Smarttech247 Group plc

Annual Report
and
Financial Statements
for the year ended 31 July 2024

Company no: 14385467

COMPANY INFORMATION

DIRECTORS:	R Murphy (Executive Chairman) R Saceanu (CEO) N Lee (Finance Director) S Cope M Connelly
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COMPANY INFORMATION

INDEPENDENT AUDITOR:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
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CONTENTS

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

INTRODUCTION

Smarttech247 Group plc (the "Company") is a public limited company whose shares are quoted on the AIM market of the London Stock Exchange. The Company is a multi-award-winning provider of AI-enhanced cybersecurity services providing automated managed detection and response for a portfolio of international clients. It has four directly and indirectly owned subsidiaries, Zefone Limited, Smart Systems Security Limited, Smarttech 247 Cyber Security Sarl incorporated and Smarttech Sp z.o.o. (together "Smarttech247" or the "Group").

We are pleased to report our results for the year to 31 July 2024.

HIGHLIGHTS

The key highlights for the year are as follows:

Year to	31 July 2024	31 July 2023	Change
	€000	€000	%
Revenue	13,174	12,180	+8.2%
Gross profit*	4,977	5,151	-3.4%
Gross profit margin	37.8%	42.3%	
Operating costs	5,232	5,326	-1.8%
Adjusted EBITDA **	1,350	2,698	
Operating profit (includes other income)	228	303	-24.8%
Profit before tax	185	204	
ARR run rate***	9,082	6,066	+49.7%
As at			
Cash	3,344	6,062	
Net assets	12,267	11,483	

* Please see Note 5 for revised analysis of gross profit for the prior year.

** Adjusted EBITDA is a non-IFRS measure and has been reconciled to the underlying IFRS numbers in Note 6.

*** ARR run rate based on July revenue in each year from multi-year contracts extrapolated for a full year.

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

- The period saw continued growth in revenues and ARR run rate.
- A number of new contracts were won during the period, spearheaded by the Group's Managed Detection and Response ("MDR") VisionX platform.
- Some significant partnerships have been entered into with leading players in the industry.
- Operations have been expanded and headcount increased in order to be in a position to deliver growth and develop new products.
- New products are being developed including a new VisionX product with further development of ThreatHub and NoPhish.
- Post period end, further new contract wins and contract renewals have been achieved in FY2025.

REVIEW OF THE YEAR

During 2024, the Group has continued to grow, building out its platform and headcount to service demand.

The Group now has the platform in place to support and accelerate its revenue growth. We have also continued to develop new products and won multiple new contracts with major global companies and institutions. These contracts are a clear demonstration of the quality of the service that we provide and represent clear reference points for new customers. We are often competing with global companies to win new business and succeeding, more details on which are covered in the Chief Executive Officer's ("CEO") Statement.

The listing of Smarttech247 at the end of 2022, has provided the Company with greater visibility and credibility in overseas geographies which form a key part of our strategic growth plans. I am proud of the team that we now have in place and would like to thank them for their hard work and commitment in getting the Group to its current position.

OUTLOOK AND STRATEGY

Cyber-attacks continue relentlessly with serious implications for the companies concerned but we believe that our combination of managed detection and response capabilities with an absolute focus on our clients can help to significantly reduce the impact of an attack and manage the situation. We therefore see excellent opportunities for future growth.

We have started FY2025 well with more contracts being won and a number of existing contracts being renewed so we are very much looking forward to continuing this progress in the coming year.

Ronan Murphy

Executive Chairman

22 January 2025

CEO'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

As we reflect on Smarttech247's journey in financial year 2024, I am proud of the resilience, innovation, and commitment displayed by our team, which has propelled us to new heights in an ever-evolving cybersecurity landscape. We have strategically positioned ourselves as a trusted partner to businesses globally, helping them secure their operations and navigate the complex challenges posed by cyber threats. We continued to make progress on a number of fronts: winning new customers, building out our cybersecurity platform, increasing our strategic partnerships and developing new products. Growth across our client base and an increase in ARR have strengthened our position and allowed us to reinvest in product development and our people, ensuring that we remain at the forefront of innovation. We are extremely well-placed to grow revenue and as we embark on a new era at Smarttech247, we are pleased with the Group's prospects and the strategic advances we are making.

Contracts

In the past year, Smarttech247 has successfully secured several multi-year contracts across diverse industries, underscoring our position as a trusted cybersecurity provider. These contracts, won in competitive processes often against larger global organisations, are a testament to the value of our VisionX platform, and our strategic partnerships. Our expanding client base in sectors such as government, pharmaceuticals, automotive, and finance not only validates our offerings but also enhances our global market presence.

Many of these contracts are multi-year, providing certainty in recurring revenue, while others, though shorter term, demonstrate a high renewal rate, contributing to our robust annual recurring revenue. Below is a breakdown of key contracts and expansions that highlight our growth and commitment to delivering best-in-class cybersecurity solutions.

- In August 2023, as part of Smarttech247's new partnership with Abnormal Security, which is discussed further below, a multi-year contract worth circa €360,000, over two years, was won with a global organisation within the aviation industry sector.

- In October 2023, the Company also won a contract from an existing Government of Ireland department customer, worth €400,000 over two years. As part of this contract, we supplied the client with state-of-the-art SIEM technology which allows them to enhance security visibility and provide actionable insights.

- AutoNation, an existing client of Smarttech247, which is also the largest automotive retailer in the United States, extended its existing partnership with the Group for a further three years which is a testament to the success of the ongoing relationship. Furthermore, AutoNation's Vice President and CISO, Chip Regan, explained in a case study why Smarttech247 was the obvious choice when it came to its cybersecurity needs and, specifically, how partnering with Smarttech247 has allowed AutoNation to achieve a granular level of security and monitoring on a scale that suits such a large enterprise.

- In November 2023, Smarttech247 secured a new contract with a global pharmaceutical solutions organisation, based in the USA, worth circa €900,000 over three years to deploy our AI-enhanced VisionX platform that will help the client strengthen its security structure.

- Also, in March 2024, the Group announced a new managed detection and response contract with a global packaging company, worth approximately €1 million over three years. This contract utilises both Smarttech247's VisionX platform as well as its email security tool NoPhish, underscoring their versatility and advanced capabilities.

CEO’S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

- In April 2024, Smarttech247 signed a new contract with a large banking and insurance organisation, worth €720,000 over three years. Also, a new additional three-year contract with an existing global pharmaceutical solutions client, based in the USA, worth circa $2.1 million in total was also announced.

Post period end highlights

- In August 2024, the Group signed a three-year contract, worth €860,000, with an Irish public sector agency, with the potential to extend the contract for a further two years and also a €160,000 consultancy contract with a fintech company. An existing major customer also renewed its contract worth €750,000 per annum with additional purchases worth up to €350,000.

- In September 2024, a public tender worth €100,000 over three years was won and in November 2024, an existing US pharmaceutical customer renewed its current contract for another year worth €300,000 per annum.

