



**Interim Financial Statements**

Six months ended 30 June 2021

Company Number 05239285

## **Chairman and CEO's statement**

Despite the continuing global pandemic, Ascent has advanced across multiple fronts following the restructuring of its Board, strategy, and portfolio last year. The business's new strategic platform is now taking shape, with the opportunities that brings.

First, the Company has made a significant step forward in securing funding for its international arbitration proceedings against the Republic of Slovenia with the signature of non-binding heads of terms with Enyo Law LLP. These heads define the terms under which the specialist arbitration and litigation legal firm shall represent the Company on a fully contingent basis through a damages-based agreement for the pursuit of the claim in arbitration in relation to breaches of relevant investment treaties arising out of and in connection with the Notice of Dispute sent on 23 July 2020. The Company is currently negotiating final binding documentation for this funding.

Secondly, the Company broadened its strategy to include the ESG Metals asset class and is now in the process of originating and negotiating its maiden transaction. The Directors believe this is a new exciting and burgeoning target sector to grow the Company.

### **Slovenia**

As announced in March, the Company is advancing towards initiating international arbitration proceedings against the Republic of Slovenia under the Energy Charter Treaty and UK-Slovenia Bilateral Investment Treaty. In June, the Company announced that it had signed a non-binding, heads of terms with Enyo Law LLP, a specialist arbitration and litigation legal firm (the "Firm"). This agreement intends to engage the Firm to pursue the Company's claims on a success-only fee arrangement. Upon completion of definitive documentation, the Firm will only be paid out of the proceeds of the arbitration in the event of a successful damages award or execution of a binding settlement agreement if achieved sooner. This non-equity dilutive, non-recourse and full funding proposal is the preferred solution from the Company's perspective, notwithstanding that the Company has other alternative offers also under discussion.

Operations at the Petišovci project continue to produce gas, albeit at lower levels as a result of the field performance decline and current inability to re-stimulate the producing PG-10 and PG-11A wells. Total production for the six months to 30 June 2021 was 751.14 thousand cubic metres of gas and 33,512 litres of condensate. Gas sales continue with production being sold to local industrial buyers. The region is currently experiencing very high gas prices with the average Day Ahead Market gas price being Eur 51.0 / MWh as at 1 September, 2021. The JV expects to continue producing, thereby taking advantage of strong current prices.

### **ESG Metals Strategy**

As announced in February, the Company has broadened its natural resources mandate to include a focus on ESG Metals, which it sees as a new and burgeoning target sector to grow the Company. ESG Metals includes secondary mining and re-treatment and recovery opportunities which the Company sees as being consistent with Environmental, Social and Governance ("ESG") principles. Typically, these involve the reclassification, through highly efficient recovery techniques, of stockpiled surface mining waste (previously viewed as a liability for mining companies) as a valuable asset for reprocessing and commercial sale to industry, governments and metals traders.

The Company sees waste management, remediation and restoration of land impacted by historic and ongoing mining activities as a critical element in the global ESG agenda and integral to the transition to a low carbon economy. The Company is looking at a number of potential projects in Hispanic and Latin Americas, the Caribbean, and South Africa, as well as Europe. In particular, the Company believes there are good opportunities in gold, silver, platinum, base metals and ferrochrome, where the economics are especially attractive and the opportunity set has the ability of delivering lowest cost quartile sustainable metal production from legacy mining tailings, with low geological risk. Such opportunities have the potential to provide strong cash returns without exploration risk and only require modest upfront capital outlay.

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**Cuba Market Entry**

The Company continues to retain optionality to enter the Cuban Oil and Gas industry, once COVID 19 restrictions are lifted and possibly after the outcome of recent civil unrest is clarified. As announced in August last year, the Company transmitted the draft documentation in relation to its operating credentials to Union Cuba-Petroleo ("CUPET"), Cuba's national oil company, and the Oficina Nacional de Recursos Minerales ("ORNM") and since then has received positive initial feedback towards accreditation as an onshore operator subject to funding.

