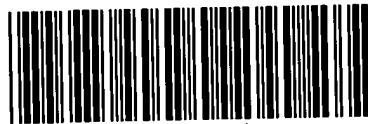


SABIEN TECHNOLOGY GROUP PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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SABIEN TECHNOLOGY GROUP PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2023**

Directors	Charles Goodfellow Ranald McGregor-Smith Richard Parris Edward Sutcliffe
Company Secretary	Edward Sutcliffe
Registered Number	05568060
Registered office	71-75 Shelton Street London WC2H 9JQ
Independent Auditors	Moore Kingston Smith LLP 6th Floor, 9 Appold Street London EC2A 2AP
Website	www.sabien.com
Bankers	National Westminster Bank Plc 72-74 High Street Watford WD17 2GZ
Solicitors	Moore Barlow LLP Gateway House, Tollgate Chandler's Ford SO53 3TG
Nominated Advisor	Allenby Capital Limited 5 St Helen's Place London EC3A 6AB
Broker	Peterhouse Capital Limited 3rd Floor, 80 Cheapside London EC2V 6EE
Registrar	Share Registrars Limited 3 The Millenium Centre Farnham GU9 7XX

SABIEN TECHNOLOGY GROUP PLC

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SABIEN TECHNOLOGY GROUP PLC

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S REPORT FOR THE YEAR ENDED 30 JUNE 2023

We report on the results for Sabien Technology Group Plc ("Sabien", "the Company" or "the Group") for the year ended 30 June 2023.

Sabien Technology Group highlights 2023

- Revenue for the year £1.10m (2022: £0.68m);
- Management fee from associated party £nil (2022:£0.15m);
- Loss after tax £0.70m (2022 £0.74m loss);
- Overseas revenue £0.07m (2022: £0.06m);
- Deferred revenue carried into 2024 £0.20m (2022: £0.18m);
- Forward orders carried into 2024 £0.20m (2023: £0.09m);
- Cash less current borrowings at 30 June 2023 was £0.40m (30 June 2022: £0.44m); and
- Placing and oversubscribed broker option raised £0.6m (gross), in addition £0.1m shareholder loan capitalised.

Highlights since the year end

- Sales of £0.18m to 30 September 2023 (£0.13m to 30 September 2022); and
- Cash less current borrowings at 30 September 2023 of £0.31m (£0.63m at 30 September 2022).

Financial results

Revenue for the year was £1.10m (2022: £0.68m). The loss after taxation was £0.70m (2022: £0.74m loss).

At 30 June 2023, cash and cash equivalents amounted to £0.44m (2022: £0.57m).

Dividend policy

The directors propose no dividends (2022: nil) in the year.

SABIEN TECHNOLOGY GROUP PLC

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Executive Chairman's Statement

In my perspective, effective management entails drawing wisdom from historical experiences and ensuring that past successes drive the agenda for the future. As of July 2022, Sabien confronted a business landscape marked by uncertainties, with the looming challenge of rising inflation casting a long shadow.

As the year progressed, it became increasingly evident that a significant shift was underway, characterized by higher interest rates and subdued economic growth.

To heed the lessons of history is to embrace the age-old wisdom that 'it is better to light a candle than to curse the darkness.' Throughout the preceding financial year, Sabien not only fortified the robust foundations established in previous years but also embarked on the creation of new ones, underpinning our future growth. We understand that lower interest rates and a swift return to robust economic growth may remain elusive. Consequently, we have diligently crafted a resilient business platform capable of self-sustained growth.

During the year ended 30 June 2023, Sabien's Green Aggregation Strategy has focussed primarily on two principal technology led initiatives. M2G, the existing Sabien CO2 mitigation device for commercial boilers, and the City Oil Field Inc. ("COF") plastic to oil technology.

Sabien's financial results for the year ended 30 June 2023, serve as a compelling testament to our progress in these endeavours. Our revenue rose by an impressive 62%, propelled by the enduring success of our flagship product, M2G, and the increasing growth of our Cloud Solutions division. With a promising pipeline of deferred and forward orders, we eagerly anticipate sustained expansion in the current fiscal year. Our strategic initiatives, exemplified by the expansion of our Cloud-enabled gas boiler energy-saving solution into the United States, underscore the compelling long-term prospects of M2G.

In tandem with these developments, our collaboration with COF has continued to evolve, with a significant focus on optimizing the deployment of this world-leading technology. This collaborative approach ensures the construction of robust foundations for the autonomous development of this pivotal business line, all while nurturing a productive working relationship with COF.

We have shared the development of these initiatives with shareholders and the wider market throughout the period. In support of them, and our continuing development, the Company raised £0.6m through a placing and broker option in August 2022 and at the same time £0.1m of a loan advanced by my family interests was also capitalised. This fundraise provided the Company with the wherewithal to secure the opportunities presented to it, for the benefit of shareholders and stakeholders alike.

Successful growth-oriented enterprises are built on sturdy foundations. Sabien's unwavering commitment to introducing innovative solutions to enduring challenges and our readiness to adapt as circumstances evolve have further fortified the bedrock upon which our growth firmly stands.

M2G Business

Despite the continuing world semiconductor supply shortage and the overall weakness of the UK economy driven by inflationary pressures, the Board is very pleased with the growth of the new M2G Cloud business.

During the 2023 financial year, M2G Cloud Solutions revenue of £0.96m was achieved (2022: £0.56m). In addition, the Company has deferred revenue of £0.20m, and open orders of £0.10m, that will carry over into FY24. In total, at the year end M2G has 2024 revenue identified and charged, but not yet booked, of £0.3m (2023 £0.3m). The majority of the deferred revenue is also recurring cloud services revenue. At year end annual recurring cloud services revenue to be billed in 2024 had increased to £0.13m (2022: £0.02m).

As M2G continues to develop the available customer base for its applications, it is focused also on the cost of providing them. Specifically, we are pleased to report strong progress in the development of the M2G Evo. This next generation development combines three devices that Sabien had to previously procure separately; the M2G, the M2G Cloud dongle, and the M2G Interface box.

SABIEN TECHNOLOGY GROUP PLC

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

In combination, with updated technology interfaces, we expect a cost reduction of up to 50% on the current separate cost of all three devices. Additionally, it should be noted that the M2G Interface box is not required on all boiler installations, further enhancing the cost of deployment. M2G Evo will also be easier for the Company to procure because it is designed around a more readily available base processor (Raspberry Pi Module). M2G has procured its first batch of production devices for market testing and expects the M2G Evo to become the Company's sole M2G product by 2024.

M2G Cloud connect delivers the savings visibly across all client estate buildings locally and globally and has the enhanced capability to provide industry unique plant analytics. Engineers can now review their plant and controls performance holistically with objective data. Solving visible and invisible issues to maximise their plant efficiency and performance.

With the delivery of M2G EVO, a reduced product footprint will be achieved. In place, this should allow the Group to review the opportunity for SAP approval. Installations within residential settings continue, with one installation, a 48-apartment building completed during June 2023, delivering 16% savings over the summer period.

COF / b.grn Business

COF is a South Korean business that has developed an innovative proprietary technology – Regenerated Green Oil (RGO), which focuses on the production of light and ultra-pure fuel products from low temperature processing of end of life plastics using a proprietary catalyst. In December 2021 Sabien established a special purpose vehicle with my family office, Parris Group Limited, to rollout the technology in the Western hemisphere: b.grn Group Limited (b.grn).

On 2 November 2022 Sabien announced that b.grn and COF had signed a contract for the first RGO plant in the UK. The agreement remains subject to agreeing terms on the first site and securing funding, but if these terms are satisfied it should result in commission to Sabien of approximately US\$1m.

Following a first visit in the last financial year, Sabien executives made a further visit to South Korea during the year under review, in conjunction with a major US oil trading business to carry out technical due diligence. During the visit a significant Memorandum of Understanding ("MOU") between b.grn, COF, Hanyang Corporation ("Hanyang"), and Woori Technology Inc. This MOU established the intent of the parties to jointly deliver a Recycling Cluster Project for a site in the Midlands region of the UK. The collaboration with these key partners strengthens b.grn's position in the waste plastic recycling sector.

The Group is pivoting away from its proposed Midlands (UK) site and has negotiated Heads of Terms for another location. This is in response to pressure on local authority finances and the consequent uncertainty created around local waste management priorities.

In addition, COF executives made a return visit with the Korean Environment Agency (KECO) in April 2023. The return visit resulted in two additional key agreements being signed between Sabien, b.grn, and COF:

- 1) MOU between Sabien, Parris Group and COF in relation to restructuring of b.grn; and
- 2) Sabien - COF Intellectual Property Agreement.

These two agreements set out steps to prepare b.grn for investment by sharing ownership with COF, by giving b.grn manufacturing rights and rights to buy catalyst, an option to invest in COF, and rights to undertake a research project with leading UK universities.

During the year, there was no repeat of the management fees charged to b.grn in 2022 of £0.15m, comprising Sabien board time managing the project and the recharge of professional fees incurred. However, the proposed restructuring of b.grn will involve additional fees being charged of up to £0.35m expected to be in the forthcoming financial year.

SABIEN TECHNOLOGY GROUP PLC

**CHAIRMAN & CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Proton Technologies Canada Inc.

On 14 October 2021, Sabien invested £100k in Proton, giving the Company a 0.08% shareholding. Subsequently, Sabien entered into a licensing agreement with Proton on 1 February 2022. This agreement allowed Sabien to deploy Proton's technology within the UK and the right to install a plant for the COF plastic to oil technology on Proton's Saskatchewan site. Sabien retains the rights conferred by this licensing agreement.

On 29 September 2023 Sabien received notification that a proposal from a third party to inject new capital, restructure its balance sheet, and reform its management team (the "Proposal") had been successful. Pending further information from the new management team, the Board of Sabien has concluded that an impairment provision of £99k is required at 30 June 2023 to reflect the dilution and notional value ascribed by the Proposal.

The Board considers that the Proton UK project offers strong long-term prospects for the Group but is not a current area of focus. Sabien will continue discussions with the new management team at Proton in relation to its option to install a COF plant at Proton's Saskatchewan site.

Aeristech investment

Sabien invested £100k in Aeristech in February 2021 at a price of £2.40 per share. The investment was made to support Aeristech's development of e boost technologies for hydrogen fuel cell, hybrid electric, and internal combustion engine powertrains. Since Sabien's investment, Aeristech has continued to make progress in developing its customer base and raised funds at up to £2.75 per share in February 2023.

Financial results

In the year to 30 June 2023, the Group has generated revenue of £1.10m (2022: £0.68m), with £0.86m recorded in the second half. An overall increase in sales in the year of 62% compared to the prior year. Following the year end, to date the Company has achieved sales of £0.18m to 30 September 2023 and received orders of £0.16m.

The Board considers that the prospects for the Group from its main two business lines are strong for 2024.



Richard Parris
Executive Chairman
Date 1 November 2023

SABIEN TECHNOLOGY GROUP PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

1. Review of the Group's Business

Sabien's strategy is to provide innovative solutions, across a range of applications, to the challenges created by the transition to net zero. Critically, this strategy is economically, not ideologically, driven. We note that the onset of economic headwinds has questioned the timing and extent of net zero achievement across the world. We believe that the evolution of net zero strategies will continue but that they will be more cost-conscious than in the previous decades. Faced with a harder transition, we believe that governments, companies, and customers will all make pragmatic choices. This pragmatism will prize innovation designed to effect transition at lower cost.

Thus, Sabien has built, and is building, a portfolio of businesses whose ambition is to facilitate net zero but whose strategy is to do so by offering more efficient alternatives. Generating progress towards net zero cannot be without regard to cost, particularly during a time of high inflation which looks set to remain. Through partnership and acquisition, Sabien will continue to develop a portfolio of businesses whose success is not dependent on achieving net zero but is clearly aligned with the transition towards this goal.

In many respects, Sabien's success will be determined by the journey, not simply the destination.

