Acknowledgement : Bob Rich, Caroonist, Hedgeye

Annual Report and Accounts

Year to 31 December 2023

CONTENTS

2023 HIGHLIGHTS

Group Results 2023 versus 2022 GBP	GBP
• Profit /(loss) after tax for the year	(£0.89)m vs (£1.45)m
• Group Earnings Per Share (basic and diluted)*1	(£0.11) vs (£0.18)
• Book value per share*2	£1.16 vs £1.30
• Investment Holdings	£8.0m vs £7.7m
• Cash	£0.1m vs £1.4m

*1 based on weighted average number of shares in issue of 7,945,838 (2022: 7,945,838)

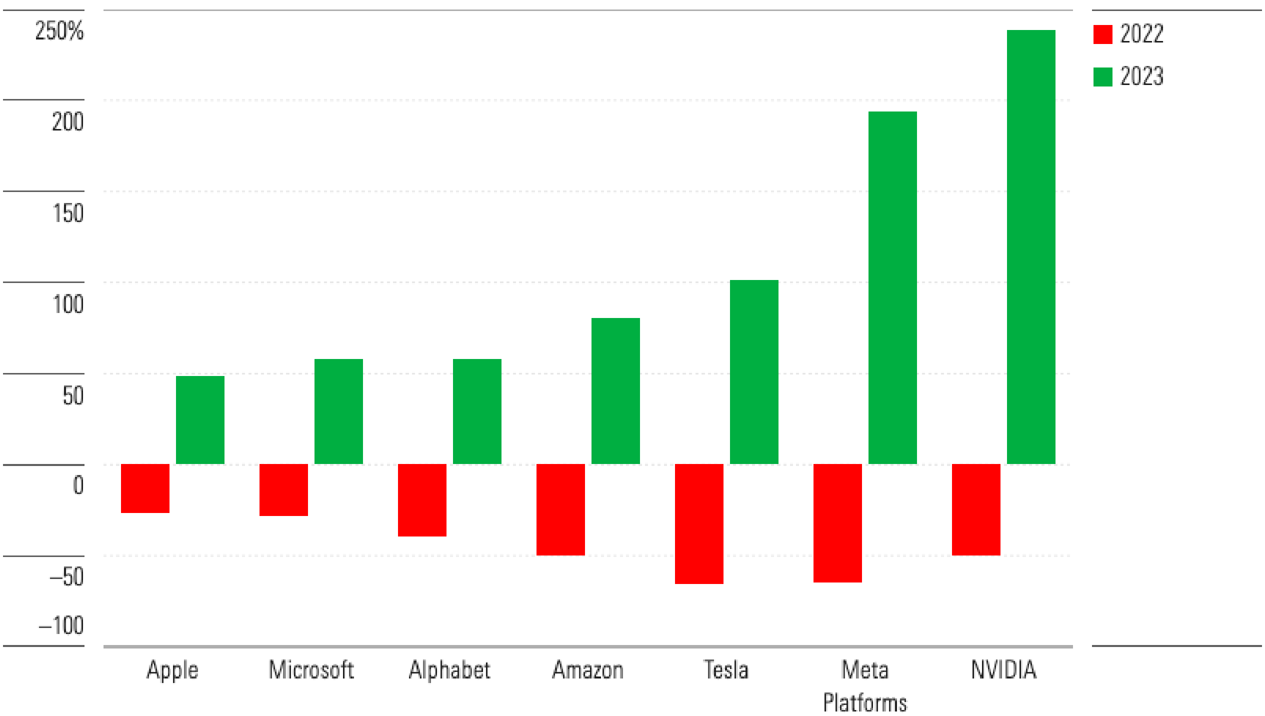
*2 based on actual number of shares in issue as at 31 December 2023 of 7,945,838 (2022: 7,945,838)

2023 HIGHLIGHTS CONTINUED

2023 Macro-Highlights

- U.S. Stocks rose 26.4% (including dividends), the biggest rally in the US Market Index since 2019.
- Stocks were up 12.1% in the fourth quarter, the index's best quarterly performance since late 2020.
- Since hitting their bear-market low in October 2022, stocks rallied 36%.
- Technology stocks posted a huge year, surging 59.1% for their best performance since 2009. Along with Nvidia which soared 239.0%, chip manufacturer Advanced Micro Devices AMD jumped 128%.
- Communications Services ranked second among stock sectors, gaining 54.5%, led by rallies in Alphabet GOOGL, Meta Platforms META, and Netflix NFLX.
- **The so-called "Magnificent Seven" stocks contributed nearly half of the stock market's overall gain.**
- Large-growth stocks gained 47.3%, blowing away large-value stocks by 36 percentage points—the second-biggest advantage for growth in 25 years.
- Utilities stocks stumbled, losing 7%—their worst year since 2008—dragged down by higher interest rates.
- Dividend stocks lagged the broader market. The Morningstar US Dividend Composite Index rose 11%.
- Volatility remained very high in bonds, with some parts of the bond market staging a round trip over the year. The yield on the U.S.Treasury 10-year note started and finished 2023 near 3.8%, but during the year rose to a 17-year high near 5%.
- Credit-sensitive corners of the bond market performed strongly as the economy avoided recession. High-yield bonds gained 13.5%, making for their best year since 2019.

Magnificent Seven Stock Performance



Data as of Jan 2, 2023. Source: Morningstar Direct.

- In the final months of the year, the market's rally did broaden beyond the Magnificent Seven. However, this small group of stocks was still responsible for 47.8% of the US Market Index's 26.5% gain in 2023.
- On the other side of the fence, 2022's leaders were left in the dust in 2023. The biggest performance differential came among energy stocks. The Morningstar US Energy Index surged 62.5% in 2022, but in 2023, the sector barely held in positive territory as oil prices slid. While many energy stocks had pushed into overvalued territory as a result of the 2022 rally; at the outset of 2024 the sector was broadly seen as undervalued.

2023 Micro-Highlights

- ARL
  - proof of concept, fully functional Seismic Node completed
  - completion of upgraded software targeted for Q3/Q4 2024
  - retention of Investment Bank to assist in growth capital fundraising initiated
  - discussions with potential Strategic Partners initiated
- Tappit restitution agreement
  - Chairman has contributed £0.3m YTD 2024, of up to a possible £3m pending of sale of personal property.
- Small gain on hedging achieved in 2023 ~£20K.
- Strategic Business Review initiated with the objective of reducing costs and scaling the business. As part of the Group's cost saving exercise, migration of the Group's accounting software from Oracle NetSuite to Intuit QuickBooks has nearly been completed.
- Chairman waived 2021 consultancy. 2022, 2023, and YTD 2024 consultancy have been accrued but not paid. Equity conversion terms under discussion.

2023 HIGHLIGHTS CONTINUED

"Well, here's another nice mess you've gotten me into."

Laurel and Hardy, Sons of the desert 1933

Or

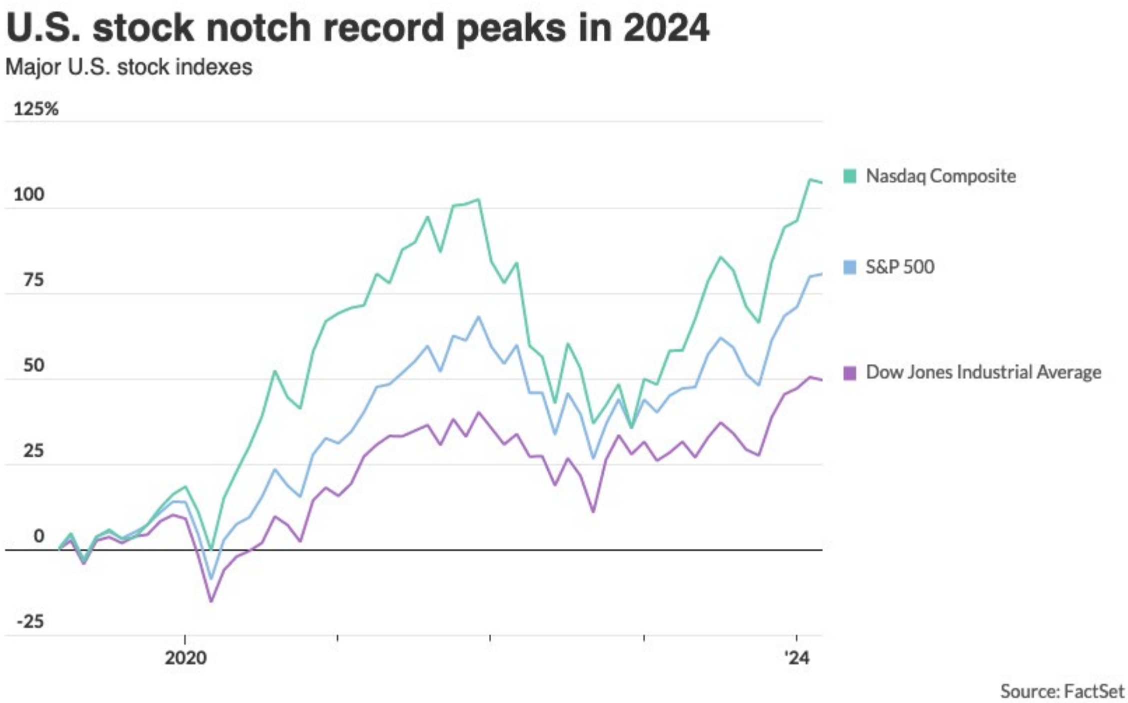
The Great Paradox of the US Market!

