

Company registration number 11013848 (England and Wales)

EATRON TECHNOLOGIES LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Affinia
Ground Floor
Swift House
18 Hoffmanns Way
Chelmsford
CM1 1GU

EATRON TECHNOLOGIES LTD

COMPANY INFORMATION

Directors	Dr A U Genc Mr O Kent Mr M Samaan Mr R McIntyre
Company number	11013848
Registered office	Unit 11A The Innovation Centre Warwick Technology Park Warwick CV34 6UW
Auditor	Affinia (Chelmsford) Ground Floor Swift House 18 Hoffmanns Way Chelmsford CM1 1GU

EATRON TECHNOLOGIES LTD

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EATRON TECHNOLOGIES LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the strategic report for the year ended 31 December 2024.

Fair review of the business

The directors aim to provide a balanced and comprehensive review of the development and performance of the business during the period and its position at the period end. The review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

Business Review

The directors aim to provide a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

Business Review

Eatron is a fast-growing technology company dedicated to unlocking the full potential of batteries with intelligent software for all vehicle and battery manufacturers worldwide. We develop AI-powered edge-to-cloud connected software platform for better, safer, durable and greener batteries in automotive, mobility and beyond.

Each Eatron software function at the edge (i.e. in the battery management system (BMS)), such as advanced SoX or RUL, is designed to have a cloud counterpart with integrated connectivity and analytics. These enable OTA updates to unlock regular software improvements to achieve superior performance, safety and reliability over the lifetime of the batteries and EVs.

Eatron is headquartered in Warwick, with an office in Istanbul Türkiye and other global presences.

During FY 2024, Eatron had a decreased turnover by 84% to £0.711m (FY 2023: £4.372m) and reported a loss of £5.56m (FY 2023: loss of £0.156m) in the same period. Furthermore, the gross profit was in a loss position of £398,638 (2023 income position: £3,419,376), the loss after tax in the current year was £5,560,496 (2023: £155,789) and a cash position at year end of £5,820,826 (2023: £9,241,971).

At Eatron our values form our behaviour and shape the 'Eatronian way'. They help us to achieve our vision, mission and keep us focused along our journey to make software-defined vehicles a reality for OEMs worldwide. These values are:

- Passion for science and technology
- High performance and achievers
- Love for new ideas & always curious
- Care for environment and sustainability
- Team builders
- Know how to have fun

Principal risks and uncertainties

The key risk areas are:

- Changes in key market segments; temporary slowdown in electrification
- Expanding the current customer portfolio to facilitate the growth of the group
- Successful development of BMS software technologies to meet customer demands

The directors consider there to be an appropriate structure in place to plan for and mitigate risks.

The group operates in a competitive market. The risks associated with this are mitigated by ensuring the group offers a high-quality service across all areas of the business, by maintaining positive relationships with its existing stakeholders and continue to build the brand name by enhancing its existing customer base.

The group 's financial instruments comprise cash at bank, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group 's operations to maintain cash liquidity buffer to mitigate this risk.

Customer pricing is under constant review. Excellent customer service and development of competitive BMS software, as well as strong client relationships are used to mitigate this risk.

EATRON TECHNOLOGIES LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Future outlook

Electrification is accelerating globally, and every device, vehicle, and system increasingly depends on batteries. Every battery, in turn, requires a robust Battery Management System (BMS) to operate safely, efficiently, and reliably. Eatron is strategically positioned to deliver advanced software solutions that maximise battery performance and longevity.

Our focus remains on scaling our AI-first technology platform and expanding our product portfolio to meet the growing demand across automotive and energy storage sectors. We continue to strengthen our core leadership team and actively pursue investment opportunities to fuel this growth.

The directors are confident that the combination of a recovering global economy, rapid electrification trends, and Eatron's leadership in BMS innovation will create a strong foundation for sustainable success and long-term value creation.

On behalf of the board

Dr A U Genc
Director

10 December 2025

EATRON TECHNOLOGIES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of the company and group continued to be that of a technology company dedicated to unlocking the full potential of batteries with intelligent software for all vehicle and battery manufacturers worldwide.

