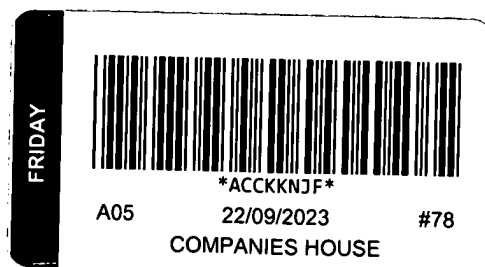

NYOBOLT LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**



NYOBOLT LIMITED

COMPANY INFORMATION

Directors	Sai Shivareddy Elaine Loukes (resigned 7 July 2022) Martin Frost Richard Green Clare Grey Andrew Matthes Mark Newman (resigned 22 April 2022) Christopher Doyle IQ Capital Directors Nominees Ltd Julian Critchlow Hady Seyeda (appointed 7 July 2022)
Company secretary	Glen Clark
Registered number	11863045
Registered office	Unit 2 Evolution Business Park Milton Road Impington Cambridge Cams CB24 9NG
Independent auditors	PricewaterhouseCoopers LLP The Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge CB4 0DS

NYOBOLT LIMITED

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NYOBOLT LIMITED

**STRATEGIC REPORT
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

The directors present their strategic report for the 9 month period ended 31 December 2022.

Overview and principal activities

The principal activity of Nyobolt Limited (the "Company") and its subsidiary (together the "Group") is to provide end-to-end ultrafast charging battery solutions. We seek to provide:

- Record fast charging that enables battery charging within minutes to allow maximum uptimes.
- Highest power densities to enable smaller and lighter batteries.
- Long cycle life to reduce total cost of ownership.
- Improved safety across a wider temperature range.

Business review

Since its incorporation in 2019, Nyobolt has made significant progress in the development of fast charging, high power, long cycle life batteries. During 2022, key highlights were:

- First demonstrators within mobile charging and home appliance applications.
- Widened our product base to 4 product offerings.
- Awarded grants from the UK Government's Automotive Transformation Fund and Faraday Battery Challenge.
- Established key cell manufacturing partnerships to build initial launch volumes.
- Secured a grant of Nyobolt's patent of an electrode material which extends charging capabilities over a wider temperature range.
- Registered 11 trademarks.
- Secured £50m in Series B funding including a further strengthening of our strategic material supplies in order to build our launch platforms for future revenues.
- Continued to hire global talent with total headcount reaching 69 at 31 December 2022.

Financial key performance indicators

Throughout the period to December 2022, the Group's principal financial key performance indicator has been the control of cash balances and cash outflow in order to remain within the annual budget, which is set by the Board each year, and therefore to ensure the Group has enough cash to fund future planned activity.

	31 December 2022 £	<i>31 March 2022 £</i>	<i>31 March 2021 £</i>
Cash and cash equivalents	43,332,402	2,908,450	6,928,076
Cash outflow			
Cash outflow from operating activities	(7,667,360)	(4,069,484)	(1,504,499)
Cash outflow from investing activities	(2,345,169)	(670,365)	(103,625)
Cash outflow from financing activities - excluding shares issued	(194,441)	(84,661)	(5,833)
Total cash outflow	(10,206,970)	(4,824,510)	(1,613,957)

NYOBOLT LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

Financial key performance indicators (continued)

The Group's forecast position was strengthened during the period through the successful closure of the Series B funding round, the government grants for research and development projects, and research and development tax credits received.

Future developments

The Group will continue with its research and development activities aimed at building on its knowledge in battery technologies commercialising this knowledge by and securing its first customer contract.

The Group will also continue to evaluate opportunities to accelerate research and development activities, manufacturing cost reduction, and enhanced product development reach through strategic partnerships, where these are in shareholders' best interests.

Principal risks and uncertainties

The principal risks and mitigating factors are as follows:

Funding Risk

The Group's cash resources are exhausted before it becomes cash generative.

Mitigation

- In addition to equity funding, the Directors are regularly in dialogue with a number of banks and other organisations to investigate working capital facilities.
- In July 2022, the Group closed the Series B funding round securing a £50m investment.

Currency Risk

We are exposed to both translation and transaction risk. In addition, transactions are conducted in currencies other than pounds sterling.

Mitigation

- The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

Financial risk management

The key risks to the Group and the policies and procedures put in place by management to manage them are summarised below:

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency.

The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances. In order to monitor the continuing effectiveness of this policy, the finance function produces a weekly summary, analysed by the major currencies held by the Group, of available cash reserves.

NYOBOLT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

Financial risk management (continued)

Liquidity Risk

The Group's liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows.

Other financial risks

Due to the nature of the Group activities and its cash reserves, the Group is not materially impacted by Price risk, Interest rate risk or Credit risk, however, the Board continuously monitors actual and forecast cash flows, cash reserves and performance of the business to ensure adequate policies and processes are in place should the Group become subject to further financial management risks.

People

The Group has a small number of employees but those it has are situated and are deployed on the Group's business around the world. The Group ensures that it complies with all local labour laws and applies what the directors believe are appropriate standards and systems to monitor and to ensure the welfare of those employees.

Governance

Each Board meeting addresses compliance by the Company with its corporate governance codes and reinforces the Board's requirement that its business be conducted with integrity and with due regard for ethical standards.

This report was approved by the board on 8 September 2023 and signed on its behalf.

DocuSigned by:
Sai Shirareddy
Sai Shirareddy
Director

NYOBOLT LIMITED

**DIRECTORS' REPORT
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

The directors present their report and the audited financial statements for the 9 month period ended 31 December 2022.

Principal activity

Details are provided in the Strategic Report on pages 3 - 5.

Reporting period and framework

These financial statements have been prepared for the 9 month period from 1 April 2022 to 31 December 2022 (the "period") in order to align the Company's reporting date with the calendar year end. As such the results are not directly comparable with the prior period.

Comparative disclosures reported within these financial statements are for the year ended 31 March 2022 ("31 March 2022") and the year ended 31 March 2021 ("31 March 2021").

This is the first time that these financial statements have been prepared under IFRS. The Company financial statements have been converted from previously prepared financial statements in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, the 'Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102).

The date of transition to IFRS is 1 April 2020. The principles and requirements for first time adoption are set out in IFRS 1. A summary of changes is given in note 23.

This is the first time consolidated financial statements for the Group have been prepared and hence there are no comparatives prepared under Local GAAP to reconcile to.

Prior period adjustment

The Company has made a prior year adjustment to the fair value estimation of share-based payments charge. Previously, the share price used in the valuation was based on the share price of the latest share funding round. It has been determined that the use of the back-solve method used to calculate implied fair value of each share class by working back from the Black-Scholes-Merton Option Pricing Model represents a more appropriate estimation of the implied fair value of the share price in respect of the latest considerations of the rights for the different share classes in a liquidity event. The change in the fair value estimation methodology for the share options charge reflects management's judgment in utilizing a more appropriate and reliable approach to determine the fair values.

The Company has made a prior period reclassification adjustment for deposits paid on capital equipment. This adjustment involves moving the deposits from the 'Other receivables' account to the 'Assets under construction' account.

As this is the first time consolidated financial statements for the Group have been prepared there are no restated consolidated comparatives to reconcile to. A summary of the impact on the Company financial statements is given in note 22.

Results and dividends

The consolidated statement of comprehensive income is set out on page 14 and shows the loss for the period. The loss for the 9 month period ended 31 December 2022 was £9,308,789 (31 March 2022: £7,696,598, 31 March 2021: £1,190,613). No dividend will be paid in respect of the period (31 March 2022: £nil, 31 March 2021: £nil).

NYOBOLT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

Directors

The directors who served during the 9 month period and through to the date of signing these financial statements, unless otherwise stated, were:

Sai Shivareddy
Elaine Loukes (resigned 7 July 2022)
Martin Frost
Richard Green
Clare Grey
Andrew Matthes
Mark Newman (resigned 22 April 2022)
Christopher Doyle
IQ Capital Directors Nominees Ltd
Julian Critchlow
Hady Seyeda (appointed 7 July 2022)

Going Concern

The Company was incorporated in 2019 and the Group and Company have incurred losses since inception as it invests in research and development and operational activities to build the platforms for future growth. The development of battery technologies is a complex task encompassing new materials, their interactions with the numerous chemistries within batteries and associated management and control systems. During this development phase of the Group's evolution, new applications arise which allows wider markets for exploitation and the markets which can utilise the Group's products are vast and growing.

The Group expects to incur further losses for the immediate future as these investments continue. At the same time, the Group continues to build valuable knowledge in battery technologies which it seeks to protect via patents and trademarks. The value of such intellectual property is not reflected within these financial statements.

As at 31 December 2022, the Group and Company had cash and cash equivalents balances of £43,332,402 and £41,167,495 respectively. The financial statements of the Group and Company have been prepared on the basis that the Group and Company are a going concern. In reaching this conclusion, the directors have considered projections of cash flows, applied various stress tests and considered the likelihood of future cash inflows.

The Group will require further funding or cash generation from commercial revenue agreements to achieve its short-term strategic goals, and in this regard a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern is considered to be present. The inability to attract further funding or generate cash from revenue agreements may impact future activities and may require the scale back of expansion and capital expenditure or the delay of launch programs, and may impact the ability to discharge future liabilities or longer-term obligations. The Group continues to maintain dialogue with potential investors, customers and other partners to develop its commercial plans. Although there is no certainty that further funding will be received or that cash will be generated from revenue agreements in the next 12 months, the directors believe they will be able to do so and therefore the financial statements of the Group and the Company have been prepared on a going concern basis.

Political donations and political expenditure

The Group's policy is to make no donations or contributions to political parties, donations or contributions to political parties for the period was £nil (31 March 2022: £nil, 31 March 2021: £nil).

NYOBOLT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

Future developments

Details are provided in the Strategic Report on pages 3 - 5.

Financial risk management

Details are provided in the Strategic Report on pages 3 - 5.

Research and development

The Group's investment in research and development, excluding staff costs, for the period amounted to £2,691,361 (31 March 2022: £1,292,056, 31 March 2021: £656,401), of which all costs were expensed in the period.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and company will continue in business.

The directors are responsible for safeguarding the assets of the Group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

NYOBOLT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third- party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 September 2023 and signed on its behalf.