By Jeremy Grantham

https://www.gmo.com/europe/research-library/the-great-paradox-of-the-u.s.-market_viewpoints

The following thoughts are extracts from Market Watch and GMO, and hopefully reflect Mr Grantham's, and my view of the Market

- U.S. stocks appear expensive after investor mania surrounding artificial-intelligence interrupted the bursting of an initial market bubble that was deflating in 2022.
- "Prices reflect near perfection, yet today's world is particularly imperfect and dangerous," Jeremy Grantham.
- AI, "a new bubble within a bubble like this, even one limited to a handful of stocks, is totally unprecedented, so looking at history books may have its limits."
- In January 2022, Grantham warned that the U.S. was nearing the end of a "super bubble" across major asset classes. Both stocks and bonds plunged that year as the Federal Reserve aggressively hiked interest rates in a bid to tame surging inflation. But the launch of ChatGPT in late 2022 paused the deflation of the equities bubble that he saw, according to his note.
- "We paused in December 2022 to admire the AI stocks," he said. "Even though, I admit, there is no clear historical analogy to this strange new beast, the best guess is still that this second investment bubble — in AI — will at least temporarily deflate and probably facilitate a more normal ending to the original bubble."
- The U.S. stock market has risen to records this year, with the S&P 500 SPX booking an all-time closing peak on March 7 and the technology-heavy Nasdaq Composite COMP scoring a fresh closing high at the start of this month. The Dow Jones Industrial Average DJIA also notched a record close this year, on Feb. 23.



Bubbles and AI

- Looking backwards, what happened to our 2021 bubble? The Covid stimulus bubble appeared to be bursting conventionally enough in 2022 – in the first half of 2022 the S&P declined more than any first half since 1939 when Europe was entering World War II. Previously in 2021, the market displayed all the classic signs of a bubble peaking: extreme investor euphoria; a rush to IPO and SPAC; and highly volatile speculative leaders beginning to fall in early 2021, even as blue chips continued to rise enough to carry the whole market to a handsome gain that year – a feature hitherto unique to the late-stage major bubbles of 1929, 1972, 2000, and now 2021. But this historically familiar pattern was rudely interrupted in December 2022 by the launch of ChatGPT and consequent public awareness of a new transformative technology – AI, which seems likely to be every bit as powerful and world-changing as the internet, and quite possibly much more so.
- But every technological revolution like this – going back from the internet to telephones, railroads, or canals – has been accompanied by early massive hype and a stock market bubble as investors focus on the ultimate possibilities of the technology, pricing most of the very long-term potential immediately into current market prices. And many such revolutions are in the end often as transformative as those early investors could see and sometimes even more so – but only after a substantial period of disappointment during which the initial bubble bursts. Thus, as the most remarkable example of the tech bubble, Amazon led the speculative market, rising 21 times from the beginning of 1998 to its 1999 peak, only to decline by an almost inconceivable 92% from 2000 to 2002, before inheriting half the retail world!
- So, it is likely to be with the current AI bubble. But a new bubble within a bubble like this, even one limited to a handful of stocks, is totally unprecedented, so looking at history books may have its limits. But even though, I admit, there is no clear historical analogy to this strange new beast, the best guess is still that this second investment bubble – in AI – will at least temporarily deflate and probably facilitate a more normal ending to the original bubble, which we paused in December 2022 to admire the AI stocks. It also seems likely that the after-effects of interest rate rises and the ridiculous speculation of 2020-2021 and now (November 2023 through today) will eventually end in a recession.
- The broad U.S. stock market is expensive, with a Shiller price-to-earnings ratio of 34 as of March 1, 2024, which is "the top 1% of history," while total profits are also near record levels.

2023 HIGHLIGHTS CONTINUED

- **"The paradox that worries me here for the U.S. market is that we start from a Shiller P/E and corporate profit margins that are near record levels and therefore predicting near perfection".**
- "If margins and multiples are both at record levels at the same time, it really is double counting and double jeopardy — for waiting somewhere in the future is another July 1982 or March 2009, with simultaneous record-low multiples and badly depressed margins."

'Can't get blood out of a stone'

- When the price of an asset doubles, its future return is halved, Grantham said in his latest paper.
- "The simple rule is, you can't get blood out of a stone".
- To Grantham's thinking, the long-term prospects for the U.S. stock market look "poor" as it's generally overpriced and never has seen "a sustained rally starting from a 34 Shiller P/E."
- "The only bull markets that continued up from levels like this were the last 18 months in Japan until 1989, and the U.S. tech bubble of 1998 and 1999, and we know how those ended," he said. "Separately, there has also never been a sustained rally starting from full employment."
- While AI seems likely to be at least "as powerful and world-changing as the internet," tech revolutions tend to see "early massive hype and a stock-market bubble".
- He cited Amazon.com Inc. AMZN as an example of speculation in the late 1990s, noting its stock plunged before the company rebounded into the giant online retailer it is today.
- "As the most remarkable example of the tech bubble, Amazon led the speculative market, rising 21 times from the beginning of 1998 to its 1999 peak, only to decline by an almost inconceivable 92% from 2000 to 2002, before inheriting half the retail world!"
- In his paper, the GMO co-founder didn't stop at warning about looming dangers for U.S. stocks should the "AI bubble" burst and finish the job deflating the "original bubble" that had worried him.
- "It also seems likely that the after-effects of interest-rate rises and the ridiculous speculation of 2020-2021 and now (November 2023 through today) will eventually end in a recession," Grantham cautioned.
- On a brighter note, Grantham said there's "a reasonable choice of relatively attractive investments" in the U.S. equities market, such as "quality" stocks. He also cited resource equities, "climate-related investments," such as solar stocks, and "deep value" as areas of the market to consider.
- "U.S. quality stocks have a long history of slightly underperforming in bull markets and substantially outperforming in bear markets," he said, "although they did unusually well in the recent run-up."

Non-U.S. Equities and Real Estate

- If things are so good, why on earth is the rest of the world so down at heel, with very average economic strength and average profitability and with both getting weaker? The UK and Japan are both in technical recessions; the EU, especially Germany, also looks weak; and China, which has done a lot of the heavy lifting in global growth for the last few decades, is pretty much a basket case for a while (although getting very cheap in its stock market). Global residential real estate looks particularly tricky also, although it often takes a very long time for prices to catch up or down with mortgage costs. Can any young couple in the developed world today buy a new home comparable to those bought at the same age by their parents? Peak prices as a multiple of family income multiplied by an old-fashioned looking mortgage rate (now 6.8% in the U.S.) makes for a very tough affordability calculation. And as for office space, forget about it. With the double problem of higher rates and Covid-induced work-from-home, no one is confident of anything, no one will build anything new, and all sit holding their breath as appraisals start to come down and bank loans to commercial property look increasingly dicey. And in China, extreme overbuilding threatens both housing and commercial real estate.
- Throw in a couple of wars that refuse quick endings and rising possibilities of expanded military confrontations with Russia and China, and you can see why the rest of the world is sober and much more reasonably priced than the U.S. (Understanding U.S. optimism is much more difficult.) To be more precise, I would say that in contrast to extreme overpricing of U.S. equities, those overseas are a little overpriced, offering uninspired but positive returns. The positive exceptions to this general, moderate overpricing are at the value or low-growth end of emerging market equities and non-U.S. developed equities (including Japan), which are not only much cheaper than the high-growth varieties but are selling in a range from fair price to actually cheaper than normal.

CHAIRMAN'S STATEMENT

Holdings

2023 results reflect limited movement in the carrying value of Company's unquoted Holdings, in particular Autonomous Robotics (ARL).

In contrast, there have been large movements in the Company's quoted Holdings, in particular:

- **Newmark Security plc (NWT LN)**

In 2023, NWT's shares performed well, rising 127.2% from 33p/share to close 2023 at 75p/share.

THAL own's 9.98% of NWT, which we believe has significant growth potential, particularly in the USA. NWT's fiscal year-end is 30 April, such that 2024 results should be announced towards the end of September 2024. The Company had a soft first half, revenues declined 2%, but has indicated that several new Human Capital Management (HCM) 'access control' contracts should drive revenue growth in the second half of the year. At the prevailing market price of 83.5p/share, the Company's market capitalisation is ~£7.8m, plus debt of ~£5.6m, giving an EV of ~£13.4m.

Based on trailing twelve-month numbers the stock does not look undervalued. However, looking out over the next few years, we see the potential for sustainable annual revenue growth of ~10%, and EBITDA margins rising from 6%/8% back towards 10% to 15%, or £3m to £4.5m, on £30m of revenue by 2028. Based on our estimates, the Company should be able to pay down debt at a rate of £0.5m per annum, or roughly £2m over the next 4 years. Whilst the EV/EBITDA multiple on 2023 EBITDA of £1.1m is 12.2x, we believe that this reflects investor anticipation for improved results, and that a more conservative EV/EBITDA multiple of 8x our £3m to £4.5m 2028 EBITDA estimate is more appropriate, which in turn would result in an EV of £24m to £36m, or an Equity value of £20.4m to £32.4m, or a share price target of £2.125/share to £3.75/share (9.6m shares outstanding). Based on our estimates, we anticipate a potential 154.5% to 349.1% increase in the upside value of NWT's shares over the next 4 years, or a potential compound annual return of between 26.3% and 45.6%, from the prevailing market price of 83.5p/share.

- **Autonomous Robotics Ltd. (ARL)**

As reported last year, the Flying Node bespoke seismic sensor development project, supported by Net Zero Technology Centre (NZTC) and two major Energy Companies, was completed in 2022. Extensive field testing and analysis of the seismic data was performed which culminated in an offshore trial at Fort William in Scotland. During this trial, the Flying Node seismic sensor was benchmark tested against industry standard ocean bottom nodes and comparison of the resulting data sets concluded excellent performance of the ARL design.

The mechanical design of the Flying Node was also modified to optimise the seismic sensor performance and an updated battery system was also developed. This resulted in the build and test of a MK2 version of the Flying Node which was used for the trials.

The software team also progressed the development of the in-house node control and navigation software. Initial in water testing of the software will start in the 2nd quarter of 2024.

As also mentioned in the Summary above, a formal process to unlock the latent potential value of ARL is now under way and we look forward to reporting further during the coming months.

Outlook

AI is clearly the latest dot.com game in town. Nvidia (NVDA US) in particular, is growing revenues and profits exponentially. NVDA is the proverbial bucket and spade supplier in this latest gold rush. However, how the buyers of their sophisticated chips will translate their substantial Capex into increased profits remains to be seen.