During the year ended 30 June 2023, the Group achieved the following milestones in its strategic development:

- Development of M2G Evo to commercial testing stage;
- Signing of first UK City Oil Field plant contract; and
- Signing of strategic memoranda of understanding to restructure b,grn, Sabien's Special Purpose Vehicle with Parris Group, to prepare it for investment and rollout of the COF technology.

Sabien believes that operational growth cannot be the Group's sole objective. Growth must be closely and clearly aligned to the creation of consistent, long-term shareholder value. In order that this occurs, Sabien employs clear investment value criteria which are deployed at the point of commitment. These criteria focus on three fundamentals; management team strength, defendable technical advantage, and strong financial position.

Ownership, and its concomitant control, is critical to the continued success of the business. Since incorporation, the Group has owned the rights to M2G. This provides control over patented energy efficiency products and any products that result from their development. The Group's focus is the product installation on commercial boilers and water heaters, both within the UK and overseas. Sabien subcontracts the manufacture of both products to its principal supplier, based in Northern Ireland, and manages installations globally through a team of Sabien engineers and trained installation partners.

Sabien believes that this control has been a key contributor to the Group's strong reputation in its chosen marketplace. It is regularly recognised as the market leader in Boiler Optimisation Controls. This position reflects both the efficiency of the installed base and the innovation-led development of the products.

Background to the boiler optimisation business

Acceptance is critical to the long-term success of the Boiler Optimisation business. Historically, the Group focused on large estates, often owned, and managed by public or quasi-public bodies. In order to achieve penetration of this market, the Group offered paid pilots of its M2G product. This strategy proved successful with the award of a number of multi-year multi-million-pound contracts. However, the consolidated nature of this public market, notably at a time of public funding uncertainty, created timing issues which variability affected profitability.

In response, the Group is transitioning the sale of its M2G technology with the adoption of a subscription service through channel partners who control already significant end-user infrastructure. This significantly increases volumes and reduces sales cycle times from many months to only a few weeks.

Recognising the need to establish a broader customer base which would improve both the scale and consistency of revenue generation, the Group has had a long-term expansion strategy. From the introduction of a rental model option in 2018, facilitating the piloting and financing of the M2G product, through the launch of the

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Forensic Boiler Audit ("FBA") service, to the launch of the M2G Cloud System, the Group has achieved success in the following key areas:

- A greater proportion of recurring revenue;
- Demonstrable real-time savings to customers;
- Additional and unique boiler analytics which can and do lead to product and client development; and
- A time-to-commercial engagement cycle which is materially shorter.

Market - Energy efficiency retrofit – Commercial Gas

Sabien believes that the nature and structure of the available market for its products is changing and that these changes are to the Group's advantage.

The Group's historical customer base shared a number of key attributes:

- Large individual entities such as service providers, public administrations, and industrial operations; which use
- Centralised heating and water provision; resulting in
- Energy costs being a relatively small proportion of total production costs.

As a result, adoption of energy efficiency programs was constrained by low gas prices, the availability of capital, and the lack of Automated Maintenance Reporting (AMR) in the UK built environment.

Sabien believes that these historical factors are becoming less of a constraint on adoption.

The war in Ukraine, and the resulting attitudes of OPEC+, has created inflationary pressures in the petrochemical market. The Group believes that these pressures are unlikely to abate in the short to medium term. As a result, the cost of gas is now a focus for building managers and mitigation of this cost is now important.

As the cost of heating and water provision has risen, the previous constraints on capital deployed in efficiency programs are falling away. While capital deployment within private organisations will continue to be driven by pay-back considerations, the rationale for conducting analyses on this basis has improved and the frequency of such exercises is increasing.

Within public organisations, the mandate to deliver value for money across estates and the systems therein, notably in the aftermath of recent public body financial problems, is more prevalent than in previous years. Sabien believes that this cost-driven approach will not focus solely on improving the efficiency of historical systems, which M2G addresses, but will seek to embrace the evolution of new processes, such as that provided by COF.

Thus, the combination of rising running costs and the high-profile failure of public bodies' financial management is likely to favour the adoption of energy efficient systems such as those provided by the Group. Capital is now more likely to be deployed for continuous improvement than new large projects.

Other sales channels

Establishing multiple routes to market is a central tenet of the Group's strategy to build wide and deep foundations for revenue growth at profitable margins.

At present, the Group operates on a fully integrated basis in the UK; from sales, through installation, to efficiency management. In the short to medium term, the Group will transition from this integrated approach to a partnership strategy which has proved so successful in overseas markets. During the year under review, the Group has already benefited from this transition with the announced relationships with CBRE and Empiric PLC.

SABIEN TECHNOLOGY GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Outside the UK, the Group's partnership strategy allows for the deployment of its market-leading technical knowledge through distribution partners. These partners are involved in the supply of energy efficiency solutions to meet their clients NetZero targets, boiler systems and controls to their customers in their own territories.

By so doing, the Group has developed key commercial relationships with the central players in energy efficient solutions, building portfolio management, and boiler maintenance and management, removing the need to build its own distribution and maintenance networks. In partnering, rather than competing, the Group has built solid foundations within a constituency which is likely to remain as the key determinant of end-customer demand.

Importantly, this partnership approach has brought, and will continue to bring, important contacts which have, and will continue, to provide further relationships consistent with the development of a wide and deep customer base. Recent contract awards from public bodies and private organisations, notably within real estate management, are a testament to this approach.

Team

The Group employs its own project management and technical engineering staff who are responsible for ensuring the smooth roll-out and quality control of each M2G pilot and installation project. Headcount currently stands at 11.

Other Technology Development

In addition to the established boiler optimisation business, Sabien's green aggregation strategy is also developing two new technologies:

1. City Oil Field Inc. Plastic to Oil Business; and
2. Proton Technologies Canada Inc. – clean hydrogen production.

The Board expects both technologies over time to develop into standalone divisions of the Group.

Plastic to Oil Business

The Group's strategy is focussed on signing the first site in the UK as a proof of concept 24 tonne per day processing plant in conjunction with Sabien's b.grn Group Ltd development partner. Feedstock contracts and oil offtake discussions are in progress as key requirements to establish the first Western Hemisphere commercial plant.

Clean Hydrogen

The Group's strategy is focussed on locating a suitable end of life onshore oil field owner in the UK to partner in developing a 20 tonne per day hydrogen production facility.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

2. Principal risks and uncertainties facing the Group

The principal risks faced by the Group are:

- Technology developments and competitive products;
- Changes in legislation;
- Supply chain issues;
- Brand awareness and maintenance of reputation;
- Employee retention;
- Raising further finance;
- UK Energy Efficiency Barriers; and
- Insufficient financial resources to complete rollout of new product lines.

The Group places great importance on internal control and risk management. A risk-aware and control-conscious environment is promoted and encouraged throughout the Group. The Board, either directly or through its committees, sets objectives, performance targets and policies for management of key risks facing the Group.

The risks outlined above are not an exhaustive list of those faced by the Group and are not intended to be presented in any order of priority. The Group holds weekly management meetings at which, inter alia, business risks are reviewed and any areas that are causing concern are discussed. A plan of action to resolve issues is then put in place. Whilst many of the key risks are common across many industries, the Board has set out detail below in relation to the energy efficiency industry specific risks that affect the Group.

UK Energy Efficiency Barriers

Information, its provision and lack of trust, misaligned financial incentives, and behaviour barriers mean energy efficiency is undervalued. These barriers are often inter-related and work together to reduce investment in energy efficiency.

The UK market is underdeveloped thus has relatively limited/mixed expertise and 'know-how' on the Client, vendor side for energy efficiency investment. The Group is working to develop its partner network and through that to develop awareness within the market.

Information

One of the key characteristics of an embryonic market is there is a lack of access to trusted and appropriate information.

Energy efficiency improvements are typically made through purchasing upgraded equipment, retro-fit technology and additives however the biggest challenge facing the market is identifying the absolute savings in energy and emissions which means that potential buyers are not in a position to assess the benefits of an energy efficiency proposal.

The Group's partner led strategy and the upgraded and cloud enabled M2G has been designed to resolve these issues.

Financing

Energy efficiency projects can be undermined by the absence of standardised monitoring and verification processes which means that the benefits of energy efficiency investments are not trusted.

It can be difficult to relate back to individual activities to identify opportunities to make energy efficiency improvements. In the absence of clear, trusted information, many buyers do not prioritise energy efficiency investments.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Misaligned financial incentives

It is not always the case that the person who is responsible for making energy efficiency improvements will receive the benefits of their actions.

Commercial rented tenants are responsible for their own bills and therefore it is in their interest to reduce the bills, but contractual arrangements around landlord/tenants or facilities management may inhibit investment.

Therefore, energy efficiency investments are not prioritised as they might otherwise be. Energy costs can be a relatively small proportion of costs for many sectors, but in aggregate that energy use is a huge ask of our energy system.

Undervaluing energy efficiency

The lack of salience of energy efficiency increases the impact of hassle costs and behavioural barriers. Energy efficiency changes may involve significant hassle costs for those carrying out the investment, which increases the costs of the investment e.g. disruption caused by building works or disruption to production lines.

Energy efficiency improvements may not be seen as strategic for a company and therefore not prioritised.

Outside of the energy intensive industry sectors, energy bills are only a small proportion of business costs. If the relative gain is small, then the hassle costs can act as a significant barrier, especially if there is uncertainty around the benefits of the investment. While hassle costs are not a market failure, they compound the impact of other behavioural barriers, reducing investment in energy efficiency. This is often why companies are reluctant to invest in energy efficiency, seeking short payback times, even if a project is cost-effective and meets Simple Payback (SPB) criteria. Wider economic uncertainty is also reducing willingness to invest.

3. Performance of the business in the financial year

Business Development - UK

The Group achieved sales in the year of £1.10m (2022: £0.68m). Overseas customers contributed £0.07m of sales representing 6% of the total for the year.

Business Development - Overseas

Sabien markets, sells, and installs M2G internationally through a network of partners. The Group employs this strategy to both mitigate cost exposure and to benefit from its partners' commercial relationships within the specific territories. This network requires a level of M2G operational support in the transfer of knowledge and the sharing of product training.

Sabien has developed the following criteria to select appropriate partners:

- An existing client base, supported by an established distribution network, within the commercial and industrial heating sector;
- Demonstrable engineering capability and capacity; and
- Clear competence in commercial boiler maintenance and management, together with a current offering within energy efficient solutions within products and services.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

4. Key Performance Indicators ("KPIs")

The Group has identified a number of financial and non financial key performance indicators which are regularly monitored to ensure that business is on track or to give warning where problems may be arising:

Financial: The management's focus is on the development of sales, the maintenance of a healthy gross margin and prudent cost control. The two main performance indicators are sales achieved and gross profit margin. During the year the Group achieved revenue of £1.10m (2022: £0.68m) and the gross profit margin was 64.0% (2022: 66.0%). Gross margin continues to be below Group targets due to high cloud service costs not being fully recovered and increasing parts costs. The launch of M2G Evo in 2024 is expected to improve gross margin.

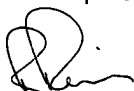
Non-financial: The Group's reputation for project management and delivery of its product's benefits on time and within budget is key to its continuing business success. Management is always looking at improving the quality of the Group's performance and will continue to invest in products and solutions to enable it to maintain and enhance its reputation. There are no non-financial KPIs that need to be disclosed.

5. Strategy and future developments

The Group intends to invest for growth in the following areas:

- Completion of next generation M2G device integrating remote commercial boiler management within a single Cloud-enabled device;
- Development of the key US market through Original Equipment Manufacturer (OEM) relationships;
- Maintaining a network of overseas distribution partners to deliver material revenue for the Group;
- Maintaining or exceeding an installation capacity in line with Company forecasts and to continue providing our clients and partners with a world class project management service and experience;
- Maintaining brand awareness and reputation of the Group;
- Acquisitions of compatible businesses within 'green energy' environmental opportunities; and
- Licensing of relevant green energy technologies.