We develop AI-powered edge-to-cloud connected software platform for better, safer, durable and greener batteries in automotive, mobility and beyond.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr A U Genc
Mr O Kent
Mr M Samaan
Mr R McIntyre

Auditor

Affinia (Chelmsford) were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Dr A U Genc
Director

10 December 2025

EATRON TECHNOLOGIES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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. They are also 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.

EATRON TECHNOLOGIES LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EATRON TECHNOLOGIES LTD

Opinion

We have audited the financial statements of Eatron Technologies Ltd (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2024 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

EATRON TECHNOLOGIES LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EATRON TECHNOLOGIES LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the technology sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including Companies Act 2006, taxation legislation, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

EATRON TECHNOLOGIES LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EATRON TECHNOLOGIES LTD

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- Investigated the rationale behind significant or unusual transactions; and
- Observed and identified internal controls in place, specifically around payroll and bank transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and reviewing for evidence of correspondence with legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Andrew Runicles (Senior Statutory Auditor)
For and on behalf of Affinia (Chelmsford)

10 December 2025

Chartered Accountants
Statutory Auditor

Ground Floor
Swift House
18 Hoffmanns Way
Chelmsford
CM1 1GU

EATRON TECHNOLOGIES LTD

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Notes	£	£
Turnover	3	710,671	4,371,565
Cost of sales		(1,109,309)	(952,189)
Gross (loss)/profit		(398,638)	3,419,376
Administrative expenses		(6,496,160)	(4,295,488)
Other operating income		276,802	37,949
Operating loss	4	(6,617,996)	(838,163)
Interest receivable and similar income	8	239,957	47,556
Interest payable and similar expenses	9	(2,259)	(1,146)
Loss before taxation		(6,380,298)	(791,753)
Tax on loss	10	819,802	635,964
Loss for the financial year		(5,560,496)	(155,789)

Loss for the financial year is all attributable to the owner of the parent company.

EATRON TECHNOLOGIES LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	£	£
Loss for the year	(5,560,496)	(155,789)
	<u> </u>	<u> </u>
Hyper-inflationary adjustments	(46,922)	-
	<u> </u>	<u> </u>
Total comprehensive loss for the year	(5,607,418)	(155,789)
	<u> </u>	<u> </u>

Total comprehensive loss for the year is all attributable to the owner of the parent company.

EATRON TECHNOLOGIES LTD

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		1,266,358		1,832,964
Tangible assets	13		111,577		180,366
			<u>1,377,935</u>		<u>2,013,330</u>
Current assets					
Debtors	16	1,232,750		1,621,369	
Cash at bank and in hand		5,820,826		9,241,971	
		<u>7,053,576</u>		<u>10,863,340</u>	
Creditors: amounts falling due within one year	17	(225,807)		(508,246)	
Net current assets			<u>6,827,769</u>		<u>10,355,094</u>
Net assets			<u>8,205,704</u>		<u>12,368,424</u>
Capital and reserves					
Called up share capital	19		17,308		14,210
Share premium account	21		19,147,536		17,769,010
Revaluation reserve	20		(682,205)		(635,283)
Share option reserve			66,612		3,538
Profit and loss reserves			(10,343,547)		(4,783,051)
Total equity			<u>8,205,704</u>		<u>12,368,424</u>

The financial statements were approved by the board of directors and authorised for issue on 10 December 2025 and are signed on its behalf by:

Dr A U Genc
Director

Company registration number 11013848 (England and Wales)

EATRON TECHNOLOGIES LTD

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		1,255,239		1,816,975
Tangible assets	13		94,787		140,162
Investments	14		9,700		9,700
			<u>1,359,726</u>		<u>1,966,837</u>
Current assets					
Debtors	16	1,682,965		1,470,565	
Cash at bank and in hand		5,122,143		9,086,783	
		<u>6,805,108</u>		<u>10,557,348</u>	
Creditors: amounts falling due within one year	17	<u>(150,527)</u>		<u>(441,256)</u>	
Net current assets			<u>6,654,581</u>		<u>10,116,092</u>
Net assets			<u>8,014,307</u>		<u>12,082,929</u>
Capital and reserves					
Called up share capital	19		331		324
Share premium account	21		18,330,467		17,023,547
Share option reserve			66,612		3,538
Profit and loss reserves			<u>(10,383,103)</u>		<u>(4,944,480)</u>
Total equity			<u>8,014,307</u>		<u>12,082,929</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £5,438,623 (2023: £375,124).