DocuSigned by:

Sai Shivareddy

E13AFB793A45483

Sai Shivareddy
Director

NYOBOLT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NYOBOLT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Nyobolt Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's and company's cash flows for the 9 month period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 December 2022; the consolidated statement of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group's and the company's ability to continue as a going concern. The group and company will require further funding or cash generation from commercial revenue agreements to achieve their short-term strategic goals which is not yet committed. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the company were unable to continue as a going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

NYOBOLT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NYOBOLT LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

NYOBOLT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NYOBOLT LIMITED

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act and relevant tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- making inquiries with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading relevant meeting minutes including those of the board of directors;
- verifying financial statement disclosures and agreeing to supporting documentation to assess that disclosures are in compliance with applicable laws and regulations;
- identifying and testing journal entries, in particular certain journal entries posted with unusual account combinations;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- challenging the assumptions made by management in their significant accounting estimates, in particular in relation to the fair value of share options.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

NYOBOLT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NYOBOLT LIMITED

Other required reporting

Companies Act 2006 exception reporting

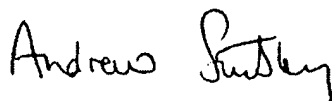
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the years ended 31 March 2022 and 31 March 2021, forming the corresponding figures of the financial statements for the period ended 31 December 2022, are unaudited.



Andrew Stubley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
8 September 2023

NYOBOLT LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 9 MONTHS ENDED 31 DECEMBER 2022**

	Note	9 months ended 31 December 2022 £	Year ended 31 March 2022 (Unaudited) £	Year ended 31 March 2021 (Unaudited) £
Revenue	5	38,633	32,302	-
Gross profit		38,633	32,302	-
Other operating income	6	638,165	127,499	251,429
Administrative expenses		(11,362,262)	(8,551,070)	(1,467,116)
Loss from operations		(10,685,464)	(8,391,269)	(1,215,687)
Finance income	8	225,801	63	-
Finance expense	9	(6,348)	(4,913)	(481)
Loss before tax		(10,466,011)	(8,396,119)	(1,216,168)
Taxation	11	1,157,222	699,521	25,555
Loss for the period		(9,308,789)	(7,696,598)	(1,190,613)
Other comprehensive (expense) / income:				
Items that will or may be reclassified to profit or loss:				
Exchange (losses) / gains arising on translation on foreign operations		(74,197)	13,961	(669)
Other comprehensive (expense) / income for the period, net of tax		(74,197)	13,961	(669)
Total comprehensive expense		(9,382,986)	(7,682,637)	(1,191,282)

The notes on pages 23 - 70 form part of these financial statements.

 NYOBOLT LIMITED

 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2022

	Note	31 December 2022 £	31 March 2022 (Unaudited) £	31 March 2021 (Unaudited) £	01 April 2020 (Unaudited) £
Assets					
Non-current assets					
Property, plant and equipment	12	3,127,538	1,061,507	139,116	-
		<u>3,127,538</u>	<u>1,061,507</u>	<u>139,116</u>	<u>-</u>
Current assets					
Trade and other receivables	14	2,295,255	931,676	176,899	17,607
Cash and cash equivalents		43,332,402	2,908,450	6,928,076	285,759
		<u>45,627,657</u>	<u>3,840,126</u>	<u>7,104,975</u>	<u>303,366</u>
Total assets		<u>48,755,195</u>	<u>4,901,633</u>	<u>7,244,091</u>	<u>303,366</u>
Liabilities					
Non-current liabilities					
Lease liabilities	16	58,441	196,492	28,415	-
Deferred tax liability	11	227,671	58,400	17,963	-
		<u>286,112</u>	<u>254,892</u>	<u>46,378</u>	<u>-</u>
Current liabilities					
Trade and other liabilities	15	1,018,531	524,105	185,689	376,388
Lease liabilities	16	120,159	169,470	16,380	-
		<u>1,138,690</u>	<u>693,575</u>	<u>202,069</u>	<u>376,388</u>
Total liabilities		<u>1,424,802</u>	<u>948,467</u>	<u>248,447</u>	<u>376,388</u>
Net assets / (liabilities)		<u>47,330,393</u>	<u>3,953,166</u>	<u>6,995,644</u>	<u>(73,022)</u>

Continued on next page.


NYOBOLT LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	31 December 2022	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)	01 April 2020 (Unaudited)
Note	£	£	£	£
Equity attributable to equity holders of the company				
Share capital	17	4	3	3
Share premium reserve	20	59,059,985	9,059,923	8,259,946
Share option reserve	20	6,600,332	3,840,182	-
Foreign exchange reserve	20	(60,905)	13,292	(669)
Retained earnings	20	(18,269,023)	(8,960,234)	(1,263,636)
TOTAL EQUITY		<u>47,330,393</u>	<u>3,953,166</u>	<u>6,995,644</u>
		<u>(73,023)</u>	<u>(73,022)</u>	<u>(73,022)</u>

The notes on pages 23 - 70 form part of these financial statements.

The financial statements of Nyobolt Limited (registered number 11863045) were approved and authorised for issue by the board of directors on 8 September 2023 and were signed on its behalf by:

DocuSigned by:

 E13AFB793A45483
Sai Shivareddy
 Director

 NYOBOLT LIMITED

 COMPANY STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2022

	Note	31 December 2022 £	Restated 31 March 2022* / ** (Unaudited) £	31 March 2021* (Unaudited) £	01 April 2020* (Unaudited) £
Assets					
Non-current assets					
Property, plant and equipment	12	1,412,634	876,586	139,116	-
Investments	13	1	567,798	1	-
		<u>1,412,635</u>	<u>1,444,384</u>	<u>139,117</u>	<u>-</u>
Current assets					
Trade and other receivables	14	7,085,109	1,159,603	394,596	17,607
Cash and cash equivalents		41,167,495	2,804,791	6,922,409	285,759
		<u>48,252,604</u>	<u>3,964,394</u>	<u>7,317,005</u>	<u>303,366</u>
Total assets		<u>49,665,239</u>	<u>5,408,778</u>	<u>7,456,122</u>	<u>303,366</u>
Liabilities					
Non-current liabilities					
Lease liabilities	16	58,441	143,068	28,415	-
Deferred tax liability	11	227,671	58,400	17,963	-
		<u>286,112</u>	<u>201,468</u>	<u>46,378</u>	<u>-</u>
Current liabilities					
Trade and other liabilities	15	861,594	434,348	184,828	376,388
Lease liabilities	16	84,626	122,370	16,380	-
		<u>946,220</u>	<u>556,718</u>	<u>201,208</u>	<u>376,388</u>
Total liabilities		<u>1,232,332</u>	<u>758,186</u>	<u>247,586</u>	<u>376,388</u>
Net assets / (liabilities)		<u>48,432,907</u>	<u>4,650,592</u>	<u>7,208,536</u>	<u>(73,022)</u>

Continued on next page.


NYOBOLT LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

		31 December 2022	<i>Restated</i> 31 March 2022* ** (Unaudited)	31 March 2021* (Unaudited)	01 April 2020* (Unaudited)
	Note	£	£	£	£
Equity attributable to equity holders of the company					
Share capital	17	4	3	3	1
Share premium reserve	20	59,059,985	9,059,923	8,259,946	-
Share option reserve	20	6,600,332	3,840,182	-	-
Retained earnings	20	(17,227,414)	(8,249,516)	(1,051,413)	(73,023)
TOTAL EQUITY		<u>48,432,907</u>	<u>4,650,592</u>	<u>7,208,536</u>	<u>(73,022)</u>

The notes on pages 23 - 70 form part of these financial statements.

The financial statements of Nyobolt Limited (registered number 11863045) were approved and authorised for issue by the board of directors on 8 September 2023 and were signed on its behalf by:

DocuSigned by:

 E13AFB793A45483
Sai Shivarreddy
 Director

Company statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's result after taxation for the 9 month period ended 31 December 2022 was a loss of £8,977,898; the year ended 31 March 2022: loss of £7,198,103 and the year ended 31 March 2021: loss of £978,390. The Company has restated the share based payment charge for the year ending 31 March 2022. A summary of the impact on the company financial statements is given in note 22.

* This is the first time that the financial statements for Nyobolt Limited have been prepared under IFRS and have been converted from previously prepared financial statements in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, the 'Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102). The directors have taken the decision to present these financial statements under IFRS for the first time and to include two comparative periods, thereby presenting a three-year track record under IFRS in order to preserve future strategic flexibility.

The date of transition to IFRS is 1 April 2020. The principles and requirements for first time adoption are set out in IFRS 1. A summary of changes is given in note 23.

** The Company has restated the share based payment charge and reclassified upfront payments for capital expenditure to assets under construction balance for the year ending 31 March 2022. A summary of the impact on the company financial statements is given in note 22

NYOBOLT LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 DECEMBER 2022**

	Share capital	Share premium reserve	Share option reserve	Foreign exchange reserve	Retained earnings	Total
	£	£	£	£	£	£
At 1 April 2020	1	-	-	-	(73,023)	(73,022)
Shares issued	2	8,259,946	-	-	-	8,259,948
Loss for the year	-	-	-	-	(1,190,613)	(1,190,613)
Other comprehensive expense	-	-	-	(669)	-	(669)
Total changes in equity	2	8,259,946	-	(669)	(1,190,613)	7,068,666
At 31 March 2021 and 1 April 2021	3	8,259,946	-	(669)	(1,263,636)	6,995,644
Shares issued	-	799,977	-	-	-	799,977
Share based payments	-	-	3,840,182	-	-	3,840,182
Loss for the year	-	-	-	-	(7,696,598)	(7,696,598)
Other comprehensive income	-	-	-	13,961	-	13,961
Total changes in equity	-	799,977	3,840,182	13,961	(7,696,598)	(3,042,478)
At 31 March 2022 and 1 April 2022	3	9,059,923	3,840,182	13,292	(8,960,234)	3,953,166
Shares issued	1	50,000,062	-	-	-	50,000,063
Share based payments	-	-	2,760,150	-	-	2,760,150
Loss for the period	-	-	-	-	(9,308,789)	(9,308,789)
Other comprehensive expense	-	-	-	(74,197)	-	(74,197)
Total changes in equity	1	50,000,062	2,760,150	(74,197)	(9,308,789)	43,377,227
At 31 December 2022	4	59,059,985	6,600,332	(60,905)	(18,269,023)	47,330,393

NYOBOLT LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 DECEMBER 2022**

	Share capital	Share premium reserve	Share option reserve	Retained earnings	Total
	£	£	£	£	£
At 1 April 2020	1	-	-	(73,023)	(73,022)
Shares issued	2	8,259,946	-	-	8,259,948
Loss for the year	-	-	-	(978,390)	(978,390)
Total changes in equity	2	8,259,946	-	(978,390)	7,281,558
At 31 March 2021 and 1 April 2021	3	8,259,946	-	(1,051,413)	7,208,536
Shares issued	-	799,977	-	-	799,977
Share based payments (Restated*)	-	-	3,840,182	-	3,840,182
Loss for the year (Restated*)	-	-	-	(7,198,103)	(7,198,103)
Total changes in equity (Restated*)	-	799,977	3,840,182	(7,198,103)	(2,557,944)
At 31 March 2022 and 1 April 2022 (Previously stated)	3	9,059,923	4,729,315	(9,503,752)	4,285,489
Prior period adjustment	-	-	(889,133)	1,254,236	365,103
At 31 March 2022 and 1 April 2022 (Restated*)	3	9,059,923	3,840,182	(8,249,516)	4,650,592
Shares issued	1	50,000,062	-	-	50,000,063
Share based payments	-	-	2,760,150	-	2,760,150
Loss for the period	-	-	-	(8,977,898)	(8,977,898)
Total changes in equity	1	50,000,062	2,760,150	(8,977,898)	43,782,315
At 31 December 2022	4	59,059,985	6,600,332	(17,227,414)	48,432,907

* This is the first time that the financial statements for Nyobolt Limited have been prepared under IFRS and have been converted from previously prepared financial statements in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, the 'Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102).