This report was approved by the board on 1 November 2023 and signed on its behalf.



Richard Parri
Director

SABIEN TECHNOLOGY GROUP PLC

CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023

The Company adopts the Quoted Companies Alliance Corporate Governance Code (QCA Code). The QCA Code provides UK small and mid-sized companies with a corporate governance framework that is appropriate for a company of our size and nature. The Board considers the principles and recommendations contained in the QCA Code to be appropriate for the Company.

Statement of compliance with the QCA Code and applying the principles of good governance

The Company is committed to meeting these principles as far as it reasonably can, and the commentary below reflects the extent to which the Company has complied with the QCA Code during the period under review.

The ten principles set out in the QCA Code are listed below together with a short explanation of how the Company applies each of the principles.

Principle One

Business Model and Strategy

Subject to a near term review of the Company's market and capabilities, the Company intends to invest for growth in the following areas:

- Completion of next generation Cloud M2G device integrating remote commercial boiler management within a single Cloud-enabled device, removing the need for the additional Cloud Connect device;
- Development of the key US market through Original Equipment Manufacturer (OEM) relationships;
- Maintaining a network of overseas distribution partners to deliver material revenue for the Group;
- Maintaining or exceeding an installation capacity in line with company forecasts and to continue providing our clients and partners with a world class project management service and experience;
- Maintaining brand awareness and reputation of the Group;
- Acquisitions of compatible businesses within 'green energy' environmental opportunities; and
- Licensing of relevant green energy technologies.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, www.sabien.com, and via Richard Parris, Executive Chairman and Edward Sutcliffe, Company Secretary who are available to answer investor relations enquiries.

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, a companywide internal information system shares live information on key suppliers, customers and projects, allowing the Company to efficiently fulfil customer requirements. Furthermore, all

SABIEN TECHNOLOGY GROUP PLC

CORPORATE GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

employees of the Company participate in an annual assessment process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to promote successful two-way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

Principle Four

Risk Management

The Board, through its committees is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage significant risks faced by the Group. The table below outlines the risks faced by the Group, identifies their impact and the controls that are in place to mitigate them.

Activity	Risk	Impact	Control(s)
Management	Recruitment and retention of key staff	Reduction in operating capacity	Stimulating and safe working environment Balancing salary with longer term incentive plans
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisations	Strong compliance regime instilled at all levels of the Group including regular review of any changes to current legislation
Strategic	Inadequate disaster recovery procedures	Loss of key operational and financial data	Robust compliance Secure off site storage of data
	Lack of recurring revenue	Over reliance on capital sales which can be unpredictable	Development of cloud enabled subscription model and new business lines
Financial	Liquidity, market and credit risk	Inability to continue as a going concern	Robust capital management policies and procedures
	Inappropriate controls and accounting policies	Reduction in asset values	Appropriate authority and investment levels as set out by Treasury and Investment Policies Audit Committee

The Board of Directors has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The purpose of the system of internal control is to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Directors have established an organisational structure with clear operating procedures, and lines of responsibility. In particular, any capital investment requires a business case to be presented to and approved by

SABIEN TECHNOLOGY GROUP PLC

CORPORATE GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

the Board. Financial reporting is carried out within a comprehensive financial planning and accounting framework with oversight by the Audit Committee. The Board has reviewed the need for an internal audit function and concluded that such a function is not currently appropriate given the size of the Group.

Principle Five

A Well-Functioning Board of Directors

As at the date hereof the Board comprised the Executive Chairman, Richard Parris, Chief Financial Officer and Executive Director Edward Sutcliffe, and the Non-Executive Directors, Charles Goodfellow, and Ranald McGregor-Smith.

Biographical details of the current Directors are set out within Principle Six.

Executive and Non-Executive Directors retire by rotation in accordance with the Company's Articles of Association which prescribe that at every Annual General Meeting one third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. Non-executive directors are initially appointed for a three year term but their appointment is terminable by either party on three months' written notice. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

The Board meets at least six times per annum. It has established an Audit Committee, a Remuneration Committee, a Nominations Committee and a Risk Committee, the particulars of which appear hereafter. The Executive and Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. Charles Goodfellow and Ranald McGregor-Smith are considered to be Independent Directors by the Board. The Board shall review further appointments as scale and complexity grows.

Attendance at Board and Committee Meetings

The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. In order to be efficient, the Directors meet formally and informally both in person and by telephone. The following table shows attendance of the directors at Board and Audit Committee meetings.

	Board Attended	Board Eligible to Attend	Audit Committee Attended	Audit Committee Eligible to Attend
Charles Goodfellow	5	5	2	2
Ranald McGregor-Smith	6	6	2	2
Richard Parris	5	5	-	-
Edward Sutcliffe	6	6	-	-

The Nominations Committee, Risk Committee and Remuneration Committee did not meet in the year, any relevant business for those committees was dealt with at Board level.

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of four Directors. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets.

SABIEN TECHNOLOGY GROUP PLC

**CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

The Board recognises that it currently has a limited diversity, and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Richard Parris

Executive Chairman and Chief Executive

Richard was until 2018 the Chairman and Chief Executive of Intercede, an AIM-traded technology company, which he founded in 1992 and which was admitted to trading on AIM in 2001. Richard Parris is an engineer by training and an entrepreneur by experience, he operationally led Intercede through all phases of its growth, including building its UK technology team to invent, develop and commercialise new software products, including the adoption of Cloud services and IoT delivery models as the core of future business transformation, and securing contracts with major US OEMs to expand US sales.

Edward Sutcliffe

Chief Financial Officer and Executive Director

Edward is an experienced business advisor with a wide range of accounting, management, transactional, turnaround, and board level skills. A Fellow of the Institute of Chartered Accountants in England and Wales, Edward has worked internationally, providing consultancy and expertise in areas including private equity, due diligence, debt raising, financial modelling and analysis, and management and board reporting.

Charles Goodfellow

Independent Non-executive Director

Charles is a corporate broker with over 25 years' experience of fundraising for small and mid-caps and private companies across a range of sectors and jurisdictions. In addition, he was previously a Director of Acorn Growth plc (re-named Vodere plc).

Charles chairs the Audit and Remuneration Committees and is a member of the Risk and Nominations Committees.

Ranald McGregor-Smith

Independent Non-Executive Director

Ranald has worked as a corporate adviser and broker for most of his career and has significant experience in leadership roles at a number of advisory firms, where he worked with both listed and private companies.

He has worked with and advised a host of companies and their boards through a 33-year banking career which has encompassed a period of significant change in the equity capital markets. In 2010, Ranald co-founded Whitman Howard Ltd, an investment banking business, before its sale to a large competitor in 2020. Prior to this Ranald spent 20 years at Hoare Govett, latterly as a Board Director.

Ranald chairs the Risk and Nominations Committees and is a member of the Audit and Remuneration Committees.

SABIEN TECHNOLOGY GROUP PLC

CORPORATE GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, and individual Directors will be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Executive Chairman arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Executive Chairman is responsible for the effectiveness of the Board, primary contact with shareholders, and oversight of management of the Company's business.

Audit Committee

Since January 2021, the Audit Committee has been chaired by Charles Goodfellow who is supported by Randal McGregor-Smith. This committee meets twice a year. It is responsible for making recommendations to the Board on the appointment of auditors and the audit fee, for reviewing the conduct and control of the annual audit and for reviewing the operation of the internal financial controls. It also has responsibility for the reporting of the financial performance of the Group and for reviewing financial statements prior to publication.

The auditors of the Group are Moore Kingston Smith LLP ("MKS") who have served the Company since it was founded. MKS have regularly rotated the audit engagement partner. The Committee view is that MKS have served the Group well. The Committee has therefore concluded that to date it has not been necessary to re-tender the audit.

The key issues that the Committee reviewed in the year was the going concern assumption; and the carrying value of assets.

SABIEN TECHNOLOGY GROUP PLC

**CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

The annual risk assessment exercise for the Group is overseen by the Audit Committee and the results of the most recent exercise are included in this Report in the section Risk Management.

Remuneration Committee

Since September 2019 the Remuneration Committee has been chaired by Charles Goodfellow and he has been supported by Ranald McGregor-Smith since January 2021. The Remuneration Committee meets as required during each financial year. It is responsible for reviewing the performance of the executive directors and setting the scale and structure of their remuneration and the basis of their service agreements with due regard to the interest of shareholders. The Remuneration Committee shall also determine the allocation of share options to employees. It is a rule of the Remuneration Committee that a Director shall not participate in discussions or decisions concerning his/her own remuneration.

Nominations Committee

Since January 2021, the Nominations Committee has been chaired by Ranald McGregor-Smith who is supported by Charles Goodfellow. The Nominations Committee meets to review the size, structure and composition of the Board ensuring that the Board and its Committees have appropriate balance of skills, knowledge and experience. The Nominations Committee reviews all Board appointments.

Risk Committee

Since January 2021, the Risk Committee has been chaired by Ranald McGregor-Smith who is supported by Charles Goodfellow. The Risk Committee assists the Board in fulfilling its oversight responsibilities with regard to Group risk management and compliance framework and governance structure that supports it.

Non-Executive Directors

The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. Non-Executive Directors retire by rotation in accordance with the Company's Articles of Association which prescribe that at every Annual General Meeting one third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. Non-executive directors are initially appointed for a three year term but their appointment is terminable by either party on three months' written notice.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

The Company shall include, when relevant, in its annual report, any matters of note arising from the Audit or Remuneration Committees.

SABIEN TECHNOLOGY GROUP PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the audited consolidated financial statements for the year ended 30 June 2023. The financial statements have been prepared in accordance with UK adopted International Accounting Standards. In accordance with S414C(11) of the Companies Act 2006, the directors have chosen to include information about future developments and principal risks and uncertainties in the Strategic Report.

Principal Activities

The principal activity of the Group during the year was building a portfolio of businesses which are involved directly in the application of emerging and developed technology to the emerging Green Economy. The Group's principal revenue generating activity during the year was the design, manufacture and sale of M1G and M2G, boiler energy efficiency technologies, which are proven to reduce energy consumption on commercial boilers by up to 35%.

Review of Business

A review of the business, its development and performance for the year and its position at the year end, together with the future prospects of the Group, is contained in the Chairman & Chief Executive Officer's Report and the Strategic Report.

Governance and the Board

The Board's governance system provides balanced support for the executive management team in the development of the Group's strategy and with the need to ensure effective monitoring of its implementation. The Board and its committees have considered the significant events of the year and their impact on the Group's business and reputation.

During the year the Audit and Remuneration Committees were chaired by Charles Goodfellow, and the Risk and Nomination Committees were chaired by Ranald McGregor-Smith, although the latter two committees did not meet. The Board remains confident in the work of those committees and the overall system of governance.

Events after the reporting date

There were no material events after the reporting date requiring disclosure.

Results and Dividends

The Group loss for the year, after taxation, amounted to £0.70m (2021: £0.74m loss). The Directors do not recommend a final dividend this year (2022 – nil).

Going Concern

The key financial performance indicators for the Group in relation to going concern are revenue from its M2G energy saving devices; net loss after taxation and net cashflow. During the year, whilst turnover increased to £1.10m from £0.68m in 2022 the net loss after taxation was £0.70m (2022: £0.74m), and net cash and cash equivalents decreased by £0.14m (2022: £0.83m).

The directors have prepared cash flow forecasts to 30 June 2025 based on the conversion of sales pipeline to contracted sales revenue and the expectation of repeat orders from existing customers.

Historically the Group's conversion of sales pipeline has been uncertain with long lead times. The directors are confident that the sales pipeline will be converted into sales revenue in accordance with the cash flow forecasts and that the cash flow forecasts confirm that the Group will have sufficient working capital to settle its liabilities as they fall due for a period of not less than twelve months from the date of the approval of these consolidated financial statements. Consequently, the consolidated financial statements have been prepared on a going concern basis. However the uncertainty of the timing and conversion of the sales pipeline casts significant doubt on the ability of the Company and Group to continue as a going concern.