**Corporate**

During the period in review the Company raised £1 million at an issue price of 10.1 pence per share by way of an oversubscribed subscription and placing of new shares to institutional investors and existing shareholders to fund the Company's general working capital and ESG Metals business development activity.

**Outlook**

The team continue to work diligently across our key corporate priorities which include funding the Slovenia ECT claim and delivering a maiden ESG metals transaction. We look forward to delivering success for our shareholders at Ascent Resources plc and to re-engaging face to face with them now that COVID restrictions in Europe have eased.

**James Parsons**  
Executive Chairman  
8 September 2021

**Andrew Dennan**  
Chief Executive Officer  
8 September 2021

## CEO's report

### Financial performance

Revenue for the first six month of 2021 was £nil, as per the prior period. Closing cash at 30 June 2021 was £766,000 compared to £304,000 in the prior period.

During the period the Company raised £1m before costs in an equity placing in February 2021. There was a cash outflow from operations of £824,000 and an inflow of £1,475,000 from financing, resulting in net cash flow of £651,000.

### Operational performance

Production KPI's	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021
Total gas (k scm)	131.82	136.17	155.10	143.08	99.17	85.80
Total gas (MMcf)	4.66	4.81	5.48	5.05	3.50	3.03
Average daily gas (k scm)	4.25	4.86	5.00	4.77	3.20	2.86
Average daily gas (Mcf)	150.17	171.74	176.69	168.43	112.97	101.00
Total condensate (liters)	2,808.00	2,354.00	17,496.0	5,346.00	3,834.00	1,674.00
CGR (liters per 1000 scm gas)	21.30	17.29	112.80	37.36	38.66	19.51
BOE - gas	802.39	828.87	944.09	870.93	603.65	522.26
BOE - condensate	17.63	14.78	109.87	33.57	24.08	10.51
Total BOE	820.02	843.65	1053.97	904.50	627.73	532.78

Total production for the six months to 30 June 2021 was 751.14 thousand cubic metres of gas and 33,512 litres of condensate.

Gas sales to INA remain suspended as wellhead pressure is below the export pipeline pressure. The sales contract remains valid and should the Company increase production gas sales may be able to be resumed. The Company produced gas in the year to date which was sold locally to an industrial buyer through a low-pressure pipeline, however the revenue from this is less than the fixed costs of the field and pursuant to a deal agreed in Q4 2019 the Company is not currently receiving any revenue from this declining production, with the proceeds being retained by the operating service provider to pay towards their fixed costs.

## Consolidated Income Statement

for the Period ended 30 June 2021

	Notes	Period ended 30 June 2021 £ '000s	Period ended 30 June 2020 £ '000s
Revenue		-	-
Cost of sales		(25)	(59)
Depreciation of oil & gas assets		(194)	(230)
<b>Gross profit</b>		<b>(219)</b>	<b>(289)</b>
Administrative expenses		(826)	(945)
<b>Loss from operating activities</b>		<b>(1,045)</b>	<b>(1,234)</b>

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Finance income		-	-
Finance cost		(10)	(9)
<b>Net finance costs</b>		<b>(10)</b>	<b>(9)</b>
<b>Loss before taxation</b>	<b>2</b>	<b>(1,055)</b>	<b>(1,243)</b>
Income tax expense		-	-
<b>Loss for the period after tax</b>		<b>(1,055)</b>	<b>(1,243)</b>
<b>Loss for the period attributable to equity shareholders</b>		<b>(1,055)</b>	<b>(1,243)</b>
<b>Earnings per share</b>			
Basic & fully diluted loss per share (£)	<b>4</b>	<b>(0.01)</b>	(0.03)

**Consolidated Statement of Comprehensive Income**  
**for the Period ended 30 June 2021**

	<b>Period ended</b>	Period ended
	<b>30 June</b>	30 June
	<b>2021</b>	2020
	<b>£ '000s</b>	£ '000s
Loss for the period	<b>(1,055)</b>	(1,243)
<b>Other comprehensive income</b>		
Foreign currency translation differences for foreign operations	<b>(776)</b>	1,835
<b>Total comprehensive gain / (loss) for the period</b>	<b>(1,831)</b>	592