AI is already impacting the way companies operate, and individuals transfer and use information; whether the outcome will ultimately be positive for companies and consumers remains, in our opinion, to be seen?

Add geo-political risk and the potential for increased economic tension between China, the US, and Europe and suddenly the stock market outlook clouds.

Duncan Soukup
Chairman

29 April 2024

FINANCIAL REVIEW

GROUP RESULTS

Continuing Operations

Total Revenue from continuing operations for the year to 31 December 2023 was £0.25m (2022: £0.30m) related to rental income in Switzerland.

Cost of Sales on continuing operations were £(0.01)m (2022: £(0.10)m), resulting in a **Gross Profit** of £0.24m (2022: Gross Profit £0.20m).

Administrative Expenses on continuing operations before exceptional costs were £0.9m (2022: £0.5m) and **Depreciation** £0.3m compared to £0.3m in 2022.

Operating Loss was therefore £0.9m (2022: loss £0.6m).

Net Financial Income/(Expense) of £0.3m included net foreign exchange income, net interest expense and net income from financial investments including fair value adjustments (2022: income £0.2m).

Other Gains/(Losses) were gain £0.02m (2022: loss of £(0.9)m).

Share of Losses of Associated Entities was £0.31m (2022: £0.24).

Loss Before Tax on continuing operations was £1.0m (2022: £1.5m).

Tax on continuing operations for the period was a credit of £0.07m relating a R&D tax credit (2022: credit £0.05m).

Loss for the year from Continuing Operations was therefore £0.89m (2022: £1.45m).

Profit/(Loss) for the year

This resulted in a Group loss for the year of £0.89m (2022: profit £1.45m).

Net Assets at 31 December 2023 amounted to £9.2m (2022: £10.3m) resulting in net assets per share of £1.16 based on 7,945,838 shares in issue versus £1.30 in 2022 including cash of £0.1m equivalent to £0.004 per share (2022: £1.4m and £0.15 per share).

Net Cash Flow from operations amounted to an outflow of £0.4m as compared to £0.4m inflow in 2022.

Net Cash from Investing Activities, amounted to an outflow of £0.5m (2022 outflow £0.7m) relating to continuing operations in the purchase of available for sale investments.

Net Cash Outflow from Financing Activities amounted to £0.2m (2022: outflow £4.3m).

Net Decrease in Cash and Cash Equivalents was £1.0m resulting in Cash and Cash Equivalents at 31 December 2023 of £0.1m (2022: £4.6m).

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2023.

RESULTS AND DIVIDENDS

The Group made a loss attributable to shareholders of the parent for the year ended 31 December 2023 of £0.9m (2022: loss £1.4m). The Directors do not recommend the payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company who held office during the year and to date, including details of their interest in the share capital of the Company, are as follows:

Name	Date Appointed	Shares held
Executive Director		
C Duncan Soukup	26 September 2007	2,396,970
Non-Executive Directors		
David M Thomas	2 April 2008	-
Kenneth Morgan	24 May 2022	-

DIRECTORS' REMUNERATION

	2023		**2022**	
	Director Fees £	**Consultancy Fees £**	**Director Fees £**	**Consultancy Fees £**
Executive Directors				
Duncan Soukup	105,422	147,101	133,000	174,076
Non-Executive Directors				
Graham Cole	-	-	10,307	-
David Thomas	20,000	-	20,635	-
Kenneth Morgan	8,012	-	5,091	-
Total remuneration	**133,434**	**147,101**	**169,033**	**174,076**

DIRECTORS' REPORT CONTINUED

SUBSTANTIAL SHAREHOLDINGS

As of 31 December 2023, the Company had been advised of the following substantial shareholders

	Holding	%
Duncan Soukup	2,396,970	30.2%
THAL Discretionary Trust*	2,042,720	25.7%
Hargreaves Landsdowne (Nominees) Limited	568,933	7.2%
Mark Costar	530,807	6.7%
JIM Nominees Limited	354,062	4.5%
Other	2,052,346	25.7%
Total number of voting shares in issue	**7,945,838**	**100%**

* C.Duncan Soukup is a trustee of THAL Discretionary Trust

SHARE BUY-BACK

There were no share buy backs during the year ended 31 December 2023, nor for the year ended 31 December 2022.

RELATED PARTY TRANSACTIONS

Details of all related party transactions are set out in note 22 to the financial statements.

OPERATIONAL RISKS

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, an investment target, which may limit its operational strategies.

The Company is dependent upon the Directors, and in particular, Mr C. Duncan Soukup, who serves as the Executive Chairman, to identify potential acquisition opportunities and to execute any acquisition. The unexpected loss of the services of Mr Soukup or other Directors could have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute an acquisition.

The Company may invest in or acquire unquoted companies, joint ventures or projects which, amongst other things, may be leveraged, have limited operating histories, have limited financial resources or may require additional capital.

FINANCIAL RISKS

Details of the financial instrument risks and strategy of the Group are set out in note 23.

GLOBAL ECONOMIC RISK

Global geopolitical risks may have an impact on the Company's investments and the Board continues to evaluate the effects of these impacts on the investments and will act accordingly to mitigate any potential loss.

RISKS AND UNCERTAINTIES

A summary of the key risks and mitigation strategies is below:

Rank	Risk	Mitigation
1.	Insufficient cash resources to meet liabilities, continue as a going concern and finance key projects.	Short term and annual business plans are prepared and are reviewed on an ongoing basis. Use of various hedging instruments in order to mitigate major financial risks.
2.	The sale of The Chairman's personal property currently being negotiated does not complete. The Chairman announced that he would contribute net cash proceeds from the sale of personal property up to the amount of £3m (£0.3m of which has already been contributed).	The Board has a high degree of confidence, from the latest communication between the buyer and seller and state of draft transaction documents, that the contract relating to the sale of the relevant property will be signed in the next month and the sale completed within several days of signing, although this cannot be guaranteed and is beyond the control of the Board.
3.	Growth capital fundraising being contemplated for one of the Group's holdings is not successful, limiting its ability to accelerate development of its product and production, to unlock the latent potential value of its technology.	Discussions are taking place with investment banks and placement agents with the bandwidth to approach their extensive networks of capital providers, as well as targeting potential investors and strategic partners directly.
2.	Loss of key management/staff resulting in failure to identify and secure potential investment opportunities and meet contractual requirements.	Regular review of both the Board's and key management's abilities. Review of salaries and benefits including long term incentives and ongoing communication with key individuals.
3.	Failure to maintain strong and effective relations with key stakeholders in investments resulting in loss of contracts or value.	The Board and senior management seek to establish and maintain an open and transparent dialogue with key stakeholders.
4.	Failure to comply with law and regulations in the jurisdictions in which we operate.	Key management are professionally qualified. In addition the Company appoints relevant professional advisers (legal, tax, accounting etc) in the jurisdictions in which we operate.
5.	Significant changes in the political environment, including the impact of Brexit and the Ukraine and Gaza conflict, results in loss of resources/market and/or business failure.	The Company's current investments are not expected to be adversely impacted and Management is continuing to monitor the wider political environment to ensure that steps are taken to mitigate political risk.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors have elected to prepare the financial statements for the Group in accordance with UK Adopted International Accounting Standards ("IFRS").

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable UK Adopted International Accounting Standards ("IFRS"). A fair presentation also requires the Directors to:

DIRECTORS' REPORT CONTINUED

- select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs as applied by the UK is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

The financial statements are published on the Group's website. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the Relevant Financial Reporting Framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The strategic report/directors report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

AGM

The Annual General Meeting will be held at Anjuna, 28 Avenue de la Liberté, 06360 Éze France on 12 June 2024.

Approved by the Board and signed on its behalf by

C.Duncan Soukup
Chairman

29 April 2024

CORPORATE GOVERNANCE STATEMENT

The Company's shares are admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market. The Board recognises the importance and value for the Company and its shareholders of good corporate governance. The Company Statement on Corporate Governance is available at https://thalassaholdingsltd.com/investor-relations/corporate-governance/ and repeated in full below.

BOARD OVERVIEW

In formulating the Company's corporate governance framework, the Board of Directors have reviewed the principles of good governance set out in the QCA code (the Corporate Governance Code for Small and Mid-Sized Quoted Companies 2018 published by the Quoted Companies Alliance) so far as is practicable and to the extent they consider appropriate with regards to the Company's size, stage of development and resources. However, given the modest size and simplicity of the Company, at present the Board of Directors do not consider it necessary to adopt the QCA code in its entirety.

The purpose of corporate governance is to create value and long-term success of the Group through entrepreneurism, innovation, development and exploration as well as provide accountability and control systems to mitigate risks involved.

COMPOSITION OF THE BOARD AND BOARD COMMITTEES

As at the date of this report, the Board of Thalassa Holdings Ltd comprises of one Executive Director and two Non-Executive Directors, which complies with the QCA Code.

BOARD BALANCE

The current Board membership provides a balance of industry and financial expertise which is well suited to the Group's activities. This will be monitored and adjusted to meet the Group's requirements. The Board is supported by the Audit Committee, Remuneration Committee and Regulatory Compliance Committee, all of which have the necessary character, skills and knowledge to discharge their duties and responsibilities effectively.

Further information about each Director may be found on the Company's website at https://thalassaholdingsltd.com/investor-relations/board-directors/. The Board seeks to ensure that its membership has the skills and experience that it requires for its present and future business needs.

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed. The Board has a procedure allowing Directors to seek independent professional advice in furtherance of their duties, at the Company's expense.

RE-ELECTION OF DIRECTORS

In line with the QCA Code, all Directors are subject to re-election each year, subject to satisfactory performance.

BOARD AND COMMITTEE MEETINGS

The Board meets sufficiently regularly to discharge its duties effectively, formally and informally.

The Board held two full meetings for regular business during 2023, in addition to a number of informal ones.

AUDIT COMMITTEE

During the financial period to 31 December 2023, the Audit Committee consisted of the Board, which included two independent Directors.

The key functions of the audit committee are for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Committee has formal terms of reference.