- December 2024 was particularly busy and included a new MDR contract over three years with a hospital in Ireland worth €150,000 over the life of the contract, the renewal for five additional years of a contract with a leading Irish university worth, in total, over €1 million and additional sales to an existing US pharmaceutical customer worth €150,000 over the next year.

In conclusion, Smarttech247’s success in winning these multi-year contracts reaffirms our position as a leader in cybersecurity services. These partnerships showcase the strength of our technology, especially the VisionX MDR platform, and the trust our clients place in our capabilities. By focusing on providing recurring revenue through multi-year contracts and high renewal rates for short-term projects, we ensure financial stability and growth for the Group. These achievements not only validate our service quality but also serve as strong reference points for future clients, supporting our continued global expansion and competitive differentiation.

Strategic Partnerships

At Smarttech247, our strategic partnerships play a critical role in enhancing our technological capabilities, expanding our market reach, and delivering comprehensive cybersecurity solutions to our clients. Over the past year, we have strengthened existing partnerships and established new alliances that underscore our commitment to providing industry-leading security solutions tailored to the evolving threat landscape. Below, we outline some of our most impactful partnerships and the ways they contribute to our success.

- In August 2023, the Group was approved to list its VisionX platform on the Amazon Web Services (“AWS”) Marketplace. This listing is expected to provide a host of benefits such as exposure to a large customer base, streamlined purchasing processes and scalability.

- Smarttech247 also has a strategic partnership with Abnormal Security, a leading behavioural AI-based email security platform. Abnormal Security is being integrated into Smarttech247's comprehensive MDR capability to provide a unified and proactive security solution. The Company has already signed its first contract, as a result of this partnership, with a global aviation organisation.

CEO'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

- In October 2023, Smarttech247 secured a partnership with Splunk Inc. (NASDAQ: SPLK), a cybersecurity and observability leader. This partnership utilises Smarttech247's VisionX platform and this collaboration will leverage its capabilities alongside Splunk's solutions to offer unparalleled security efficiencies.

- In March 2024, the Group announced a strategic partnership with Google with a view to extending Smarttech247's existing suite of solutions by integrating cutting-edge technologies from Google Chronicle into its flagship platform, VisionX, as part of its comprehensive MDR offering. As part of this arrangement, Google's advanced SIEM (Security Information and Event Management) capabilities are now available on Smarttech247's VisionX platform. By integrating Google Chronicle's security technology into our MDR, organisations will have access to advanced threat detection and response ensuring proactive defence against sophisticated cyber threats, enabling swift and effective incident response.

- In April 2024, Smarttech247 partnered with Cisco Systems Inc. (NASDAQ: CSCO) ("Cisco") to deliver a complete security solution for threat prevention, detection, investigation and response. Cisco delivers software-defined networking, cloud and security solutions to companies worldwide and recently completed its acquisition of cybersecurity firm Splunk Inc., with which Smarttech247 already has a strategic partnership agreement. This new partnership will see Smarttech247 integrate Cisco's security technologies into its AI-enhanced cybersecurity services, offering clients an even more comprehensive and robust defence against evolving cyber threats. Cisco's range of security technologies for network, device, user and cloud security will integrate with Smarttech247's existing suite of cybersecurity solutions. These technologies, combined with Splunk's cybersecurity capabilities gained in the recent acquisition, will enhance Smarttech247's VisionX platform, allowing organisations to proactively secure their digital assets and mitigate risks effectively.

- In May 2024, the Company announced a partnership with CNS Middle East ("CNS"), a leading technology firm specialising in digital solutions across the Middle East. Through this collaboration, Smarttech247 and CNS will combine their expertise to offer advanced cybersecurity solutions tailored to the unique needs of organisations in the Middle East. By leveraging Smarttech247's advanced threat detection solutions and CNS's expert capabilities, clients can expect enhanced protection against cyber-attacks, ensuring the security and resilience of their assets.

- Also in May 2024, it announced its strategic partnership with Egress, the integrated cloud email security firm. As part of the partnership, Smarttech247 will offer Egress' Intelligent Email Suite, enabling its customers access to its advanced range of inbound and outbound email security solutions. It will allow Smarttech247's customers to benefit from the only cloud email security platform to continuously assess human risk and adapt its policy controls, providing them with automated and tailored protection. This, combined with Smarttech247's 24/7 threat detection and response capabilities, will help to simplify organisations' cybersecurity, enabling them to focus on other high-priority areas of the business without compromising on security.

Smarttech247 continues to work with several leading industry players whose products can be incorporated within its MDR platform as required. These partners include Palo Alto Networks, Forcepoint, Microsoft, IBM and Crowdstrike.

Technology platform and Innovation

Smarttech247 has continued to enhance and progress its technology platform and product offering.

CEO'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

Towards the end of 2023, the Group launched a new version of VisionX, the Company's managed detection and response platform. This new version offers a very different functionality in that it is multi-tenancy and has a completely new User Interface – this is a very important element of the VisionX platform as it is heavily relied upon by product users to enable them to assess the effectiveness of their security operations in real-time. This new design offers users an intuitive approach that simplifies complex security operations. With improved functionality, advanced analytics, threat hunting and customisable dashboards, customers will gain unprecedented insights into their organisation's security posture.

In January 2024, the Company announced the launch of Aio, its VisionX AI assistant, which will provide enhanced AI features including risk analysis and more rapid incident responses enabling organisations to leverage AI and intelligent automation to enhance their security operations.

Also in January 2024, the Company launched a version of VisionX dedicated to mid-sized businesses with a view to expanding the Group's addressable market and to enable mid-sized businesses to benefit from the same level of security which is often only available to larger enterprises.

In February 2024, Smarttech247's email security tool NoPhish was extended to users of Google Mail. Previously only available on Microsoft Outlook, NoPhish is designed to empower users in the fight against phishing and other email-based threats. By integrating with Google Mail this expansion provides comprehensive email security solutions for a wider audience.

NoPhish employs advanced analysis algorithms to evaluate the content and legitimacy of the reported emails, offering instant feedback to the user. In cases where an email is identified as suspicious or malicious, NoPhish takes proactive measures by automatically removing the email from the user's inbox, thereby mitigating the risk of accidental exposure to harmful content.

The Group has also continued to develop its Continuous Threat Exposure Management software, Threathub. Threathub allows organisations to manage their risk continuously by providing them with automated threat modelling and dynamic risk governance capabilities. The Group is currently building a sales pipeline for this product.

People and platform

At Smarttech247, our people are our greatest asset, driving the innovation and dedication that fuel our growth. Over the past year, we have focused on expanding our team to meet the demands of our growing client base and the dynamic cybersecurity landscape. By increasing headcount, we are building the capacity needed to support future revenue growth and accelerate product development.

This expansion is a significant milestone, particularly given the competitive market for qualified cybersecurity professionals. Our ability to attract and retain top-tier talent underscores our reputation as an employer of choice within the industry. We continue to foster a culture that values inclusivity, diversity, and professional growth, empowering each team member to contribute to our mission.