**Consolidated Statement of Changes in Equity**  
for the Period ended 30 June 2021

	Share capital	Share premium	Merger Reserve	Equity reserve	Share based payment reserve	Translation reserve	Retained earnings	Total
	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s
<b>Balance at 1 January 2020</b>	<b>7,604</b>	<b>72,330</b>	<b>570</b>	<b>-</b>	<b>1,873</b>	<b>(300)</b>	<b>(41,964)</b>	<b>40,113</b>
<b>Comprehensive income</b>								
Loss for the period	-	-	-	-	-	-	(1,243)	(1,243)
<b>Other comprehensive income</b>								
Currency translation differences	-	-	-	-	-	1,835	-	1,835
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,835</b>	<b>(1,243)</b>	<b>592</b>
<b>Transactions with owners</b>								
Issue of shares during the year net of costs	113	678	-	-	-	-	-	791
Issue of shares on acquisition	30	173	-	-	-	-	-	203
Share-based payments and expiry of options	-	-	-	-	206	-	-	206
<b>Balance at 30 June 2020</b>	<b>7,747</b>	<b>73,181</b>	<b>570</b>	<b>-</b>	<b>2,079</b>	<b>1,535</b>	<b>(43,207)</b>	<b>41,905</b>
<b>Balance at 1 January 2020</b>	<b>7,604</b>	<b>72,330</b>	<b>570</b>	<b>-</b>	<b>1,873</b>	<b>(300)</b>	<b>(41,964)</b>	<b>40,113</b>
<b>Comprehensive income</b>								
Loss for the period	-	-	-	-	-	-	(2,831)	(2,831)
<b>Other comprehensive income</b>								
Currency translation differences	-	-	-	-	-	1,327	-	1,327
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,327</b>	<b>(2,831)</b>	<b>(1,504)</b>
<b>Transactions with owners</b>								
Issue of ordinary shares	324	1,713	-	-	-	-	-	2,037
Costs related to share issues	-	(180)	-	-	-	-	-	(180)
Equity value of convertible loan note	-	-	-	73	-	-	-	73
Share based payments	-	-	-	-	256	-	200	456
<b>Balance at 31 December 2020</b>	<b>7,928</b>	<b>73,863</b>	<b>570</b>	<b>73</b>	<b>2,129</b>	<b>1,027</b>	<b>(44,595)</b>	<b>40,995</b>
<b>Balance at 1 January 2021</b>	<b>7,928</b>	<b>73,863</b>	<b>570</b>	<b>73</b>	<b>2,129</b>	<b>1,027</b>	<b>(44,595)</b>	<b>40,995</b>
<b>Comprehensive income</b>								
Loss for the period	-	-	-	-	-	-	(1,055)	(1,055)
<b>Other comprehensive income</b>								
Currency translation differences	-	-	-	-	-	(776)	-	(776)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(776)</b>	<b>(1,055)</b>	<b>(1,831)</b>
<b>Transactions with owners</b>								
Issue of shares during the year net of costs	70	1,176	-	-	-	-	-	1,246
Share-based payments	-	-	-	-	16	-	-	16
<b>Balance at 30 June 2021</b>	<b>7,998</b>	<b>75,039</b>	<b>570</b>	<b>73</b>	<b>2,145</b>	<b>251</b>	<b>(45,650)</b>	<b>40,424</b>