SABIEN TECHNOLOGY GROUP PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Directors

The Directors who served during the year and their beneficial interest in the Company's issued share capital at year end were:

	Date of Appointment	Ordinary shares of 3p each Nos. 2023	% 2023	Ordinary shares of 3p each Nos. 2022	% 2022
C Goodfellow	17 January 2019	100,000	-	-	-
R McGregor-Smith	1 February 2021	-	-	-	-
R Parris	2 September 2019	4,581,460	21.1	1,506,460	10.3
E Sutcliffe	1 March 2021	-	-	-	-

Substantial shareholdings

At 30 September 2023, the Company had been notified that the following were interested in 3% or more of the issued Ordinary shares of the Company:

	Number of Ordinary shares	% of issued share capital
Richard Parris	4,581,460	21.1
Diversity Network Investments Limited	4,077,442	18.8
Peel Hunt LLP	1,782,897	8.2

At 30 June 2023 and 30 September 2023, there were 21,695,168 Ordinary shares in issue.

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The auditors, Moore Kingston Smith LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved and authorised for issue by the Board on 1 November 2023 and signed on its behalf by:



Richard Parris
Executive Chairman

SABIEN TECHNOLOGY GROUP PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Directors' responsibilities statement

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

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with UK adopted International Accounting Standards.

Under company law the Directors must not approve the consolidated 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 for that period. In preparing the consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

SABIEN TECHNOLOGY GROUP PLC

SECTION 172(1) STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

This statement should be read in conjunction with and as part of the Strategic Report.

Section 172(1) of the Companies Act 2006 requires the Directors of the Company to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) 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 relationships with suppliers, customers and others;
- d) The impact of the Company's operations on the community and the 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 table below sets out the key stakeholder groups, their interest and how the Company has engaged with over the reporting period.

Stakeholder Group	Their interests	How management and / or Directors engage
Investors	Comprehensive review of financial performance of the business Business sustainability High standard of governance Awareness of long-term strategy and direction	Annual and interim reports Company website Shareholder circulations Company announcements AGM
Employees	Job satisfaction and fulfilment Health and safety on site Training and development Career progression Inclusion	Stock exchange announcements Performance reviews, objective setting and formal policies and procedures Regular dialogue with key management Company culture which promotes inclusion and sharing of ideas Employee share option policy Additional health and safety support from outsourced specialists
Customers	Fulfil order delivery and installation to requirements Health and safety Long term returns Post installation report	Customer survey Clear and consistent communication Post installation support Analysis of savings Fully qualified installers
Suppliers	Prompt payment Maintain dialogue and visibility on orders Long term relationship Growth of purchasing	Deposit payments on large orders Advanced notice on orders Maintained relationship since inception of the Company Open dialogue to highlight any possible supply chain issues
Community and the environment	Sustainability Energy usage Recycling and waste management	Products promote energy reduction Corporate and social responsibility policy Environmental policy Comply with the Waste Electric and Electronic Equipment (WEEE) Regulation

SABIEN TECHNOLOGY GROUP PLC

REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2023

This report should be read in conjunction with note 28 to the accounts. The Remuneration Committee is responsible for reviewing the level and make-up of the remuneration of executive directors. In doing so, the Committee's aims are:

- To determine the policy for the remuneration of the executive directors;
- To review the on-going appropriateness of the remuneration policy;
- To approve the design of and review share incentive plans and bonus schemes and to determine the awards to be made under such plans or schemes; and
- To ensure that the remuneration policies adopted by the Company give due regard to any legal requirements, the provisions and recommendations in the QCA Code and the AIM rules and associated guidance.

The components of remuneration are:

- Basic salary and benefits determined by the Remuneration Committee which are included in employment agreements and reviewed annually;
- Bonuses based upon performance of the Company and the individual concerned; and
- Share options.

Service contracts

The employment contracts of the executive directors with the Company are terminable by either party with no less than three months' notice in writing to the other. The remuneration of the non-executive directors is determined by the Board within the limits set out in the Articles of Association.

The service contracts of the directors, one third of whom who are eligible for re-election at the Annual General Meeting, are as follows:

	Notice period
C Goodfellow	1 month
R McGregor-Smith	3 months
R Parris	3 months
E Sutcliffe	3 months

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**REMUNERATION REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Directors' remuneration during the period (audited)

	2023 Payee	Salaries and fees £000	Defined contribution Pension £000	Total 2023 £000	Total 2022 £000
Executive directors		-	-	-	-
R Parris	Parris LLP	75	-	75	75
E Sutcliffe	E Sutcliffe	54	1	55	43
Non-executive directors		-	-	-	-
C Goodfellow	Woodlands Lery Ltd	30	-	30	30
R McGregor-Smith	Bridgend Finance Limited	45	-	45	57
Total		204	1	205	205

Sabien Technology Group Share Option Plan (audited)

Under the Plan, the Group can make awards of share options to selected directors and eligible employees.

No Directors who served during the year held any share options.

The mid-market price of the Company's shares at the end of the financial year was 12.00p.



Richard Parris
Executive Chairman
1 November 2023

SABIEN TECHNOLOGY GROUP PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SABIEN TECHNOLOGY GROUP PLC

Opinion

We have audited the financial statements of Sabien Technology Group Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Cash Flow Statements, the Consolidated and 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 their preparation is applicable law and UK adopted International Accounting Standards, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 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 UK adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the Group's business, its environment and risk profile. We conducted substantive audit procedures and evaluated the Group's internal control environment. The components of the Group were evaluated by the group audit team based on a measure of materiality, considering each component as a percentage of the Group's total assets, current assets, revenue and gross profit, which allowed the group audit team to assess the significance of each component and determine the planned audit response.

For those components that were evaluated as significant components, either a full scope audit or specified audit approach was determined based on their relative materiality to the Group and our assessment of the level of audit risk. For significant components requiring a full scope approach, we evaluated the controls in place at those components by performing walkthroughs over the financial reporting systems identified as part of our risk assessment. We also reviewed the accounts production process and addressed critical accounting matters. We then undertook substantive testing on significant classes of transactions and material account balances.

In order to address the audit risks identified during our planning procedures, we performed a full scope audit of the financial statements of the parent company and of the financial information of Sabien Technology Limited. We performed specified audit procedures over Sabien Inc.

SABIEN TECHNOLOGY GROUP PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABIEN TECHNOLOGY GROUP PLC (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) 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.

The key audit matters were:

- Carrying value of intangible assets (Company and Group);
- Carrying value of investments and investment in subsidiaries (Company); and
- Going concern (Company and Group).

Key Audit Matters	How our scope addressed this matter
Carrying value of intangible assets (Company and Group) The intangible assets in the Consolidated Statement of Financial Position represent intellectual property being the rights to the M2G product acquired from the inventors and licences. The continued pre taxation losses (2023: £0.73m, 2022: £0.74m) and lack of certainty over the timing of future sales indicate that there is a potential impairment of the carrying value of the intangible assets.	In order to satisfy ourselves that the carrying values of the intangible assets were appropriate: • We critically assessed the assumptions underpinning the Directors' impairment test of the intellectual property to ensure it was in accordance with the requirements of IAS 36. • We critically assessed the Directors' assertion that no impairment was required by reference to trading performance and forecasts. • We performed sensitivity analysis of the Directors' IAS 36 valuation. • We considered the appropriateness of the amortisation policy for intellectual property. • We considered the appropriateness of the disclosures in respect of the significant judgements detailed in notes 5(viii). Key observations Based on our audit work, we concluded that intangible assets are not materially misstated at the reporting date and that management's assessment that no impairment was required was appropriate. We consider the disclosures in the consolidated financial statements to be adequate.

SABIEN TECHNOLOGY GROUP PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABIEN TECHNOLOGY GROUP PLC (CONTINUED)

Key Audit Matters	How our scope addressed this matter
Carrying value of investments, investment in subsidiaries and other investments in associates (Company and Group) The cost of investment, before provision for impairment in Aeristech Limited, Proton Technologies Canada Inc. and Sabien Technology Limited in the Company and Consolidated Statements of Financial Position are £100,000, £1,400 and £6,467,000 respectively at the year end with the latter having been fully impaired in 2021. The investment in Proton Technologies Canada Inc. has been impaired during the year by £99,000. The cost of investment in b.gm Group Limited in the Company and Consolidated Statements of Financial Position is £281,000.	In order to satisfy ourselves that the carrying value of the investments in Aeristech Limited, Proton Technologies Canada Inc., b.gm Group Limited, and Sabien Technology Limited were appropriate: • We critically assessed the assumptions underpinning the Directors' impairment test of the investments in Aeristech Limited, Proton Technologies Canada Inc., b.gm Group Limited, and Sabien Technology Limited to ensure it was in accordance with the requirements of IAS 36. • We critically assessed the Directors' assertion that the cost of investment in Sabien Technology Limited remains fully impaired and that no impairment in Aeristech Limited is required by reference to trading performance and forecasts. • We critically assessed the Directors' assertion that the cost of investment in Proton Technologies Canada Inc. had been substantially impaired by challenging management as to the reasons why this investment had been impaired. We obtained and assessed management's calculations and supporting documentation for this impairment. • We critically assessed the Director's assertion that the cost of investment in b.gm Group Limited is not impaired at the year end. • We critically assessed the significant judgements made by the Directors in their assessment of the timing and certainty of the recoverability of the balances included within other investments in associates. Key observations Based on the audit work performed we are satisfied that management's assessment and conclusions are correct, and that no further impairment loss should be recognised in the parent company financial statements. We consider the disclosures in the consolidated financial statements to be adequate.

SABIEN TECHNOLOGY GROUP PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABIEN TECHNOLOGY GROUP PLC
(CONTINUED)**

Key Audit Matters	How our scope addressed this matter
Going concern (Company and Group) The pre taxation loss of £0.73m (2022: £0.74m) and the limited visibility on future cash flow receipts indicate that the Company and Group may have a going concern issue in the absence of additional committed funding sources.	 Our audit work and conclusion in respect of going concern has been detailed in the Material uncertainty related to going concern section of our audit report.

Our application of materiality

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

Due to the nature of the Group, we considered gross assets to be the main focus for the users of the financial statements, accordingly this consideration influenced our judgement of materiality. Based on our professional judgement, we determined materiality for the Group to be £25,600 and for the parent company to be £17,500 based on 2% of gross assets generated by the Group and parent company respectively during the period.

On the basis of our risk assessment, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e., our tolerance for misstatement in an individual account or balance) for the Group and parent company was 50% of materiality, namely £12,800 and £8,750 respectively.

We agreed to report to the Audit Committee all audit differences in excess of £1,280 for the Group and £875 for the parent company, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Material uncertainty related to going concern

We draw attention to note 5(iii) to the consolidated financial statements, which states that the Group made a loss of £702,000 for the year ended 30 June 2023 (2022: £743,000). The directors have prepared cash flow forecasts to 30 June 2025 that show that the Group has the ability to pay its liabilities as they fall due for at least twelve months from the date of signing these financial statements. However the ability of the Group to grow its revenue and return to profitability depends upon its ability to convert its sales pipeline into contracted revenue and there can be no certainty in this respect. As stated in note 5(iii) these events or conditions, along with the other matters as set out in note 5(iii) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's 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 appropriateness of the going concern basis of preparation of the financial statements included:

- discussing their going concern assessment, including their view and perspective associated with Group's ability to continue as a going concern;
- reviewing and assessing the reliability of the forecast to ensure its accuracy and performed arithmetical checks;
- critically assessing the client's cash flow forecast to 30 June 2025 and assessing the underlying assumptions;

SABIEN TECHNOLOGY GROUP PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABIEN TECHNOLOGY GROUP PLC
(CONTINUED)**

- critically assessing the directors' assertion that the company and group can continue as a going concern by reference to post year end trading and cash flows and ability to raise further funds if required; and
- reviewing the trading performance post year end and compared it to the forecasts to assess their accuracy.

