was noted that evidence of historical loss was minimal and would not result in a material impact to the group. Additionally, no customer specific circumstances or future economic conditions that could adversely impact recoverability were identified. As such, the expected credit loss rate was deemed to be nil in the year ending 31 December 2023.

No ECL allowance is made against other receivables, and none have been written off (2022: €nil).

15. Inventories

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Inventories	1,450,884	629,865	729,868

The cost of Group inventories recognised as an expense in the year ended 31 December 2023 amounted to €1,501,417, (2022: €1,134,331) respectively. These costs are included within cost of sales in the consolidated statement of comprehensive income.



Notes to the consolidated financial statements (continued)

16. Cash and cash equivalents

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Cash at bank and in hand	2,598,501	1,194,440	1,739,935

17. Share capital and share premium

	Number	Share capital €	Share premium €	Total €
Called up and fully paid ordinary shares of £0.01 each				
At 1 January 2022 and 31 December 2022	63,999,613	761,448	–	761,448
Share placing	37,500,000	434,093	6,511,388	6,945,481
Conversion of convertible loan notes	24,356,084	281,941	2,220,658	2,502,599
Issue costs	–	–	(627,475)	(627,475)
At 31 December 2023	125,855,697	1,477,482	8,104,571	9,582,053

On 4 April 2023, the entire issued share capital of the Company was admitted to trading on AIM and the Company successfully raised £6,000,000 (€6,945,481) gross proceeds by placing 37,500,000 new Ordinary Shares at £0.16 per share. As part of the admission, the convertible loan notes converted to 24,356,084 ordinary shares. Further details on the conversion can be found in note 19.

The total costs in relation to the issuance of shares and the listing was €1,390,790. Of the total costs incurred, direct costs of €627,475 relating to the issuance of shares have been capitalised as part of the share premium. The costs associated with the listing have been expensed and amounted to €763,315.

All share classes rank pari passu, including voting and distribution rights and repayment of capital in the event of winding up. There are no restrictions on the transfer of shares.

18. Trade and other payables

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Trade payables	125,354	64,166	78,812
Other payables	24,412	161,818	33,041
Taxation and social security	56,081	48,550	46,075
Accruals	170,816	162,000	69,226
	376,663	436,534	227,154

19. Convertible loan notes

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022
Convertible loan notes	–	2,285,030	–

Notes to the consolidated financial statements (continued)

On 23 June 2022, the Company issued £2,025,000 of convertible loan notes ("CLNs") to existing shareholders in order to fund the continuing operations and development activities of the Group in advance of the Company's IPO. £1,000,000 were subscribed by Terance Butler Holdings Limited, £700,000 were subscribed by Heaton Holdings Limited, £200,000 were subscribed by Ashley Head, £100,000 were subscribed by Mark Williams, £12,500 were subscribed for by Hadden Graham and £12,500 were subscribed for by Graham Ellis.

The CLNs convert into fully paid ordinary shares in the Company based on a range of factors, including the share price of the Company on the date of conversion, the principal and accrued interest on the CLNs at the date of conversion, as well as a discount to the share price related to whether the CLNs are converted before or after certain dates outlined in the agreement. In certain scenarios outlined within the CLN agreement, the holder can also redeem up to 75% of the principal and accrued interest thereon in cash. The CLNs accrue interest on the principal amount at 10% per annum from the date on which the CLNs are issued up to and including the 31 December 2022 and 6% per annum thereafter, with mandatory conversion at 1 September 2023 if certain other events have not occurred.

The CLNs meet the definition of financial liabilities and are carried at amortised cost, with the interest expense recognised in profit or loss.

The CLN's converted into 24,356,084 fully paid shares in the Company upon admission to trading on AIM on 4 April 2023 at a discount of 30% and 45% to the issue price.

20. Borrowings

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Amounts due to Heaton Holdings Limited	-	403.523	414.359

Related party loans

The Group had a working capital loan with Heaton Holdings Limited, a related party in which Stuart Waring (a former director of the Company) is a director. Interest was charged at 10 per cent per annum upon amounts drawn down. The loan was secured by a fixed charge over the Group's assets.