The Company has restated the share based payment charge for the year ending 31 March 2022. A summary of changes is given in note 23.

NYOBOLT LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 9 MONTHS ENDED 31 DECEMBER 2022**

	Note	9 months ended 31 December 2022 £	Year ended 31 March 2022 (Unaudited) £	Year ended 31 March 2021 (Unaudited) £
Cash flows from operating activities	19	(8,356,178)	(4,137,879)	(1,492,210)
Tax (credit) / charge	11	688,818	68,395	(12,289)
Net cash from operating activities		(7,667,360)	(4,069,484)	(1,504,499)
Investing activities				
Purchases of property, plant and equipment	12	(2,345,169)	(670,365)	(103,625)
Net cash from investing activities		(2,345,169)	(670,365)	(103,625)
Financing activities				
Issue of ordinary shares		50,000,063	799,977	8,259,948
Principal repayment of lease liabilities	16	(188,093)	(79,748)	(5,352)
Interest repayment on lease liabilities	16	(6,348)	(4,913)	(481)
Net cash from financing activities		49,805,622	715,316	8,254,115
Net cash increase / (decrease) in cash and cash equivalents		39,793,093	(4,024,533)	6,645,991
Cash and cash equivalents at the beginning of period		2,908,450	6,928,076	285,759
Exchange gains / (losses) on cash and cash equivalents		630,859	4,907	(3,674)
Cash and cash equivalents at the end of period		43,332,402	2,908,450	6,928,076

NYOBOLT LIMITED

**COMPANY STATEMENT OF CASH FLOWS
FOR THE 9 MONTHS ENDED 31 DECEMBER 2022**

		9 months	<i>Restated</i>	<i>Year ended</i>
		ended 31	<i>31 March</i>	<i>31 March</i>
		December	<i>2022* / **</i>	<i>2021</i>
		2022	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	Note	£	£	£
Cash flows from operating activities	19	(12,176,403)	(4,333,526)	(1,498,545)
Tax (credit) / charge	11	689,903	68,723	(12,289)
Net cash from operating activities		(11,486,500)	(4,264,803)	(1,510,834)
Investing activities				
Purchases of property, plant and equipment (Restated**)	12	(732,432)	(565,832)	(103,625)
Investment in subsidiary		-	-	(1)
Net cash from investing activities		(732,432)	(565,832)	(103,626)
Financing activities				
Issue of ordinary shares		50,000,063	799,977	8,259,948
Principal repayment of lease liabilities (Restated*)	16	(122,371)	(73,701)	(5,352)
Interest repayment on lease liabilities (Restated*)	16	(4,529)	(4,124)	(481)
Net cash from financing activities		49,873,163	722,152	8,254,115
Net cash increase / (decrease) in cash and cash equivalents		37,654,231	(4,108,483)	6,639,655
Cash and cash equivalents at the beginning of period		2,804,791	6,922,409	285,759
Exchange gains / (losses) on cash and cash equivalents		708,473	(9,135)	(3,005)
Cash and cash equivalents at the end of period		41,167,495	2,804,791	6,922,409

* This is the first time that the financial statements for Nyobolt Limited have been prepared under IFRS and have been converted from previously prepared financial statements in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, the 'Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102).

The Company has restated the share based payment charge for the year ending 31 March 2022. A summary of changes is given in note 23.

** The Company has restated the share based payment charge and reclassified upfront payments for capital expenditure to assets under construction balance for the year ending 31 March 2022. A summary of the impact on the company financial statements is given in note 22.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

1. Reporting entity

Nyobolt Limited (the 'Company') is a limited company incorporated in the United Kingdom, and registered and domiciled in England and Wales. The Company's registered office is at Unit 2 Evolution Business Park, Milton Road, Impington, Cambridge, Cambs, CB24 9NG (formerly registered office was at The Bradfield Centre 184 Cambridge Science Park, Milton Road, Cambridge, United Kingdom, CB4 0GA).

These consolidated financial statements comprise the Company and its subsidiary (collectively the 'Group'). These financial statements are presented in pounds sterling, because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 2.

The principal activity of the Group is to provide end-to-end ultrafast charging battery solutions. We seek to provide:

- Record fast charging that enables battery charging within minutes to allow maximum uptimes.
- Highest power densities to enable smaller and lighter batteries.
- Long cycle life to reduce total cost of ownership.
- Improved safety across a wider temperature range.

2. Accounting policies

Basis of preparation

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of Comprehensive Income in these financial statements.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies. The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below.

The accounting policies below relate to the Group's consolidated and the Company's individual financial statements and have been consistently applied to all years presented, unless otherwise stated.

Reporting period

These financial statements have been prepared for the 9 month period from 1 April 2022 to 31 December 2022 (the "period") in order to align the company's reporting date with the calendar year end. As such the results are not directly comparable with the prior period.

Comparative disclosures reported within these financial statements are for the year ended 31 March 2022 ("31 March 2022") and the year ended 31 March 2021 ("31 March 2021").

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

Consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. This is the first time consolidated financial statements for the Group have been prepared and hence there are no comparatives prepared under Local GAAP to reconcile to.

This is the first time that the financial statements for Nyobolt Limited have been prepared under IFRS and have been converted from previously prepared financial statements in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, the 'Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102). The directors have taken the decision to present these financial statements under IFRS for the first time and to include two comparative periods, thereby presenting a three-year track record under IFRS in order to preserve future strategic flexibility.

The date of transition to IFRS is 1 April 2020. The principles and requirements for first time adoption are set out in IFRS 1. A summary of changes is given in note 23.

The preparation of financial statements in compliance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 3.

Basis of consolidation

The Group financial statements consolidate those of the Company and the subsidiary. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Going concern

The Company was incorporated in 2019 and the Group and Company have incurred losses since inception as it invests in research and development and operational activities to build the platforms for future growth. The development of battery technologies is a complex task encompassing new materials, their interactions with the numerous chemistries within batteries and associated management and control systems. During this development phase of the Group's evolution, new applications arise which allows wider markets for exploitation and the markets which can utilise the Group's products are vast and growing.

The Group expects to incur further losses for the immediate future as these investments continue. At the same time, the Group continues to build valuable knowledge in battery technologies which it seeks to protect via patents and trademarks. The value of such intellectual property is not reflected within these financial statements.

NYOBOLT LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Going concern (continued)

As at 31 December 2022, the Group and Company had cash and cash equivalents balances of £43,332,402 and £41,167,495 respectively. The financial statements of the Group and Company have been prepared on the basis that the Group and Company are a going concern. In reaching this conclusion, the directors have considered projections of cash flows, applied various stress tests and considered the likelihood of future cash inflows.

The Group will require further funding or cash generation from commercial revenue agreements to achieve its short-term strategic goals, and in this regard a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern is considered to be present. The inability to attract further funding or generate cash from revenue agreements may impact future activities and may require the scale back of expansion and capital expenditure or the delay of launch programs, and may impact the ability to discharge future liabilities or longer-term obligations. The Group continues to maintain dialogue with potential investors, customers and other partners to develop its commercial plans. Although there is no certainty that further funding will be received or that cash will be generated from revenue agreements in the next 12 months, the directors believe they will be able to do so and therefore the financial statements of the Group and the Company have been prepared on a going concern basis.

Revenue

The Group applies IFRS 15 Revenue from contracts with customers. Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance and applies the five-step method to:

- i. identify contracts with its customers;
- ii. determine performance obligations arising under those contracts;
- iii. set an expected transaction price;
- iv. allocate that price to the performance obligations; and
- v. recognise revenues as and when those obligations are satisfied.

Product sales

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the location specified in the sales ordering process, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from product sales is recognised based on the price specified in the contract, net of any agreed discounts. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Any refund liabilities would be included in trade and other payables. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue for the 9 months ended 31 December 2022 and the year ending 31 March 2022 consists of materials samples provided to potential customers. There were no additional or ongoing contractual obligations associated with these transactions.

NYOBOLT LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

New standards, amendments and interpretations in issue but not early adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Research and development expenditure credit

Where the Group receives research and development expenditure credits ("RDEC") the amount is recognised as a credit to taxation in profit or loss, and included in other receivables on the statement of financial position.

Government grants

Government grants relating to expenditure are recognised as income over the periods when the related costs are incurred, and a receivable is recognised when there is reasonable assurance that the grant conditions will be met, and the grants will be received after the period end.

There are no unfulfilled conditions or other contingencies attaching to these grants.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. In the event that the foreign operations are disposed of, such translation differences are then recognised as income or as expenses in the period in which the operation is disposed of.

NYOBOLT LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Research and development expenditure

An internally generated, or separately acquired, intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for such intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised on the above basis, development expenditure is recognised in profit or loss in the period in which it is incurred.

The capitalised assets will be amortised over their useful lives.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Interest receivable and similar income

Interest receivable is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rate applicable.

Share based payments

The Group operates equity settled share based compensation plans for remuneration of its employees.