During the period, Sascha Maier was appointed to the Group's Advisory Board. Sascha is currently the Group Chief Information and Security Officer at SV Group, a leading hospitality and catering group in Europe. In this role, he oversees the Cyber Resilience strategy for the entire group, including all brands, subsidiaries, and the foundation.

Furthermore, Jason Rice, Vice President of Sales at Forcepoint, was appointed to the Group's Advisory Board. Jason has over 20 years of enterprise software experience supporting Fortune 2000 organisations to identify the appropriate technology that improves service, secures data and reduces risk.

CEO'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

In June 2024, Smartech247 announced the intention to open an office in Switzerland, furthering the Company's global business expansion strategy following its recently announced strategic partnership in the Middle East. As part of this expansion, the Company will hire locally based professionals to be based in its new office, located in Zurich. The new team is expected to play a critical role in supporting the continued growth of the Company's VisionX platform.

Recent research has highlighted that Swiss companies are facing increasing threats from AI generated phishing emails, disinformation campaigns and supply chain attacks. With the Swiss Financial Market Supervisory Authority identifying cyber risks as one of the most significant operational threats to financial institutions, Smarttech247's expansion is set to strengthen its global presence whilst supporting the growing number of businesses in Switzerland in their fight against cybercrime.

In September 2024, post period end, Smarttech247 announced an enhanced sales strategy designed to accelerate growth by introducing a new channel-based route to market. This approach will broaden our market reach and is a key component of our ambitious growth plans. To support this strategy, we are investing in increased headcount across our key geographical markets over the next 12 months, strengthening our presence and capacity to serve clients worldwide.

This strategic shift will see Smarttech247 place greater emphasis on channel and strategic partnerships to target rapid expansion whilst enhancing customer value across its global customer base. In parallel with this initiative, the Company is also launching its Partnership Programme with incentives designed to empower partners and drive mutual growth, with a key focus on efforts to enhance Smarttech247's sales and service delivery with core strategic partners. Previously, the Company's strategy focused on direct sales to customers but this new strategic shift will allow Smarttech247 to leverage the successful partnerships the Company has curated.

Smarttech247 is in advanced discussions with leading systems integrators and distributors to bring a range of its cybersecurity solutions, including VisionX MDR and ThreatHub, to a broader market, strengthening the Company's presence in key regions and scaling operations to meet the growing global demand. This new programme will provide Smarttech247's partners with the tools, resources and support to help partners maximise revenue potential and deliver value to customers via incentives including financial rewards, co-marketing opportunities and access to training and certifications programmes.

To support this strategy, Smarttech247 has already been building out its platform and expects to increase its headcount further in Ireland and across other key markets over the next 12 months, expanding the Company's operations in technical support, sales, marketing and partner support.

Environmental, Social, and Governance ("ESG") Commitment

At Smarttech247, we believe that our responsibility extends beyond delivering cutting-edge cybersecurity solutions. We are dedicated to integrating Environmental, Social, and Governance principles into our business strategy, reflecting our commitment to responsible corporate citizenship.

Environmental Responsibility

We recognise the importance of environmental stewardship in today's world. This year, Smarttech247 made significant strides in reducing our environmental impact by implementing a comprehensive sustainability plan. Our Environmental Policy outlines measurable actions to lower our carbon footprint and

CEO'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

promote sustainable practices across all operations. Among key initiatives, we implemented strategies for energy efficiency, sustainable procurement and waste reduction.

Social Responsibility

Our commitment to social responsibility is at the heart of our Company's mission. We strive to make a meaningful impact on the communities in which we operate and to foster an inclusive, supportive environment within our organisation. Key initiatives include our Diversity and Inclusion programmes, such as Women in Cybersecurity, our employee well-being and development focus and our community engagement.

Governance Excellence

Smarttech247's governance framework is built on a foundation of integrity, transparency, and accountability. We are committed to upholding the highest standards in all aspects of our business, ensuring trust among our clients, investors, and stakeholders. Our governance practices are guided by internationally recognised standards, including ISO certifications.

Looking ahead, Smarttech247 is committed to continuously advancing our ESG efforts as part of our broader mission to create long-term value for our clients, employees, and society. We understand that our growth must be balanced with a commitment to sustainable and responsible practices. In the coming year, we plan to expand our ESG initiatives in order to continue to reduce our environmental impact, foster further diversity and inclusion, and strengthen our governance framework.

Industry awards and profile

In October 2023, Smarttech247 was awarded the Email Security Solution of the Year title at The Computing Security Awards 2023 for its product NoPhish. This cutting-edge solution operates in real-time, detecting and responding to phishing attempts. By analysing reported emails and identifying malicious elements, such as attachments or URLs, NoPhish enables organisations to stay ahead of cyber threats. Phishing remains a critical concern for companies globally and NoPhish offers clients a defence through its proactive approach and intelligence.

Other award nominations during this period include being named as a Deloitte Fast 50 Technology Company for 2023, becoming a finalist for the 'Scale Up of the Year' award at the Tech Industry Alliance Awards and a nomination for the 'Cyber Security Solution Provider of the Year' at the 2023 EU Cyber Awards.

In December 2023, the Group published its cybersecurity report, "Global Cybersecurity: Perspectives and Trends for 2024". This document reported that there had been a 50% increase in cyber-attacks during 2023 and highlighted critical issues in cybersecurity, offering strategic perspectives on emerging threats, industry trends, and the geopolitical dynamics expected to shape the threat landscape throughout 2024. The report also finds that external malicious actors account for 83% of data breaches and financial motives are still the driving force behind over 94% of actual breaches.

On 6 March 2024, Smarttech247 hosted its Zero Day Con 2024 conference for the 8th time. This event brings together leading technology firms, industry experts and government officials to allow business leaders to learn more about the latest cybersecurity trends. This year was again a very successful conference with over 600 international cybersecurity industry participants attending, including senior security executives and speakers from the FBI, NCIS and other industry leaders.

CEO'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

In June 2024, Smarttech247 was included in the Market Guide for Managed Detection and Response produced by Gartner, a leading research and advisory company. The yearly report has become the recognised industry guide for buyers considering MDR service providers.

Gartner's report emphasises the importance of human-led MDR, speed and service predictability and the need to go beyond reactive security measures with proactive threat hunting and exposure management. These all align with Smarttech247's offerings.

Smarttech247's technology agnostic VisionX platform using AI, via Aio, its Gen AI Assistant, integrates advanced security technologies with expert human analysis, ensuring comprehensive threat detection and response capabilities tailored to business-driven risk requirements.

Smarttech247 excels in providing MDR services that are quick to deploy and operate, with its high-touch support organisations accelerate their security operations capabilities without compromising on effectiveness.

Smarttech247's MDR offering goes beyond reactive measures by integrating proactive threat hunting and exposure management with a data-centric approach, thereby enhancing overall cyber resilience and efficiency.