During the year ended 31 December 2023 the balance of the loan was repaid in full. Interest charged during the period totalled €13,339 (2022: €49,890). Further details of the interest and repayments can be found in note 25.

21. Investments in subsidiaries and associate

The subsidiary undertakings of the Group are detailed below:

List of subsidiary undertakings

Name and registered office address	Country of incorporation and residence	Registered address	Nature of the business	Proportion of equity shares held by the business
Ocean Harvest Technology Limited	Ireland	Unit 5, Milltown Business Park, County Galway, H54 D722, Ireland.	Preparation of animal feed	100% (Direct)
Ocean Harvest Technology Company Limited	Vietnam	Factory No.18, Lot CN6, H2 Street, Kim Huy Industrial Park, Thu Dau Mot City, Binh Duong Province, Vietnam	Preparation of animal feed	100% (Indirect)
Ocean Harvest Technology (UK) Limited	England & Wales	41 London Road, Reigate, England, RH2 9RJ.	Preparation of animal feed	100% (Indirect)



Notes to the consolidated financial statements (continued)

22. Financial instruments

Categories of financial instruments

Financial assets are not measured at fair value and due to their short-term nature, the carrying value approximates their fair value. They comprise trade receivables, other receivables, a loan to a Group supplier and cash at bank. It does not include corporation tax or prepayments.

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
<i>Financial assets at amortised cost:</i>			
Trade receivables	871,324	915,912	822,863
Other receivables	22,657	218,830	107,764
Loan to BeoBio	100,000	-	-
Cash and cash equivalents	2,598,501	1,194,440	1,739,935
	3,592,482	2,329,182	2,670,562

Financial liabilities measured at amortised cost comprise trade payables, other payables, accruals, lease liabilities, borrowings and convertible loan notes. It does not include other taxation, social security and deferred income.

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
<i>Financial liabilities at amortised cost:</i>			
Trade and other payables	125,354	64,166	78,812
Other payables	21,696	161,818	33,041
Accruals	170,816	162,000	69,226
Lease liabilities	47,614	170,514	61,130
Borrowings	-	403,523	414,359
Convertible loan notes	-	2,285,030	-
	365,480	3,247,051	656,568

The Directors consider that the carrying amounts of the financial instruments approximate to their fair value. The Group has no derivative foreign exchange contracts outstanding at the reporting dates.

Financial risk management

The Group is exposed through its operation to the following financial risks: credit risk, foreign exchange risk and liquidity risk. Risk management is carried out by the directors of the Group. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Group's operations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the historical financial information.

The receivables' age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. Impairments are made to trade receivables when management consider the debt unlikely to be received. No impairment against trade receivables was made in the year ended 31 December 2023 (2022: none). Further disclosures regarding trade and other receivables are provided in note 14.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B+" are accepted. Currently all financial institutions whereby the Group holds significant levels of cash are rated from AA- to A+.

Notes to the consolidated financial statements (continued)

Foreign exchange risk

The Group operates internationally and is exposed to currency risk arising on cash and cash equivalents, receivables and payables denominated in a currency other than the respective functional currencies of the Group entities, which are primarily Euros, Sterling, US Dollar and Vietnamese Dong (VND). The Group's and Company's net exposure to foreign currency risk at the reporting date is as follows:

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
Net foreign currency financial assets/(liabilities)			
Sterling	440,228	757,392	51,454
US Dollar	816,310	863,862	539,274
Total net exposure	1,256,538	1,621,254	590,728

Sensitivity analysis

A 10% strengthening of the Euro against the Group's primary currencies at the respective reporting dates below would have increased/(decreased) equity and profit or loss by the amounts shown below:

		31 Dec 2023 €	31 Dec 2022 €	1 Jan 2022 €
GBP				
Effect on equity	+10%	(44,022)	(75,739)	(5,145)
Effect on loss	+10%	44,022	75,739	5,145
		-	-	-
USD				
Effect on equity	+10%	(81,631)	(86,386)	(53,927)
Effect on loss	+10%	81,631	86,386	53,927
		-	-	-

Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's undiscounted cash flows arising from financial liabilities (exclusive of interest amounts) is shown below:

	Less than 1 year €	Between 1 and 5 years €	Total €
2023			
Trade payables	125,354	-	125,354
Other payables	21,696	-	21,696
Lease liabilities	49,428	-	49,428
Accruals	170,816	-	170,816
	367,294	-	367,294

Notes to the consolidated financial statements (continued)

	Less than 1 year €	Between 1 and 5 years €	Total €
2022			
Trade payable	64,166	–	64,166
Other payables	161,818	–	161,818
Convertible loan notes	2,285,030	–	2,285,030
Lease liabilities	168,085	74,504	242,589
Borrowings	403,523	–	403,523
Accruals	162,000	–	162,000
	3,244,622	74,504	3,319,126

Capital disclosures

The capital structure of the business consists of debt and equity. Equity comprises share capital, share premium, merger reserve, foreign exchange differences reserve, retained earnings and is equal to the amount shown as 'Equity' in the statement of financial position. Debt comprises borrowings and convertible loan notes.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans;
- Provide a reasonable expectation of future returns to shareholders; and
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

23. Share-based payments

The Group operates two employee share option schemes that are accounted for as equity-settled share-based payments.

Share Options Plan

On 29 March 2023 the Company granted 10,952,244 share options to certain directors of the Company as detailed below:

Date of grant	Director	No. of options	Exercise price (£)	Vesting conditions	Contractual life of options
29 March 2023	Mark Williams	391,464	0.01	Immediate	10 years
29 March 2023	Mark Williams	924,439	0.01	Upon admission	10 years
29 March 2023	Mark Williams	5,478,770	0.01	Various share price targets	10 years
24 March 2023	Hadden Graham	1,385,857	0.01	Various share price targets	10 years
29 March 2023	Adrian Crockett	1,385,857	0.01	Various share price targets	10 years
29 March 2023	Ian Hutchinson	593,939	0.01	Various share price targets	10 years
29 March 2023	Basil Kennedy	791,918	0.01	Various share price targets	10 years



Notes to the consolidated financial statements (continued)

All options granted are subject to a 12-month holding period from the date of vesting and may not be exercised whilst the Company's share price is below £0.192.

With the exception of 1,315,903 options granted to Mark Williams which vested immediately and on admission to AIM, the options are split into tranches with each tranche vesting once a share price target for that tranche has been met and, if applicable, a minimum of 2 years' service has been completed. The options therefore have a variable vesting period and in accordance with the applicable accounting standard the Directors have to estimate the most likely vesting period on grant date.

The fair value of the options and the expected vesting period was calculated at the date of grant using the Monte Carlo Model with the following key assumptions:

Grant date	29 March 2023
Share price target range	£0.31 to £0.80
Minimum share price on exercise	£0.19
Exercise price	£0.01
Risk free rate (10 year UK gilts)	3.40%
Annualised volatility (based on peer Group companies)	47.98%
Expected dividend yield	0.00%
Exercise date	Once vested
Contractual life	10 years

The fair value of the options granted ranged between £0.06 and £0.12. The expected vesting period of the options was 10 years (except for the 1,315,903 options vested immediately and on admission to AIM).

Details of the number of share options granted, exercised, lapsed and outstanding at the end of the period, as well as the weighted average exercise prices in GBP as follows:

	Number	Weighted Average Exercise Price £
At 1 January 2023	-	-
Granted during the year	10,952,244	0.01
Lapsed during the year	(462,219)	0.01
Forfeited during the year	(1,385,857)	0.01
At 31 December 2023	9,104,168	0.01
Total outstanding	9,104,168	0.01
Total exercisable	-	-

The weighted average remaining contractual life of the options is 9 years and 91 days. The total share-based payment charge relating to the above options is €180,128 (2022: €109,456).