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed over the vesting period based on the Group's estimate of shares or options that will eventually vest.

Where options and awards over the Company's shares have been issued to the employees of the subsidiary undertaking, the fair value of employee services performed (equal to the share-based payments) has been recorded as a capital contribution. The Company recharges the relevant amount of the share-based payments to its US subsidiary. Consequently, the amount recharged is offset against the carrying value of its investments.

The Group has no cash-settled arrangements.

NYOBOLT LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiary operate and generate taxable income.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the balance sheet date. Deferred income taxes are calculated using the liability method on temporary differences.

Deferred tax

Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be available to offset against any future taxable income.

Management bases its assessment of the probability of future taxable income on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Specific tax rules in the other legislations in which the Group operates are also taken into account. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NYOBOLT LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is recorded at cost net of accumulated depreciation and any provision for impairment.

Depreciation is provided using the straight-line method to write off the cost of the asset less any residual value over its useful economic life. The residual values of assets are reviewed annually and revised where necessary. Depreciation expense is included within administrative expenses in the Consolidated Statement of Comprehensive Income. Assets' useful economic lives are as follows.

Plant and equipment	- 5 - 10 years on cost
Office equipment	- 3 years on cost

Cost includes expenditure that is directly attributable to the acquisition of the items.

Right to use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets under construction relate to payments for the purchase and installation of plant and equipment and are not depreciated until the equipment is fully available for use. At that point, the assets are transferred to plant and equipment and are depreciated over their useful economic lives.

Repairs, maintenance, and operational inspection costs are expensed as incurred.

Investments

Investments, including investments in subsidiaries and associates, are stated at cost less provision for any impairment in value. The value in use basis is used for the impairment calculation and any impairment is recognised immediately in the Statement of Comprehensive Income. Impairment reviews are undertaken at least annually or more frequently where there is an indication of impairment.

Leases

As outlined earlier in Note 2, the Group at transition has applied IFRS 16 Leases in replacement to IAS 17.

The Group is a lessee of office premises with new lease agreements commencing after the effective date of transition to IFRS. The Group also is party to non-qualifying leases being right of access agreements, leases of low value or leases of less than twelve months.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise such an option to extend and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NYOBOLT LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Leases (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets are initially measured at cost comprising the following.

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any direct initial costs;
- restoration costs.

The right-of-use asset is subsequently depreciated using the straight-line method from the 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 estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities as a separate line in the statement of financial position.

Financial assets

Financial assets are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories: trade and other receivables, and cash at bank and on hand.

Trade receivables

Trade and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Company - receivables from subsidiaries

The Company's financial assets also include loans to its subsidiary. Directors of the Company use cash flow forecasts to determine the recoverability of intercompany balances over a period of time and the level of discounting required to reflect the likely timing of future receipts against balances that are technically repayable on demand (in line with IFRS 9 expected credit loss methodology).

NYOBOLT LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances with banks and similar institutions. Cash equivalents comprise bank deposits and money market funds, which are readily convertible to known amounts of cash with a maturity of three months or less and are subject to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

3. Critical accounting judgements and estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements in applying accounting policies:

Research and Development costs

Capitalisation of development costs in accordance with IAS 38 requires analysis of the technical feasibility and commercial viability of the project in the future. This in turn requires a long-term judgement to be made about the development of the industry in which the development will be marketed. Where the Directors consider that sufficient evidence exists surrounding the technical feasibility and commercial viability of the project, which indicates that the costs incurred will be recovered they are capitalised within intangible fixed assets. As at 31 December 2022, the Directors do not consider that sufficient evidence exists surrounding the technical feasibility and commercial viability of the projects, as such no development costs have been capitalised within intangible fixed assets.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

3. Critical accounting judgements and estimation uncertainty (continued)

Sources of estimation uncertainty:

Share based payments

The calculation of share based payments expense requires the selection of an appropriate valuation model and the Group has used the Black-Scholes option pricing model. The use of this model involves the estimation of employee retention rate and the implied fair value estimate of the share price.

Sensitivity analysis has been performed to consider the impact on the fair value of the share based payments charge if the employee retention rate were to improve by 5%, decrease by 5% and decrease by 10%. If the retention rate improves by 5%, the charge will increase by £367,000, if the retention rate decreases by 5%, the charge will decrease by £367,000, and if the retention rate decreases by 10%, the charge will decrease by £733,000.

Sensitivity analysis has been performed to consider the impact on the fair value of the share based payments charge if the implied fair value estimate of the share price were to be 5% higher, 5% lower and 10% lower. If the share price was 5% higher, the charge will increase by £349,000, if the share price was 5% lower, the charge will decrease by £349,000, and if the share price was 10% lower, the charge will decrease by £703,000.

Company - receivables from subsidiaries

The Company's financial assets also include a loan to its subsidiary. The Directors have assessed recoverability of the Company subsidiary loan using cash flow forecasts. An expected credit loss has been recognised by the Company by discounting the loan balances at 31 December 2022 to reflect the uncertainty of timing for future revenues.

Sensitivity analysis has been performed to consider the impact on the present value in the scenario where the repayments are made on time, or delayed by 12 months and where the subsidiary is unable to repay the loan. If the repayment is on time, the present value increases by £615,000, if the repayment is delayed by 12 months, the present value increases by £384,000 and if the subsidiary is unable to repay the loan, the present value will be £nil.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

4. Financial instruments - risk management

The Board of Directors of Nyobolt Limited has overall responsibility for the determination of Nyobolt Limited's risk management objectives and policies. The risk profile for the Group and Company similar in nature, therefore, reference to "Group" risk management policies applies to the Group and Company.

The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group. All funding requirements and financial risks are managed based on policies and procedures adopted by the board.

The Group does not enter into derivative transactions or trade in financial instruments and the directors believe the Group is not materially exposed to commodity price risk.

The Group is exposed to the following financial risks:

- Foreign exchange risk
- Liquidity risk

The Group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value.

Trade and other receivables are measured at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of comprehensive income in the relevant period.

Trade and other payables are measured at amortised cost.

Financial instruments by category

Financial assets

	31 December 2022	<i>31 March 2022</i>	<i>31 March 2021</i>
Group	£	£	£
Cash and cash equivalents	43,332,402	2,908,450	6,928,076
Trade receivables	-	22,073	-
Other receivables	1,740,639	854,171	112,881
Receivables at amortised cost	1,740,639	876,244	112,881
Financial assets at amortised cost	45,073,041	3,784,694	7,040,957

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

4. Financial instruments - risk management (continued)**Financial assets (continued)**

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Company			
Cash and cash equivalents	41,167,495	2,804,791	6,922,409
Amounts owed by subsidiary undertakings	4,831,000	250,000	248,296
Other receivables	1,701,745	854,171	112,881
Receivables at amortised cost	6,532,745	1,104,171	361,177
Financial assets at amortised cost	47,700,240	3,908,962	7,283,586

Financial liabilities at amortised cost

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Group			
Current			
Trade payables	102,316	148,075	107,421
Other payables	4,154	-	2,479
Accruals	787,014	323,225	50,042
Trade and other payables	893,484	471,300	159,942
Lease liability	120,159	169,470	16,380
	1,013,643	640,770	176,322
Non-current			
Lease liability	58,441	196,492	28,415
Financial liabilities at amortised cost	1,072,084	837,262	204,737

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

4. Financial instruments - risk management (continued)**Financial liabilities at amortised cost (continued)**

Company	31 December 2022 £	31 March 2022 £	31 March 2021 £
Current			
Trade payables	98,340	139,927	107,421
Other payables	-	-	1,618
Accruals	638,207	241,616	50,042
Trade and other payables	736,547	381,543	159,081
Lease liability	84,626	122,370	16,380
	821,173	503,913	175,461
Non-current			
Lease liability	58,441	143,068	28,415
	-	-	-
	-	-	-
Financial liabilities at amortised cost	879,614	646,981	203,876

Risk management policies

The key risks to the Group and the policies and procedures put in place by management to manage them are summarised below:

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

In order to monitor the continuing effectiveness of this policy, the finance function produces a weekly summary, analysed by the major currencies held by the Group, of available cash reserves.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

4. Financial instruments - risk management (continued)**Foreign exchange risk (continued)**

The following tables detail the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in US dollars (USD) and Euros (EUR) being reported in GBP. The exposure risk to other such currencies at Group and Company is immaterial.

	31 December 2022	31 March 2022	31 March 2021
	£	£	£
Group USD			
Cash and cash equivalents	23,297,900	229,197	4,951
Other payables and accruals	-	-	32,775
	<u>23,297,900</u>	<u>229,197</u>	<u>37,726</u>
	31 December 2022	31 March 2022	31 March 2021
	£	£	£
Company USD			
Cash and cash equivalents	21,132,993	125,538	-
Other payables and accruals	-	-	32,775
	<u>21,132,993</u>	<u>125,538</u>	<u>32,775</u>
	31 December 2022	31 March 2022	31 March 2021
	£	£	£
Group and Company EUR			
Cash and cash equivalents	20,740	51,807	-
Other payables and accruals	-	551	567
	<u>20,740</u>	<u>52,358</u>	<u>567</u>

Liquidity Risk

The Group's liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

4. Financial instruments - risk management (continued)**Other financial risks**

Due to the nature of the Group activities and its cash reserves, the Group is not materially impacted by Price risk, Interest rate risk or Credit risk, however, the Board continuously monitors actual and forecast cash flows, cash reserves and performance of the business to ensure adequate policies and processes are in place should the Group become subject to further financial management risks.

Capital management

The Group's capital is made up as follows:

	31		
	December	31 March	31 March
	2022	2022	2021
	£	£	£
Share capital	4	3	3
Share premium reserve	59,059,985	9,059,923	8,259,946
Share Option Reserve	6,600,332	3,840,182	-
Foreign exchange reserve	(60,905)	13,292	(669)
Retained earnings	(18,269,023)	(8,960,234)	(1,263,636)
Total equity	47,330,393	3,953,166	6,995,644

Nyobolt Limited's objectives when maintaining capital is:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to develop its products to provide returns for shareholders and benefits for other stakeholders; and
- to ultimately provide an adequate return to shareholders by through the commercialisation of its products and services commensurately with the level of risk.

The capital structure of Nyobolt Limited consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and fund raising.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

5. Revenue

The Group derives revenue from the transfer of goods at a point in time.