Reviewing the relevant disclosures within the annual report in line with management's assessment and considering other related aspects. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of Matter

We draw attention to note 5(v) to the consolidated financial statements which describes the uncertainty regarding the timing of the cashflows in respect of the other investments in associates totalling £281,000. The directors have prepared a detailed business plan for the development of the Regenerated Green Oil project but due to the uncertainty of factors such as funding requirements, site identification and development and the restructuring of b.grn Group Limited the overall success of the project at this early stage, and the timing of the related cash flows, cannot be measured with certainty. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

SABIEN TECHNOLOGY GROUP PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABIEN TECHNOLOGY GROUP PLC (CONTINUED)

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 Group Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 21, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at <https://www.frc.org.uk/auditors/auditor-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>

This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks

SABIEN TECHNOLOGY GROUP PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABIEN TECHNOLOGY GROUP PLC
(CONTINUED)**

of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK adopted International Accounting Standards, the rules of the Alternative Investment Market, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

Use of our report

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

Matthew Banton

**Matthew Banton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor
Chartered Accountants**

6th Floor
9 Appold Street
London
EC2A 2AP

1 November 2023

SABIEN TECHNOLOGY GROUP PLC

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

	Notes	2023 £000	2022 £000
Revenue	6	1,098	679
Cost of sales		(394)	(231)
Gross profit		704	448
Administrative expenses		(1,331)	(1,327)
Exceptional item	8	-	(9)
Operating loss	7	(627)	(888)
Other income	10	1	158
Finance cost	12	(7)	(13)
Finance income	12	3	-
Impairment loss	18	(99)	-
Share of associate loss	18	-	-
Loss before tax		(729)	(743)
Tax credit		27	-
Loss for the year attributable to equity holders of the parent company		(702)	(743)
Other comprehensive income		-	-
Total comprehensive income for the year		(702)	(743)
Loss per share in pence - basic	14	(3.59)	(5.06)
Loss per share in pence - diluted	14	(3.59)	(5.06)

The earnings per share calculation relates to both continuing and total operations.

The notes on pages 38 to 69 form part of these financial statements.

SABIEN TECHNOLOGY GROUP PLC

**CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

Company Reg No: 05568060

	Notes	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
ASSETS					
Non-current assets					
Property, plant and equipment	15	1	2	-	-
Intangible assets	16	112	152	94	97
Investments	18	382	200	382	200
Total non-current assets		495	354	476	297
Current assets					
Inventories	17	79	40	-	-
Trade and other receivables	20	202	387	53	231
Cash and cash equivalents	21	436	573	125	306
Total current assets		717	1,000	178	537
TOTAL ASSETS		1,212	1,354	654	834
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	22	500	487	63	98
Borrowings	23	39	138	3	102
Total current liabilities		539	625	66	200
Non-current liabilities					
Borrowings	23	72	109	-	-
Total non-current liabilities		72	109	-	-
Equity					
Equity attributable to equity holders of the parent					
Share capital	24	3,563	3,354	3,563	3,354
Share premium		4,021	3,543	4,021	3,543
Other reserves		(3)	1	-	10
Retained earnings		(6,980)	(6,278)	(6,996)	(6,273)
Total equity		601	620	588	634
TOTAL EQUITY AND LIABILITIES		1,212	1,354	654	834

SABIEN TECHNOLOGY GROUP PLC

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2023

As permitted by section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these financial statements. The loss dealt with in the accounts of the Parent Company is £723k (2022: £572k loss). There is no other comprehensive income in the Parent Company.

The financial statements were approved and authorised for issue by the Board on 1 November 2023 and were signed on its behalf by:



Richard Parris
Executive Chairman

The notes on pages 38 to 69 form part of these financial statements.

SABIEN TECHNOLOGY GROUP PLC

**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash flows from operating activities				
Loss after taxation	(702)	(743)	(723)	(572)
Adjustments for:				
Depreciation and amortisation	64	63	3	3
Impairment loss on investments	99	-	99	-
Loss / (gain) on foreign currency reserve	6	(9)	-	-
Corporation tax	(27)	-	-	-
Finance cost	7	13	2	3
Less movement in interest accrual	(1)	(2)	(1)	(2)
Fixed assets transferred to inventory	-	6	-	-
Equity settled current liability	-	33	-	33
Increase / (decrease) in trade and other receivables	29	(334)	24	(65)
Increase in inventories	(39)	(16)	-	-
Increase / (decrease) in trade and other payables	12	326	(38)	14
Net cash outflow from operating activities	(552)	(663)	(634)	(586)
Cash flows from investing activities				
Investments acquired	(89)	(100)	(89)	(100)
Purchase of intangible assets	(24)	(131)	-	(100)
Loan advance to associated undertaking	(37)	-	(37)	-
Research and development corporation tax refund	27	-	-	-
Net cash used in investing activities	(123)	(231)	(126)	(200)
Cash flows from financing activities				
Proceeds from borrowings	-	100	-	100
Repayment of borrowings	(36)	(36)	-	-
Interest paid	(6)	(11)	(1)	-
Proceeds from share issues	600	15	600	15
Share issue costs	(20)	-	(20)	-
Net cash generated by financing activities	538	68	579	115
Net decrease in cash and cash equivalents	(137)	(826)	(181)	(671)
Cash and cash equivalents at the beginning of the year	573	1,399	306	977
Cash and cash equivalents at the end of the year	436	573	125	306
Cash and cash equivalents comprise				
Cash and cash equivalents	436	573	125	306
	436	573	125	306

The notes on pages 38 to 69 form part of these financial statements.

SABIEN TECHNOLOGY GROUP PLC

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

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 July 2021	3,350	3,508	1	(5,535)	1,324
Changes in equity for year					
Loss for the year	-	-	-	(743)	(743)
Share issues	4	44	-	-	48
Foreign exchange variance	-	-	(9)	-	(9)
Warrant issue	-	(9)	9	-	-
Balance at 1 July 2022	3,354	3,543	1	(6,278)	620
Changes in equity for year					
Loss for the year	-	-	-	(702)	(702)
Share issues	180	420	-	-	600
Share issue costs	-	(20)	-	-	(20)
Share issue on conversion of loan	29	68	-	-	97
Foreign exchange variance	-	-	6	-	6
Warrants lapsed	-	10	(10)	-	-
At 30 June 2023	3,563	4,021	(3)	(6,980)	601

The notes on pages 38 to 69 form part of these financial statements.

SABIEN TECHNOLOGY GROUP PLC

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

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 July 2021	3,350	3,508	1	(5,701)	1,158
Changes in equity for year					
Loss for the year	-	-	-	(572)	(572)
Share issues	4	44	-	-	48
Warrant issue	-	(9)	9	-	-
Balance at 1 July 2022	3,354	3,543	10	(6,273)	634
Changes in equity for year					
Loss for the year	-	-	-	(723)	(723)
Share issues	180	420	-	-	600
Share issue costs	-	(20)	-	-	(20)
Share issue on conversion of loan	29	68	-	-	97
Warrants lapsed	-	10	(10)	-	-
At 30 June 2023	3,563	4,021	-	(6,996)	588

The notes on pages 38 to 69 form part of these financial statements.

SABIEN TECHNOLOGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Reporting entity

The Company is a public limited company incorporated in England and Wales under the Companies Act 2006 whose shares are publicly traded on the AIM market of the London Stock Exchange plc. The address of the registered office is given on page 1.

The nature of the Group's operations and principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Introduction

The following significant principal accounting policies have been used consistently in the preparation of the consolidated financial information. The consolidated information comprises the Company and its subsidiaries (together referred to as "the Group").

2.2 Basis of preparation

The financial statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. They were approved for issue by the Company's board of directors on 1 November 2023.

The Directors expect to apply these accounting policies, which are consistent with UK adopted International Accounting Standards, in the Group's Annual Report and Financial Statements for all future reporting periods.

The consolidated financial statements have been prepared on the historical cost basis and are presented in £'000 unless otherwise stated.

The principal accounting policies adopted are set out in this note and, unless otherwise stated, have been applied consistently to all periods presented in the financial statements.

The going concern accounting policy has been included within note 5(iii).

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Except as noted below, the financial information of subsidiaries is included in the consolidated financial statements using the acquisition method of accounting. On the date of acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Accounting for the Company's acquisition of the controlling interest in Sabien Technology Limited: The Company's controlling interest in its directly held subsidiary, Sabien Technology Limited, was acquired through a transaction under common control, as defined in IFRS 3 Business Combinations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

The Directors note that transactions under common control are outside the scope of IFRS 3 and that there is no guidance elsewhere in IFRS covering such transactions.

IFRS contain specific guidance to be followed where a transaction falls outside the scope of IFRS. This guidance is included at paragraphs 10 to 12 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. This requires, inter alia, that where IFRS does not include guidance for a particular issue, the Directors may also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards. In this regard, it is noted that the UK standard FRS 6 Acquisitions and Mergers which was in place at the time of the transaction addresses the question of business combinations under common control.

In contrast to IFRS 3, FRS 6 sets out accounting guidance for transactions under common control which, as with IFRS 3, are outside the scope of that accounting standard. The guidance contained in FRS 6 indicates that merger accounting may be used when accounting for transactions under common control.

Having considered the requirements of IAS 8, and the guidance included in FRS 6, it is considered appropriate to use a form of accounting which is similar to pooling of interest when dealing with the transaction in which the Company acquired its controlling interest in Sabien Technology Limited.

In consequence, the consolidated financial statements for Sabien Technology Group Plc report the result of operations for the year as though the acquisition of its controlling interest through a transaction under common control had occurred at 1 October 2005. The effect of intercompany transactions has been eliminated in determining the results of operations for the year prior to acquisition of the controlling interest, meaning that those results are on substantially the same basis as the results of operations for the year after the acquisition of the controlling interest.

Similarly, the Consolidated Statement of Financial Position and other financial information have been presented as though the assets and liabilities of the combining entities had been transferred at 1 October 2005.

Whilst FRS 6 is no longer effective similar requirements are set out in Section 19 of the current UK Financial Reporting Standard, FRS 102, in respect of such transactions.

The Group did take advantage of section 131 of the Companies Act 1985 and debited the difference arising on the merger with Sabien Technology Limited to a merger reserve. When consolidated retained earnings are available, any debit reserves are offset against these retained earnings. As there were consolidated retained earnings available in the year ended 30 June 2012, the merger reserve was offset against those retained earnings.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Assets are written off on a straight-line basis over their estimated useful life commencing when the asset is brought into use. The useful lives of the assets held by the Group are considered to be as follows:

Office equipment, fixtures and fittings 3-4 years

2.5 Intangible assets

Intellectual property, which is controlled through custody of legal rights and could be sold separately from the rest of the business, is capitalised where fair values can be reliably measured.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

Intellectual property is amortised on a straight line basis evenly over its expected useful life of 20 years.

Impairment tests on the carrying value of intangible assets are undertaken:

- At the end of the first full financial year following acquisition; and
- In other periods if events or changes in circumstances indicate that the carrying value may not be fully recoverable.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the fair value, less costs to sell, and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only in so far that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in income immediately.

2.6 Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment in value other than derivatives which are held at fair value through profit and loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.7 Investments in associates

Associates are entities over which the group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted associate equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted associates is tested for impairment in accordance with the policy described in note 19.

2.8 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2.9 Deferred consideration

Deferred consideration is discounted from the anticipated settlement date at the Group's weighted average cost of capital.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.10 Revenue recognition**

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from sale of goods is recognised when signed agreements are exchanged between the two parties for the manufacture and/or delivery of goods. Where the Group is responsible for the project management of the installations, revenue is normally recognised upon installation at the customer site, however there are occasions when the sale of the product and the installation are invoiced and recognised separately when each element is complete. Where goods are delivered to overseas distributors, revenue is recognised at the time of shipment from the Company's warehouse.