Financial Commentary

In terms of financial performance, the revenue of the Group increased by in excess of 8% over the prior year reflecting the progress made in winning several new contracts during FY2024. A number of the contracts are multi-year and, depending on when they were won during the year, will affect the level of revenue actually recognised within the accounting period for that particular contract.

However, in terms of annual recurring revenue ("ARR") on a run rate basis, which takes into account the reduced full-year impact of contracts that start part way through the year, we have achieved a circa 50% increase. Furthermore, ARR for FY2024 represents approximately 60% of total revenues for that year, which is a key performance indicator reflecting the Group's growing strength and resilience. This significant increase underscores our success in securing long-term, sustainable revenue streams, and it positions us strongly for continued expansion in the coming years. We have also achieved a 100% client retention rate for MDR clients during the period which clearly demonstrates the quality of the service that we provide. Going forward, we expect our new channel-based route to market, which we introduced in September 2024 to enhance our sales strategy thereby accelerating our sales growth.

Gross profit margins have reduced slightly compared to the previous year. The cost of our Polish and Romanian operations has increased as a result of building out our platform to support increasing sales and more general salary inflation. Going forward, we expect to be able to reduce these costs through both operational improvements and a significant increase in the automation of our activities.

Like-for-like operating costs after having adjusted for the one-off costs relating to the Company's Initial Public Offering on AIM ("IPO") in the prior year, have increased during the year. This is principally due to growing our operations in Ireland and the full-year impact of the costs associated with being a listed company.

During the period, we have continued to invest in our products and technologies which is clearly necessary and important for a company in this sector. We have capitalised the relevant expenditure in line with our accounting policies, however, this investment has reduced our period-end cash balance compared to the previous period. The Group still retains a substantial cash balance at the period end and, going forward, both

CEO'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

improved profitability through increasing sales, a reduction in costs and a reduction in our capital/R&D expenditure should lead to an improving cash position.

FY2025 has started well with both new contracts being won and a number of existing clients renewing their contracts.

Going forward, the Company remains well-positioned and well-funded for growth in an exciting sector and with a customer base that clearly values the services that the Company is able to provide.

Outlook

As we look to the future, Smarttech247 is poised to capitalise on one of the most significant opportunities in modern technology: the rapid growth of AI-driven security solutions. Artificial intelligence is transforming industries and reshaping the way organisations operate. However, with this transformation comes heightened risks and new, sophisticated threats. Our advanced cybersecurity solutions are well positioned to empower clients in deploying AI securely, ensuring they can harness its full potential without compromising their data integrity or security posture. By providing robust, AI-enhanced threat detection, response, and monitoring capabilities, we enable our clients to stay ahead of evolving cyber risks and maintain trust in their AI-driven operations.

In parallel, the exponential growth of data security demands a proactive approach that aligns perfectly with Smarttech247's capabilities. Organisations face enormous data security risks and our VisionX platform delivers precisely the level of protection required for their data-rich environments. The demand for advanced data security solutions is set to surge, and Smarttech247 is well-positioned to capture this growth through innovative, tailored solutions that meet the needs of modern enterprises.

Looking ahead, we remain deeply committed to expanding our ARR by focusing on long-term, multi-year contracts and increasing the renewal rate of our short-term offerings. This focus on ARR reflects our confidence in the value of our services and our commitment to sustainable growth. In addition to growing our ARR, we are also exploring new strategic partnerships and market expansions to deepen our presence in sectors like healthcare, finance, and government—industries where data security and AI integration are mission-critical. For our investors, the message is clear: Smarttech247 is at the forefront of the AI and data security evolution, and we are fully equipped to lead in this space, creating enduring value and delivering long-term, stable returns.

We have continued our positive momentum into the 2025 financial year with a number of new customers and the renewal or extension of existing contracts and with our innovation, strategic focus, and commitment to excellence, we are well-positioned to accelerate this growth trajectory. By expanding our offerings, strengthening client relationships, and exploring new markets, we are poised to deliver robust and sustainable value to our investors and stakeholders in the year ahead.

Raluca Saceanu - CEO

22 January 2025

STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2024

INTRODUCTION

The Directors present their Strategic Report on the Group for the year ended 31 July 2024.

PRINCIPAL ACTIVITY AND BUSINESS MODEL

Smarttech247 is a multi-award-winning AI-based cybersecurity organisation. The Group is led by a highly experienced Board and management team, with its head office located in Cork, Republic of Ireland and a client base that is principally based in Europe and the USA. The Company intends to grow its international presence and support its expansion into new products through a combination of continued organic growth and, if appropriate, complementary acquisitions.

BUSINESS REVIEW

For the year to 31 July 2024, the Group made an operating profit from continuing operations of €228K (2023: profit €303K). As at 31 July 2024, the Group had cash resources of €3,344K (2023: €6,062K).

The Chairman, in his Statement, and the Chief Executive Officer in her Report, have summarised the activities of the Group during the financial year.

KEY RISKS AND UNCERTAINTIES

The Group operates in a competitive market with significant competition from larger international companies. Furthermore, the speed and sophistication of modern cyberattacks require the creation of innovative solutions in order for the Group to remain competitive.

The principal risks and uncertainties facing the Group are described below:

Risk	Description	Mitigation
Potential adverse effects of cybersecurity attacks on the Group	As a publicly-traded cybersecurity solutions business, the Group will be a prominent target for potential attacks by third parties attempting to access the Group's MDR Platform and/or the Group's cloud-based IT operations.	Given the Group's expertise in the sector it is well placed to guard against this risk, particularly as it actively monitors the type and nature of cyberattacks. It also understands the best protection measures to employ.
Infrastructure and foundations of the Group may not support growth	The Group is at a relatively early stage of its growth plans and whilst every measure has been taken to build a platform for growth, its infrastructure and foundations may not currently be suitable for its proposed scale of expansion and increase in the complexity of operations.	The Group is steadily building out its operations and already has a number of different locations and operating units as a foundation on which to increase scale.
Use of licences to third-party software and other intellectual	The Group relies on the use and integration of certain third-party products and licences. Any issues with	The Group is developing a number of its own products which should improve return and reduce the risk of third-party reliance.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2024