The financial statements were approved by the board of directors and authorised for issue on 10 December 2025 and are signed on its behalf by:

Dr A U Genc
Director

Company registration number 11013848 (England and Wales)

EATRON TECHNOLOGIES LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium account	Revaluation reserves	Equity settled share options	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 January 2023	280	9,277,686	-	3,538	(4,627,262)	4,654,242
Year ended 31 December 2023:						
Loss and total comprehensive income	-	-	-	-	(155,789)	(155,789)
Issue of share capital	44	7,897,228	-	-	-	7,897,272
Remeasurement of subsidiary share premium	-	(68,303)	-	-	-	(68,303)
Restatement - Hyper-inflationary adjustments	29	13,886	(635,283)	-	-	41,002
Restated Balance at 31 December 2023	14,210	17,769,010	(635,283)	3,538	(4,783,051)	12,368,424
Year ended 31 December 2024:						
Loss and total comprehensive income	-	-	-	-	(5,560,496)	(5,607,418)
Issue of share capital	19	7	1,306,920	-	-	1,306,927
Equity settled share option expense	-	-	-	63,074	-	63,074
Hyper-inflationary adjustments	-	3,091	(46,922)	-	-	27,775
Balance at 31 December 2024	17,308	19,147,536	(682,205)	66,612	(10,343,547)	8,205,704

EATRON TECHNOLOGIES LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

		Share capital	Share premium account	Equity settled share options	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 January 2023		280	9,126,319	3,538	(4,569,356)	4,560,781
Year ended 31 December 2023:						
Loss and total comprehensive income for the year		-	-	-	(375,124)	(375,124)
Issue of share capital	19	44	7,897,228	-	-	7,897,272
Balance at 31 December 2023		324	17,023,547	3,538	(4,944,480)	12,082,929
Year ended 31 December 2024:						
Profit and total comprehensive income		-	-	-	(5,438,623)	(5,438,623)
Issue of share capital	19	7	1,306,920	-	-	1,306,927
Equity settled share option expense		-	-	63,074	-	63,074
Balance at 31 December 2024		331	18,330,467	66,612	(10,383,103)	8,014,307

EATRON TECHNOLOGIES LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024		2023 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	26		(5,415,372)		(959,628)
Interest paid			(2,259)		(1,146)
Income taxes refunded			735,629		577,824
			<u> </u>		<u> </u>
Net cash outflow from operating activities			(4,682,002)		(382,950)
Investing activities					
Purchase of intangible assets		(268,761)		(1,339,588)	
Purchase of tangible fixed assets		(17,266)		(9,940)	
Proceeds from disposal of tangible fixed assets		-		29,184	
Interest received		239,957		47,556	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(46,070)		(1,272,788)
Financing activities					
Proceeds from issue of shares		1,306,927		7,897,272	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			1,306,927		7,897,272
Net (decrease)/increase in cash and cash equivalents					
			(3,421,145)		6,241,534
Cash and cash equivalents at beginning of year			9,241,971		3,000,437
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>5,820,826</u>		<u>9,241,971</u>

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

Eatron Technologies Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 11A, The Innovation Centre, Warwick Technology Park, Warwick, CV34 6UW.

The group consists of Eatron Technologies Ltd and of its one subsidiary.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value, basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Hyper-Inflationary Accounting

Date of Transition

The Company first applied hyperinflation accounting for its Turkish operations from the year ended 31 December 2023 financial year being the beginning of the reporting period in which the economy was first identified as hyperinflationary.

Restatement Process

Upon initial application, the Company restated the financial statements of its Turkish operations as follows:

Non-monetary assets and liabilities: Historical cost amounts were restated using a general price index from the date of acquisition or transaction to the end of the reporting period.