## Consolidated Statement of Financial Position

As at 30 June 2021

		30 June	31 December
		2021	2020
	Notes	£ '000s	£ '000s
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	21,865	22,783
Exploration and evaluation costs	5	18,604	18,5763
Goodwill		653	653
Prepaid abandonment fund		300	300
<b>Total non-current assets</b>		<b>41,422</b>	42,489
<b>Current assets</b>			
Inventory		-	-
Trade and other receivables	6	119	66
Cash and cash equivalents		766	115
Restricted cash		-	-
<b>Total current assets</b>		<b>885</b>	181
<b>Total assets</b>		<b>42,307</b>	42,670
<b>Equity and liabilities</b>			
<b>Attributable to the equity holders of the Parent Company</b>			
Share capital	10	7,998	7,928
Share premium account		75,039	73,863
Merger reserve		570	570
Equity reserve		73	73
Share-based payment reserve		2,145	2,129
Translation reserves		251	1,027
Retained earnings		(45,650)	(44,595)
<b>Total equity attributable to the shareholders</b>		<b>40,424</b>	40,995
<b>Total equity</b>		<b>40,424</b>	40,995
<b>Non-current liabilities</b>			
Borrowings	8	505	197
Provisions		317	328
<b>Total non-current liabilities</b>		<b>822</b>	525
<b>Current liabilities</b>			
Borrowings	8	5	5
Contingent consideration due on acquisitions	9	450	450
Trade and other payables	7	606	695
<b>Total current liabilities</b>		<b>1,061</b>	1,150
<b>Total liabilities</b>		<b>1,883</b>	1,675
<b>Total equity and liabilities</b>		<b>42,307</b>	42,670

**Consolidated Statement of Cash Flows**  
for the six months ended 30 June 2021

	Period ended 30 June 2021 £ '000s	Period ended 30 June 2020 £ '000s
<b>Cash flows from operations</b>		
Loss after tax for the period	(1,055)	(1,243)
Depreciation	194	231
Change in receivables	53	170
Change in payables	(89)	80
Increase in share-based payments	38	206
Exchange differences	25	11
Finance cost	10	9
<b>Net cash used in operating activities</b>	<b>(824)</b>	<b>(536)</b>
<b>Cash flows from investing activities</b>		
Payments for fixed assets	-	(3)
Payments for investing in exploration	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(3)</b>
<b>Cash flows from financing activities</b>		
Interest paid and other finance fees	-	-
Loans repaid	(125)	(12)
Proceeds from borrowings	375	848
Proceeds from issue of shares	1,265	848
Share issue costs	(40)	(70)
<b>Net cash generated from financing activities</b>	<b>1,475</b>	<b>736</b>
<b>Net increase in cash and cash equivalents for the year</b>	<b>651</b>	<b>227</b>
Effect of foreign exchange differences	-	-
Cash and cash equivalents at beginning of the year	115	77
<b>Cash and cash equivalents at end of the year</b>	<b>766</b>	<b>304</b>



## **Notes to the Interim Financial Statements**

**For the six months ended 30 June 2021**

### **1. Accounting Policies**

#### **Reporting entity**

Ascent Resources plc ('the Company') is a company domiciled in England. The address of the Company's registered office is 5 New Street Square, London EC4A 3TW. The unaudited consolidated interim financial statements of the Company as at 30 June 2021 comprise the Company and its subsidiaries (together referred to as the 'Group').

#### **Basis of preparation**

The interim financial statements have been prepared using measurement and recognition criteria based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU. The interim financial information has been prepared using the accounting policies which were applied in the Group's statutory financial statements for the year ended 31 December 2020.

New Standards adopted as at 1 January 2021

Accounting pronouncements which have become effective from 1 January 2021 are:

- IFRS 3 Business Combinations – definition of a business
- IAS 1 and IAS 8 – definition of material
- IFRS 9, IFRS 7 and IAS 39 – interest rate benchmark
- IFRS 7 – Insurance contracts

These accounting pronouncements do not have a significant impact on the Group's financial results or position.

All amounts have been prepared in British pounds, this being the Group's presentational currency.