Risk	Description	Mitigation
property by the Group	the availability of such licences may impact the Group's operations.	
Dependence on key personnel and employees	The Group is reliant on the performance of its highly qualified personnel. However, there is a scarcity of talent and a high demand from other organisations for their skills.	The Group has developed attractive employment packages which include options in order to retain and attract its personnel. It is also active in sourcing skills from around the world.
Risk resulting from international operations	The Group necessarily operates in a number of jurisdictions both from a customer and operational standpoint. This can add complexity and risk to the business.	The Board has the appropriate management in place in order to monitor and manage these operations.
Technological change and competition	The sector in which the Group operates is fast-paced and competitive with a range of both existing and new entrants.	The Group has already established a customer base with some large multinational companies and is becoming integrated with their IT infrastructure thereby becoming a key element of their cybersecurity armoury. Also, contracts are often multi-year in nature with provide further security to revenue.
The impact of global conditions on customers of the Group and the potential for revenues to be negatively affected	The Group operates on an international stage and therefore performance can be affected by events in other parts of the world.	The Group seeks to mitigate this risk by ensuring that it has geographical and sector diversification. Currently, the Group has customers and operations in a number of European locations as well as a customer base in the United States. The Group will continue to increase its level of diversification.
Changes in laws, regulations and guidelines	The Group's business is subject to the laws, regulations and guidelines of a number of different jurisdictions and such laws and regulations are subject to changes that are outside the Group's control.	The Group monitors the laws regulations and guidelines relevant to the Group so that it is able to respond as quickly as it can to changes that may both negatively and positively impact the operations of the Group.
Data protection breaches	The Group must ensure ongoing compliance with various data protection laws. The Group is under an obligation to protect the private and personal data that it holds, including that of its employees.	The Board considers the Group's policies and procedures currently in place to be adequate to ensure compliance with the GDPR.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the Group's financial risk management objectives and policies are set out in Note 26 to these financial statements.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2024

PROMOTION OF THE GROUP FOR THE BENEFIT OF THE MEMBERS AS A WHOLE

S172 of the Companies Act 2006 requires the Board to promote the Group for the benefit of the members as a whole. In particular, the requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Group;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Group's employees;
- Foster the Group's relationships with suppliers, customers and others; and
- Consider the impact of the Group's operations on the community and the environment.

The Directors are collectively responsible for formulating the Group's strategy, and during 2024 they have continued to focus on generating additional sales, building the Group's platform and product development.

In addition, the application of s172 requirements can be demonstrated in relation to some of the key decisions made during 2024:

- Commitment to developing and applying high standards of corporate governance
- The implementation of the Group's strategy resulting in revenue growth and winning of new clients.
- The development of new products and services

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of a listed company. The primary communication tool for regulatory matters and matters of material substance is through the Regulatory News Service ("RNS"). We also provide an environment where shareholders can interact with the Board and management, ask questions and raise any concerns they may have.

Further details with regard to communication with shareholders is set out in the Corporate Governance Report. The Directors believe they have acted in a way they consider most likely to promote the success of the Group for the benefit of its members as a whole, as required by Section 172 (1) of the Companies Act 2006.

GOING CONCERN

As at the year end, the Group held a significant balance of cash. Furthermore, the Group is generating cash from its operations which it is able to invest in developing its business. The Group has prepared cash forecasts to July 2026 that show that it has sufficient cash resources for the foreseeable future. Accordingly, the Directors believe that as at the date of this report it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

ON BEHALF OF THE BOARD

Raluca Saceanu

CEO

22 January 2025

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2024

The Directors present their Annual Report on the affairs of the Group, together with the audited financial statements for the year ended 31 July 2024.

GENERAL

Smartech247 Group plc is a public limited company incorporated and registered in England and Wales with its registered office at 165 Fleet Street, London, EC4A 2DY. The Company's registered number is 14385467. The Company has four direct and indirect 100% owned subsidiaries, Zefone Limited incorporated and registered in Ireland, Smart Systems Security Limited, incorporated and registered in England and Wales, Smarttech247 Cyber Security Sarl incorporated and registered in Romania and Smartech Sp z.o.o. incorporated and registered in Poland.

PRINCIPAL ACTIVITIES

Smarttech247 is a multi-award-winning AI-based cybersecurity organisation. The Group is led by a highly experienced Board and management team, with its head office located in Cork, Republic of Ireland and a client base that operates in Europe and the USA. The Group intends to grow its international presence and support its expansion into new products through a combination of continued organic growth and, if appropriate, complementary acquisitions.

RESULTS AND DIVIDENDS

The Group made a profit after taxation of €133K (2023: loss after taxation of €167K). It is not expected that a dividend will be declared for 2024 (2023: None).

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company, together with their beneficial interests in the shares of the Company at the end of the year, are listed below. All served on the Board throughout the year, unless otherwise stated. There is a qualifying third-party indemnity provision in force for the benefit of the Directors and officers of the Company. Further details of the remuneration received by the Directors is set out in the Directors Remuneration Report.

	Percentage of issued share capital	**31 July 2024**	**Percentage of issued share capital**	**31 July 2023**
R Murphy	69.77%	86,572,826	69.77%	86,572,826

None of the other Directors had any beneficial interest in the shares of the Company.

Furthermore, details of the share options held by the Directors are set out in the Remuneration Report on page 22 of this Annual Report and Accounts.

R Murphy held 74,447,389 ordinary shares through his wholly owned company Amplified Technologies Limited and 12,125,437 through a trust, Plumtree Capital. This is unchanged from the position as at 31 July 2023.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2024

SUBSTANTIAL INTERESTS

The Company is aware that as at 21 January 2025, the following, other than the Director shown above, held in excess of 3% of the issued share capital of the Company:

	Number of ordinary shares	Percentage of issued share capital
Employee Benefit Trust	10,546,713	8.50%
William Currie Investments Limited	7,634,060	6.15%
Premier Miton Group plc	4,720,161	3.80%

CORPORATE GOVERNANCE

The Board recognises its responsibility for the proper management of the Company and is committed to maintaining a high standard of corporate governance. Further details with regard to corporate governance are set out in the Corporate Governance Report.

BOARD OF DIRECTORS

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets regularly and has a schedule of matters specifically reserved to it for decision. Management supplies the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professionals at the Company's expense. Training is available for new Directors and other Directors as necessary.

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board comprises three executive directors and two non-executive directors. The Board considers the two non-executives directors, being Sarah Cope and Michael Connolly to be independent and, as such, the Company complies with the requirements of the QCA Code in this regard. Sarah Cope acts as the Senior Independent Non-Executive Director. The Board has established the Audit Committee and Remuneration Committee. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises. The Board meets at least six times a year to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals. Given the size of the Board, there is no separate nomination committee. All Director appointments are approved by the Board as a whole.

COMMUNICATIONS WITH SHAREHOLDERS

Communications with shareholders are given a high priority. In addition to the publication of an annual report and an interim report, there is regular dialogue with shareholders and analysts. The Annual General Meeting is viewed as a forum for communicating with shareholders, particularly private investors. Shareholders may question the Chairman and other members of the Board at the Annual General Meeting.

INTERNAL CONTROL

The Directors acknowledge they are responsible for the Company's system of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2024

are designed to manage rather than eliminate the risk of the Company failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss. The Company has well established procedures which are considered adequate given the size of the business.

POST YEAR-END EVENTS AND FUTURE DEVELOPMENTS

There have been no post year-end events.

Future developments are as outlined in the Chairman and CEO's statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group and Company financial statements in accordance with UK adopted international accounting standards. Under company law, the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and profit or loss of the Group for that period.