The external auditor, RPG Crouch Chapman, was appointed on 19 April 2023 and has indicated its independence to the Board.

REMUNERATION COMMITTEE

During the financial period to 31 December 2023, the Remuneration Committee consisted of David Thomas and any other one director from the Board. It is responsible for determining the remuneration and other benefits, including bonuses and share based payments, of the Executive Directors, and for reviewing and making recommendations on the Company's framework of executive remuneration. The Committee has formal terms of reference.

The remuneration committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on the terms and conditions of service of the executive Directors, including their remuneration and grant of options.

CORPORATE GOVERNANCE STATEMENT CONTINUED

REGULATORY COMPLIANCE COMMITTEE

During the financial period to 31 December 2023, the Regulatory Compliance Committee consisted of any two directors from the Board. The committee is responsible for ensuring that the Company's obligations under the Listing Rules are discharged by the Board. The Committee has formal terms of reference.

ESG

The Group has not complied with the recommendations of the Taskforce for Climate-related Financial Disclosures ("TCFD") in the current year, as required by LR14.3.27R issued by the Financial Conduct Authority. The Board recognises the importance of climate-related matters and, as a development stage business, intends to develop a plan to adopt the TCFD recommendations in full over the next few years. With reference to the four pillars of the TCFD recommendations, matters of governance, risk assessment, and strategy have already been covered elsewhere in this report, and the development of metrics and targets is under consideration.

STATEMENT ON CORPORATE GOVERNANCE

The corporate governance framework which Thalassa has implemented, including in relation to board leadership and effectiveness, remuneration and internal control, is based upon practices which the board believes are proportionate to the risks inherent to the size and complexity of Thalassa's operations.

The Board considers it appropriate to adopt the principles of the Quoted Companies Alliance Corporate Governance Code ("the QCA Code") published in April 2018. The extent of compliance with the ten principles that comprise the QCA Code, together with an explanation of any areas of non-compliance, and any steps taken or intended to move towards full compliance, are set out below:

1. Establish a strategy and business model which promote long-term value for shareholders.

The Company is a Holding Company which has in the past and will in the future seek to acquire assets which in the opinion of the Board should generate long term gains for its shareholders. The current strategy and business operations of the Company are set out in the Chairman's Statement on page 9. Shareholders and potential investors must realise that the objectives set out in that document are simply that; "objectives" and that the Company may without prior notification change these objectives based upon opportunities presented to the Board or market conditions.

The Group's strategy and business model and amendments thereto, are developed by the Executive Chairman and his senior management team, and approved by the Board. The management team, led by the Executive Chairman, is responsible for implementing the strategy and overseeing management of the business at an operational level.

The Board is actively considering a number of opportunities and, ultimately, the Directors believe that this approach will deliver long-term value for shareholders. In executing the Group's strategy, management will seek to mitigate/hedge risk whenever possible.

As a result of the Board's view of the market, the Board has adopted a five-pronged approach to future investments:

1. **Opportunistic:** where an acquisition or investment exists because of price dislocation (the price of a stock collapses but fundamentals are unaffected) or where the Board identifies a special "off market" opportunity;
2. **Finance:** The Board is currently investigating opportunities in the FinTech sector;
3. **Property:** The Company held a strategic stake in Alina Holdings Plc (formerly The Local Shopping REIT plc). The Company's divestment is more comprehensively described in the Letter to Shareholders dated 28 September 2020 published in the Reports and Documents section of the Company's website;
4. **Education:** There are few businesses that offer the same longevity and predictability of earnings as Education; and
5. **R&D:** Development situations such as ARL where the Board sees an opportunity to participate in disruptive, early stage technology.

The above outlined strategy is subject to change depending on the Board's findings and prevailing market conditions.

2. Seek to understand and meet shareholder needs and expectations.

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. All reports and press releases are published in the Investor Relations section of the Company's website.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.

The Group is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Group's consultants, employees, partners, suppliers, regulatory authorities and entities with whom it has contracted. The Group's operations and working methodologies take account of the need to balance the needs of all of these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Group for the benefit of its members as a whole. The Group endeavours to take account of feedback received from stakeholders, making amendments where appropriate and where such amendments are consistent with the Group's longer term strategy.

The Group takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. Through the various procedures and systems it operates, the Group ensures full compliance with health and safety and environmental legislation relevant to its activities. The Group's corporate social responsibility approach continues to meet these expectations.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are designed to manage and whenever possible minimise or eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Audit Committee, the effectiveness of these internal controls is reviewed annually.

A budgeting process is completed once a year and is reviewed and approved by the Board. The Group's results, compared with the budget, are reported to the Board on a regular basis.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meet regularly to consider new risks and opportunities presented to the Group, making recommendations to the Board and/or Audit Committee as appropriate.

The Board has an established Audit Committee, a summary of which is set out in the Board of Directors section of the Company's website.

The Company receives comments from its external auditors on the state of its internal controls.

The more significant risks to the Group's operations and the management of these have been disclosed in the Chairman's statement on page 9.

5. Maintain the Board as a well-functioning, balanced team led by the Chair.

The Board currently comprises two non-executive Directors and an Executive Chairman. Directors' biographies are set out in the Board of Directors section of the Company's website.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and will continue to seek re-election every year.

The Board is responsible to the shareholders for the proper management of the Group and, in normal circumstances, meets at least four times a year to set the overall direction and strategy of the Group, to review operational and financial performance and to advise on management appointments.

A summary of Board and Committee meetings held in the year ended 31 December 2023 is set out above.

The Board considers itself to be sufficiently independent. The QCA Code suggests that a board should have at least two independent Non-executive Directors. Both of the Non-executive Directors who currently sit on the Board of the Company are regarded as independent under the QCA Code's guidance for determining such independence.

Non-executive Directors receive their fees in the form of a basic cash fee based on attendance at board calls and board meetings. Directors are eligible for bonuses. The current remuneration structure for the Board's Non-executive Directors is deemed to be proportionate.

6. Ensure that between them, the directors have the necessary up-to-date experience, skills and capabilities.

The Board considers that the Non-executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities, and bring considerable experience in technical, operational and financial matters.

The Company has put in place an Audit Committee as well as Remuneration and Listing Compliance Committees. The

CORPORATE GOVERNANCE STATEMENT CONTINUED

responsibilities of each of these committees are described in the Board of Directors section of the Company's website.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the on-going development of the Group.

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Company Secretary and various external advisers on a number of regulatory and corporate governance matters.

Directors' service contracts or appointment letters make provision for a Director to seek personal advice in furtherance of his or her duties and responsibilities, normally via the Company Secretary.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Board's performance is measured by the success of the Company's acquisitions and investments and the returns that they generate for shareholders and in comparison to peer group companies. This performance is presented in the Group's monthly management accounts and reported, discussed and reviewed with the Board regularly.

8. Promote a corporate culture that is based on ethical values and behaviours.

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees in the Group. An open culture is encouraged within the Group. The management team regularly monitors the Group's cultural environment and seeks to address any concerns than may arise, escalating these to Board level as necessary.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area.

Thalassa has a strong ethical culture, which is promoted by the actions of the Board and management team. The Group has an anti-bribery policy and would report any instances of non-compliance to the Board. The Group has undertaken a review of its requirements under the General Data Protection Regulation, implementing appropriate policies, procedures and training to ensure it is compliant.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

The Board has overall responsibility for promoting the success of the Group. The Chairman has day-to-day responsibility for the operational management of the Group's activities. The non-executive Directors are responsible for bringing independent and objective judgment to Board decisions. Matters reserved for the Board include strategy, investment decisions, corporate acquisitions and disposals.

There is a clear separation of the roles of Executive Chairman and Non-executive Directors. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-executive Directors are properly briefed on matters. Due to its current size, the Group does not require nor bear the cost of a chief executive. The Company's subsidiary ARL is led by two directors.

The Chairman has overall responsibility for corporate governance matters in the Group but does not chair any of the Committees. The Chairman also has the responsibility for implementing strategy and managing the day-to-day business activities of the Group. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Audit Committee normally meets at least once a year and has responsibility for, amongst other things, planning and reviewing the annual report and accounts and interim statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

A summary of the responsibilities of the Audit Committee is set out above. The Committee has formal terms of reference, which are set out in the Board of Directors section of the Company's website.

The Remuneration Committee, which meets as required, has responsibility for making recommendations to the Board on the compensation of senior executives and determining, within agreed terms of reference, the specific remuneration packages for each of the Directors. It also supervises the Company's share incentive schemes and sets performance conditions for share options granted under the schemes.

A summary of responsibilities of the Remuneration Committee is set out above. The Committee has formal terms of reference.

The Directors believe that the above disclosures constitute sufficient disclosure to meet the QCA Code's requirement for a Remuneration Committee Report. Consequently, a separate Remuneration Committee Report is not presented in the Group's Annual Report.

The Listing Compliance Committee, which meets as required, is responsible for ensuring that the Company's obligations under the Listing Rules are discharged by the Board.

10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. The Annual Report includes a Corporate Governance Statement which refers to the activities of both the Audit Committee and Remuneration Committee. All reports and press releases are published in the Investor Relations section of the Group's website.

The Group's financial reports and notices of General Meetings of the Company can be found in the Reports and Documents section of the Company's website. The results of voting on all resolutions in future general meetings will be posted to this website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

C.Duncan Soukup
Chairman

29 April 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD

OPINION

We have audited the financial statements of Thalassa Holdings Ltd (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted in the United Kingdom (IFRS).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRS.

BASIS FOR OPINION

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

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.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of the expected cashflows for a period of 12 months from the date of this report compared with the liquid assets held by the Group.

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 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.