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Sale of goods	38,633	32,302	-
	38,633	32,302	-

Analysis of revenue by country of destination:

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Europe	-	10,850	-
USA	38,633	21,452	-
	38,633	32,302	-

6. Other operating income

	31 December 2022 £	31 March 2022 £	31 March 2021 £
RDEC tax credit	51,224	841	26,046
R&D government grants	586,941	126,658	225,383
	638,165	127,499	251,429

The Group was awarded grants from the InnovateUK Automotive Transformation Fund. These grants are for feasibility studies to support the automotive industry to accelerate the adoption of technologies, supporting the transition to deliver net-zero emission vehicles.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

7. Operating loss

The operating loss has been arrived at after charging / (crediting)

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Staff costs	4,527,109	2,408,866	446,487
Share based payment charge	2,760,150	3,840,182	-
Research and development costs (excluding staff costs)	2,691,361	1,292,056	656,401
Depreciation of property, plant and equipment	98,135	55,807	9,084
Depreciation of right of use assets	181,003	93,070	5,572
Foreign exchange (gains)/losses	(705,056)	9,054	3,005
Fee payable to the Company's auditors for the audit of the consolidated financial statements	109,826	-	-
	<u><u>9,662,528</u></u>	<u><u>7,699,035</u></u>	<u><u>1,120,549</u></u>

8. Finance income

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Bank interest	225,801	63	-
	<u><u>225,801</u></u>	<u><u>63</u></u>	<u><u>-</u></u>

9. Finance expense

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Interest on leases	6,348	4,913	481
	<u><u>6,348</u></u>	<u><u>4,913</u></u>	<u><u>481</u></u>

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

10. Staff numbers and costs

Group staff costs, including directors' remuneration, were as follows:

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Wages and salaries	4,017,293	2,170,530	425,203
Social security costs	356,298	179,921	15,315
Other pension costs	153,518	58,415	5,969
Share based payments	2,760,150	3,840,182	-
	<u>7,287,259</u>	<u>6,249,048</u>	<u>446,487</u>

Company staff costs, including directors' remuneration, were as follows:

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Wages and salaries	2,423,465	1,542,423	309,543
Social security costs	245,382	127,972	15,315
Other pension costs	113,471	50,244	5,969
Share based payments	1,653,207	3,272,385	-
	<u>4,435,525</u>	<u>4,993,024</u>	<u>330,827</u>

The Group operates a defined contribution scheme for its directors and employees. The pensions cost charge represents the contributions payable by the Company. There were no contributions outstanding at the year end. (2022: £nil)

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

	31 December 2022 Number	31 March 2022 Number	31 March 2021 Number
Technical and R&D	43	23	5
Administration and central functions	11	7	2
	<u>54</u>	<u>30</u>	<u>7</u>

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

10. Staff numbers and costs (continued)

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

	31 December 2022	31 March 2022	31 March 2021
	£	£	£
Technical and R&D	29	15	4
Administration and central functions	8	7	2
	<u>37</u>	<u>22</u>	<u>6</u>

Group and Company

Directors' remuneration is included in staff costs. Directors' remuneration for the period is set out below.

	31 December 2022	31 March 2022	31 March 2021
	£	£	£
Wages and salaries	219,897	195,885	79,250
Social security costs	21,754	13,661	8,689
Other pension costs	13,808	4,404	1,262
	<u>255,459</u>	<u>213,950</u>	<u>89,201</u>

The highest paid director received remuneration for the period of £156,000 (31 March 2022: £104,000, 31 March 2021: £73,000). During the period pension contributions of £14,000 (31 March 2022: £4,000, 31 March 2021: £1,000) were made in respect of 2 directors (31 March 2022: 1, 31 March 2021: 1). The Group does not contribute to any pension schemes other than defined contribution schemes.

No directors exercised share options during the 9-month period ended 31 December 2022, year ended 31 March 2022 or year ended 31 March 2021.

During the period the company did not pay any compensation to directors or past directors in respect of loss of office (31 March 2022: £nil, 31 March 2021: £nil).

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

11. Taxation

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Analysis of tax (credit) / charge in the period			
Current tax			
UK R&D tax credits	(1,327,578)	(740,286)	(43,518)
Foreign tax charge	1,085	328	-
Total current tax	(1,326,493)	(739,958)	(43,518)
Deferred tax			
Origination and reversal of timing differences	169,271	40,437	17,963
Taxation on loss on ordinary activities	(1,157,222)	(699,521)	(25,555)

Reconciliation of total tax to the accounting loss

The credit for the period can be reconciled to the loss per the Consolidated statement of comprehensive income as follows:

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Reconciliation of total tax to the accounting loss			
Loss for the period	(10,466,011)	(8,396,119)	(1,216,168)
Expected tax credit based on corporation tax rate 19%	(1,988,542)	(1,595,263)	(231,072)
Expenses not deductible for tax purposes	464,935	465,328	13,994
Net capital allowances	(238,139)	(64,275)	(19,689)
R&D Tax Credit Enhancement	(983,244)	(548,278)	(32,231)
R&D Expenditure Credit	(51,224)	(841)	(26,046)
Foreign tax charges	31,909	3,601	40,322
Deferred tax	169,271	40,437	17,963
Losses not utilised	1,437,812	999,770	211,204
Total tax credit for the period	(1,157,222)	(699,521)	(25,555)

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

11. Taxation (continued)**Tax losses**

The Group has tax losses for the period ending 31 December 2022 of £7,314,236 (31 March 2022: £3,525,355, 31 March 2021: £1,104,990) that are available indefinitely for offset against future taxable profits in those companies in which the losses arose to the extent that offset is available against similar trading activities.

Unused tax losses for which no deferred tax asset has been recognised at 25% (31 March 2022: 25%, March 2021: 19%)

	31 December 2022	31 March 2022	31 March 2021
	£	£	£
Tax losses			
Unused tax losses for which no deferred tax asset has been recognised	1,828,559	881,339	209,948

No deferred tax asset has been recognised due to the unpredictability and uncertainty of future taxable profit.

Deferred tax liability**Group and Company**

The deferred tax liability relates to accelerated tax depreciation on capital equipment.

	31 December 2022	31 March 2022	31 March 2021
	£	£	£
Balance brought forward	58,400	17,963	-
Charged to profit or loss	169,271	40,437	17,963
Balance at period end	227,671	58,400	17,963

In the Budget 2020, the UK Government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the UK Government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

12. Property, plant and equipment**Group**

	Right of use lease asset	Plant and equipment	Office equipment	Assets under construction	Total
	£	£	£	£	£
Cost					
At 1 April 2020	-	-	-	-	-
Additions	50,147	100,962	2,663	-	153,772
At 31 March 2021	50,147	100,962	2,663	-	153,772
Additions	400,903	335,317	29,438	305,610	1,071,268
At 31 March 2022	451,050	436,279	32,101	305,610	1,225,040
Additions	-	520,796	51,623	1,772,750	2,345,169
Disposals	(88,885)	-	-	-	(88,885)
Transfer between classes	-	231,694	-	(231,694)	-
At 31 December 2022	362,165	1,188,769	83,724	1,846,666	3,481,324
Accumulated depreciation					
At 1 April 2020	-	-	-	-	-
Charge for the period	5,572	8,878	206	-	14,656
At 31 March 2021	5,572	8,878	206	-	14,656
Charge for the period	93,070	50,192	5,615	-	148,877
At 31 March 2022	98,642	59,070	5,821	-	163,533
Charge for the period	181,003	83,567	14,568	-	279,138
Depreciation on disposals	(88,885)	-	-	-	(88,885)
At 31 December 2022	190,760	142,637	20,389	-	353,786
Net book value					
At 31 March 2021	44,575	92,084	2,457	-	139,116
At 31 March 2022	352,408	377,209	26,280	305,610	1,061,507
At 31 December 2022	171,405	1,046,132	63,335	1,846,666	3,127,538

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

12. Property, plant and equipment (continued)

Company

	Right of use lease asset £	Plant and equipment £	Office equipment £	Assets under construction (Restated) £	Total £
Cost					
At 1 April 2020	-	-	-	-	-
Additions	50,147	100,962	2,663	-	153,772
At 31 March 2021	50,147	100,962	2,663	-	153,772
Additions	294,344	232,404	27,818	305,610	860,176
At 31 March 2022	344,491	333,366	30,481	305,610	1,013,948
Additions	-	451,500	32,697	248,235	732,432
Disposals	(88,885)	-	-	-	(88,885)
Transfer between classes	-	231,694	-	(231,694)	-
At 31 December 2022	255,606	1,016,560	63,178	322,151	1,657,495
Accumulated depreciation					
At 1 April 2020	-	-	-	-	-
Charge for the period	5,572	8,878	206	-	14,656
At 31 March 2021	5,572	8,878	206	-	14,656
Charge for the period	75,310	42,051	5,345	-	122,706
At 31 March 2022	80,882	50,929	5,551	-	137,362
Charge for the period	123,158	60,875	12,351	-	196,384
Depreciation on disposals	(88,885)	-	-	-	(88,885)
At 31 December 2022	115,155	111,804	17,902	-	244,861
Net book value					
At 31 March 2021	44,575	92,084	2,457	-	139,116
At 31 March 2022	263,609	282,437	24,930	305,610	876,586
At 31 December 2022	140,451	904,756	45,276	322,151	1,412,634

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

13. Investments

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name	Country of incorporation	Registered office	Proportion of ownership	Nature of business
Nyobolt Inc	USA	4 Crosby Drive, Bedford, MA, 01730	100% Ordinary shares	Research and development activities

Investment in subsidiary**Company**

	Total
	£
Cost and net book value	
At 1 April 2020	-
Additions	1
	<hr/>
At 31 March 2021	1
Capital contributions arising from share-based payments	567,797
Recharge to subsidiary of share-based payments	-
	<hr/>
At 31 March 2022	567,798
Capital contributions arising from share-based payments	1,106,943
Recharge to subsidiary of share-based payments	(1,674,740)
	<hr/>
At 31 December 2022	1
	<hr/> <hr/>

Where options over the Company's shares have been issued to the employees of the subsidiary company, the fair value of employee services performed (equal to the share-based payments) has been recorded as a capital contribution. The Company recharges the relevant amount of the share-based payments to its US subsidiary. Consequently, the amount recharged is offset against the carrying value of its investments.