In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

PROVISION OF INFORMATION TO THE AUDITOR

So far as each of the directors are aware at the time this report was approved:

- there is no relevant audit information of which the Company's auditor is unaware: and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2024

AUDITORS

The auditors, PKF Littlejohn LLP have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

ENERGY AND CARBON REPORTING

Streamlined Energy and Carbon Reporting is required by large companies where energy consumption exceeds 40,000kWh. The Company can confirm that its consumption is less than 40,000kWh and therefore there is no requirement to provide details of the Company's greenhouse gas emissions, energy consumption and energy efficiencies.

This report was approved by the Board on 22 January 2025 and signed on its behalf.

Raluca Saceanu

CEO

22 January 2025

DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 JULY 2024

The remuneration of the directors is fixed by the Board as a whole based on recommendations by the Remuneration Committee. The Board seeks to provide appropriate reward for the skill and time commitment required so as to retain the right calibre of director at a cost to the Group which reflects current market rates. The Remuneration Committee determines the remuneration packages for Executive Directors and other senior employees and keeps the Group's policy on pay and benefits under review generally. This Committee comprises Sarah Cope and Michael Connolly. In general, this Committee expects to meet twice a year, although there has only been one meeting this year as remuneration for the Executive Directors had been fixed for the year at the time of the Company's admission to trading on AIM.

The Remuneration Committee keeps under review the long-term incentivisation of Executive Directors, balancing the need to control costs while ensuring that pay and benefits offered by the Group are appropriate for attracting and retaining high calibre staff. This will include the review of the analysis of the compensation paid to the directors of AIM listed companies. Furthermore, in order to avoid any conflicts of interest, the Remuneration Committee only comprises the Non-Executive Directors of the Company.

The Committee will continue to have due regard to remuneration reports from independent sources to the guidance of its professional advisers and to good practice generally.

Further details of directors' fees and of payments made for professional services rendered are set out in Note 9 to the Financial Statements.

During the period, the following remuneration and other benefits were charged to the Company:

Name of director	Fees and salaries	Bonus	Pension	**Total 2024**	Total 2023
	€	€	**€**	**€**	€
R Murphy	182,841	–	13,475	**196,316**	**171,777**
R Saceanu	140,175	-	6,934	**147,109**	**87,209**
N Lee	57,139	–	1,496	**58,635**	**38,284**
S Cope	34,983	–	831	**35,814**	**23,378**
M Connolly	15,000	–	-	**15,000**	**10,000**
	430,138	–	**22,736**	**452,874**	**330,648**

The figures in the above table for 2024 are higher than those for 2023 as the figures for 2023 are the amounts paid by the Company since IPO which does not represent a full year of trading other than for R Murphy's figure which includes the amount paid by Zefone Limited to him prior to the IPO as the only director of that company. The amounts do not include any share options issued to directors as outlined below.

The notice periods for the Directors were fixed at the time when the Company was listed in December 2022. These remain unchanged with no current intention to vary them. They are set out below:

DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 JULY 2024

Name of director	Notice periods
R Murphy	12 months
R Saceanu	12 months
N Lee	3 months
S Cope	3 months
M Connolly	3 months

SHARE OPTIONS

Details of the Directors' share options are shown below:

	Number outstanding at 31 July 2024	Exercise price	Vesting date	Expiry Date
R Saceanu	4,541,290	29.66p	Various	28 Nov 2032

The Option granted to Raluca Saceanu is a Greater Value Option, except that the Option shall vest by reference to the date of Admission and not by reference to the date of grant. The Option is exercisable at £0.2966 per Ordinary Share.

The figures as at 31 July 2023 were the same as set out in the table above.

Further details of the share options are set out in Note 21.

Sarah Cope

Director

22 January 2025

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 JULY 2024

The Directors recognise the importance of sound corporate governance and confirm that they comply with the QCA Code. The QCA Code has become a widely recognised benchmark for corporate governance of smaller quoted companies, particularly AIM companies. The Directors also acknowledge that a new version of the QCA code has been published but only comes into effect for periods commencing on or after 1 April 2024, so this has not yet been adopted by the Group.

The QCA Code recommends that at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board comprises three executive directors and two non-executive directors. The Board considers the two non-executives directors, being Sarah Cope and Michael Connolly to be independent and, as such, the Company complies with the requirements of the QCA Code in this regard. Sarah Cope is the Senior Independent Non-Executive Director.

The Board has established an Audit Committee and Remuneration Committee. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

The Board generally meets at least six times a year to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals. During the year, the Board met formally six times.

Anti-bribery policy

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has implemented an anti-bribery policy as adopted by the Board and also implemented appropriate procedures to ensure that the Directors, employees and consultants comply with the terms of the legislation.

Audit Committee

The Audit Committee is chaired by Sarah Cope and its other member is Michael Connolly, both of whom are independent non-executive directors. The Audit Committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Group. The Audit Committee expects to meet at least twice a year and additionally when necessary. During the period, this Committee has met twice. The objectivity and independence of the auditors will be considered regularly by the Audit Committee. The meetings principally focused on the annual report and accounts and the interim results. The key areas considered included valuation of intangible assets, accounting for the acquisition of Zefone Limited in the prior year as part of the Company's listing process, revenue recognition and valuation of unlisted investments. All of these areas were thoroughly tested and reviewed by the auditors along with the internal control environment. This year is only the second year with the current auditors and the Committee were both happy with the effectiveness of the audit process and the independence and objectivity of the auditors and so there was no requirement to re-tender at this stage.

Compliance with the AIM Rules and Market Abuse Regulation is covered within the Audit Committee.

Remuneration Committee

The Remuneration Committee is chaired by Michael Connolly and its other member is Sarah Cope, both of whom are independent non-executive directors. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group. At this stage, the Board does not believe that there is a requirement for a separate Nominations Committee and matters relating to

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 JULY 2024

nominations will be covered within the Remuneration Committee. In general, this committee expects to meet twice a year, although there was only one meeting this year to approve an increase in the salaries of two of the Executive Directors.

Share dealing code

The Group has adopted a share dealing code for the Board and all employees, which is appropriate for a company whose shares are admitted to trading on AIM which conforms with the requirements of AIM companies. The Group will take all reasonable steps to ensure compliance with such share dealing code by the Board and any relevant "applicable employees" and compliance with the AIM rules.

The share dealing code will ensure the Company remains in compliance with the Market Abuse Regulations (MAR) which came into effect on 3 July 2016. The Board recognises the importance of, and compliance with, the MAR relating to the disclosure of inside information and disclosure of deals by persons discharging managerial responsibilities ("PDMR") and persons closely associated ("PCA"). As above, responsibility for compliance with MAR is that of the Board.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

BACKGROUND

All members of the Board believe strongly in the value and importance of good corporate governance and in accountability to all of the Group's stakeholders. The statement below explains the approach to governance and how the Board and its Committees operate.