Monetary assets and liabilities: No restatement was required as these are already expressed in terms of the monetary unit current at the end of the reporting period.

Equity components: Share capital and share premium were restated from the dates the shares were issued. The revaluation reserve was derived as the difference between total restated equity and other restated equity components.

Other comprehensive income: All items were restated using general price indices from the dates when the income and expense items were initially recorded to the end of the reporting period.

General Price Index

The Company uses the Consumer Price Index published by the Turkish Government as the general price index for restatement purposes.

Subsequent Application

Ongoing Restatement

In subsequent periods, the Company continues to restate the financial statements of its Turkish operations by applying the general price index adjustment to:

- The restated amounts from the previous period's financial statements
- Current period transactions and events using indices from transaction dates to the reporting date

Monetary Gain/Loss

The Company recognizes in other comprehensive income the hyper-inflationary adjustment on the net monetary position. This represents the difference resulting from the restatement of non-monetary assets, equity and income statement items, and the adjustment of index-linked assets and liabilities.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Eatron Technologies Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the parent company and Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors foresee the going concern of the business for 12 months from the approval of the financial statements based on the contracted and non contracted sales pipeline anticipated, previous period funding from existing shareholders and shareholder support to which has been obtained.

Despite a loss being recognised in 2024, this will ensure that the group of entities and this company will be able to meet and manage relevant financial and non-financial commitments for the foreseeable future.

As such, due to the financial and continued support of the shareholders and directors of the business, the directors are confident that the company (and group) is a going concern for a period of at least 12 months from the date of the signing of the balance sheet.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of BMS (Battery Management Software) is recognised with reference to the stage of completion of each contract on a straight line method.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	10 years straight line
Intangible Trademark	10 years straight line
Development Costs	5 years straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	15 years straight line
Plant and equipment	5 years straight line
Fixtures and fittings	25% reducing balance
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in the subsidiary are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

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

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

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

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Group and Parent Company

Impairment of Intangible Assets The Group and Parent Company capitalise its software under development where certain criteria for recognition has been met in line with FRS 102. However, given the current loss making position of the Group and Parent Company, there is a heightened risk of impairment. In addition, managements assessment of impairment at a product line level is reliant on the future cash flow forecast expectations based on existing and expected customer contracts. Hence, there is significant judgement involved in determining whether an impairment charge has arisen at the end of each period end.

Recognition of Share Option Expense

Eatron Technologies Ltd has issued share options (equity settled) to both its UK and overseas employees. All option holders do not have a right to exercise their share options until an exit event occurs. Despite shareholder support, given the current loss making position of the company and Group, the timing and certainty of an exit event is not currently known. As a result, this affects the estimated fair value of the options issued and the share option expense arising from the issues share options across the group.

Whilst management have determined the cumulative share option expense to 31 December 2024 to not be material, this is largely due to the current uncertainty regarding timing of an exit event. However, the position will be reassessed on an annual basis.

Group

Hyperinflationary accounting adjustments

The subsidiary entity located in Turkey operates in a hyperinflationary economy. In line with the requirements of section 31 of FRS 102, accounting adjustments are made to the non-monetary balances and transactions of the subsidiary based on the applicable producer price index rate published monthly by the Turkish government to restate all non-monetary figures to reflect the changes in the general purchasing power of the Turkish economy. The Turkish government has specified that hyperinflationary adjustments are to be made only from the 2023 period financial statements prospectively. The entity has assessed all non-monetary balances as at the date of acquisition and remeasured them using the producer price index applicable to the specific month of their acquisition.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3	Turnover and other revenue	2024	2023
		£	£
	Turnover analysed by class of business		
	BMS sales	710,671	4,371,565
		<u>710,671</u>	<u>4,371,565</u>
		2024	2023
		£	£
	Turnover analysed by geographical market		
	United Kingdom	362,283	872,091
	Rest of Europe	84,882	3,014,266
	Rest of the world	263,506	485,208
		<u>710,671</u>	<u>4,371,565</u>
		2024	2023
		£	£
	Other revenue		
	Interest income	239,957	47,556
	Grants received	195,079	-
		<u>435,036</u>	<u>47,556</u>
4	Operating loss	2024	2023
		£	£
	Operating loss for the year is stated after charging/(crediting):		
	Exchange losses	78,869	103,812
	Research and development tax credit	(819,802)	(635,964)
	Government grants	(195,079)	-
	Depreciation of owned tangible fixed assets	123,647	96,168
	Amortisation of intangible assets	397,733	320,248
	Impairment of intangible assets	439,180	-
	Share-based payments	63,074	-
	Operating lease charges	152,803	108,003
		<u>1,355,534</u>	<u>1,091,267</u>
5	Auditor's remuneration	2024	2023
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	42,000	34,000
		<u>42,000</u>	<u>34,000</u>