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

14. Trade and other receivables**Group**

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Trade receivables	-	22,073	-
Other receivables	361,837	113,044	43,317
Prepayments and accrued income	554,616	55,432	64,018
Corporation tax receivable	1,378,802	741,127	69,564
	<u>2,295,255</u>	<u>931,676</u>	<u>176,899</u>

Company

	31 December 2022 £	31 March 2022 (Restated) £	31 March 2021 £
Other receivables	322,943	113,044	43,317
Prepayments and accrued income	552,364	55,432	33,419
Corporation tax receivable	1,378,802	741,127	69,564
Amounts owed by subsidiary undertakings	4,831,000	250,000	248,296
	<u>7,085,109</u>	<u>1,159,603</u>	<u>394,596</u>

Nyobolt Limited has a loan of £6,558,494 (31 March 2022: £339,983, 31 March 2021: £248,296) with Nyobolt Inc with a current impairment provision of £1,727,494 (31 March 2022: £89,983, 31 March 2021: £nil).

The loan with Nyobolt Inc is repayable on demand and interest is charged at the Long-term Applicable Federal Rates (AFR). The rate for the period ending 31 December 2022 is 4.34% (31 March 2022: 2.14%, 31 March 2021: 1.62%).

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

14. Trade and other receivables (continued)**Expected credit losses**

The movement in the expected credit loss provision in the period was as follows:

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Expected credit loss brought forward	89,983	-	-
Charge in the period	1,637,511	89,983	-
Expected credit loss at period end	1,727,494	89,983	-

Expected credit loss has been calculated using the period over which we expect the loan to be paid discounted to the present value.

15. Trade and other payables**Group**

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Trade payables	102,316	148,075	107,421
Other payables	4,154	-	2,479
Other tax and social security	125,047	52,805	25,747
Accruals	787,014	323,225	50,042
	1,018,531	524,105	185,689

The directors consider that the carrying amount of trade payables approximates their fair value.

Company

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Trade payables	98,340	139,927	107,421
Other payables	-	-	1,618
Other tax and social security	125,047	52,805	25,747
Accruals	638,207	241,616	50,042
	861,594	434,348	184,828

The directors consider that the carrying amount of trade payables approximates their fair value.

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16. Leases

On adoption of IFRS, including IFRS 16, the Group applied the fully retrospective approach and recognised an additional right of use asset and lease liabilities in respect of leased office spaces.

When measuring lease liabilities, The directors applied an incremental borrowing rate of 3% in determining the present value calculation. This rate was assessed as being the 2 years to 31 December 2022 average Bank of England base plus 2%, rounded up to account for rise in interest rates in 2022.

The Group and Company's right of use asset and lease liabilities at 31 December 2022, 31 March 2022 and 31 March 2021 is as follows:

Group

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Right of use asset			
Balance brought forward	352,408	44,575	-
Additions	-	400,903	50,147
Disposals	(88,885)	-	-
Depreciation, net of disposals	(92,118)	(93,070)	(5,572)
Balance at period end	171,405	352,408	44,575

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Lease liabilities			
Balance brought forward	365,962	44,795	-
Additions	-	400,903	50,147
Repayment of lease liabilities	(194,441)	(84,661)	(5,833)
Interest on lease liabilities	6,348	4,913	481
Foreign exchange movement	731	12	-
Balance at period end	178,600	365,962	44,795

NYOBOLT LIMITED

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16. Leases (continued)**Company**

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Right of use assets			
Balance brought forward	263,609	44,575	-
Additions	-	294,344	50,147
Disposals	(88,885)	-	-
Depreciation, net of disposals	(34,273)	(75,310)	(5,572)
Balance at period end	140,451	263,609	44,575
	31 December 2022 £	31 March 2022 £	31 March 2021 £
Lease liabilities			
Balance brought forward	265,438	44,795	-
Additions	-	294,344	50,147
Repayment of lease liabilities	(126,900)	(77,825)	(5,833)
Interest on lease liabilities	4,529	4,124	481
Balance at period end	143,067	265,438	44,795

NYOBOLT LIMITED

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16. Leases (continued)

Lease liabilities per the statement of financial position

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Group			
Current lease liabilities	120,159	169,470	16,380
Non-current lease liabilities (2 - 5 years)	58,441	196,492	28,415
	178,600	365,962	44,795
	31 December 2022 £	31 March 2022 £	31 March 2021 £
Company			
Current lease liabilities	84,626	122,370	16,380
Non-current lease liabilities (2 - 5 years)	58,441	143,068	28,415
	143,067	265,438	44,795

The Group and Company's average lease term under IFRS 16 is 3 years.

17. Share capital**Group and Company**

Nyobolt Limited's authorised share capital is summarised in the table below.

	31 December 2022 Number	31 March 2022 Number	31 March 2021 Number
Ordinary shares of £0.000001 each	1,408,160	1,408,160	1,408,160
A Ordinary shares of £0.000001 each	1,265,434	1,265,434	1,183,385
B Ordinary shares of £0.000001 each	839,068	-	-
	3,512,662	2,673,594	2,591,545

NYOBOLT LIMITED

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17. Share capital (continued)**Group and Company**

Nyobolt Limited's issued, and fully paid share capital is summarised in the table below.

	31 December 2022 Number	31 March 2022 Number	31 March 2021 Number
Ordinary shares of £0.000001 each	1,408,160	1,408,160	1,408,160
A Ordinary shares of £0.000001 each	1,265,434	1,265,434	1,183,385
B Ordinary shares of £0.000001 each	839,068	-	-
	<u>3,512,662</u>	<u>2,673,594</u>	<u>2,591,545</u>
	31 December 2022 pence	31 March 2022 pence	31 March 2021 pence
Ordinary shares of £0.000001 each	141	141	141
A Ordinary shares of £0.000001 each	126	126	118
B Ordinary shares of £0.000001 each	84	-	-
	<u>351</u>	<u>267</u>	<u>259</u>

During the 9 months to 31 December 2022 the Company issued 839,068 B Ordinary shares with a par value of £0.000001 for a total consideration of £50,000,063.

During the year to 31 March 2022 the Company issued 82,049 A Ordinary shares with a par value of £0.000001 for a total consideration of £799,977.

During the year to 31 March 2021 the Company subdivided its ordinary share capital from 1,000 shares with a par value of £0.001 to 1,000,000 with a par value of £0.000001. During the year to 31 March 2021 the Company issued 708,160 Ordinary and 883,385 A Ordinary shares with a par value of £0.000001 for a total consideration of £8,259,948 (2020: 1,000 shares with a par value of £0.001 for a consideration of £1). During the year to 31 March 2021 the Company redesignated 300,000 ordinary shares as A ordinary shares.

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18. Share based payments

The company has an EMI share option scheme for all employees of the company and an unapproved share option scheme for other key individuals.

EMI share option scheme

In July 2021, 445,167 new equity-settled share-based payment arrangements were granted to 7 employees with an exercise price of £0.01 vesting over 3 years. There were no performance conditions associated with these options.

In March 2022, 83,960 new equity-settled share-based payment arrangements were granted to 15 employees with an exercise price of £0.01 vesting over 3 years. There were no performance conditions associated with these options.

In July 2022, 46,624 new equity-settled share-based payment arrangements were granted to 10 employees with an exercise price of £0.01 vesting over 3 years. There were no performance conditions associated with these options.

Unapproved share option scheme

In July 2021, 158,500 new equity-settled share-based payment arrangements were granted to 8 key individuals with an exercise price of £0.01 vesting over 3 years. There were no performance conditions associated with these options. In July 2021, 10,000 new equity-settled share-based payment arrangements were granted to 1 key individual with an exercise price of £0.01 vesting over 3 years. Performance conditions were associated with these options for the fulfilment of the consultancy agreement and supporting of funding efforts.

In September 2021, 82,074 new equity-settled share-based payment arrangements were granted to 2 key individuals with an exercise price of £0.01 vesting over 3 years. There were no performance conditions associated with these options. In September 2021, 42,600 new equity-settled share-based payment arrangements were granted to 6 key individuals with an exercise price of £2.68 vesting over 3 years. There were no performance conditions associated with these options.

In March 2022, 29,000 new equity-settled share-based payment arrangements were granted to 5 key individuals with an exercise price of £0.01 vesting over 3 years. There were no performance conditions associated with these options. In March 2022, 9,166 new equity-settled share-based payment arrangements were granted to 4 key individuals with an exercise price of £2.68 vesting over 3 years. There were no performance conditions associated with these options.

In April 2022, 16,528 new equity-settled share-based payment arrangements were granted to 1 key individual with an exercise price of £0.01 vesting over 3 years. Performance conditions were associated with these options for the fulfilment of the consultancy agreement and supporting of funding efforts.

In May 2022, 65,418 new equity-settled share-based payment arrangements were granted to 8 employees with an exercise price of £11.22 vesting over 3 years. There were no performance conditions associated with these options.

In July 2022, 73,472 existing equity-settled share-based payment arrangements were forfeited by 3 employees. Of the 73,472 equity-settled share-based payment arrangements, 10,000 related to grant in March 2022 with an exercise price of £0.01 and 63,472 related to the grant in July 2021 with an exercise price of £0.01.

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18. Share based payments (continued)

The assumptions in the below table were made in respect of the options granted in each year.

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Share price (p)	59.59	9.75	-
Exercise price (p) - EMI share option scheme	0.01	0.01	-
Exercise price (p) - Unapproved share option scheme	0.01	0.01	-
Exercise price (p) - US unapproved share option scheme	11.22	0.01 and 2.68	-
Expected volatility	62.2%	57.1%	-
Expected life	5 years	5 years	-
Dividend yield	0%	0%	-
Risk free rate	1.79%	0.28%	-

31 March 2021 - No share options were granted in the period, so there are no applicable assumptions.

31 March 2022 - The back-solve method has been employed to determine the implied share price by working back from the Black-Scholes-Merton Option Pricing Model following the issue of ordinary shares during the investment round in September 2021.

31 December 2022 - The back-solve method has been employed to determine the implied share price by working back from the Black-Scholes-Merton Option Pricing Model following the issue of ordinary shares during the investment round between July 2022 and December 2022.

The volatility is derived by calculating the average volatility experienced by a number of companies in a similar sector and lifestyle. The expected life is an estimate of the time until the date the Group will transact a corporate event. The risk-free rate is based on the yield observed on UK government debt as at the relevant valuation date.

The tables below summarise the share option activity Weighted Average Exercise Price (WAEP) for both the EMI and Unapproved share option schemes.