Other options

On 29 March 2023, the Company also granted a total of 180,000 ordinary shares under a separate option agreement to non-executive directors. The terms and conditions of the grants are detailed below:

Notes to the consolidated financial statements (continued)

Date of grant	Director	No. of options	Exercise price (£)	Vesting conditions	Contractual life of options
29 March 2023	David Tilston	90,000	0.16	2-year service period	10 years
29 March 2023	Christine Maggs	90,000	0.16	2-year service period	10 years

The fair value of the options granted was calculated using the Black Scholes Model with the following assumptions:

Grant date	29 March 2023
Exercise prices	£0.16
Risk free rate	3.40%
Expected volatility	47.98%
Expected dividend yield	0.00%
Exercise date	29 March 2025
Contractual life	10 years

The weighted average contractual life of the options is 9 years and 91 days. All options remain outstanding, and none are exercisable.

The total charge for the ended 31 December 2023 in respect of the two options schemes was €4,783 (£4,244) and was recognised in profit or loss.

24. Changes in liabilities from financing activities

	Opening balance €	Financing cash flows €	Interest charge €	Exchange movements €	Other non-cash changes €	Closing balance €
2022						
Lease liabilities	383,975	(186,838)	38,862	9,019	-	245,018
Convertible loan notes	-	2,160,030	-	-	125,000	2,285,030
Borrowings	414,359	(60,726)	49,890	-	-	403,523
Total	798,334	1,912,466	88,752	9,019	125,000	2,933,571
2023						
Lease liabilities	245,018	(168,085)	16,670	(4,065)	(41,924)	47,614
Convertible loan notes	2,285,030	-	35,248	182,321	(2,502,599)	-
Borrowings	403,523	(416,862)	13,339	-	-	-
Total	2,933,571	(584,947)	65,257	178,256	(2,544,523)	47,614

Other non-cash changes relates to the conversion of convertible loan notes into ordinary shares of the Company and the remeasurement of a lease liability.



Notes to the consolidated financial statements (continued)

25. Related party transactions

Key management personnel

Key management personnel include all Directors of the Company and certain senior employees, who together have authority and responsibility for planning, directing, and controlling the activities of the Group's business.

	31 Dec 2023 €	31 Dec 2022 €
Wages and salaries	1,046,916	521,818
Social security contributions and similar taxes	127,076	69,638
Pension costs	10,464	2,919
Share-based payment expenses	184,911	109,456
	1,369,367	703,831

The number of Directors participating in defined contribution pension as at 31 December 2022 and 2023 was 8.

Details of Directors' remuneration are as follows:

	31 Dec 2023 €	31 Dec 2022 €
Wages and salaries	834,082	442,258
Social security contributions and similar taxes	103,669	60,847
Pension costs	5,788	1,418
Share-based payment expenses	184,911	109,456
	1,128,450	613,979

(ii) Purchases of services

During the year ended 31 December 2023, the Group paid €nil to Heaton Holdings Limited (2022: €9,960), a Company in which Stuart Waring is a director and shareholder. The Company provided administrative coordination services and Company secretarial services to the Group. All transactions were conducted at arm's length. As at the year end, the balance due to Heaton Holdings Limited in relation to these services was €nil (2022: €nil; 2021: €nil).

Other transactions

Other transactions with related parties included a working capital loan, detailed in note 20 and subscription and subsequent conversion of convertible loan notes detailed in note 19.

26. Capital commitments

The Group had no capital commitments as at 31 December 2023 (2022: none; 2021: none).

27. Ultimate controlling Party

The directors do not consider there to be one ultimate controlling party.

28. Events after the reporting date

There were no significant events after the reporting date and up to the date of approval of these financial statements.



Notes to the consolidated financial statements (continued)

29. Transition to IFRS

The Group's date of transition to IFRS is 1 January 2022. This note details the principal adjustments made by the Group in restating its FRS 102 financial statements, including the statement of financial position as at 1 January 2022 and the financial statements as of, and for, the year ended 31 December 2022.

The Company was incorporated on 20 May 2021 and remained a shell Company until it became the parent Company of the Group via a share-for-share exchange on 31 December 2021. The accounting treatment of the transaction under FRS 102 is consistent with IFRS and does not result in any adjustments.