The interim financial information for the six months to 30 June 2021 and 30 June 2020 is unaudited and does not constitute statutory financial information. The comparatives for the full year ended 31 December 2020 are not the Group's full statutory accounts for that year. The information given for the year ended 31 December 2020 does not constitute statutory financial statements as defined by Section 435 of the Companies Act. The statutory accounts for the year ended 31 December 2019 have been filed with the Registrar and are available on the Company's web site [www.ascentresources.co.uk](http://www.ascentresources.co.uk). The auditors' report on those accounts was unqualified. It did not contain a statement under Section 498(2)-(3) of the Companies Act 2006.

#### **Going Concern**

The Financial Statements of the Group are prepared on a going concern basis.

COVID-19 has had limited direct impact on Ascent's assets in Slovenia but there may be delays in obtaining the necessary governmental approvals and processes. Production operations in Slovenia have been unaffected to date.

The forecasts are sensitive to the timing and cash flows associated with the continuing situation in Slovenia, and discretionary spend incurred with executing on the ESG Metals Strategy through acquisition and advancing the Cuban initiative, including deferred consideration that would become payable if the Company elects to enter a PSC for Block 9b. As such, the Company will need to raise new capital within the forecast period to fund such discretionary spend.

Based on historical and recent support from new and existing investors the Board believes that such funding, if and when required, could be obtained through new debt or equity issuances.

However, there can be no guarantee over the outcome of these options and as a consequence there is a material uncertainty of the Group's ability to raise the necessary finance, which may cast doubt on the Group's ability to operate as a going concern. Further, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

#### **Principal Risks and Uncertainties:**

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 11-12 of the Annual Review 2020, a copy of which is available on the Company's website at [www.ascentresources.co.uk](http://www.ascentresources.co.uk).

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**2. Operating loss is stated after charging**

	Period ended 30 June 2021 £ '000s	Period ended 30 June 2020 £ '000s
Employee costs	475	241
Share based payment charge	16	206
<b>Included within Admin Expenses</b>		
Audit Fees	40	35
Fees payable to the company's auditor other services	-	-
	<b>40</b>	<b>35</b>

**3. Earnings per share**

	Period ended 30 June 2021 £ '000s	Period ended 30 June 2020 £ '000s
<b>Result for the period</b>		
Total loss for the period attributable to equity shareholders	<b>(1,055)</b>	<b>(1,243)</b>
<b>Weighted average number of ordinary shares</b>	<b>Number</b>	<b>Number</b>
For basic earnings per share	<b>106,483,897</b>	<b>42,776,190</b>
<b>Earnings per share (£)</b>	<b>(0.01)</b>	<b>(0.03)</b>

**4. Property, plant & equipment and Exploration and Evaluation assets**

	Computer Equipment £000s	Developed Oil & Gas Assets £000s	Total Property Plant & Equipment £000s	Exploration & evaluation £000s
<b>Cost</b>				
<b>At 1 January 2020</b>	6	23,483	23,489	18,576
Additions	4	-	-	653
Effect of exchange rate movements	-	1,592	1,592	216
<b>At 30 June 2020</b>	<b>10</b>	<b>25,075</b>	<b>25,085</b>	<b>19,445</b>
<b>At 1 January 2020</b>	<b>6</b>	<b>23,483</b>	<b>23,489</b>	<b>18,576</b>
Additions	-	3	3	-
Effect of exchange rate movements	-	1,111	1,111	177
<b>At 31 December 2020</b>	<b>6</b>	<b>24,494</b>	<b>24,600</b>	<b>18,753</b>
<b>At 1 January 2020</b>	<b>6</b>	<b>24,494</b>	<b>24,600</b>	<b>18,753</b>
Additions	-	-	-	-
Effect of exchange rate movements	-	(624)	(624)	(149)
<b>At 30 June 2021</b>	<b>6</b>	<b>23,870</b>	<b>23,876</b>	<b>18,604</b>
<b>Depreciation</b>				
<b>At 1 January 2020</b>	(6)	(1,414)	(1,420)	-
Charge for the year	(1)	(231)	(232)	-
Effect of exchange rate movements	-	55	55	-