31 December 2022 WAEP

	Number	Price (p)
Outstanding at the beginning of the period	860,467	17
Granted during the year to employees	128,570	571
Forfeited by employees	(73,472)	1
Outstanding at the period end	<u>915,565</u>	<u>96</u>
Exercisable at the period end	<u>-</u>	<u>-</u>

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18. Share based payments (continued)**31 March 2022 WAEP**

	Number	Price (p)
Outstanding at the beginning of the year	-	-
Granted during the year to employees	860,467	17
Forfeited by employees	-	-
Outstanding at the year end	<u>860,467</u>	<u>17</u>
Exercisable at the year end	<u>-</u>	<u>-</u>

No share options were exercisable at the period end.

The exercise price of options outstanding at 31 December 2022 ranged between £0.01 and £11.22 (31 March 2022: £0.01 and £2.68) and a weighted average remaining contractual life of 25 months (31 March 2022: 21 months).

Total charges to the income statement were as follows:

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Group			
Share based payment charge	<u>2,760,150</u>	<u>3,840,182</u>	<u>-</u>
Company			
Share based payment charge	<u>1,653,207</u>	<u>3,272,385</u>	<u>-</u>

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. Cashflow from operating activities**Group**

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Cash flows from operating activities			
Loss before taxation	(10,466,011)	(8,396,119)	(1,216,168)
Adjustments for:			
Depreciation of property, plant & equipment	279,138	148,877	14,656
Share based payment charge	2,760,150	3,840,182	-
Finance expenses	6,348	4,913	481
Net foreign exchange (gain) / loss	(704,325)	9,066	3,005
Movements in working capital			
Increase in trade and other receivables	(725,904)	(83,214)	(103,485)
Increase / (decrease) in trade and other payables	494,426	338,416	(190,699)
Cash used in operations	<u>(8,356,178)</u>	<u>(4,137,879)</u>	<u>(1,492,210)</u>

NYOBOLT LIMITED

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19. Cashflow from operating activities (continued)**Company**

	31 December 2022 £	31 March 2022 £	31 March 2021 £
Cash flows from operating activities			
Loss before taxation	(10,136,205)	(7,897,952)	(1,003,945)
Adjustments for:			
Depreciation of property, plant & equipment	196,384	122,706	14,656
Share based payment charge	1,653,207	3,272,385	-
Finance expenses	4,529	4,124	481
Finance income	(314,174)	(63)	-
Net foreign exchange (gain) / loss	(708,473)	9,135	3,005
Movements in working capital			
Increase in trade and other receivables	(3,298,917)	(93,381)	(321,182)
Increase / (decrease) in trade and other payables	427,246	249,520	(191,560)
Cash used in operations	<u>(12,176,403)</u>	<u>(4,333,526)</u>	<u>(1,498,545)</u>

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20. Reserves

Share premium

Amount subscribed for share capital in excess of nominal value.

Foreign exchange reserve

The translation reserve records the cumulative exchange differences arising from the translation of the financial statements of overseas subsidiaries.

Share option reserve

Represents the accumulated balance of share-based payment charges recognised in respect of share options granted by the Company less transfers to accumulated deficit in respect of options exercised or cancelled/lapsed.

Retained earnings

Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income.

21. Related party transactions

Nyobolt Inc is a subsidiary company of Nyobolt Limited. During the period, management services were purchased from Nyobolt Limited on a cost-plus basis to the value of £2,783,556 (31 March 2022: £1,319,781, 31 March 2021: £nil). The outstanding balance at the end of the period was £nil (31 March 2022: £nil, 31 March 2021: £nil). There is no ultimate controlling party of Nyobolt Limited.

Red Ash Limited (formerly Licyc Nanotech Limited) is a company of which Sai Shivareddy is a director. During the period, Red Ash Limited provided services to Nyobolt Limited to the value of £4,232 (31 March 2022: £6,708, 31 March 2021: £82,157). The outstanding balance at the end of the period was £nil (31 March 2022: £8,050, 31 March 2021: £nil).

Shivareddy Design Studios is a business owned and managed by the spouse of a director. During the period it provided design and administration services to the value of £nil (31 March 2022: £6,760, 31 March 2021: £8,550). The outstanding balance at the end of the period was £nil (31 March 2022: £nil, 31 March 2021: £nil).

Mortimer Green Limited is a company of which Richard Green is a director. During the period, Mortimer Green Limited provided consultancy services to Nyobolt Limited to the value of £18,000 (31 March 2022: £28,000, 31 March 2021: £20,000). The outstanding balance at the end of the period was £nil (31 March 2022: £nil, 31 March 2021: £nil).

Easdale Ventures Limited is a company of which Martin Frost is a director. During the period, Easdale Ventures Limited provided consultancy services to Nyobolt Limited to the value of £9,000 (31 March 2022: £11,000, 31 March 2021: £12,500). The outstanding balance at the end of the period was £nil (31 March 2022: £nil, 31 March 2021: £nil).

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21. Related party transactions (continued)

Clare Grey, a director of the company, provided consultancy services to Nyobolt Limited to the value of £nil (31 March 2022: £30,000, 31 March 2021: £15,000). The outstanding balance at the end of the period was £nil (31 March 2022: £30,000, 31 March 2021: £nil).

H.C. Starck Tungsten GmbH is a company that is an investor and has a position as non-executive director on the board since July 2022. Since becoming a related party, H.C. Starck Tungsten GmbH sold products to Nyobolt Limited to the value of £23,408 (31 March 2022: £nil, 31 March 2021: £nil). The outstanding balance at the end of the period was £nil (31 March 2022: £nil, 31 March 2021: £nil).

Executive directors and certain senior employees who have authority and responsibility for planning, directing, and controlling the activities of the Group are considered to be key management personnel. Details of key management personnel's compensation is given below.

	31		
	December	<i>31 March</i>	<i>31 March</i>
	2022	<i>2022</i>	<i>2021</i>
	£	£	£
Wages and salaries	605,093	<i>443,480</i>	<i>141,321</i>
Social security costs	62,699	<i>43,016</i>	<i>16,658</i>
Other pension costs	26,354	<i>13,247</i>	<i>1,626</i>
Share based payments	558,669	<i>2,278,543</i>	<i>-</i>
	1,252,815	<i>2,778,286</i>	<i>159,605</i>

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22. Prior period adjustments

Share based payments

During the current reporting period, a prior year adjustment has been made to the fair value estimation of share-based payments charge. It has been determined that the use of the back-solve method represents a more appropriate estimation of the implied fair value of the share price in respect of the latest considerations of the rights for the different share classes in a liquidity event. The change in the fair value estimation methodology for the share options charge reflects management's judgment in utilizing a more appropriate and reliable approach to determine the fair values.

The back-solve method has been employed to determine the implied fair value of each share class by working back from the Black-Scholes-Merton Option Pricing Model. This approach takes into consideration various market factors, including the exercise price, expected term, volatility, and risk-free interest rate. By incorporating these factors, the back-solve method provides a more precise assessment of the fair value of share options.

Part of the prior period adjustment relates to the expense associated with employees of the subsidiary company. Where previously the entire share based payment charge was charged to the Company, the expense associated with employees of the subsidiary company has been reclassified as a capital contribution in the subsidiary company.

At 31 March 2022, the effect on investments is an increase by £365,103, a decrease on the share option reserve of £889,133 and a decrease on accumulated losses by £1,254,236. The net impact is an increase in equity of £365,103.

The prior year adjustment has been applied retrospectively, resulting in a revision of the fair value estimation for share-based payments in the prior period. The restated comparative figures have been presented to reflect this adjustment and ensure consistency in the financial statements.

Assets under construction

During the current reporting period, a prior year adjustment has been made to the classification of deposits paid on capital equipment to more appropriately reflect the nature of the asset. This adjustment involves moving the deposits from the 'Other receivables' account to the 'Assets under construction' account. The prior year adjustment has been applied retrospectively, resulting in a revision of the balances in the 'Other receivables' and 'Property, plant and equipment' categories. The restated comparative figures have been presented to reflect this adjustment and ensure consistency in the financial statements.

At 31 March 2022, the effect on property, plant and equipment is an increase by £305,610 and a decrease on trade and other receivables of £305,610.

This is the first time consolidated financial statements for the Group have been prepared and hence there are no restated consolidated comparatives to reconcile to.

The following tables summarise the impact on the Company's financial statements, after the impact of the adoption of IFRS that is reconciled in note 23.

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22. Prior period adjustment (continued)**Reconciliation of total comprehensive expense for the year ended 31 March 2022**

	31 March 2022 £
Total comprehensive expense as previously reported	8,452,339
Restatement of share based payment charge	(889,133)
Reduction in share based payment charge to be recognised as investment in subsidiaries	(365,103)
Total comprehensive expense as restated	<u>7,198,103</u>

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22. Prior period adjustment (continued)**Company statement of financial position as at 31 March 2022**

	Note	As previously reported £	Adjustments £	As restated £
Assets				
Non-current assets				
Property, plant and equipment		570,976	305,610	876,586
Investments		202,695	365,103	567,798
		<u>773,671</u>	<u>670,713</u>	<u>1,444,384</u>
Current assets				
Trade and other receivables		1,465,213	(305,610)	1,159,603
Cash and cash equivalents		2,804,791	-	2,804,791
		<u>4,270,004</u>	<u>(305,610)</u>	<u>3,964,394</u>
Total assets		<u>5,043,675</u>	<u>365,103</u>	<u>5,408,778</u>
Liabilities				
Non-current liabilities				
Lease liabilities		143,068	-	143,068
Deferred tax liability		58,400	-	58,400
		<u>201,468</u>	<u>-</u>	<u>201,468</u>
Current liabilities				
Trade and other liabilities		434,348	-	434,348
Lease liabilities		122,370	-	122,370
		<u>556,718</u>	<u>-</u>	<u>556,718</u>
Total liabilities		<u>758,186</u>	<u>-</u>	<u>758,186</u>
Net assets		<u>4,285,489</u>	<u>365,103</u>	<u>4,650,592</u>
Equity attributable to equity holders of the company				
Share capital		3	-	3
Share premium reserve		9,059,923	-	9,059,923
Share Option Reserve		4,729,315	(889,133)	3,840,182
Retained earnings		(9,503,752)	1,254,236	(8,249,516)
TOTAL EQUITY		<u>4,285,489</u>	<u>365,103</u>	<u>4,650,592</u>

NYOBOLT LIMITED

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22. Prior period adjustment (continued)

Effect of prior period adjustment for the company statement of cash flows for the year ended 31 March 2022

	Note	As previously reported £	Adjustments £	As restated £
Cash flows from operating activities		(4,639,136)	305,610	(4,333,526)
Tax credit		68,723	-	68,723
Net cash from operating activities		(4,570,413)	305,610	(4,264,803)
Investing activities				
Purchases of property, plant and equipment		(260,222)	(305,610)	(565,832)
Net cash from investing activities		(260,222)	(305,610)	(565,832)
Financing activities				
Issue of ordinary shares		799,977	-	799,977
Principal repayment of lease liabilities		(73,701)	-	(73,701)
Interest repayment on lease liabilities		(4,124)	-	(4,124)
Net cash from financing activities		722,152	-	722,152
Net cash decrease in cash and cash equivalents		(4,108,483)	-	(4,108,483)
Cash and cash equivalents at the beginning of period		6,922,409	-	6,922,409
Exchange losses on cash and cash equivalents		(9,135)	-	(9,135)
Cash and cash equivalents at the end of period		2,804,791	-	2,804,791

NYOBOLT LIMITED

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23. Effects of changes in accounting policies

This is the first time consolidated financial statements for the Group have been prepared and hence there are no comparatives prepared under Local GAAP to reconcile to:

This is the first time the financial statements for the Company have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 (IFRS). The information has been converted from previously prepared financial statements in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, the 'Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102). The date of transition to IFRS was 1 April 2020 and future Company and Group financial statements will be prepared under IFRS.