Revenue from services generally arises from (1) pilot projects for customers and is recognised once the pilot has been completed and the results notified to the customer. Pilot projects generally have a duration of between 1 and 3 months; and (2) Cloud Service revenue which is recognised evenly over the period of the contract.

Revenue from operating lease services rendered to customers is recognised on a straight-line basis.

Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

2.11 Leases (Group as lessee)

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Group recognised a right of use asset and a lease liability on the balance sheet. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right of use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at the date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from purchase and extension options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.11 Leases (Group as lessee) (continued)**

The Group has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payment in relation these are recognised as an expense in profit or loss on a straight-line basis over the lease term, applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss on the straight-line basis over the lease term.

2.12 Operating leases (Group as lessor)

Assets leased to customers under are included in property, plant and equipment and are depreciated over their lease term down to their anticipated realisable value on a straight-line basis. Anticipated realisable values are regularly reassessed and the impact upon the depreciation charge is adjusted prospectively.

2.13 Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Profit and losses of overseas subsidiary undertakings are translated into sterling at average rates for the year. The statements of financial position of overseas subsidiary undertakings are translated at the rate ruling at the statement of financial position date. Differences arising from the translation of Group investments in overseas subsidiary undertakings are recognised as a separate component of equity.

Net exchange differences classified as equity are separately tracked and the cumulative amount disclosed as a translation reserve.

The principal place of business of the Group is the United Kingdom with sterling being the functional currency.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.15 Adoption of new and revised standards

The following IFRSs or IFRIC interpretations are effective for the first time for the financial year beginning 1 July 2022 but would not be expected to have a material impact on the Group:

Reference to the Conceptual Framework (Amendments to IFRS 3)
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
Climate-related Financial Disclosures
Financial Reporting Council Updated Narrative Reporting Guidance.

2.16 New and revised standards not yet effective

The following IFRSs or IFRIC interpretations have been issued but has not been applied by the Group in preparing these financial statements as it is not as yet effective for the financial year beginning 1 July 2022 but would not be expected to have a material impact on the Group. This standards are not expected to have a material impact on the Group in the current or future periods and on foreseeable future transactions.

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
Definition of an accounting estimate (Amendments to IAS 8)
Disclosure of accounting policies (Amendments to IAS 1)
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

2.17 Taxation

The charge for current tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the year end date.

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

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

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.18 Share based payments**

The Group has applied the requirements of IFRS2 Share-based Payments. The Group issues options to certain employees. These options are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural conditions.

2.19 Inventories

Inventories are valued at the lower of average cost and net realisable value.

2.20 Financial instruments*Financial Assets:*

The Group classifies its financial assets as financial assets at amortised cost, financial assets at fair value through profit and loss and cash. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Financial assets at fair value through profit and loss are derivative financial assets with fixed or determinable payments that are not quoted on an active market but are contingent on completion of certain financial milestones before the contract becomes payable. They are classified as non-current assets.

Trade receivables are classified as financial assets at amortised cost and are recognised at fair value less provision for impairment. Trade receivables, with standard payment terms of between 30 to 65 days, are recognised and carried at the lower of their original invoiced and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost.

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is re-measured annually with changes appearing in profit or loss. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases, the loss allowance is measured based on 12-month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

Short term financial assets are measured at transaction price, less any impairment. Loans receivable are measured at transaction price net of transaction costs and measured subsequently at amortised cost using the effective interest method, less any impairment.

The Group's financial assets are disclosed in notes 20, 21, and 26. Impairment testing of trade receivables is described in note 20.

Financial Liabilities:

The Group classifies its financial liabilities as trade payables and other short term monetary liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Accounting policies (continued)**2.20 Financial instruments (continued)**

Trade payables and other short term monetary liabilities are recorded initially at their fair value and subsequently at amortised cost. They are classified as non-current when the payment falls due greater than 12 months after the year end date and are described in note 22.

2.21 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.22 Share premium reserve

The share premium reserve comprises the value received from equity fund raising in excess of share nominal value. At year end the share premium balance was £4.02m (2022: £3.54m).

2.23 Share based payment reserve

The share based payment reserve comprises the fair value of outstanding fair value of share based payments calculated as described in note 27. At year end the share based payment reserve balance was £nil (2022 £10k).

2.24 Foreign exchange reserve

The foreign exchange reserve comprises the net accumulated variance on the translation of foreign currency subsidiaries upon consolidation. At year end the foreign exchange reserve balance was £(3k) (2022: £(9k)).

3. Functional and presentation currency

These consolidated financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Financial risk management**Financial Risk Factors**

The Group's activities expose it to a variety of financial risks arising from its use of financial instruments: credit risk, liquidity risk and market risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements. So far, there have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments used by the Group, from which the financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents;
- trade and other payables; and
- borrowings.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

4. Financial risk management (continued)

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board reviews regular finance reports from the Finance Director through which it evaluates any risk exposures with a view to minimising any potential adverse effects on the Group's financial performance. So far, the Group has not used derivative financial instruments to hedge risk exposures as its activities and operations exposure to such risks are not deemed significant. Transactions that are speculative in nature are expressly forbidden.

Details regarding the policies that address financial risk are set out below:

(i) Credit Risk

Credit risk arises principally from the Group's trade receivables and cash and cash equivalents. It is the risk that the counterparty fails to discharge its obligation in respect of the instruments.

Trade Receivables

The nature of the Group's operations means that all of its current key customers are established businesses and organisations in both the public and private sector. The credit risks are minimised due to the nature of these customers and the concentration of sales to date within established economies. The Group will continually review its credit risk policy, taking particular account of future exposure to developing markets and associated changes in the credit risk profile.

The carrying amount in the Consolidated Statement of Financial Position, net of any applicable provisions for loss, represents the amount exposed to credit risk and hence there is no difference between the carrying amount and the maximum credit risk exposure.

(ii) Liquidity Risk

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

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due and have the availability of such funds for its operations. Management monitors rolling forecasts of the Group's liquidity reserve which comprises cash and cash equivalents on the basis of expected cash flow. At the year end date, these projections indicate that the Group expects to have sufficient liquid resources to meet its obligations under all reasonable expected circumstances for the forthcoming year. The Group continues to monitor its liquidity position through budgetary procedures and cash flow analysis.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the year end date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due in less than 1 year equal their carrying balances as the impact of discounting is not significant.

SABIEN TECHNOLOGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. Financial risk management (continued)

	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
At 30 June 2023				
Trade and other payables	500	-	-	-
Borrowings	39	36	36	-
At 30 June 2022				
Trade and other payables	487	-	-	-
Borrowings	138	36	36	-

(iii) Market Risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. There is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

- Interest Rate Risk

The Group invests its surplus cash in a spread of fixed rate short term bank deposits to minimise risk and maximise flexibility. In doing so it limits its exposure to fluctuations in interest rates that are inherent in such a market. Overall risk is not regarded as significant and the effect of a one percentage point increase in the average interest rate during the year would have resulted in an increase in loss after tax for the year of £1k (2022: £1k).

- Currency Risk

The Group operates internationally through its distributorship arrangements in Europe and the US and is exposed to currency risk arising from the Euro and the US dollar. Currency risk arises from future commercial transactions and recognised assets and liabilities. Given the current scale of the Group's overseas operations, overall currency risk is considered to be low.

An increase of one percentage point in the average 2023 Euro and US dollar exchange rates would have increased the Group's loss after tax by less than £1k (2022: £1k).

- Other Price Risk

The Group holds some strategic equity investments in other companies where those complement the Group's operations. The directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances. The effect of a 10% increase in the value of the equity investments held at the reporting date would, all other variables held constant, have resulted in an increase in the fair value through other comprehensive income reserve and net assets of £10k (2022: £10k). A 10% decrease in their value would, on the same basis, have decreased the fair value through other comprehensive income reserve and net assets by the same amount.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

4. Financial risk management (continued)

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide future returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group seeks to maintain, at this stage of its development, sufficient funding drawn primarily from equity to enable the Group to meet its working and strategic needs. The Group may issue new shares or realise value from its existing investments and other assets as may be deemed necessary.

The Group centrally manages borrowings, investment of surplus funds and financial risks. The objective of holding financial investments is to provide efficient cash and tax management and effective funding for the Group.

Fair value estimation

Holding trade receivables and payables at book value less impairment provision is considered to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

5. Critical accounting estimates and judgements

Key sources of Estimation Uncertainty and Significant Judgements

The preparation of the consolidated and Company financial statements requires the Group and Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

In the process of applying the Group's and Company's accounting policies, management has made a number of judgements and estimations, of which the following are considered to have the most significant effect on amounts recognised in the financial statements:

(i) Revenue Recognition

No significant criteria are required by the Group in regard to revenue recognition that are not covered by the accounting policy.

(ii) Share-based Payments

The calculation of the estimated fair value of share options and warrants granted can only reasonably be assessed once such options and warrants are exercised. To date, none of the outstanding options or warrants have been exercised and the Group is therefore reliant upon the calculations as explained in the accounting policy and note 27 to the financial statements in arriving at an estimated fair value in line with the requirements of IFRS2.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

5. Critical accounting estimates and judgements (continued)

(iii) Going Concern

The key financial performance indicators for the Group in relation to going concern are revenue from its M2G energy saving devices; net loss after taxation and net cashflow. During the year, whilst turnover increased to £1.10m from £0.68m in 2022 the net loss after taxation was £0.70m (2022: £0.74m), and net cash and cash equivalents decreased by £0.14m (2022: £0.83m).

The directors have prepared cash flow forecasts to 30 June 2025 based on the conversion of sales pipeline to contracted sales revenue and the expectation of repeat orders from existing customers.

Historically the Group's conversion of sales pipeline has been uncertain with long lead times. The directors are confident that the sales pipeline will be converted into sales revenue in accordance with the cash flow forecasts and that the cash flow forecasts confirm that the Group will have sufficient working capital to settle its liabilities as they fall due for a period of not less than twelve months from the date of the approval of these consolidated financial statements. Consequently, the consolidated financial statements have been prepared on a going concern basis. However the uncertainty of the timing and conversion of the sales pipeline casts significant doubt on the ability of the Company and Group to continue as a going concern.

(iv) Impairment of investments in subsidiaries

As detailed in note 18 based on their best estimate of likely future developments within the business, the directors consider that the impairment provision against the carrying value of investments in subsidiaries in the Company's Statement of Financial Position as at the year end date remains valid and reasonable. At the year end date, the carrying value of investments in subsidiaries in the Company's Statement of Financial Position was £nil (2022: £nil).

(v) Impairment of other investments

As detailed in note 18, the directors consider that an impairment provision of £99k was required against the cost of £100k in relation to the Group's investment in Proton Technologies Canada Inc. On 29 September 2023 Sabien received notification that a proposal from a third party to inject new capital, restructure its balance sheet, and reform its management team (the "Proposal") had been successful. Pending further information from the new management team, the Board of Sabien has concluded that an impairment provision of £99k is required at 30 June 2023 to reflect the dilution and notional value ascribed by the Proposal.

For Aeristech Limited the impairment review was carried out based on publically available financial information. The information showed Aeristech had continued to raise funds at a price in excess of the Group's investment value and no impairment was required.

SABIEN TECHNOLOGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5. Critical accounting estimates and judgements (continued)

(vi) Impairment of Other Investment in associates

As detailed in note 18, the directors have reviewed the Other investments in associates regarding b.grn and concluded no impairment was needed due to the progress made on the project to date, as follows:

1. Due diligence is ongoing with US investment banks and trade partners;
2. Memorandum of understanding ("MOU") signed with a UK waste management business in relation to a processing site. This partner could also operate the site and provide plastic feedstock;
3. MOU signed with UK water utility company to provide plastic feedstock and to build a plant;
4. Existing site option in Canada with Proton Technologies Canada Inc;
5. Development of US team targeting a plastic to oil project in Arizona; and
6. MOU signed with City Oil Field Inc. ("COF") to bring in COF as a shareholder to b.grn and provide b.grn with manufacturing rights and catalyst purchase rights for the plastic to oil technology.

