

1 April 2022

The Directors
Ajax Resources Plc
Salisbury House,
London Wall,
London,
EC2M 5PS



AWARD-WINNING
ACCOUNTANTS

Dear Sirs

Admission of Ajax Resources Plc (“AR” or the “Company”) to the FCA’s Official List under the Standard Listing regime and to the London Stock Exchange’s Main Market (the “Transaction”)

Introduction

We report on the financial information of the Company, set out in this Part XI on pages 53 to 63, for the period from the date of incorporation on 21 June 2021 to 28 February 2022.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 28 February, 2022 and of their results, cash flows and changes in equity for the period from incorporation on 21 June 2021 to 28 February 2022 in accordance with UK-adopted International Financial reporting Standard.

Responsibilities

The Directors of the Company (the “Directors”) are responsible for preparing the financial information in accordance with UK-adopted International Financial Reporting Standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 1.3 of Annex I of the UK version of Commission Delegated Regulation (EU) No 2019/980 supplementing the Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (“Prospectus Delegated Regulation”) consenting to its inclusion in the prospectus.

Basis of preparation

This financial information has been prepared for inclusion in the Prospectus of the Company dated on or around 1 April 2022, on the basis of the accounting policies set out in note 2 to the financial information.

This report is required by Item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation and is given for the purpose of complying with that requirement and for no other purpose.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council (“FRC”) in the United Kingdom. We are independent of the Company in accordance with the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Finsgate
5-7 Cranwood Street
London EC1V 9EE
020 7309 2222
london@jeffreyshenry.com
www.jeffreyshenry.com



Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions Relating to Going Concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our report.

We have not identified a material uncertainty related to events or conditions that, individually or collectively, may cast doubt on the ability of the Company to continue as a going concern for a period of at least twelve months from 1 April 2022. We therefore conclude that the Directors' use of the going concern basis of accounting in the preparation of the financial information is appropriate.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the Prospectus and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with Item 1.2 of Annex 1 of the Prospectus Delegated Regulation and for no other purpose.

Yours faithfully



JEFFREYS HENRY LLP

1 General information

The Company is incorporated and domiciled in the United Kingdom and the registered number of the Company is 13467546. The registered office is Salisbury House, London Wall, London, United Kingdom, EC2M 5PS.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the combined financial information are set out below. These policies have been consistently applied to all the periods of accounts presented, unless otherwise stated.

2.1 Basis of preparation

The financial information has been prepared in accordance with UK-adopted International Financial Reporting Standards, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS and on a historical cost basis.

The financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 4.

2.2 New standards, amendments and interpretations not yet adopted

• Standards /interpretations	• Application
• IAS 1 amendments	• Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date: Effective 1 January 2023
• IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amendments	• Interest rate benchmark reform Effective 1 January 2021
• IFRS 3 amendments	• Business Combinations – Reference to the Conceptual Framework: Effective 1 January 2022
• IFRS 16 amendments	• COVID-19 related rent concessions beyond 30 June 21
• IFRS 17	• Effective 1 January 2021
• IAS 8 amendments	• Insurance contracts Effective 1 January 2023
• IAS 12 amendments	• Definition of accounting estimates Effective 1 January 2023
• IAS 16 amendments	• Deferred tax Effective 1 January 2023
• IAS 37 amendments	• Property, Plant and Equipment: Effective 1 January 2022
• N/A	• Provisions, Contingent Liabilities and Contingent Assets: • Effective 1 January 2022
	• Annual Improvements to IFRS Standards 2018-2020 Cycle: Effective 1 January 2022

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.3 Going concern

The Directors have adopted the going concern basis in preparing the financial information for the period to 28 February, 2022. The Directors have a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future.

2.4 Cash and cash equivalents

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

2.5 Financial instruments

i) Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contracted terms of the cash flows. Financial assets are classified as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contracted cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the consolidated income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the consolidated income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

ii) Financial liabilities

Basic financial liabilities, being trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are

recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. The Company does not hold or issue derivative financial instruments.

2.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.7 Current and deferred income tax

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

4 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

5. Statement of Comprehensive Income

	Notes	Audited 21 June 2021 to 28 February 2022 £
Revenue		-
Cost of sales		-
Gross profit		-
Administrative expenses		(79,625)
Operating income/(loss) and profit/(loss) before income tax		(79,625)
Income tax	9.2	-
Profit/(Loss) and total comprehensive income for the period attributable to the equity shareholders		(79,625)

6. Statement of Financial Position

	Notes	Audited 28 February 2022 £
Current assets		
Receivable from shareholders	9.4	663,585
VAT Credit	9.4	11,952
Cash and cash equivalents	9.5	-
		675,537
Total assets		675,537
Equity		
Ordinary shares	9.6	120,000
Retained earnings/(loss)		(79,625)
Total equity		40,375
Current Liability		
Other payables		635,162
Total equity and liabilities		675,537

7. Statement of Changes in Equity

	Ordinary share capital	Retained losses	Total
	£	£	£
Balance at incorporation at 21 June 2021	12,500	-	12,500
Share issue	107,500	-	107,500
Loss and total comprehensive income for the period	-	(79,625)	(79,625)
Balance at 28 February 2022	120,000	(79,625)	40,375

Share capital is the amount subscribed for shares at nominal value.