This note explains the principal adjustments made by the Company in restating its Local GAAP financial statements, including the statement of financial position as at 1 April 2020 (date of transition to IFRS) and the financial statements as of, and for, the year ended 31 March 2022 (end of last period presented under previous GAAP).

IFRS 2, 9, 15 and 16 were adopted fully retrospectively in these financial statements.

NYOBOLT LIMITED

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23. Effects of changes in accounting policies (continued)

Company statement of financial position as at 1 April 2020 (date of transition to IFRS)

	Note	Local GAAP £	Effect of transition to IFRS £	IFRS as at 1 April 2020 £
Assets				
Non-current assets				
Property, plant and equipment		-	-	-
		-	-	-
Current assets				
Trade and other receivables		17,607	-	17,607
Cash and cash equivalents		285,759	-	285,759
		303,366	-	303,366
Total assets		303,366	-	303,366
Liabilities				
Non-current liabilities				
Lease liabilities		-	-	-
Deferred tax liability		-	-	-
		-	-	-
Current liabilities				
Trade and other liabilities		376,388	-	376,388
Lease liabilities		-	-	-
		376,388	-	376,388
Total liabilities		376,388	-	376,388
Net assets		(73,022)	-	(73,022)
Equity attributable to equity holders of the company				
Share capital		1	-	1
Share premium reserve		-	-	-
Share option Reserve		-	-	-
Retained earnings		(73,023)	-	(73,023)
TOTAL EQUITY		(73,022)	-	(73,022)

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23. Effects of changes in accounting policies (continued)

Company statement of financial position as at 31 March 2022 (end of last period presented under previous GAAP)

	Note	Local GAAP as previously stated £	Effect of transition to IFRS £	Prior period restatement £	IFRS as at 31 March 2022 £
Assets					
Non-current assets					
Property, plant and equipment	A	307,367	263,609	305,610	876,586
Investments		1	202,694	365,103	567,798
		<u>307,368</u>	<u>466,303</u>	<u>670,713</u>	<u>1,444,384</u>
Current assets					
Trade and other receivables	C, D	1,555,196	(89,983)	(305,610)	1,159,603
Cash and cash equivalents		2,804,791	-	-	2,804,791
		<u>4,359,987</u>	<u>(89,983)</u>	<u>(305,610)</u>	<u>3,964,394</u>
Total assets		<u>4,667,355</u>	<u>376,320</u>	<u>365,103</u>	<u>5,408,778</u>
Liabilities					
Non-current liabilities					
Lease liabilities	A	-	143,068	-	143,068
Deferred tax liability		58,400	-	-	58,400
		<u>58,400</u>	<u>143,068</u>	<u>-</u>	<u>201,468</u>
Current liabilities					
Trade and other liabilities		434,348	-	-	434,348
Lease liabilities	A	-	122,370	-	122,370
		<u>434,348</u>	<u>122,370</u>	<u>-</u>	<u>556,718</u>
Total liabilities		<u>492,748</u>	<u>265,438</u>	<u>-</u>	<u>758,186</u>
Net assets		<u>4,174,607</u>	<u>110,882</u>	<u>365,103</u>	<u>4,650,592</u>
Equity attributable to equity holders of the company					
Share capital		3	-	-	3
Share premium reserve		9,059,923	-	-	9,059,923
Share Option Reserve	C	3,262,694	1,466,621	(889,133)	3,840,182
Retained earnings	A-D	(8,148,013)	(1,355,739)	1,254,236	(8,249,516)
TOTAL EQUITY		<u>4,174,607</u>	<u>110,882</u>	<u>365,103</u>	<u>4,650,592</u>

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

23. Effects of changes in accounting policies (continued)**Reconciliation of equity**

	1 April 2020 (date of transition to IFRS)	31 March 2022 (end of last period presented under previous GAAP)
	Note £	£
Total equity under previous GAAP	(73,022)	4,174,607
Lease payments not recognised in accumulated losses	A -	83,658
Recognition of right of use lease asset depreciation	A -	(80,882)
Recognition of right of use lease liability interest	A -	(4,605)
Revised valuation of share based payment charge	C -	202,694
Expected credit loss on intercompany loans	D -	(89,983)
Prior period restatement	-	365,103
Total equity under IFRS	(73,022)	4,650,592

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

23. Effects of changes in accounting policies (continued)**Reconciliation of total comprehensive expense for the year ended 31 March 2022 (end of last period presented under previous GAAP)**

Company statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the parent company is not presented as part of these financial statements.

	Note	31 March 2022 (end of last period presented under previous GAAP) £
Total comprehensive expense under previous GAAP		(7,096,820)
Lease payments not recognised in loss	A	77,825
Recognition of right of use asset depreciation	A	(75,310)
Recognition of right of use asset liability interest	A	(4,124)
Revised valuation of share based payment charge	C	(1,263,927)
Expected credit loss on intercompany loans	D	(89,983)
Prior period restatement	22	1,254,236
Total comprehensive expense under IFRS		<u>(7,198,103)</u>

NYOBOLT LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

23. Effects of changes in accounting policies (continued)

Effect of IFRS adoption for the company statement of cash flows as at 31 March 2022 (end of last period presented under previous GAAP)

	Note	Local GAAP £	Effect of transition to IFRS £	Prior period restatement £	IFRS as at 31 March 2022 £
Net cash from operating activities	B	(4,716,961)	77,825	305,610	(4,333,526)
Tax credit		68,723	-	-	68,723
Net cash from operating activities		(4,648,238)	77,825	305,610	(4,264,803)
Investing activities					
Purchases of property, plant and equipment		(260,222)	-	(305,610)	(565,832)
Net cash from investing activities		(260,222)	-	(305,610)	(565,832)
Financing activities					
Issue of ordinary shares		799,977	-	-	799,977
Principal repayment of lease liabilities	A, B	-	(73,701)	-	(73,701)
Interest repayment on lease liabilities	A, B	-	(4,124)	-	(4,124)
Net cash from financing activities		799,977	(77,825)	-	722,152
Net cash decrease in cash and cash equivalents		(4,108,483)	-	-	(4,108,483)
Cash and cash equivalents at the beginning of period		6,922,409	-	-	6,922,409
Exchange losses on cash and cash equivalents		(9,135)	-	-	(9,135)
Cash and cash equivalents at the end of period		2,804,791	-	-	2,804,791

NYOBOLT LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

23. Effects of changes in accounting policies (continued)

Notes to the reconciliation of equity as at 1 April 2020 and 31 March 2022 and total comprehensive income for the year ended 31 March 2022

- A Under Local GAAP, operating leases were recognised as an expense to profit or loss. Under IFRS 16, the present value of the lease payments over the life of a lease is capitalised as a liability on the Statement of Financial Position. The equivalent value shown as a Right-of-Use asset ("RoU asset") within Property, Plant, & Equipment assets. The RoU asset is depreciated, and the liability is increased by the finance charge and reduce by the payments made.

The effect of the change had no impact at the date of transition. At 31 March 2022, the last period presented under previous GAAP, the effect was to introduce a Right of Use lease asset of £263,609 and a corresponding £265,438 obligation under lease liabilities. The effect on accumulated losses is to increase equity by previously expensed lease payments of £83,658 and reduce equity by depreciation of £80,882 and the lease liability interest of £4,605. The net impact is a decrease in equity of £1,829.

- B Under Local GAAP, a lease is classified as a finance lease or an operating lease. Cash flows arising from operating lease payments are classified as operating activities. Under IFRS, a lessee generally applies a single recognition and measurement approach for all leases and recognises lease liabilities. Cash flows arising from payments of principal portion of lease liabilities are classified as financing activities. Therefore, cash outflows from operating activities decreased by £77,825 and cash outflows from financing activities increased by the same amount for the year ended 31 March 2022.

- C Under Local GAAP, the Group recognised fair value cost of the share options over the vesting period on a straight-line basis. Under IFRS 2, the application of a tranche vesting model is required for the recognition of the share options charge. This is because vesting is based on time served on a month-by-month basis with a 12-month cliff. Under the tranche vesting model, the cost of the share options is recognized in tranches, with each tranche representing the cost of the share options that vest in a particular month.

The effect of the change had no impact at the date of transition. At 31 March 2022, the last period presented under previous GAAP, the effect on equity is a decrease on accumulated losses by £1,263,927 and an increase on the share option reserve of £1,466,621. The net impact is an increase in equity of £202,694 due to the debit to investment in subsidiary.

- D The adoption of IFRS has changed the Company's accounting for impairment losses for financial assets by replacing the incurred loss approach under Local GAAP with a forward-looking expected credit loss (ECL) approach. IFRS requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

The effect of the change had no impact at the date of transition. At 31 March 2022, the last period presented under previous GAAP, the effect was to introduce an ECL impairment on the company loan to its subsidiary of £238,780 and a corresponding £238,780 impairment expense in the total comprehensive expense for the year. The net impact is an increase in accumulated losses by £238,780.