The corporate governance framework which the Company operates, including board leadership and effectiveness, board remuneration, and internal control is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the business and is reflective of the Group's values. Of the two widely recognised formal codes, it has been decided to adopt the Quoted Companies Alliance's ("QCA") Corporate Governance Code for small and mid-size quoted companies.

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. The Board has considered how it applies each principle to the extent that the Board judges these to be appropriate in the circumstances, and below is an explanation of the approach taken in relation to each.

The following paragraphs set out the Company's compliance with the ten principles of the QCA Code and reasons for any non-compliance.

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

The Group's business model and strategy is set out on its website. The Board holds at least one session each year dedicated to strategy, which will include input from senior members of the executive management team and any necessary external advisers. During the year, no external advisers attended any board or committee meetings.

The principal risks facing the Group are set out in the Strategic Report. The Board will identify and deploy mitigation steps to manage these risks and confront day-to-day. See in addition, Principle 4 below.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to open and ongoing engagement with the Group's Shareholders. The Board communicates with Shareholders through:

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 JULY 2024

- the Annual Report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate);
- annual general meetings; and
- the Company's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages).

The CEO is the primary contact for Shareholders and there is a dedicated e-mail address for shareholder questions and comments. Regular meetings are held between the CEO, Finance Director and institutional investors and analysts to ensure that the Group's strategy, financials and business developments are communicated effectively. The Board will seek to engage with Shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

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

The Group takes its corporate social responsibilities seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including employees, existing and new direct customers, introducers, other intermediaries and professional advisers that it collaborates with as part of its business strategy, in order to achieve long-term success. The Group's key stakeholders are identified by a review of the groups and parties that the Group interacts with or works with on a regular basis.

The Executive Directors maintain an ongoing dialogue with stakeholders to inform strategy and the day-to-day running of the business.

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

The principal risks facing the Group and the industry in which it operates are set out in the Strategic Report. These risks will be reviewed at least once a year and included in the annual report and accounts.

The Group operates a risk framework including a risk register that is managed by the Finance Director. The risk register is intended to be signed off annually by the Board. The CEO and the Audit Committee review the risk register regularly throughout the year.

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

The Board comprises five directors:

- Sarah Cope and Michael Connolly as Non-Executive Directors;
- Ronan Murphy as Executive Chairman, Raluca Saceanu as Chief Executive and Nicholas Lee as Finance Director.

The biographies of the Directors are provided in paragraph 6.

Sarah Cope and Michael Connolly are considered by the Board to be independent Non-Executive Directors and were appointed with the objective of bringing experience and independent judgement to the Board.

The Board has been constructed to ensure that it has the right balance of skills, experience, independence and knowledge of the business.

The Board is also supported by the Audit Committee and Remuneration Committee.

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 JULY 2024

The Board meets regularly and during the year it met six times. Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary for him/her to discharge his/her duties.

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

The skills and experience of the Directors are summarised in their biographies set out below.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. Training is available for each director as and when required to ensure skills are kept up to date. Each Director spends the appropriate amount of time required for the proper discharge of their role.

Ronan Murphy, Executive Chairman (aged 46)

Ronan is an accomplished executive with over 20 years' experience in the tech industry. Ronan is a well- established cybersecurity innovator, and expert. As founder and Executive Chairman, Ronan has led the company since it started in 2011 to become a well-established European cybersecurity brand trusted by its clients.

Raluca Saceanu, Chief Executive Officer (aged 35)

Raluca is the CEO for Smarttech247. Raluca joined the Group in 2014 and she is responsible for the firm's strategy, solutions portfolio and international operations. Raluca is focused on operational excellence and works closely with all departments to drive customer relationships and overall company growth. She regularly advises clients on strategic security initiatives and is often cited in online and print media on topics such as risk, privacy and data security. Raluca holds a Master of Science degree from University of Innsbruck. Raluca was named Women in Tech Advocate by Deloitte in 2021.

Nicholas Lee – Finance Director (aged 62)

Nicholas has over 30 years of experience in international investment banking and working as a company director. He qualified as a chartered accountant with Coopers & Lybrand and has a degree in engineering from St John's College, Cambridge. He worked for Dresdner Kleinwort and its antecedent firms from 1988 to 2009, rising to Managing Director, Head of Banking, Hedge Fund Solutions Group. During this period, he advised leading companies from a number of different industries. Since then, he has been actively involved in AIM as a director of a number of listed companies.

Sarah Cope, Senior Independent Non-Executive Director (aged 51)

Sarah Cope, has over 24 years' experience as an investment banker in London, advising small and mid-sized companies at board level on corporate governance, strategy, amalgamations and disposals, capital markets and regulatory compliance. Previously, she has advised AIM listed companies as both Nominated Adviser and Broker, assisting publicly traded companies to raise finance for their growth strategies. Accordingly, she has experience of AIM regulations and compliance. Sarah is a Non-executive Director of AIM traded Eneraqua Technologies plc and Helium One Global Limited.

Michael Connolly, Independent Non-Executive Director (aged 63)

Michael is currently Chief Information Officer for Ireland East Hospital Group (IEHG), having worked in ICT for over 30 years with Healthcare roles in Our Lady's Hospital in Crumlin and with Mater Misericordiae University Hospital. He has a PhD in Healthcare Informatics from UCD School of Medicine and undergraduate degrees from DCU. Michael has completed Lean Six Sigma Green belt and is registered as a Data Protection Officer. A Prince certified project manager with successful projects delivered in Cloud, Network, Data Centre, IT Security, Infrastructure design and Software

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 JULY 2024

solutions. Prior to working in Healthcare, Michael worked with Local Authorities and Leader groups. He also lectures on Healthcare Informatics and Clinical research post graduate programs in CD.

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

The Chairman is responsible for ensuring an effective Board. The Group has established a formal process for evaluating the performance of the Board, the committees, and the individual Directors against their objectives to ensure that members of the Board provide a relevant and effective contribution. It is intended that this is initially implemented through individual meetings held with the Senior Independent Non-Executive Director who has wide experience of a number of corporate entities at which performance will be discussed and reviewed. However, given that the Board has been recently formed no formal evaluation took place during the year. Where any specific requirements are identified it may be appropriate to retain third party specialist advisers to assist the process.

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

The Group promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees.

The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group.

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

The Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The CEO is the primary contact for the Company's Shareholders and responsible for ensuring that the link between the Board and the shareholders is strong and efficient. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board has adopted Terms of Reference, which have a clear and specific schedule of matters reserved for the Board, including corporate governance, strategy, major investments, financial reporting and internal controls.

The Board is supported by the Audit Committee and Remuneration Committee. From time to time, separate committees may be set up by the Board in order to consider and address specific issues, as and when they arise.

The Board intends to review the governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

There is no separate Audit Committee Report as this is not considered necessary due to the size of the entity. However, details of the key subjects discussed are set out on page 24.

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

The Group uses the following principal methods of communication with its Shareholders:

- the Annual Report and accounts;
- the interim and full-year results announcements;

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 JULY 2024

- trading updates (where required or appropriate)
- the annual general meetings; and
- the Group's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages which will go live on Admission).