The project remains pre-revenue and management continue to monitor progress against development milestones. The carrying value of the investments is currently supported by future cashflow projections but will be reassessed as progress is made against the development milestones.

(vii) Impairment of Intellectual Property

As a result of a review by the directors of the unit sales likely to arise over the next year, no change in the value of Intellectual Property has been considered to be necessary and consequently no provision has been made for impairment.

(viii) Deferred Tax Asset

Management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. In 2015, the directors decided that it would be prudent not to recognise any deferred tax asset in the financial statements until recurring profitability is attained.

The Group and Company was loss making in the prior and current financial years and thus a deferred tax asset has not been recognised in the financial statements for the year under review.

The tax losses available to offset against future taxable profits, are estimated at £7.93m (2022: £7.39m).

6. Segmental reporting

Based on risks and returns, the Directors consider that the primary reporting business format is by business segment which is currently just the supply of energy efficiency products as these form the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance. Therefore, the disclosures for the primary segment have already been given in these financial statements. The secondary reporting format is by geographical analysis by destination. Non- UK revenues amounted to 6% of the total and are analysed as follows:

Geographical information	2023 Sales revenue £000	2023 % of total revenues	2022 Sales revenue £000	2022 % of total revenues
UK	1,028	94	619	91
Other	70	6	60	9
Total	1,098	100	679	100

SABIEN TECHNOLOGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6. Segmental reporting (continued)

At year end the Group held non-current assets in the following countries:

	2023 £000	2022 £000
UK	400	157
Canada	95	197
	495	354

During the year, sales to the Group's largest customers were as follows:

	Sales revenue £000	% of total revenues
Customer 1	304	27
Customer 2	240	22
Customer 3	162	15

No other single customer registered more than 10% of the sales revenue for the year.

7. Operating loss

The operating loss is stated after charging/(crediting):

	2023 £000	2022 £000
Depreciation of property, plant and equipment	1	1
Amortisation of other intangible assets (included in administrative expenses)	63	62
Cost of inventories recognised as an expense	142	100

SABIEN TECHNOLOGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8. Exceptional item

	2023 £000	2022 £000
Legal and professional fees	-	9
	-	9

Exceptional legal and professional fees in the prior year comprised costs incurred in respect of the PHD acquisition and reverse takeover project which was subsequently aborted and also costs in respect of the readmission to AIM.

9. Auditors' remuneration

	2023 £000	2022 £000
Fees payable to the Company's auditors for:		
- the audit of the Company's annual accounts	20	15
Fees payable to the Company's auditors for other services to the Group:		
- the audit of the Company's subsidiary	35	25
Total audit fees	55	40
Fees payable to the Company's auditors for:		
- other services	-	5
Total other fees	-	5

10. Other income

	2023 £000	2022 £000
Management fee and cost recharge to associate	-	150
Furlough grants	-	8
Cost recharges	1	-
	1	158

11. Staff costs

	2023 £000	2022 £000
Wages and salaries	694	650
Social security costs	57	57
Defined contribution pension costs	8	8
	759	715

SABIEN TECHNOLOGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

11. Staff costs (continued)

The average monthly number of employees, including directors during the year was as follows:

	2023 Nos.	2022 Nos.
Directors	4	4
Administration	7	7
	11	11

The remuneration of key management personnel is detailed in note 28 and in the Remuneration Report.

12. Finance cost and income

	2023 £000	2022 £000
Bank interest payable	7	13
	7	13
Bank interest receivable	3	-
	3	-

SABIEN TECHNOLOGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13. Corporation tax

	2023 £000	2022 £000
Current tax	(27)	-
Total tax for the year	(27)	-
Loss before tax	(729)	(743)
Tax on loss on ordinary activities at standard UK corporation tax rate of 25% (2022: 19%)	(182)	(141)
Expenses not deductible for tax purposes	42	19
Depreciation in excess of capital allowances	-	5
Utilised tax losses	(14)	-
Tax losses carried forward	145	108
Foreign losses of subsidiary	9	9
R&D claim relating to prior period	(27)	-
Current tax	(27)	-

Deferred tax:

As detailed in note 5(v), in 2015 the Group reviewed the carrying value of the deferred tax asset recognised in previous years and derecognised the total asset in view of the uncertainty as to the timing of a return to recurring profitability.

The aggregate amount of deductible temporary differences, parent company unused tax losses and unused tax credits for which no deferred tax asset is recognised in the Consolidated Statement of Financial Position is estimated at £7.93m (2022: £7.39m) which at the substantively enacted tax rate would equate to £1.98m (2022: £1.85m).

Changes to the future expected UK corporation tax rates were enacted as part of The Finance (No. 2) Act 2021, which received Royal Assent on 10 June 2021, in which the Government announced that the corporation tax main rate will remain at 19% for the years starting 1 April 2021 and 2022 before increasing to 25% for the year starting 1 April 2023 and thereafter.

14. Earnings per share

The calculation of earnings per share is based on the loss for the year attributable to equity holders of £702k (2022: £743k loss) and a weighted average number of shares in issue during the period of 20,651,081 (2022: 14,675,358). At the year end, options over 117 shares (2022: 117) and warrants over nil (2022: 1,675,349) shares were in issue.

SABIEN TECHNOLOGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. Property plant and equipment

	2023 £000	2022 £000
Cost		
At 1 July 2022/2021	5	37
Transfer to inventories	-	(6)
Reclassification to intangible assets	-	(26)
At 30 June 2023/2022	5	5
Depreciation		
At 1 July 2022/2021	3	2
Charge for the year	1	1
At 30 June 2023/2022	4	3
Net book value at 30 June 2023	1	-
Net book value at 30 June 2022	2	2

The Company held no property, plant and equipment at 30 June 2023 and 2022.

All property, plant and equipment was held in the UK at 30 June 2023 and 2022.

SABIEN TECHNOLOGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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16. Intangible assets

Group	Intellectual property £000	Licences £000	Total £000
Cost			
At 1 July 2021	943	-	943
Additions	31	100	131
Reclassification from fixed assets	26	-	26
At 30 June 2022	1,000	100	1,100
Additions	23	-	23
At 30 June 2023	1,023	100	1,123
Amortisation			
At 1 July 2021	886	-	886
Charge for year	59	3	62
At 30 June 2022	945	3	948
Charge for year	60	3	63
At 30 June 2023	1,005	6	1,011
Net book value			
At 30 June 2023	18	94	112
At 30 June 2022	55	97	152
Company		Licences £000	
Cost			
At 30 June 2022 and 30 June 2023			100
Amortisation			
At 1 July 2021			-
Charge for year			3
At 30 June 2022			3
Charge for year			3
At 30 June 2023			6
Net book value			
At 30 June 2023			94
At 30 June 2022			97

SABIEN TECHNOLOGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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16. Intangible assets (continued)

Intellectual Property represents the rights to the M2G product acquired from the inventors and upgrades made during the year in relation to the M2G Cloud and M2G Evo products. An impairment review performed in accordance with IAS 36 'Impairment of Assets' as detailed in note 18 determined that no impairment was necessary at 30 June 2023. The remaining amortisation period for the original Intellectual Property is one year.

Licences comprises the 20t per day hydrogen producing licence acquired from Proton Technologies Canada Inc and option to construct a COF processing facility at Proton Canada Inc.'s facility in Saskatchewan, Canada. The hydrogen processing licence had a 15.5 year life remaining at year end and the option to construct a COF facility has an indefinite economic life because there is no expiry date to the agreement. An impairment review performed in accordance with IAS 36 'Impairment of Assets' as detailed in note 18 determined that no impairment was necessary at 30 June 2023. The hydrogen licence of £50,000 is amortised over the remaining 15.5 years, the COF facility option of £50,000 is not amortised.

17. Inventories

Group	2023 £000	2022 £000
Finished goods and goods for resale	79	40
	79	40

The Company held no inventories at 30 June 2023 and 2022.

SABIEN TECHNOLOGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18. Investments

Group	Other investments £000	Other investments in associates £000	Total £000
Cost			
At 1 July 2021	100	-	100
Additions	100	-	100
At 30 June 2022	200	-	200
Reclassification from current assets	-	192	192
Additions	-	89	89
At 30 June 2023	200	281	481
Impairment provision			
At 1 July 2021 and 2022	-	-	-
Impairment in year	99	-	99
At 30 June 2023	99	-	99
Net book value			
At 30 June 2023	101	281	382
At 30 June 2022	200	-	200

Company	Investments in subsidiaries £000	Other investments £000	Other investments in associates £000	Total £000
Cost				
At 1 July 2021	6,457	100	-	6,557
Additions	-	100	-	100
At 30 June 2022	6,457	200	-	6,657
Reclassification from current assets	-	-	192	192
Additions	-	-	89	89
At 30 June 2023	6,457	200	281	6,938
Impairment provision				
At 1 July 2021 and 2022	6,457	-	-	6,457
Impairment in year	-	99	-	99
At 30 June 2023	6,457	99	-	6,556
Net book value				
At 30 June 2023	-	101	281	382
At 30 June 2022	-	200	-	200

SABIEN TECHNOLOGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18. Investments (continued)

Name of Company Subsidiary undertakings	Country of Incorporation	Class of Share	Nature of business	Proportion of voting rights
Sabien Technology Limited	England & Wales	Ordinary	Managing carbon through energy reduction	100%
Sabien Technology IP Limited	Northern Ireland	Ordinary	Ownership of Intellectual Property	100%
Sabien Inc.	USA	Common Stock	Managing carbon through energy reduction	100%
Other Investments				
Aeristech Limited	England and Wales	Ordinary	Manufacture of power-dense compressors used within hydrogen fuel cells	0.3%
Proton Technologies Canada Inc.	Canada	A Ordinary	Manufacture Zero Carbon Hydrogen from oil fields	<0.1%
Other investments in associates				
b.grn Group Limited	England and Wales	Other investment (refer Note 19 for equity investment)	Manufacture high quality fuel oil from waste plastic at low temperature	n/a (refer note 19 for equity investment)

Subsidiary undertakings

The registered office of Sabien Technology Limited is 71-75 Shelton Street, London, WC2H 9JQ.

The registered office of Sabien Technology IP Limited is C/O Carson McDowell, Murray House, Murray Street, Belfast, BT1 6DN.

The registered office of Sabien Inc is 1209 Orange Street, Wilmington, New Castle, Delaware 19801, USA.

In March 2021 the Company incorporated Sabien Inc. as a wholly owned US subsidiary in the State of Delaware.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18. Investments (continued)**Other investments**

In February 2021 the Company acquired 0.3% of the issued share capital of Aeristech Limited for a consideration of £100k. As part of the investment, Aeristech has issued the Company with 10,417 warrants with a two-year term, each warrant carrying the right to subscribe for one share in Aeristech at the issue price of £2.40.

In October 2021 the Company acquired <0.1% of the issued share capital of Proton Technologies Canada Inc. for a consideration of £100k.

Other investments in associates

The Company is a 33% shareholder in b.grn Group Ltd ("b.grn") (see note 19). Related to the investment in b.grn are other investments with b.grn. Included within the Other investments in associates are a £155k (2022: £180k including VAT) management fee debtor; a £37k (2022: nil) loan repayable on demand; and a £89k (2022: £nil) Fixed Profit Share receivable. The Fixed Profit Share receivable will pay the Company £15k per annum for 10 years starting with the commissioning of the first plastic to oil Regenerated Green Oil plant.

The Board considers that the Fixed Profit Share will start to be repaid from the year end 30 June 2025 onwards.