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<b>At 30 June 2020</b>	<b>(7)</b>	<b>(1,618),</b>	<b>(1,625)</b>	<b>-</b>
<b>At 1 January 2020</b>	<b>(6)</b>	<b>(1,414)</b>	<b>(1,420)</b>	<b>-</b>
Charge for the year	-	(397)	(397)	-
Effect of exchange rate movements	-	-	-	-
<b>At 31 December 2020</b>	<b>(6)</b>	<b>(1,811)</b>	<b>(1,817)</b>	<b>-</b>
<b>At 1 January 2021</b>	<b>(6)</b>	<b>(1,811)</b>	<b>(1,817)</b>	<b>-</b>
Charge for the year	-	(194)	(194)	-
Effect of exchange rate movements	-	-	-	-
<b>At 30 June 2021</b>	<b>(6)</b>	<b>(2,005)</b>	<b>(2,011)</b>	<b>-</b>
<b>Carrying value</b>				
<b>At 30 June 2021</b>	<b>-</b>	<b>21,865</b>	<b>21,865</b>	<b>18,604</b>
At 31 December 2020	-	22,973	22,873	18,753
At 30 June 2020	4	23,457	23,460	19,445

**5. Trade & other receivables**

	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b>£ '000s</b>	£ '000s
Trade receivables	-	-
VAT recoverable	53	49
Prepaid abandonment liability	300	300
Prepayments & accrued income	9	17
	<b>362</b>	<b>366</b>
<b>Less non-current portion</b>	<b>(300)</b>	<b>(300)</b>
<b>Current portion</b>	<b>62</b>	<b>66</b>

**6. Trade & other payables**

	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b>£ '000s</b>	£ '000s
Trade payables	538	573
Tax and social security payable	68	56
Other payables	-	-
Accruals and deferred income	66	66
	<b>606</b>	<b>695</b>

**7. Borrowings**

	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b>£ '000s</b>	£ '000s
<b>Group</b>		
<b>Non-current</b>		
Convertible loan notes	505	197
	<b>55</b>	<b>197</b>
<b>Group</b>		
<b>Current</b>		
Convertible loan notes	5	5
Borrowings	-	-
<b>Liability at the end of the period</b>	<b>5</b>	<b>5</b>

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The non-current borrowings relate to the loan arrangement with Riverfort Global opportunities that was refinanced in February 2020. The outstanding loan of £375,020 as at February 2020 was re-negotiated to a two-year coupon free bullet with conversion rights for the lender at 7.5 pence per share. No conversion can occur until the share price exceeds 10 pence per share for five consecutive days. The Group made convertible loan note repayments in the year of £105,000 to Riverfort Global opportunities, resulting in an ending convertible loan note balance of £270,000, comprising £197,000 recognised as the debt component and a further £73,000 recognised in Equity Reserve.

The current borrowings relate to the loan facility arrangement with Align Research. The outstanding loan of £307,500, of which £57,500 was received subsequent to the period end.

**8. Contingent consideration due on acquisitions**

	<b>30 June 2021</b>	31 December 2020
<b>Group</b>	<b>£ '000s</b>	£ '000s
<b>Non-current</b>		
Ascent Hispanic Resources UK Limited	<b>450</b>	450
	<b>450</b>	450

The fair value of contingent consideration was based on the present value of cash flows and the market value of the shares to be issued.

**9. Share Capital**

	<b>30 June 2021</b>	31 December 2020
	<b>£ '000s</b>	£ '000s
<b>Authorised</b>		
2,000,000,000 ordinary shares of 0.5p each	10,000	10,000
<b>Allotted, called up and fully paid</b>		
3,019,648,452 deferred shares of 0.195p each	5,888	5,888
1,737,110,763 deferred shares of 0.09p each	1,563	1,563
109,376,804 ordinary shares of 0.5p each (2020: 95,283,281 ordinary shares of 0.2p each)	547	477
	<b>7,998</b>	<b>7,928</b>
<b>Reconciliation of share capital movement</b>	Ordinary shares No.	Ordinary shares No.
Opening	95,283,281	3,019,648,452
Share consolidation	-	(2,989,451,968)
Issue of Trameta consideration shares		91,167
Issue of shares during the year	14,093,523	64,995,630
<b>Closing</b>	<b>109,376,804</b>	<b>95,283,281</b>

The deferred shares have no voting rights and are not eligible for dividends.