The retained earnings represents the cumulative results of the company attributable to equity shareholders.

8. Statement of Cash Flows

	Notes	Audited 21 June 2021 to 28 February 2022 £
Cash flows from operating activities		
Profit/ (loss) before tax		(79,625)
Decrease/(increase) in receivables		(11,952)
(Decrease)/increase in payables		10,162
Net cash used in operating activities		(81,415)
Cash flows from investing activities		-
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from the issue of ordinary shares (net of issue costs)		81,415
Net cash generated from financing activities		81,415
Net increase / (decrease) in cash and cash equivalents		-
Cash and cash equivalents at the start of the period		-
Cash and cash equivalents at the end of the period		-

9. Notes to the financial statements

9.1. Employee expense

	21 June 2021 to 28 February 2022 £
Director's remuneration	Nil

- The average number of persons (including directors) employed by the Company during the period was 2.

No share options were held by the directors at 28 February 2022.

9.2. Income Tax

	21 June 2021 to 28 February 2022 £
Profit/(loss) before tax	(79,625)
Tax calculated at the domestic rate applicable of 19%	-
Tax effect of:	
Unutilised tax losses carried forward	-
Total tax charge	-

There was no tax arising in the Company.

The Company has no tax losses to carry forward against future profits.

9.4. Other receivables

	28 February 2022 £
Receivable from shareholders	663,585
VAT Credit	11,952

Other receivables relates to unpaid share capital and the VAT Credit related to the invoices paid during the period. The fair value of other receivables approximates to the net book values stated above.

9.5. Cash and cash equivalents

	28 February 2022 £
Cash on hand & balances with banks	-

9.6. Share capital

	Shares issued and fully paid	
	Number of ordinary shares	Share capital £
Nominal value		£0.01
At 21 June 2021 - incorporation	1,250,000	12,500
Issued	10,750,000	107,500
At 28 February 2022	12,000,000	120,000

The following shares issues were made during the period ended 28 February 2022:

	No of shares issued	Issue price per share £
Date of issue		
23 June 2021	10,750,000	£0.01
Total issued	10,750,000	

9.7. Reserves

The following reserves describe the nature and purpose of each reserve within equity:

Share capital: Represents the nominal value of the issued share capital.

Retained earnings: Represents accumulated comprehensive income for the period.

9.8. Financial assets and liabilities

The tables below analyse the carrying value of financial assets and financial liabilities in the Company's statements of financial position. Further information on the classes that make up each category is provided in the notes indicated. The carrying value of each category is considered a reasonable approximation of its fair value. All amounts are due within one year.

	Carrying amount £	Contractual cash flows £	6 months or less £	6 to 12 months £	1 to 2 years £	2 to 5 years £
28 February, 2022						
Financial assets at amortised cost						
Other receivables	663,585	-	663,585	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
	663,585	-	663,585	-	-	-

9.9. Commitments

The Company held no leases as at 28 February 2022. The Company holds no other commitments.

9.10. Related party transactions

There were no related party transactions in the period, other than the issue of shares.

9.11. Controlling Party

The directors consider that I Cattaneo is the controlling party by virtue of their shareholding.

9.12. Subsequent events

On Admission, the Company will:

- Issue warrants as follows:

Broker Warrants	362,000
Consuelo Giuliana Brenner Warrants	<u>3,514,688</u>
	3,876,688
- Issue options as follows:

Ippolito Cattaneo	5,857,813
Michael Hutchinson	3,514,688
Luca Benedetto	<u>2,343,125</u>
	11,715,626

These warrants are exercisable at the Placing Price. The Broker Warrants have a duration of 2 years; the Consuelo Giuliana Brenner Warrants have a duration of 3 years. The Options vest when the share price of the Ordinary Shares reaches £0.08 or an Acquisition has occurred.

- Issue 24,500,000 subscription shares at the price of £0.04 each;
- Issue 9,050,000 placing shares
- Issue 1,312,500 Fee Shares for payment to advisors including to CAPS under the commission agreement.
- Raise a gross amount of £1,342,000.