OUR APPROACH TO THE AUDIT

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

Independent Auditors' Report to the members of Thalassa Holdings Ltd (continued)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement we identified (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. The matter identified was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed this matter
Capitalisation of development costs The Group held £1.7m (2022: £1.2m) of development costs at the balance sheet date. This relates to the development of Autonomous Nodes which are not currently amortised as they are not yet ready for use. Management have considered all criteria for capitalization to have been met.	Our work included: • Reviewing the recognition criteria under IAS 38; • Vouching a sample of costs to supporting documentation; • Recalculating costs where these have been allocated on a percentage basis; and • Reviewing management's assessment of the percentages applied and enquiring as to the current status of the project.
Carrying value of investment in associates The Group carrying value of the investment in associates stood at £2.0m (2022: £2.3m) at the balance sheet date. The directors are required to review the carrying value of investments for impairment annually. Given the subjective nature of the related estimates and judgements, we consider the carrying value of available for sale investments to be a key audit matter.	Our work included: • Undertaking impairment reviews; • Reviewing current year performance of the associated company and expected future cashflows; and • Reperformed calculations for the fair value.

Carrying value of loans receivable The Group held £1.5m (2022: £1.5m) of loans at the balance sheet date. Loans should initially be held at amortised costs, plus accrued interest, less any provisions for bad debt identified.	Our work included: • Obtaining and reviewing loan agreements to ensure year end balances are reasonable; • Assessing each loan for recoverability to ensure all loan balances are recoverable; • Reviewing provisions provided for bad debts; and • Recalculating interest receivable in the year via a proof in total by reference to the underlying loan agreement.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We consider gross assets to be the most significant determinant of the Group's financial performance used by the users of the financial statements. We have based materiality on 1.5% of gross assets for each of the operating components. Overall materiality for the Group was therefore set at £180k. For each component, the materiality set was lower than the overall group materiality – typically 25% of the group materiality threshold.

We agreed with the Audit Committee that we would report on all differences in excess of 5% of materiality relating to the Group financial statements. We also report to the Audit Committee on financial statement disclosure matters identified when assessing the overall consistency and presentation of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD CONTINUED

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 13 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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:

- We obtained an understanding of the legal and regulatory frameworks within which the Group operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

OTHER MATTERS THAT WE ARE REQUIRED TO ADDRESS

We were appointed on 19 April 2023 and this is the second year of our engagement as auditors for the Group.

We confirm that we are independent of the Group and have not provided any prohibited non-audit services, as defined by the Ethical Standard issued by the Financial Reporting Council.

Our audit report is consistent with our additional report to the Audit Committee explaining the results of our audit.

USE OF OUR REPORT

This report is made solely to the Group's members, as a body. Our audit work has been undertaken so that we might state to the Group'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 the Group's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Wilson MA, FCA
(Senior Statutory Auditor)
For and on behalf of RPG Crouch Chapman LLP
Chartered Accountants
Registered Auditor
40 Gracechurch Street
London
EC3V 0BT

29 April 2024

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2023

	Notes	2023 GBP	2022 GBP
Continuing Operations			
Revenue	3	252,129	295,968
Cost of sales		(12,926)	(95,925)
Gross profit		**239,203**	**200,043**
Total administrative expenses		(912,140)	(531,024)
Operating loss before depreciation		**(672,937)**	**(330,981)**
Depreciation and Amortisation	9&10	(256,425)	(305,848)
Operating loss		**(929,362)**	**(636,829)**
Net financial income/(expense)	6	255,827	249,535
Other gains/(losses)		17,734	(881,118)
Share of losses of associated entities		(307,940)	(235,658)
Profit/(loss) before taxation		**(963,741)**	**(1,504,070)**
Taxation	7	72,036	54,167
Profit/(loss) for the year		**(891,705)**	**(1,449,903)**
Attributable to:			
Equity shareholders of the parent		(891,705)	(1,449,903)
Non-controlling interest		-	-
		(891,705)	**(1,449,903)**
Earnings per share - GBP (using weighted average number of shares)			
Basic and Diluted - Continuing Operations		(0.11)	(0.18)
Basic and Diluted	**8**	**(0.11)**	**(0.18)**

The notes on pages 29 to 46 form an integral part of this consolidated financial information

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	2023 GBP	2022 GBP
Profit/(loss) for the financial year	**(891,705)**	**(1,449,903)**
Other comprehensive income:		
Exchange differences on re-translating foreign operations	(200,015)	594,684
Total comprehensive income	**(1,091,720)**	**(855,219)**
Attributable to:		
Equity shareholders of the parent	(1,091,720)	(855,219)
Non-Controlling interest	-	-
Total Comprehensive income	**(1,091,720)**	**(855,219)**

The notes on pages 29 to 46 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Notes	2023 GBP	2022 GBP
Assets			
Non-current assets			
Intangible assets	9	1,697,313	1,319,695
Property, plant and equipment	10	1,729,924	2,030,733
Loans	12	4,785,629	4,816,940
Investments in associated entities	21	2,019,367	2,356,526
Total non-current assets		**10,232,233**	**10,523,894**
Current assets			
Trade and other receivables	13	788,782	765,302
Available for sale financial assets	11	1,159,250	504,877
Cash and cash equivalents		143,295	1,383,687
Total current assets		**2,091,327**	**2,653,866**
Liabilities			
Current liabilities			
Trade and other payables	14	1,539,749	1,210,810
Lease liabilities	15	173,325	158,473
Total current liabilities		**1,713,074**	**1,369,283**
Net current assets		**378,253**	**1,284,583**
Non-current liabilities			
Lease liabilities	15	1,404,107	1,510,377
Total non-current liabilities		**1,404,107**	**1,510,377**
Net assets		**9,206,379**	**10,298,100**
Shareholders' Equity			
Share capital	18	128,977	128,977
Share premium		21,717,786	21,717,786
Treasury shares	18	(8,558,935)	(8,558,935)
Other reserves		(1,696,321)	(1,696,320)
Foreign exchange reserve		4,230,840	4,430,855
Retained earnings		(6,615,968)	(5,724,263)
Total shareholders' equity		**9,206,379**	**10,298,100**
Total equity		**9,206,379**	**10,298,100**

The notes on pages 29 to 46 form an integral part of this consolidated financial information.
These financial statements were approved and authorised by the board on 29 April 2024.

Signed on behalf of the board by:

C. Duncan Soukup
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Notes	2023 GBP	2022 GBP
Cash flows from operating activities			
Operating Profit/(Loss) before financing		**(929,362)**	**(636,829)**
Adjustments for:			
(Increase)/decrease in trade and other receivables		(23,480)	44,305
(Decrease)/increase in trade and other payables		328,938	97,521
Gain/(loss) on disposal of AFS investments		-	471,589
Net exchange differences		(65,125)	(19,253)
Other income		17,734	25,486
Depreciation and amortisation	9&10	256,425	306,497
Fair value movement on AFS financial assets		-	64,817
Cash generated by operations		**(414,870)**	**354,134**
Taxation		72,036	54,167
Net cash flow from operating activities		**(342,834)**	**408,301**
Sale/(purchase) of property, plant and equipment		(2,320)	(517,376)
Sale/(purchase) of intangible assets		(385,983)	(418,408)
Net (purchase)/sale of AFS financial assets		(177,912)	273,745
Investments in subsidiaries		29,217	(31,071)
Net cash flow in investing activities		**(536,998)**	**(693,110)**
Cash flows from financing activities			
Proceeds from borrowings		13,437	33,133
Repayment of borrowings		(173,982)	(4,357,529)
Net cash flow from financing activities		**(160,545)**	**(4,324,396)**
Net increase in cash and cash equivalents		**(1,040,377)**	**(4,609,205)**
Cash and cash equivalents at the start of the year		1,383,687	5,398,208
Effects of exchange rate changes on cash and cash equivalents		(200,015)	594,684
Cash and cash equivalents at the end of the year		**143,295**	**1,383,687**

Prior year comparatives have been reclassified to conform to the current year presentation.

The notes on pages 29 to 46 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Share Capital GBP	Share Premium GBP	Treasury Shares GBP	Other Reserves GBP	Foreign Exchange Reserve GBP	Retained Earnings GBP	Total GBP
			Attributable to owners of the Company				
Balance as at 31 December 2021	**128,977**	**21,717,786**	**(8,558,935)**	**(1,696,320)**	**3,836,171**	**(4,274,360)**	**11,153,319**
Total comprehensive income	-	-	-	-	594,684	(1,449,903)	**(855,219)**
Balance as at 31 December 2022	**128,977**	**21,717,786**	**(8,558,935)**	**(1,696,320)**	**4,430,855**	**(5,724,263)**	**10,298,100**
Exchange on conversion to GBP	-	-	-	(1)	-	-	**(1)**
Total comprehensive income	-	-	-	-	(200,015)	(891,705)	(1,091,720)
Balance as at 31 December 2023	**128,977**	**21,717,786**	**(8,558,935)**	**(1,696,321)**	**4,230,840**	**(6,615,968)**	**9,206,379**

* Upon conversion to GBP, the variance between opening and closing rate for the reserves was taken to the Foreign Exchange Reserve

The notes on pages 29 to 46 form an integral part of this consolidated financial information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. GENERAL INFORMATION

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company is a holding company with various interests across a number of industries. Company number 1433759.

Autonomous Robotics Limited ("ARL" – formerly GO Science 2013 Ltd) is a wholly owned subsidiary of Thalassa and is an Autonomous Underwater Vehicle ("AUV") research and development company.

Apeiron Holdings (BVI) Ltd is a BVI registered business and is a wholly owned by Thalassa.

Aperion Holdings (BVI) Ltd is the 100% shareholder of Alfalfa Holdings AG, a company registered in Switzerland.

WGP Geosolutions Limited is a wholly owned subsidiary of Thalassa which is non-operational and has an additional subsidiary, WGP Group AT GmbH which was dissolved on 24/08/2022.

Thalassa Holdings (II) Ltd is a wholly owned subsidiary of Thalassa which is non-operational, incorporated and registered in the BVI on 30 January 2023.

DOA Alpha Ltd is a wholly owned subsidiary of Thalassa which is non-operational and registered in the BVI. It has two additional subsidiaries, DOA Exploration Ltd registered in England and Wales and DOA Delta Ltd registered in the BVI, both non-operational.

2. ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable UK Adopted International Accounting Standards ("IFRS").