**Shares issued during the year**

Issuance of equity throughout the year:

- On 6 January 2021, the Company issued 208,991 ordinary shares ('Consultancy Shares'), to a supplier for financial modelling and business development services rendered in the months of November and December, at an average issue price of 5.74 pence per share being calculated as the monthly volume weighted average price calculations for the respective months in which the services were rendered.
- On 11 January 2021, the Company received a Warrant Exercise notice over 833,333 new ordinary shares for a consideration of £62,500. The Warrants are being exercised by Align Research in consideration for surrendering an equivalent value of loan notes. Additionally, the Company has agreed to issue 66,667 new shares at 7.5 pence, being the coupon conversion price, in lieu of the 8% cash coupon that is incurred on the converted loan amount.

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- On 4 February 2021, the Company received a warrant exercise notice over 1,000,000 new ordinary shares for a consideration of £55,000.
- On 4 February 2021, the Company received a Warrant Exercise notice over 833,333 new ordinary shares for a consideration of £62,500. The Warrants are being exercised by Align Research in consideration for surrendering an equivalent value of loan notes. Additionally, the Company has agreed to issue 66,667 new shares at 7.5 pence, being the coupon conversion price, in lieu of the 8% cash coupon that is incurred on the converted loan amount.,
- On 4 February 2021, the Company received a Warrant Exercise notice over 900,000 new ordinary shares for a consideration of £67,500. The Warrants are being exercised by Align Research and the Company has therefore today issued 900,000 new shares.
- On 10 February 2021, the Company received a warrant exercise notice over 187,500 new ordinary shares for a consideration of £7,500.
- On 11 February 2021, the Company issued 9,997,032 new ordinary shares of 0.5p at a price of 10.1p through an oversubscribed placing, raising gross proceeds of £1,009,700.

**10. Share based payments**

The Company has provided the Directors, certain employees and institutional investors with share options and warrants ('options'). Options are exercisable at a price equal to the closing market price of the Company's shares on the date of grant. The exercisable period varies and can be up to seven years once fully vested after which time the option lapses.

Details of the share options outstanding during the year are as follows:

	Shares	Weighted Average price (pence)
Outstanding at 1 January 2020	152,576,254	2.38
<b>Outstanding at 31 December 2020</b>	<b>7,348,142</b>	<b>253.72</b>
<b>Exercisable at 31 December 2020</b>	<b>1,450,763</b>	<b>248.72</b>
Outstanding at 1 January 2021	7,348,142	253.72
Granted during the year	-	-
Outstanding at 30 June 2021	7,348,142	253.72
<b>Exercisable at 30 June 2021</b>	<b>1,450,763</b>	<b>248.72</b>

The value of the options is measured by the use of a binomial pricing model. The inputs into the binomial model made in 2020 were as follows.

Share price at grant date	2.9p – 778p
Exercise price	5.0p – 2000p
Volatility	50%
Expected life	3-5 years
Risk free rate	0.5%
Expected dividend yield	0%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 5 years. The expected life is the expiry period of the options from the date of issue.

Options outstanding at June 2020 have an exercise price in the range of 2.9p and 778p (and a weighted average contractual life of 4.5 years).

Details of the warrants outstanding during the year are as follows:

	Shares	Weighted Average price (pence)
Outstanding at 1 January 2021	22,068,420	5.44
Granted during the year	-	-
Exercised during the year	(3,754,166)	6.79
Outstanding at 30 June 2021	18,314,254	5.44
<b>Exercisable at 30 June 2021</b>	<b>17,889,772</b>	<b>5.45</b>

**11. Events after the reporting period**

There have been no significant events subsequent to the reporting period.