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2024 Number	2023 Number	Company 2024 Number	2023 Number
	70	64	21	22
	<u>70</u>	<u>64</u>	<u>21</u>	<u>22</u>

Their aggregate remuneration comprised:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Wages and salaries	4,501,978	2,896,276	1,552,401	1,492,655
Social security costs	183,670	176,037	183,670	176,037
Pension costs	83,500	70,421	83,500	70,421
	<u>4,769,148</u>	<u>3,142,734</u>	<u>1,819,571</u>	<u>1,739,113</u>

7 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	137,330	76,500
Social security costs	16,377	9,226
Company pension contributions to defined contribution schemes	2,642	2,642
	<u>156,349</u>	<u>88,368</u>

8 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	239,957	47,556
	<u>239,957</u>	<u>47,556</u>

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Interest payable and similar expenses

	2024	2023
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	77	21
Other finance costs:		
Other interest	2,182	1,125
Total finance costs	<u>2,259</u>	<u>1,146</u>

10 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	(819,802)	(635,964)
	<u>(819,802)</u>	<u>(635,964)</u>

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Loss before taxation	<u>(6,380,298)</u>	<u>(791,753)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	(1,595,075)	(150,433)
Disallowable Expenditure	118,102	57,098
Taxable Research and Development Expenditure credit	-	66,146
Research and Development Additional Deduction	(860,138)	(586,946)
Loss surrendered for tax credit	2,337,111	614,135
Research and development tax credit	(819,802)	(635,964)
Taxation credit	<u>(819,802)</u>	<u>(635,964)</u>

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom has increased from 19% to 25%.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2024 £	2023 £
In respect of:			
Intangible assets	12	439,180	-
Recognised in:			
Administrative expenses		439,180	-

The impairment losses in respect of intangible assets are recognised in cost of sales in the profit and loss account.

12 Intangible fixed assets

Group	Patents & licences £	Intangible Trademark £	Development costs £	Total £
Cost				
At 31 December 2023	267,279	4,785	2,190,455	2,462,519
Restatement - hyperinflation adjustment	45,026	-	-	45,026
Restated at 1 January 2024	312,305	4,785	2,190,455	2,507,545
Additions - internally developed	216,827	-	-	216,827
Additions - separately acquired	51,935	-	-	51,935
Hyperinflation adjustment	1,587	-	-	1,587
At 31 December 2024	582,654	4,785	2,190,455	2,777,894
Amortisation and impairment				
At 31 December 2023	29,740	2,022	609,888	641,650
Restatement - hyperinflation adjustment	32,930	-	-	32,930
Restated at 1 January 2024	62,670	2,022	609,888	674,580
Amortisation charged for the year	49,810	479	348,455	398,744
Impairment losses	-	-	439,180	439,180
Hyperinflation adjustment	(1,011)	-	-	(1,011)
At 31 December 2024	111,469	2,501	1,397,523	1,511,493
Carrying amount				
At 31 December 2024	471,185	2,284	792,932	1,266,401
Restated at 31 December 2023	249,635	2,763	1,580,567	1,832,965

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Intangible fixed assets (Continued)