During the year ended 31 December 2022, the Company issued convertible loan notes ("CLN") detailed in note 19. Under FRS 102, the CLNs did not meet the definition of 'basic financial instruments' and thus were carried at fair value through profit or loss. Under IFRS the CLNs met the definition of financial liabilities and thus are carried at amortised cost. As at 31 December 2022 the fair value of the CLNs was equal to their amortised cost resulting in no adjustment to the statement of comprehensive income or the statement of financial position.

The only adjustments on transition to IFRS are as a result of the application of IFRS 16 to the leases held by the Group. As disclosed in note 2(p), the Group recognises lease liabilities and right-of-use assets, whilst under FRS 102 all leases held by the Group were operating leases with rental expense charged to profit or loss as incurred. The full retrospective approach for lease accounting was adopted on transition. As one of the leases was held by an overseas subsidiary, there was a consequential adjustment to the foreign exchange reserve.

IFRS Transition

- Right of use assets of €363,910 was recognised in the period ended 31 December 2021. A decrease of €144,835 was recognised in the period ended 31 December 2022.
- Lease liabilities of €383,975 was recognised in the period ended 31 December 2021. A decrease of €138,957 was recognised in the period ended 31 December 2022.
- Increase finance costs by €38,862 in the period ended 31 December 2022, relating to IFRS 16.
- Decrease in operating expenses by €33,606 in the period ended 31 December 2022.

The reconciliation of the amounts presented under FRS 102 to the restated amounts under IFRS are shown below.

Effect of IFRS adoption on the consolidated statement of financial position

	1 January 2022			31 December 2022		
	FRS 102 €	IFRS 16 adj €	IFRS €	FRS 102 €	IFRS 16 adj €	IFRS €
Assets						
Non-current assets						
Right of use asset	-	363,910	363,910	-	219,075	219,075
Total non-current assets	-	363,910	363,910	-	219,075	219,075
Total assets	-	363,910	363,910	-	219,075	219,075
Equity and liabilities						
Equity						
Foreign exchange reserve	-	(98,160)	(98,160)	-	(47,839)	(47,839)
Retained earnings	(24,696,073)	78,095	(24,565,802)	(27,423,564)	21,896	(27,401,668)
Total equity	(24,696,073)	(20,065)	(24,663,962)	(27,423,564)	(25,943)	(27,449,507)

Notes to the consolidated financial statements (continued)

	1 January 2022			31 December 2022		
	FRS 102 €	IFRS 16 adj €	IFRS €	FRS 102 €	IFRS 16 adj €	IFRS €
Liabilities						
<i>Non-current liabilities</i>						
Lease liability	-	322,845	322,845	-	74,504	74,504
Total non-current liabilities		322,845	322,845	-	74,504	74,504
<i>Current liabilities</i>						
Lease liability	-	61,130	61,130	-	170,514	170,514
Total current liabilities	-	61,130	61,130	-	170,514	170,514
Total equity and liabilities	(24,696,073)	363,910	(24,181,827)	(27,423,564)	219,075	(27,204,489)

Effect of IFRS adoption on the consolidated statement of comprehensive income for the year end 31 December 2022

	FRS 102 €	IFRS 16 adj €	IFRS €
Revenue	3,008,296	-	3,008,296
Cost of Sales	(2,229,108)	-	(2,229,108)
Gross Profit	779,188	-	779,188
Operating expenses	(3,501,097)	33,606	(3,467,491)
Operating loss	(2,721,909)	33,606	(2,688,303)
Finance costs	(173,518)	(38,862)	(212,380)
Loss before taxation	(2,895,427)	(5,256)	(2,900,683)
Taxation	64,817	-	64,817
Loss for the year	(2,830,610)	(5,256)	(2,835,866)
Other comprehensive loss			
Currency translation differences	50,943	(622)	50,321
Other comprehensive income, net of tax	50,943	(622)	50,321
Total comprehensive loss for the year	(2,779,667)	(5,878)	(2,785,545)

The transition to IFRS has impacted the presentation of items within the consolidated cash flow statement. The implementation of IFRS 16 has resulted in €147,976 of payments being recognised within cash flows from financing activities, which were previously presented under cash flows from operating activities, during the year ended 31 December 2022.