The financial statements have been expressed in GBP since 2021, being the functional currency of DOA Exploration Ltd, and Autonomous Robotics Limited. The underlying records of the Company and other subsidiaries are maintained in their respective functional currencies, being US Dollars except for WGP Geosolutions Ltd in Euro and Alfalfa Holdings AG in Swiss francs.

The principal accounting policies are summarised below. They have been applied consistently throughout the period covered by these financial statements.

2.1. FX ACCOUNTING POLICY

The presentational currency of the financial statements is GBP, whereas the functional currency of the Company is US Dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the presentational currency at the spot exchange rate on the balance sheet date. Any resulting exchange differences are included in the statement of comprehensive income. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

DOA Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and have a functional currency of GBP. Exchange differences on the retranslation of operations denominated in foreign currencies are included in Other Comprehensive Income.

Year-end GBPUSD exchange rate as at 31 Dec 2023: 1.2731 (2022: 1.2103)
Average GBPUSD exchange rate as at 31 Dec 2023: 1.2417 (2022: 1.2800)

Year-end GBPEUR exchange rate as at 31 Dec 2023: 1.1527 (2022: 1.1273)
Average GBPEUR exchange rate as at 31 Dec 2023: 1.1400 (2022: 1.1599)

Year-end GBPCHF exchange rate as at 31 Dec 2023: 1.0713 (2022: 1.1187)
Average GBPCHF exchange rate as at 31 Dec 2023: 1.0950 (2022: 1.1762)

2.2. GOING CONCERN

The financial statements have been prepared on the going concern basis as management consider that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business. The Group has fully assessed its financial commitments and at the year end had net cash reserves of £0.1m plus a further £3.0m of available for sale investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2023

2.3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group changed to UK-adopted International Accounting Standards with effect from 1 January 2021 from EU-adopted International Financial Reporting Standards (IFRSs). At that date, there were no differences between UK-adopted IFRS and EU-adopted IFRS.

Standards issued but not yet effective: There were a number of standards and interpretations which were in issue during the current period but were not effective at that date and have not been adopted for these Financial Statements. The Directors have assessed the full impact of these accounting changes on the Company. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements. They may result in consequential changes to the accounting policies and other note disclosures. The new standards will not be early adopted by the Group and have / will be incorporated in the preparation of the Group Financial Statements from the effective dates noted below.

The new or amended standards include:

IFRS 17	Insurance contracts [1]
IAS 1	Presentation of financial statements and IFRS Practice Statement 2 [1]
IAS 8	Accounting policies, changes in accounting estimates and errors [1]
IAS 12	Income Taxes [1]

Standards issued but not yet effective:

IFRS 16	Leases [2]
IAS 1	Presentation of financial statements (Amendment – Classification of Liabilities as Current or Non-Current) [2]
IAS 1	Presentation of financial statements (Amendment – Non-current Liabilities with Covenants) [2]
IAS 21	Lack of Exchangeability [3]

[1] Effective for annual periods beginning on or after 1 January 2023
[2] Effective for annual periods beginning on or after 1 January 2024
[3] Effective for annual periods beginning on or after 1 January 2025

2.4. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.5. JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement areas relate to the carrying value of provisions for loans receivable. Plant and Equipment is reviewed annually for indication of impairment.. Intellectual property is amortised and also reviewed annually for indication of impairment. Loans receivable are reviewed for potential recovery and impairments included where necessary. Capitalised research and development costs are reviewed annually for indication if impairment.

Judgement is also made in respect of the accounting treatment of the THAL Discretionary Trust. Management's assessment is based on various indicators including activities, decision-making, benefits and risks of the Trust. Based on this assessment, management consider that the THAL Discretionary Trust should not be consolidated.

2.6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight line basis between 3 and 15 years from the point at which the asset is put into use.

2.7. INTANGIBLE ASSETS

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.14) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

DEVELOPMENT COSTS

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. Such intangible assets are carried at cost less amortisation. Amortisation is charged to 'Administrative expenses' in the Statement of Comprehensive Income on a straight-line basis over the intangible assets' useful economic life. The amortisation is based on a straight-line method typically over a period of 1-10 years depending on the life of the related asset.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development costs are capitalised as an intangible asset only if the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefit;
- the development cost of the asset can be measured reliably;
- it meets the Group's criteria for technical and commercial feasibility; and
- sufficient resources are available to meet the development costs to either sell or use as an asset.

OTHER INTANGIBLE ASSETS

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

2.8. IMPAIRMENT OF ASSETS

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

2.9. INVESTMENTS

Available for sale investments are initially measured at cost, including transaction costs. Gains and losses arising from changes in fair value of available for sale investments are recognised at fair value through profit or loss.

2.10. REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, is recognised according to the value of work performed in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the costs recognised that are recoverable.

Where payments are received in advance in excess of revenue recognised in the period, this is reflected as a liability on the statement of financial position as deferred revenue.

Rental income from investment properties leased out under operating leases is recognised net of VAT, returns, rebates and discounts in the Income Statement on a straight-line basis over the term of the lease. The directors consider this is in line with when the Company's performance obligations are satisfied. Standard payments terms are that services are paid in advance. When the Group provides lease incentives to its tenants the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction to income.

2.11. TAXATION

The Company is incorporated in the BVI as an IBC and as such is not subject to tax in the BVI. DOA Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and are therefore subject to UK tax regulations. Alfalfa Holdings AG is incorporated in Switzerland in the canton of Lucerne and are subject to Swiss tax regulations.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystalise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

2.12. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such a time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit and loss in the period incurred.

2.13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest, and are reduced by appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Available for sale financial assets comprise investments which do have a fixed maturity and are classified as non-current assets if they are intended to be held for the medium to long term. They are measured at fair value through profit or loss.

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

Equity instruments are recorded at fair value, being the proceeds received, net of direct issue costs.

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 taxation, from the proceeds.

Treasury shares – Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Borrowings are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest.

2.14. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to any former owners and the equity interests issued by the Group in exchange for control. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests and the fair value of the acquirer's previously held equity interest (if any) over the net of the acquisition- date amounts of the identifiable assets acquired, and the liabilities assumed.

2.15. INVESTMENT IN ASSOCIATED ENTITIES

Investments in associates are those over which the Group has significant influence. These are accounted for using the equity method of accounting. Significant influence is considered to be participation in the financial and operating policy decisions of the investee and is usually evidenced when the Group owns between 20% and 50% of that company's voting rights.

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the associate after acquisition. At the date of acquisition any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate is recognised as goodwill. The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Group's share of losses exceeds its interest in an associate the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Group has an obligation to make further funding contributions to that associate.

The Group's share of associates' post-acquisition profits or losses is recognised in profit or loss and the post-acquisition movements in other comprehensive income is recognised within other comprehensive income.

3. SEGMENT INFORMATION

Management have chosen to organise the Group information by revenue generated. During the year the Group had two operating segments comprised of rental income through the Aperion Group and Product Development through the rest of the Group.

Information related to each reportable segment is set out below.

	Rental Income GBP	Product Development GBP	Total Continuing Operations GBP
Segment income statement			
Revenue	252,163	(34)	252,129
Expenses	(111,825)	(847,620)	(959,445)
Depreciation	(208,054)	(48,371)	(256,425)
Profit/(loss) before tax	**(67,716)**	**(896,025)**	**(963,741)**
Attributable income tax expense	(448)	72,484	72,036
Profit/(loss) for the period	**(68,164)**	**(823,541)**	**(891,705)**

	Rental Income GBP	Product Development GBP	Total Continuing Operations GBP
Segment statement of financial position			
Non-current assets	1,862,213	8,370,020	10,232,233
Current assets	(79,165)	2,170,492	2,019,327
Assets	1,783,048	10,540,512	12,323,560
Current liabilities	576,153	1,136,921	1,713,074
Non-current liabilities	1,404,107	-	1,404,107
Liabilities	1,980,260	1,136,921	3,117,181
Net assets	**(197,212)**	**9,403,591**	**9,206,379**
Shareholders' equity	(197,212)	9,403,591	9,206,379
Total equity	**(197,212)**	**9,403,591**	**9,206,379**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
for the year ended 31 December 2023

4. OPERATING LOSS FOR THE PERIOD

The operating loss for the year is stated after charging:

	2023 GBP	2022 GBP
Wages and salaries	674,018	213,582
Social security costs	31,361	27,573
Pension costs	12,538	10,844
Audit fees	40,117	35,839
Legal and professional fees	323,841	419,051

5. EMPLOYEES

The average number of employees (excluding the Directors) employed by the Group was:-

	2023	2022
Sales	-	-
Development	5	4
Admin	-	-
	5	**4**

6. NET FINANCIAL EXPENSE

	2023 GBP	2022 GBP
Loan interest receivable	45,239	(53,935)
Loan interest payable	-	(27,791)
Bank interest receivable	13,437	33,133
Bank interest payable	(3,195)	(1,653)
Lease liability	(79,369)	(91,535)
Gains/(Losses) on investments	279,667	435,545
Foreign currency gains/(losses)	48	(44,229)
	255,827	**249,535**

7. INCOME TAX EXPENSE

	2023 GBP	2022 GBP
Profit/(loss) before tax from continuing operations	(891,705)	(1,449,903)
Tax at applicable rates	(169,424)	(275,482)
Losses carried forward	169,424	275,482
R&D Tax Credits relating to current year	(72,036)	(54,167)
Total Tax on continuing operations	**(72,036)**	**(54,167)**

The applicable tax rates in relation to the Group's profits are BVI 0%, UK 25% and Swiss 12.3% (2022: 0%,19% and 12.3%).

Autonomous Robotics Ltd has unprovided trading losses carried forward of approximately £4.5m available for utilisation against future trading profits.