Company	Patents & licences £	Intangible Trademark £	Development costs £	Total £
Cost				
At 1 January 2024	254,955	4,785	2,190,455	2,450,195
Additions - internally developed	263,440	-	-	263,440
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	518,395	4,785	2,190,455	2,713,635
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation and impairment				
At 1 January 2024	21,310	2,022	609,888	633,220
Amortisation charged for the year	37,062	479	348,455	385,996
Impairment losses	-	-	439,180	439,180
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	58,372	2,501	1,397,523	1,458,396
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 December 2024	460,023	2,284	792,932	1,255,239
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2023	233,645	2,763	1,580,567	1,816,975
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

More information on impairment losses in the year is included in note 11.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

13 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 31 December 2023	42,522	163,998	52,155	197,434	456,109
Restatement - hyperinflation adjustment	-	-	112,697	-	112,697
Restated at 1 January 2024	42,522	163,998	164,852	197,434	568,806
Additions	1,764	1	11,101	4,400	17,266
Hyperinflation adjustment	-	-	37,591	-	37,591
At 31 December 2024	44,286	163,999	213,544	201,834	623,663
Depreciation and impairment					
At 1 January 2024	8,648	114,578	35,462	143,560	302,248
Restatement - hyperinflation adjustment	-	-	86,191	-	86,191
Restated at 1 January 2024	8,648	114,578	121,653	143,560	388,439
Depreciation charged in the year	2,835	32,851	10,815	42,564	89,065
Hyperinflation adjustment	-	-	34,582	-	34,582
At 31 December 2024	11,483	147,429	167,050	186,124	512,086
Carrying amount					
At 31 December 2024	32,803	16,570	46,494	15,710	111,577
Restated at 31 December 2023	33,874	49,420	43,199	53,874	180,367

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

13 Tangible fixed assets (Continued)

Company	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2024	42,522	163,998	11,162	197,434	415,116
Additions	1,764	1	29,762	4,400	35,927
At 31 December 2024	<u>44,286</u>	<u>163,999</u>	<u>40,924</u>	<u>201,834</u>	<u>451,043</u>
Depreciation and impairment					
At 1 January 2024	8,648	114,578	8,168	143,560	274,954
Depreciation charged in the year	2,835	32,851	3,052	42,564	81,302
At 31 December 2024	<u>11,483</u>	<u>147,429</u>	<u>11,220</u>	<u>186,124</u>	<u>356,256</u>
Carrying amount					
At 31 December 2024	<u>32,803</u>	<u>16,570</u>	<u>29,704</u>	<u>15,710</u>	<u>94,787</u>
At 31 December 2023	<u>33,874</u>	<u>49,420</u>	<u>2,994</u>	<u>53,874</u>	<u>140,162</u>

14 Fixed asset investments

Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Investments in subsidiaries	-	-	9,700	9,700

Movements in fixed asset investments

Company	Shares in associates £
Cost or valuation	
At 1 January 2024 and 31 December 2024	9,700
Carrying amount	
At 31 December 2024	<u>9,700</u>
At 31 December 2023	<u>9,700</u>

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Eatron Yazilim ve Muhendislik Teknolojileri AS	Resitpasa Mah. Ari 6 Binasi No:2/49/110 34467 Sariyer/ Istanbul	Ordinary	100.00

16 Debtors

	Group 2024	2023 as restated	Company 2024	2023
Amounts falling due within one year:	£	£	£	£
Trade debtors	52,658	450,301	52,658	450,300
Corporation tax recoverable	720,137	635,964	720,137	635,964
Amounts owed by group undertakings	-	-	-	8,308
Other debtors	252,177	214,783	154,177	81,368
Prepayments and accrued income	207,778	320,321	755,993	294,625
	<u>1,232,750</u>	<u>1,621,369</u>	<u>1,682,965</u>	<u>1,470,565</u>

17 Creditors: amounts falling due within one year

	Group 2024	2023 as restated	Company 2024	2023
	£	£	£	£
Trade creditors	71,928	177,458	49,588	164,314
Other taxation and social security	73,910	164,947	39,510	111,101
Other creditors	22,102	7,539	3,562	7,539
Accruals and deferred income	57,867	158,302	57,867	158,302
	<u>225,807</u>	<u>508,246</u>	<u>150,527</u>	<u>441,256</u>