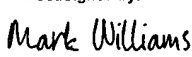
Company statement of financial position

As at 31 December 2023

	Notes	31 Dec 2023 €	31 Dec 2022 €
Assets			
Non-current assets			
Investments	5	1,043,719	870,904
Other receivables	6	7,228,912	2,031,138
Total non-current assets		8,272,631	2,902,042
Current assets			
Trade and other receivables	7	152,117	35,850
Cash and cash equivalents		43,616	253,892
Total current assets		195,733	289,742
Total assets		8,468,364	3,191,784
Equity and liabilities			
Equity			
Share capital	8	1,477,482	761,448
Share premium	8	8,104,571	-
Share-based payment reserve		294,367	109,456
Foreign exchange reserve		51,259	-
Retained earnings		(1,486,106)	(316,796)
Total equity		8,441,573	554,108
Liabilities			
Current liabilities			
Trade and other payables	9	26,791	352,646
Convertible loan	10	-	2,285,030
Total current liabilities		26,791	2,637,676
Total equity and liabilities		8,468,364	3,191,784

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of comprehensive income. The loss after tax for the year ended 31 December 2023 was €1,169,310 (2022: €316,796).

The financial statements of Ocean Harvest Technology Group Plc, Company registered number 13411717, were approved by the board, and authorised for issue on 22 March 2024 and signed on its behalf by:

DocuSigned by:

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Mark Williams
 Director

Company statement of changes in equity

For the year ended 31 December 2023

	Share capital €	Share premium €	Share-based payment reserve €	Foreign exchange reserve €	Retained earnings €	Total €
As at 1 January 2022	761,448	-	-	-	-	761,448
<i>Comprehensive income</i>						
Loss for the year	-	-	-	-	(316,796)	(316,796)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(316,796)	(316,796)
<i>Transactions with owners</i>						
Share-based payments	-	-	109,456	-	-	109,456
As at 31 December 2022	761,448	-	109,456	-	(316,796)	554,108
<i>Comprehensive income</i>						
Loss for the year	-	-	-	-	(1,169,310)	(1,169,310)
Other comprehensive income	-	-	-	51,259	-	51,259
Total comprehensive income for the year	-	-	-	51,259	(1,169,310)	(1,118,051)
<i>Transactions with owners</i>						
Share placing	434,093	6,511,388	-	-	-	6,945,481
Conversion of convertible loan notes	281,941	2,220,658	-	-	-	2,502,599
Issue costs	-	(627,475)	-	-	-	(627,475)
Share-based payments	-	-	184,911	-	-	184,911
Total transactions with owners	716,034	8,104,571	184,911	-	-	9,005,516
As at 31 December 2023	1,477,482	8,104,571	294,367	51,259	(1,486,106)	8,441,573



Notes to the company financial statements

For the year ended 31 December 2023

1. Significant accounting policies

(a) Basis of preparation

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'), on a historical cost basis and in accordance with the Companies Act 2006.

The results of the Company are included in the consolidated financial statements of the Group, which are presented alongside these financial statements.

These are the Company's first annual financial statements prepared in accordance with FRS 101; the Company previously prepared its annual financial statements under FRS 102. Due to the similarities between FRS 101 and FRS 102, there are no adjustments on transition to FRS 101 for the Company.

These financial statements are presented in Euros, which is the Company's functional and presentational currency.

The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements of the Group except as described in this note.

Disclosure exemptions adopted:

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirement of IFRS 1 to present a statement of financial position at the date of transition.
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - a) 10(d) (statement of cash flows);
 - b) 16 (statement of compliance with IFRS);
 - c) 38A (requirement for minimum of two primary statements, including cash flow statements);
 - d) 38B-D (additional comparative information);
 - e) 111 (statement of cash flows information); and
 - f) 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'.
- The requirements in IAS 24, 'Related party disclosures'.

(b) Going concern

The Directors continues to adopt the going concern basis in the preparation of the financial statements. Further details are included in note 2(b) to the consolidated financial statements.

(c) Investment in subsidiaries

Equity investment in subsidiaries are stated at cost, which is the fair value of the consideration transferred, less accumulated impairment.