8. EARNINGS PER SHARE

	2023 GBP	2022 GBP
The calculation of earnings per share is based on the following loss attributable to ordinary shareholders and number of shares:		
Profit/(loss) for the year from continuing operations	(891,705)	(1,449,903)
Profit/(loss) for the year	**(891,705)**	**(1,449,903)**
Weighted average number of shares of the Company	**7,945,838**	**7,945,838**
Earnings per share:		
Basic and Diluted (GBP) from continuing operations	(0.11)	(0.18)
Basic and Diluted (GBP)	(0.11)	(0.18)
Number of shares outstanding at the period end:		
Number of shares in issue	**7,945,838**	**7,945,838**
Basic number of shares in issue	**7,945,838**	**7,945,838**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2023

9. INTANGIBLE ASSETS AND GOODWILL

	Development costs GBP	Patents GBP	Software GBP	Total GBP
At 31 December 2021				
Cost	762,358	126,382	22,550	911,289
Accumulated Impairment	-	-	(3,758)	(3,758)
Net book amount	**762,358**	**126,382**	**18,792**	**907,531**
Full-year ended 31 December 2022				
Opening net book amount	762,358	126,382	18,792	907,531
Additions	391,289	27,119	-	418,408
Revaluation of c'fwd amount	-	-	2,546	2,546
Amortisation charge	-	-	(8,790)	(8,790)
Closing net book amount	**1,153,647**	**153,501**	**12,548**	**1,319,695**
At 31 December 2022				
Cost	1,153,647	153,501	25,096	1,332,244
Accumulated Impairment	-	-	(12,548)	(12,548)
Net book amount	**1,153,647**	**153,501**	**12,548**	**1,319,696**
Full-year ended 31 December 2023				
Opening net book amount	1,153,647	153,501	12,548	1,319,696
Additions	358,590	27,393	-	385,983
Amortisation charge	-	-	(8,366)	(8,366)
Closing net book amount	**1,512,237**	**180,894**	**4,182**	**1,697,312**
At 31 December 2023				
Cost	1,512,237	180,894	25,096	1,718,227
Accumulated Amortisation	-	-	(20,914)	(20,914)
Net book amount	**1,512,237**	**180,894**	**4,182**	**1,697,313**

The intangible assets held by the group increased as a result of capitalising the development costs and patent fees of Autonomous Robotics Ltd, alongside the introduction and build of a new finance system in Thalassa Holdings Ltd.in 2021.

10. PROPERTY, PLANT AND EQUIPMENT

Cost	**Total GBP**	**Land and buildings GBP**	**Plant and Equipment GBP**	**Motor Vehicles GBP**
Cost at 1 January 2022	2,017,577	1,413,282	119,576	484,719
FX movement	201,735	137,001	9,377	55,357
	2,219,312	1,550,283	128,953	540,076
Additions	517,376	515,846	1,530	-
Cost at 31 December 2022	**2,736,688**	**2,066,129**	**130,483**	**540,076**
Depreciation				
Depreciation at 1 January	356,496	27,776	114,924	213,796
FX movement	36,920	-	9,315	27,605
	393,416	27,776	124,239	241,401
Charge for the year on continuing operations	297,707	192,932	3,695	101,080
Foreign exchange effect on year end translation	14,832	14,832	-	-
Depreciation at 31 December 2022	**705,955**	**235,540**	**127,934**	**342,481**
Closing net book value at 31 December 2022	**2,030,733**	**1,830,589**	**2,549**	**197,595**
Cost at 1 January 2023	2,736,688	2,066,129	130,483	540,076
FX movement	65,882	80,862		(14,980)
	2,802,570	2,146,991	130,483	525,096
Additions	2,320	-	2,320	-
Reclassification of Motor Vehicles to Afs investments	(288,583)	-	-	(288,583)
Cost at 31 December 2023	**2,516,307**	**2,146,991**	**132,803**	**236,513**
Depreciation				
Depreciation at 1 January	705,955	235,540	127,934	342,481
FX movement	8,044	(694)		8,738
	713,999	234,846	127,934	351,219
Charge for the year on continuing operations	248,059	217,312	2,303	28,444
Foreign exchange effect on year end translation	(8,795)	10,142	-	(18,937)
Reclassification of Motor Vehicles to Afs investments	(166,880)	-	-	(166,880)
Depreciation at 31 December 2023	**786,383**	**462,300**	**130,237**	**193,846**
Closing net book value at 31 December 2023	**1,729,924**	**1,684,691**	**2,566**	**42,667**

As outlined in note 2.7, an assessment is made at each financial reporting date as to whether there is any indication of impairment of any asset. An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions, value in use and useful economic life. As a result, there has been no impairment charge in 2023 (2022: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2023

11. INVESTMENTS – AVAILABLE FOR SALE FINANCIAL ASSETS

The Group classifies the following financial assets at fair value through profit or loss (FVPL):-

AFS investments have been valued incorporating Level 1 inputs in accordance with IFRS7.

Equity investments that are held for trading.

	2023 GBP	2022 GBP
Available for sale investments		
At the beginning of the period	504,877	1,187,345
Additions	880,004	3,554,617
Unrealised gain/(losses)	283,031	87,635
Disposals	(636,895)	(4,461,505)
Reclassification of Motor Vehicles to Afs investments	120,244	-
Forex on opening balance	7,989	136,785
At 31 December	**1,159,250**	**504,877**

12. LOANS AND PORTFOLIO HOLDINGS

	2023 GBP	2022 GBP
Loans at 1 January	1,532,469	1,333,599
Accrued interest	45,239	45,235
Forex on opening balance	(76,550)	153,635
Loans at 31 December	**1,501,158**	**1,532,469**
Portfolio Holdings at 1 January	3,284,471	4,371,674
Issued	-	746,009
Interest	-	325,237
Repaid	-	(92)
Reclassification of portfolio cash	-	(754,473)
Forex	-	28,157
Written off - Tappit Loan Interest & Option	-	(1,432,041)
Portfolio holdings at 31 December	**3,284,471**	**3,284,471**
Total of loans and holdings	**4,785,629**	**4,816,940**

The Loan is to the THAL Discretionary Trust, interest is payable at 3% per annum (reviewed periodically). The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

In September 2020 a loan was issued to Tappit Technologies (UK) Ltd for £3m, in the form of a convertible loan note and incurred a non-compounding interest charge of 8% with a maturity date 36 months post agreement date. As of December 31 2022, interest of £424k was accrued. The Tappit Technologies (UK) Ltd loan notes were revalued in 2020 at fair value using a discounted cash flow method at the market rate of 10% on final value. The discount element of the final conversion has been valued using the Black-Scholes method to provide the fair value adjustment noted in the table above. A fair value exercise was undertaken for 2021 under the same method with no adjustment necessary due to there being no new shares or financing. The option was valued at £1,008,294.

Without prior notification, Thalassa was advised on 26th January 2023, that Messrs Taylor and Pitts of Begbies Traynor (Central) LLP had been appointed as administrators of Tappit on the 20th January 2023 and that a sale of Tappit's business and assets by way of a pre-packaged sale to Tap Holdco Limited completed on the same date.

Thalassa announced on 27th January 2023 that the position was being written down to £0 in the books. The Chairman, commensurately announced that on an exceptional and purely moral basis he would contribute net proceeds from the sale of personal property up to the amount of Thalassa's initial investment of £3m. As a result, only the value of the accrued interest and Option value, totalling £1,432,041 has been written off, above.

13. TRADE AND OTHER RECEIVABLES

	2023 GBP	2022 GBP
Trade receivables	139,250	86,669
Trade receivables	139,250	86,669
Other receivables	439,319	440,181
Corporation tax	72,983	106,663
Prepayments	137,230	131,789
Total trade and other receivables	**788,782**	**765,302**

The Directors consider that the carrying value of trade and other receivables is approximate to their fair value.

14. TRADE AND OTHER PAYABLES

	2023 GBP	2022 GBP
Trade payables	251,827	677,135
Other payables	310,548	307,259
Accruals	977,374	226,416
Total trade and other payables	**1,539,749**	**1,210,810**

15. LEASE LIABILITIES

	2023	2022
Non-current liabilities	**GBP**	**GBP**
Lease liabilities	1,404,107	1,510,377
	1,404,107	**1,510,377**

	2023	2022
Current liabilities	**GBP**	**GBP**
Lease liabilities	173,325	158,473
	173,325	**158,473**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2023

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets mandatorily measured at FVPL include the following:-

	2023 GBP	2022 GBP
Non current assets		
Investments in associated entities	2,019,367	2,356,526
Portfolio Holdings	3,284,471	4,038,944
Current assets		
Available for sale financial assets	1,159,250	504,877
At 31 December	**6,463,088**	**6,900,347**

Amounts recognised in profit or loss:-	2023 GBP	2022 GBP
Available for sale financial assets	283,031	224,420
Investments in associated entities	(307,940)	(235,658)
Portfolio Holdings	-	101,691
	(24,909)	**90,453**

17. LEASES AS LESSEE

Thalassa's subsidiary, Autonomous Robotics Ltd, entered into a lease for the rent of the top floor of Eastleigh Court near Warminster in January 2018 for £10,000 per annum. However, the rent is being accrued and may become payable upon successful completion of the fund-raising exercise.

Previously, this lease was classified as an operating lease under IAS 17.

Thalassa's subsidiary Alfalfa was transferred a lease prior to the sale of id4 which had been entered into January 2021, for the buildings surrounding and including Villa Kramerstein on the banks of Lake Lucerne in Switzerland. Since the accounting date, some of the buildings have been sublet and therefore the income matches the expenditure.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 10).