18 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>83,500</u>	<u>70,421</u>

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

19 Share capital

Group and company	2024	2023	2024	2023
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary of 0.01p each	1,317,679	1,333,143	131	133
Seed of 0.01p each	440,000	440,000	44	44
Series A of 0.01p each	1,026,450	1,026,450	103	103
Series A2 of 0.01p each	366,935	278,573	37	28
Series A2B of 0.01p each	156,603	156,603	16	16
	<u>3,307,667</u>	<u>3,234,769</u>	<u>331</u>	<u>324</u>

20 Revaluation reserve

	Group 2024	2023 as restated	Company 2024	2023
	£	£	£	£
At the beginning of the year	(635,283)	-	-	-
Hyper-inflationary adjustments	(46,922)	(635,283)	-	-
At the end of the year	<u>(682,205)</u>	<u>(635,283)</u>	<u>-</u>	<u>-</u>

21 Share premium account

	Group 2024	2023 as restated	Company 2024	2023
	£	£	£	£
At the beginning of the year	17,769,010	9,277,686	17,023,547	9,126,319
Issue of new series A2 shares	1,306,920	4,995,265	1,306,920	4,995,265
Issue of new series A2B shares	-	2,901,963	-	2,901,963
Remeasurement of subsidiary share premium	71,606	594,096	-	-
At the end of the year	<u>19,147,536</u>	<u>17,769,010</u>	<u>18,330,467</u>	<u>17,023,547</u>

On 28 February 2024, 88,362 new series A2 shares were issued at a premium amounting to £1,306,920.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

22 Equity Settled Share Options

Eatron Technologies Ltd has issued share options (equity settled) to both its UK and overseas employees.

263,500 share options have been granted to employees at 31 December 2024 (255,500: 31 December 2023).

159,500 share options remain outstanding at 31 December 2024 (203,500: 31 December 2023).

All option holders do not have a right to exercise their share options until an exit event occurs.

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Within one year	58,757	72,699	39,490	21,989
Between two and five years	62,526	-	62,526	-
	<u>121,283</u>	<u>72,699</u>	<u>102,016</u>	<u>21,989</u>

24 Related party transactions

A fee was paid to one of the Directors of £36,000 in 2024 (2023: £36,000) for acting Chairman in the period.

25 Controlling party

There is no ultimate controlling party at 31 December 2023 and 31 December 2024.

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

26 Cash absorbed by group operations

	2024	2023 as restated
	£	£
Loss after taxation	(5,607,418)	(155,789)
Adjustments for:		
Taxation credited	(819,802)	(635,964)
Finance costs	2,259	1,146
Investment income	(239,957)	(47,556)
Amortisation and impairment of intangible assets	836,913	320,248
Depreciation and impairment of tangible fixed assets	123,647	96,168
Hyper-Inflationary adjustments	46,922	-
Remeasurement of Share Premium at Year End	-	(68,302)
Equity settled share based payment expense	63,074	-
Movements in working capital:		
Decrease/(increase) in debtors	472,157	(540,317)
(Decrease)/increase in creditors	(293,167)	70,738
Cash absorbed by operations	(5,415,372)	(959,628)

27 Analysis of changes in net funds - group

	1 January 2024	Cash flows	31 December 2024
	£	£	£
Cash at bank and in hand	9,241,971	(3,421,145)	5,820,826

28 Prior period adjustment

The prior period has been restated to reflect the following hyper-inflationary accounting adjustments as a result of the initial application of section 31 of FRS102 to the accounting figures of the subsidiary as directed by the Turkish government:

Financial Statement Line Item	As Previously Reported (2023)	Adjustment	Restated (2023)
	£	£	£
Total Liabilities:	(508,385)	139	(508,246)
Total Equity:	(12,327,422)	(41,002)	(12,368,424)
Total Assets	12,835,808	40,862	12,876,670

EATRON TECHNOLOGIES LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

29 Post balance sheet event

On 22 February 2025, the company incorporated a subsidiary, Eatron Technologies Japan G.K.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.