2. Critical accounting estimates and judgements

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements is discussed below:

Recoverability of investment in subsidiaries and intragroup receivables

In the Company financial statements, the carrying value of the Company's investment in subsidiaries is €1,043,719 (2022: €870,904) and amounts owed by intragroup receivables is €7,228,912 (2022: €2,031,138).

The Directors carry out impairment tests of the Company's investments which require estimates to be made of the value in use of its CGUs and Groups of CGUs. The value in use calculations are dependent on estimates of future cash flows, long-term growth rates and appropriate discount rates to be applied to future cash flows.

The recoverability of the Company's intragroup receivables is dependant on the success of the Group to continually commercialise existing products and generate revenue from existing development projects.

Share-based payments

Refer to note 23 to the consolidated financial statements.

3. Loss for the year

The average number of employees for the year ended 31 December 2023 was 0 (2022: 5). Staff costs were €nil (2022: nil). Directors' remuneration are charged through the Company's subsidiaries. Further details of Directors' remuneration are included in note 6 in the notes to the consolidated financial statements and in the Remuneration report on pages 27 to 28.

Disclosures of auditor remuneration in relation to the audit of the Company financial statements are included within note 5 of the Group financial statements.

4. Share-based payments

Details of the Company's share-based payment schemes are included in note 23 to the consolidated financial statements and relate to employees or others providing similar services to the Company's subsidiaries. The share-based payment charge is included in the investments in subsidiaries balance.



Notes to the company financial statements (continued)

5. Investments in subsidiaries

	Investments €	Total €
At 1 January 2022	761,448	761,448
Additions	109,456	109,456
At 31 December 2022	870,904	870,904
Additions	172,815	172,815
At 31 December 2023	1,043,719	1,043,719

The additions in the year relate to the share option expense recognised in a subsidiary company over shares in the parent. This is accounted for as an addition to the investment cost in that subsidiary.

6. Other receivables

	31 Dec 2023 €	31 Dec 2022 €
Amounts owed by Group undertakings	7,228,912	2,031,138
	7,228,912	2,031,138

The amounts owed by Group undertakings primarily represent working capital provided to facilitate operational activities within the Group. The loans are interest free and no material amounts are overdue. No impairment was incurred on the amounts owed by Group undertakings.

7. Trade and other receivables

	31 Dec 2023 €	31 Dec 2022 €
Other receivables	152,117	35,850
	152,117	35,850

Other receivables relate to VAT due and prepaid insurance.

8. Share capital and share premium

Full details of movements in share capital and share premium are given in note 17 to the consolidated financial statements.

9. Trade and other payables

	31 Dec 2023 €	31 Dec 2022 €
Other payables	26,791	119,573
Amounts owed to Group undertakings	–	233,073
Total	26,791	352,646

10. Convertible loan notes

These are detailed in note 19 to the consolidated financial statements.

11. Ultimate controlling party

At 31 December 2023, there was no individual controlling party. Ocean Harvest Technology Group Plc is the ultimate parent entity and is listed on AIM.

12. Events after the reporting date

There were no significant events after the reporting date and up to the date of approval of these financial statements.

Overview

DIRECTORS

Hadden Graham
Ashley John Head
Christine Adair Maggs
Thomas David Onions
Christopher Benedict Scott
David Frank Tilston
Stephen John Walker
Mark Fraser Williams

COMPANY SECRETARY

Christopher Scott

REGISTERED NUMBER

13411717

REGISTERED OFFICE

Castle Court
41 London Road
Reigate
England
RH2 9RJ

NOMINATED ADVISER AND BROKER

Cavendish Capital Markets Limited
One Bartholomew Close
London
EC1A 7BL

INDEPENDENT AUDITORS

Saffery LLP
Trinity
16 John Dalton Street
Manchester
M2 6HY

REGISTRARS

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

COMPANY WEBSITE

www.oceanharvesttechnology.com

Designed and
printed by:

perivan

perivan.com





Registered office:
Castle Court
41 London Road
Reigate
England
RH2 9RJ

oceanharvesttechnology.com

Company Registration No. 13411717 (England and Wales)