	Land and buildings GBP
Balance at 1 January 2023	1,830,589
Depreciation charge for the year	(217,313)
Foreign exchange effect on year end translation	71,415
Balance at 31 December 2023	**1,684,691**

Amounts recognised in profit or loss

2023 - Leases under IFRS 16	**GBP**
Interest on lease liabilities	(79,369)
Expenses related to short-term leases	(30,840)
Right of use asset	(186,007)
	(296,216)

18. SHARE CAPITAL

	As at 31 Dec 2023 GBP	As at 31 Dec 2022 GBP
Authorised share capital:		
100,000,000 ordinary shares of $0.01 each	1,000,000	1,000,000
Exchange Rate for Conversion	1.61674	1.61674
100,000,000 ordinary shares of $0.01 each in GBP	618,529	618,529
Allotted, issued and fully paid:		
20,852,359 ordinary shares of $0.01 each	208,522	208,522
Average Exchange Rate for Conversion	1.61674	1.61674
20,852,359 ordinary shares of $0.01 each in GBP	128,977	128,977

	Number of shares	Number of Treasury shares	Treasury shares GBP
Balance at 31 December 2021	**7,945,838**	**12,906,521**	**8,558,935**
Shares purchased	-	-	-
Balance at 31 December 2022	**7,945,838**	**12,906,521**	**8,558,935**
Shares purchased	-	-	-
Balance at 31 December 2023	**7,945,838**	**12,906,521**	**8,558,935**

Treasury shares represents the cost of the Company buying back its shares. There were 12,906,521 shares held in Treasury as at 31 December 2023 (2022: 12,906,521 shares) which comprised 61.9% of the total issued share capital (2022: 61.9%). No purchase took place in 2023 (2022: nil).

Under the Company's memorandum of association, the Company is authorised to issue 100,000,000 shares of one class with a par value of US$0.01 each. Under the Company's articles of association, the Board is authorised to offer, allot, grant options over or otherwise dispose of any unissued shares. Furthermore, the Directors are authorised to purchase, redeem or otherwise acquire any of the Company's own shares for such consideration as they consider fit, and either cancel or hold such shares as treasury shares. The directors may dispose of any shares held as treasury shares on such terms and conditions as they may from time to time determine. Further, the Company may redeem its own shares for such amount, at such times and on such notice as the directors may determine, provided that any such redemption is pro rata to each shareholders' then percentage holding in the Company.

Share capital represents 7,945,838 ordinary shares of $ 0.01 each.

The shares have been translated at the exchange rate at the point of issue and the period end movements taken to the foreign exchange reserve. The average rate noted above therefore reflects the aggregate rate at which the final share capital balance is recognised.

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

Retained Earnings: All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere

FX Reserves: Gains/losses arising on retranslating the net assets of overseas operations into the reporting currency.

Share Premium: Amount subscribed for share capital in excess of nominal value.

Other Reserves: Other reserves include, 1. Revaluation Reserves (gains/losses arising on the revaluation of the group's property). 2.

Capital Contribution related to the merger of id4 AG into Apeiron Holdings AG.

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for the year ended 31 December 2023

19. CAPITAL MANAGEMENT

The Group's capital comprises ordinary share capital, retained earnings and capital reserves. The Group's objectives when managing capital are to provide an optimum return to shareholders over the short to medium term through capital growth and income whilst ensuring the protection of its assets by minimising risk. The Group seeks to achieve its objectives by having available sufficient cash resources to meet capital expenditure and ongoing commitments.

At 31 December 2023, the Group had capital of £9,206,379 (2022: £10,298,100). The Group does not have any externally imposed capital requirements.

20. INVESTMENT IN SUBSIDIARIES

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

Name of subsidiary	**Place of incorporation**	**Effective Share holding 2023**	**2022**
DOA Alpha Ltd (formerly WGP Group Ltd)	British Virgin Islands	100%	100%
DOA Exploration Ltd (formerly WGP Exploration Ltd)	England & Wales	100%	100%
DOA Delta Ltd (formerly WGP Survey Ltd)	British Virgin Islands	100%	100%
Apeiron Holdings (BVI) Ltd (formerly Autonomous Holdings Ltd)	British Virgin Islands	100%	100%
Autonomous Robotics Ltd	England & Wales	100%	100%
WGP Geosolutions Limited	Cyprus	100%	100%
Alfalfa Holdings AG	Switzerland	100%	100%
Thalassa Holdings (II) Ltd	British Virgin Islands	100%	0%

The Group prepares its accounts in accordance with applicable UK Adopted International Accounting Standards ("IFRS")., through application of the appropriate standard the investments in subsidiaries are held at cost within the Group financial statements.

Due to the pre- or early stage revenue producing status, and therefore book value, of Autonomous Robotics Limited the directors of the Group feel that the IFRS cost basis does not represent a market value of the subsidiaries.

21. ASSOCIATED ENTITIES

On 17 December 2021, the acquisition of id4 was complete by Anemoi International Ltd with consideration in the form of shares issued to Thalassa and its subsidiary Aperion BVI totalling 36.92% of the voting rights. Further purchases were made in 2023 totalling 40.77% of the voting rights. The investment is recognised using the equity method as described in note 2.15.

On the same date the loan notes issued to Anemoi International Ltd were converted as per the terms of the agreement. 334,956 notes of USD1 were converted in to 334,956 Class A Preference Shares of no par value each fully paid.

Athenium Consultancy Ltd, in which the Group owns 35% shares, was incorporated on 12 October 2021.

Movement on interests in associates can therefore be summarised as follows:

	2023 GBP	**2022 GBP**
Fair value of investment at 1 January	2,356,526	2,325,457
Share of profits/(losses) for the year attributable to the Group	(307,862)	(235,659)
Purchases	68,642	-
Exchange Variance	(97,939)	266,728
	2,019,367	**2,356,526**

There are no other entities in which the Group holds 20% or more of the equity, or otherwise exercises significant influence over the affairs of the entity.

22. RELATED PARTY TRANSACTIONS

Under the consultancy and administrative services agreement entered into on 3 January 2011 with a company in which the Chairman has a beneficial interest, the Group accrued £252,523 in 2023 (2022: £307,076) (total accrual at 31 December 2023 of £648,440 (2022: £404,727)).

During the period David Thomas, non-executive director, invoiced the Group £Nil of which £Nil was owed as at 31 December 2023 (2022: £Nil) and £20,000 accrued.

During the period Kenneth Morgan, non-executive director, invoiced the Group £Nil of which £Nil was owed as at 31 December 2023 (2022: £Nil) and £8,012 accrued.

Athenium Consultancy Ltd, a company in which the Group owns shares invoiced the group for financial and corporate administration services totalling £181,500 for the period (Dec 2022: £165,000). As at the year end the Group owed £97,499 (2022: £46,647).

The Group was due £15,151 (2022: £2,894) from Anemoi International Ltd, a company in which through its subsidiary Apeiron Holdings BVI holds shares and is related by common control through the Chairman, Duncan Soukup. During the year services amounting to £41,217 (2022: £22,013) were charged from Thalassa.

As at the year end the Group was due £18,505 (2022: £17,073) from Alina Holdings Limited, a company under common directorship. During the year services amounting to £98,957 (2022: £91,167) were charged from Thalassa.

ARL owed rent of £10,000 during the period for trading premises from Eastleigh Court Limited. The beneficiaries of Eastleigh Court Ltd include D Soukup, a director during the period (total accrual at 31 December 2023 of £60,000 (2022: £50,000)).

During the period Nicholas Dale, director of Alfalfa, invoiced the Group 2023 fees of £4,631 of which £Nil was owed as at 31 December 2023 (2022: £Nil) (Nicholas Dale resigned as director in 2024).

During the period £28,000 was paid to Offshore Robotics related to David Grant's director fees for his directorship of ARL, 2023 fees were £36,000 of which £7,323 was owed as at 31 December 2023 (2022: £9,640) and £4,500 accrued.

23. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents together with various items such as trade and other receivables and trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

INTEREST RATE RISK

The Group does not undertake any hedging against interest rate risk. The Group finances its operations from the cash balances on the current and deposit accounts. The Group had total borrowings of £Nil as at 31 December 2023 (2022: £Nil).

FOREIGN EXCHANGE RISK

The Group undertakes FOREX and asset risk management activities from time to time to mitigate foreign exchange risk.

An increase in foreign exchange rates of 5% at 31 December 2023 would have increased the profit and net assets by £760 (2022: £8,718 decrease). A decrease of 5% would have had an equal and opposite impact.

As 31 December 2023 approximately 59% (2022: 68%) of amounts owing to suppliers are held in GBP, 21% in EUR (2022: 8%), 6% in USD (2022: 6%), 0% in NOK (2022: 1%) and 14% in CHF (2022: 17%).

CREDIT RISK

Group credit risk is predominantly a matter of individual corporate risk. However, Group companies also operate in frontier and challenging regions which has the potential to add risk and uncertainty both from an operational and financial point of view. Whenever and wherever possible the Group attempts to mitigate this risk.

In line with other international companies, the Group is exposed to geopolitical risks and the possibility of sanctions which could adversely affect our ability to perform operations or collect receivables from our clients. This risk is uninsurable and unhedgeable.

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LIQUIDITY RISK

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. All financial liabilities are generally payable within 30 days and do not attract any other contractual cash flows. Based on current forecasts the Group has sufficient cash to meet future obligations.

24. SUBSEQUENT EVENTS

Alfalfa Holdings AG, subject to local government approval, has agreed to the surrender of its lease of the Villa Kramerstein estate. Once surrendered, Alfalfa Holdings AG will enter into a one-year lease of the ground floor of one of the estate buildings.

25. COPIES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are available on the Company's website: www.thalassaholdingsltd.com.

26. CONTROLLING PARTIES

There is no one controlling party.

DIRECTORS, SECRETARY AND ADVISERS

Directors	C Duncan Soukup, Chairman David M Thomas, Director Kenneth Morgan, Director
Registered Office	Folio Chambers P.O. Box 800, Road Town, Tortola, British Virgin Islands
Company Secretary	Duncan Soukup
Broker	WH Ireland Limited 24 Martin Lane, London EC4R 0DR
Solicitors to the Company (as to English Law)	Locke Lord (UK) LLP 201 Bishopsgate, London EC2M 3AB
Solicitors to the Company (as to BVI Law)	Conyers Dill & Pearman Romasco Place, Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands VG1110
Auditors	RPG Crouch Chapman LLP 40 Gracechurch Street London EC3V 0BT
Registrars	Link Market Services 12 Castle Street St Helier Jersey JE2 3RT
Company websites	www.thalassaholdingsltd.com www.autonomousroboticsltd.com

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