Impairment review**Investment in subsidiaries**

The Company performs an annual impairment review in accordance with IAS 36 'Impairment of Assets'. In accordance with IAS 36, the recoverable amount is calculated being the higher of value in use and fair value less costs to sell.

The value in use is determined using cash flow projections covering a ten year period which have been approved by the Board where sufficient information is available. They reflect the directors' expectations of the level and timing of revenue and expenses, working capital and operating cash flows based on past experience and future expectations of business performance. For the entities where the Group holds a minority interest, impairment assessments are made using available information.

The pre-tax discount rate of 9.6% (2022: 9.6%) applied to the cash flow projections is derived from the Group's weighted average cost of capital. An average growth rate of 8% (2022: 8%) has been applied over the five years of the cash flow forecast.

Other investments

For Proton Technologies Canada Inc. the impairment review was carried out based on available financial information provided to shareholders. On 29 September 2023 Sabien received notification that a proposal from a third party to inject new capital, restructure its balance sheet, and reform its management team (the "Proposal") had been successful. Pending further information from the new management team, the Board of Sabien has concluded that an impairment provision of £99k is required at 30 June 2023 to reflect the dilution and notional value ascribed by the Proposal.

For Aeristech Limited the impairment review was carried out based on publically available financial information. The information showed Aeristech had continued to raise funds at a price in excess of the Group's investment value and no impairment was considered necessary.

Other investments in associates

The Board reviewed the Other investments into associates regarding b.grn and concluded no impairment was needed due to the progress made on the project to date, as follows:

1. Due diligence is ongoing with US investment banks and trade partners.
2. Memorandum of understanding ("MOU") signed with a UK waste management business in relation to

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18. Investments (continued)

- a processing site. This partner could also operate the site and provide plastic feedstock.
3. MOU signed with UK water utility company to provide plastic feedstock and to build a plant.
 4. Existing site option in Canada with Proton Technologies Canada Inc.
 5. Development of US team targeting a plastic to oil project in Arizona.
 6. MOU signed with City Oil Field Inc. ("COF") to bring in COF as a shareholder to b.grn and provide b.grn with manufacturing rights and catalyst purchase rights for the plastic to oil technology.

The project remains pre-revenue and management continue to monitor progress against development milestones. The carrying value of the investments is currently supported by future cashflow projections but will be reassessed as progress is made against the development milestones.

Management acknowledge that significant judgement is exercised in respect of their assessment of the future recoverability of the balances due to the early stage nature of the project.

19. Investments in Associates

Name of company	Country of incorporation	Class of share	Nature of business	Proportion of voting rights
b.grn Group Ltd	England & Wales	Ordinary	Manufacture high quality fuel oil from waste plastic at low temperature	33%

In December 2021 the Company incorporated b.grn Group Ltd in conjunction with Parris Group Ltd (an entity controlled by the Executive Chairman). The Company's investment to date is less than £1k.

The registered office of b.grn Group Ltd is: Office 4, 219 Kensington High Street, London, W8 6BD.

20. Trade and other receivables

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Current				
Trade receivables	51	62	-	-
Other receivables	151	145	39	28
Amounts due from associate undertakings	-	180	-	180
Amounts due from group undertakings	-	-	13	23
	202	387	52	231

The value of trade receivables quoted in the table above also represents the fair value of these items and are due within one year.

Amounts due from group undertakings includes £13k (2022: £23k) which is covered by a £250k loan facility (2022: £250k) advanced to Sabien Technology Limited. The loan facility is secured by way of a debenture over the assets of Sabien Technology Limited. The loan facility is interest free and repayable on demand.

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20. Trade and other receivables (continued)

£130k has been advanced to Sabien Inc. (2022: £99k) at the year end. The balance is interest free, unsecured and repayable on demand but has been impaired in full as at 30 June 2023. Sabien Inc. currently supports the activities of other Group entities and is not yet revenue generating in its own right.

Amounts due from associate undertakings of £192k (2022: £nil) were transferred to Other investments in associates during the year (see note 18).

Trade receivables are considered impaired if they are not considered recoverable. As at 30 June 2023, the Group had no receivables which were considered to be impaired and against which a full provision has been made. Trade receivables of £nil (2022: £10k) were past due but not impaired.

The ageing analysis of these trade receivables is as follows:

	2023 £000	2022 £000
Up to 3 months	-	10
3 to 6 months	-	-
More than 6 months	-	-
	-	10

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2023 £000	2022 £000
Pounds sterling	202	200
Euros	-	7
	202	207

21. Cash and cash equivalents

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash and cash equivalents	436	573	125	306

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22. Trade and other payables

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade payables	44	37	9	28
Social security and other taxation	20	82	-	10
Accruals and deferred revenue	400	351	48	50
Other payables	36	17	6	10
	500	487	63	98

Sabien Technology Limited is party to an invoice financing agreement. The amounts outstanding under this agreement are secured by way of a debenture over the assets of the Company, attract interest at a variable rate and are repayable on demand. The balance outstanding on the invoice financing agreement is £nil (2022: £nil).

23. Borrowings

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Borrowings	111	247	3	102
	111	247	3	102

The Group drew down a Coronavirus Business Interruption Loan in June 2020. The loan is at 5% per annum for the remaining four years. The balance of £108k (2022: £145k) is unsecured and is repayable in monthly instalments until June 2026.

In August 2022, the Group converted to equity £99k of a loan owed to Parris Group Ltd, a company controlled by the Executive Chairman, Richard Parris. The loan is unsecured, repayable on demand and accrues interest at 6% per annum. At year end the loan balance was £3k (2022: £102k).

The maturity profile of the loans are shown below:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Within 1 year	39	138	3	102
1-2 years	36	36	-	-
2-5 years	36	73	-	-
Over 5 years	-	-	-	-
	111	247	3	102

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24. Share capital

	2023 Nos.	2023 £000	2022 Nos.	2022 £000
Shares issued and fully paid				
Ordinary 3p shares of £0.03 each	21,695,168	651	14,720,168	442
Deferred shares of £0.045 each	44,004,867	1,980	44,004,867	1,980
New Deferred shares of £0.0049 each	190,254,867	932	190,254,867	932
	255,954,902	3,563	248,979,902	3,354
Ordinary 3p shares authorised	33,227,399	997	25,554,899	767

On 3 August 2022, the Company announced a placing of 5,000,000 ordinary shares at a price of 10p per share, a total of £500,000 (gross). In addition, Richard Parris agreed to convert £97,500 of his shareholder loan into 975,000 ordinary shares at the same price and an oversubscribed broker option of 1,000,000 ordinary shares at the same price raised £100,000 (gross).

The holders of Ordinary 3p shares have the right to receive notice of, attend and vote at any general meeting of the Company, and also have full rights to any dividend or other distribution in proportion to their shareholding.

The holders of Deferred shares of £0.045 and New Deferred shares of £0.0049 have no right to receive notice of, nor attend and vote at any general meeting of the Company, nor have rights to any dividend or other distribution.

25. Share options and warrants (see note 27)

At the year end date, the following options had been granted:

Date of Grant	At 1 July 2022	At 30 June 2023	Exercise Price	Exercisable from	Exercisable to
31 October 2014	117	117	£163.5	October 2017	October 2024
Total	117	117			

At the year end date, there were no warrants outstanding.

In February 2023, 1,675,349 outstanding warrants expired.

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26. Financial instruments

Financial assets

	Assets at amortised cost (loans and receivables) Group £000	Total Group £000	Assets at amortised cost (loans and receivables) Company £000	Total Company £000
Trade and other receivables (excluding prepayments)	202	202	52	52
	202	202	52	52

Group and Company trade and other receivables relate to the associated undertaking: b.grn Group Limited.

Financial liabilities

	Assets at amortised cost (loans and payables) Group £000	Total Group £000	Assets at amortised cost (loans and payables) Company £000	Total Company £000
Trade and other payables	500	500	63	63
Borrowings	111	111	-	-
	611	611	63	63

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27. Share based payments

The Company has issued share options under a share option scheme for directors and employees set up in November 2006 under which approved and unapproved share options were granted prior to the flotation of the Company in December 2006.

Under this scheme, directors and employees hold options to subscribe for Ordinary shares in Sabien Technology Group Plc at prices based on the mid-market price on the day preceding the relevant share option grant. See note 25 for details of options in issue at the year end date. There are no performance conditions attached to these options. No options were granted in the financial year.

The value of the options is measured using the QCA-IRS Option Valuer based on the Black Scholes model. The inputs into the Black Scholes model were as follows:

	Weighted average exercise price 2023	Number of instruments 2023	<i>Weighted average exercise price 2022</i>	<i>Number of instruments 2022</i>
Outstanding at 1 July	67	280,117	54p	35,000
Granted during the period	-	-	60p	280,000
Share consolidation 300:1 in March 2021		-		(34,883)
Expired during the period		(280,000)		-
Outstanding at 30 June	54p	117	67p	280,117
Exercisable at 30 June	54p	117	67p	280,117
Weighted average remaining contractual life		1.34 years		<i>0.58 years</i>
Weighted average volatility		30%		<i>73%</i>
Weighted average risk free interest rate		4.75%		<i>0.11%</i>

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28. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, controlling and directing the activities of the Group. In the opinion of the Board, the Group's key management personnel are the Directors of Sabien Technology Group Plc. Information regarding their remuneration is given in the Remuneration Report.

The Company has entered into service agreements with Richard Parris, Charles Goodfellow and Randal McGregor-Smith with entities either controlled by them or in which they have an interest as shareholders. Edward Sutcliffe is employed directly by one of the Group companies. Fees are paid in accordance with those agreements. The remuneration of key management is analysed in the Remuneration Report.

	2023 £000	2022 £000
The aggregate remuneration comprises:		
Salaries	54	42
Defined contribution pension scheme	1	1
Fees	150	162
	205	205

The remuneration of the highest paid director during the year was £75k (2022: £75k). The remuneration of individual Directors is disclosed in the Remuneration Report.

Charles Goodfellow is employed by the Group's broker, Peterhouse Capital Limited. Fees paid to Peterhouse Capital Limited are proposed to the Board and approved by the Board as a whole. Fees paid to Peterhouse Capital Limited in the year were £25k (2022: £25k) and at the year end the amount due to Peterhouse Capital Limited were £nil (2022: £nil).

During the year, the Company charged its subsidiary, Sabien Technology Limited, £50k (2022: £50k) by way of management charges. The Company was also charged by Sabien Technology Limited £62k (2022: £48k) in relation to staff costs. Sabien Technology Limited repaid £10k (2022: £77k) during the year in respect of working capital loans and at the year end the amount outstanding was £13k (2022: £23k).

During the year the Company advanced working capital loans of £31k (2022: £57k) to its subsidiary, Sabien Inc. At the year end the amount due from Sabien Inc. was £130k (2022: £99k). At the year end an impairment provision of £130k (2022: £99k) had been raised against the loan.

During the year the Company invoiced management fees of £nil (2022: £150k) to b.grn Group Limited, its associate undertaking ("b.grn"). In addition the Company entered into a Fixed Profit Share agreement (See Note 18) with b.grn and converted some of the management fee debtor to a loan of £37k (2022: £nil). At the year end £281k (2022: £nil) was outstanding within Other investments.

On 3 August 2022, the Company announced a placing of 5,000,000 ordinary shares at a price of 10p per share, a total of £500,000 (gross). As part of the placing Richard Parris subscribed for 1,150,000 ordinary shares and in addition agreed to convert £97,500 of his shareholder loan into 975,000 ordinary shares at the same price. Charles Goodfellow also subscribed for 100,000 shares as part of the placing.

On 5 April 2023, the Company announced that Richard Parris had acquired an additional 950,000 ordinary shares on the market at an average price of 11.29p per share.

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29. Controlling party

The Group has no ultimate controlling party.

30. Events after the reporting date

There were no material events after the reporting date requiring disclosure.