The Group's website is updated on a regular basis with information regarding the Group's activities and performance. The Group's reports, presentations, notices of annual general meetings, and results of voting at shareholder meetings will also be made available on the website.

Ronan Murphy

Chairman

22 January 2025

Opinion

We have audited the financial statements of Smarttech247 Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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 group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the group's cashflow forecasts and budgets for the period to 31 July 2026. We discussed these forecasts with management and challenged the key assumptions, including performing a sensitivity analysis on plausible changes to the cashflows forecast;
- Comparing the group's financial position and performance to date against the forecast to assess the accuracy of the forecasts and the opening balances included;
- Reviewing the accuracy of previous forecasts to actual results in the year to assess management's forecasting accuracy; and
- Reviewing management's going concern paper and ensuring the underlying key assumptions are consistent with the cashflow forecast, including testing the mathematical accuracy and appropriateness of the model used to prepare the cashflow forecast.

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 or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. We determined materiality for the financial statements to be:

Entity	Materiality (€'000)	Performance materiality (€'000)	Triviality threshold (€'000)
Group	272 (2023: 243)	190 (2023: 170)	13 (2023: 12)
Parent Company	69 (2023: 56)	48 (2023: 39)	3 (2023: 2)

The benchmark for determining group materiality was selected as 2% of revenue, consistent with the prior year. Revenue was deemed to be the most appropriate metric for group materiality as revenue growth and expansion is a key performance indicator.

The benchmark chosen for the parent company materiality was 1% of gross assets (2023: 1% of gross assets), as the parent company is not revenue generating, and the significant balances in the parent company financial statements are the investments in the trading subsidiaries.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. 70% of materiality has been chosen (2023: 70%), for both the group and parent company, as the threshold for performance materiality as the group operations are well established and centrally controlled from the group's head office in Ireland.

While materiality for the group financial statements as a whole was set at €272,000 (2023: €243,000), each component of the group was audited to an overall materiality ranging between €53,000 and €257,000 (2023: €51,000 and €242,000), with performance materiality set at 70% (2023: 70%).

We applied the concept of materiality in planning and performing our audit and in evaluating the effects of misstatements.

Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimation and judgement included:

- The carrying value of intangible assets;
- The fair value of share-based payment transactions in the year; and
- The carrying value of the unlisted investments and subsidiary.

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

A full scope audit was completed on the financial information of all of the group's significant components by PKF Littlejohn LLP, with the exception of Zefone Limited which was audited by component auditors in Ireland under our instruction. Smarttech z.o.o and Smart Systems Security Ltd were identified to be material but not significant and as a result an audit of the material balances was carried out.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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 (whether or not due to fraud) we identified, 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. These matters were 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 scope addressed this matter
Accuracy and carrying value of intangible assets (Note 13)	
The group holds material intangible assets totalling €6.9m (2023: €3.9m), comprising of internally generated software development and website costs. **The eligibility of capitalised costs is required to be assessed in accordance with the criteria set out in IAS 38.** **Judgement is required in order to determine when the capitalisation of development expenditure should cease, and amortisation commence, depending on when the product becomes commercially available.** **Intangible assets are required to be assessed annually for impairment. The estimation of future revenues in terms of value and timing is inherently subjective and as a result, this assessment of the recoverability of the carrying value has been deemed to be a key audit matter.**	Our work in this area included: • Substantive testing of a sample of capitalised expenditure to assess eligibility for capitalisation under IAS 38 by corroborating to original source documentation; • Confirming that the group holds good title to the relevant assets; • Making enquiries of management regarding future plans for each product including obtaining cashflow projections where necessary and assessing future cashflows; and • Considering whether there are indications of impairment in accordance with IAS 36 and reviewing management's assessment in respect of the carrying value, providing challenge thereon, including challenging any key assumptions used.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group 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.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and our expertise in the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, UK adopted international accounting standards, the AIM Rules for Companies, as well as local laws and regulations in the jurisdictions in which the group operates.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Conducting enquiries of management regarding potential instances of non-compliance, including local management of the subsidiaries;
    - Reviewing RNS announcements;
    - Reviewing legal and professional fees ledger accounts; and
    - Reviewing board minutes and other correspondence from management.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that areas which could include management bias are as identified above in the 'Our approach to the audit' section. We addressed these by challenging management's assumptions, agreeing to supporting documentation where available and reperforming calculations.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Compliance with laws and regulations at the subsidiary level was ensured through enquiry of management and review of correspondence for any instances of non-compliance.

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.

Use of our report

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

Adam Humphreys (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

22 January 2025

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 July 2024

	Note	2024 €'000	2023 Restated* €'000
Continuing operations			
Revenue	4	13,174	12,180
Cost of sales*	5	(8,197)	(7,029)
Gross profit		4,977	5,151
Administrative expenses*	6	(5,232)	(5,326)
Other operating income	7	483	478
Operating profit		228	303
Other gains and losses		-	1
Finance costs	10	(43)	(100)
Profit before taxation		185	204
Income tax	11	(52)	(371)
Profit for the year from continuing operations		133	(167)
Total profit for the year attributable to equity holders of the parent			
Other comprehensive income – foreign currency translation		97	-
Total comprehensive profit for the year attributable to equity holders of the parent		230	(167)
Basic earnings per share – € cents	12	0.107	(0.166)
Diluted earnings per share – € cents	12	0.101	n/a

* See Note 5 for details on restatement made to cost classifications in the prior period.

The accompanying notes on pages 41 to 73 form part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION
As at 31 July 2024

GROUP	Note	2024 €'000	2023 €'000
Non-current assets			
Intangible assets	13	6,910	3,934
Property, plant and equipment	14	177	153
Right-of-use asset	19	265	331
Financial assets	15	1,175	1,162
Total non-current assets		8,527	5,580
Current assets			
Trade and other receivables	17	5,928	6,423
Cash and cash equivalents	18	3,344	6,062
Total current assets		9,272	12,485
TOTAL ASSETS		**17,799**	**18,065**
Equity attributable to owners of the parent			
Called up share capital	20	1,436	1,436
Share premium	20	6,365	6,365
Share based payment reserve	21	1,108	554
Other reserves	22	(1,215)	(1,215)
Foreign exchange reserve		131	34
Retained earnings		4,442	4,309
Total equity		12,267	11,483
Non-current liabilities			
Lease liability	19	241	260
Total non-current liabilities		241	260
Current liabilities			
Trade and other payables	24	5,263	6,231
Lease liability	19	28	91
Total current liabilities		5,291	6,322
Total liabilities		5,532	6,582
TOTAL EQUITY AND LIABILITIES		**17,799**	**18,065**

These Financial Statements were approved by the board of Directors on 22 January 2025 and were signed on its behalf by:

Raluca Saceanu

Director

The accompanying notes on pages 41 to 73 form part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION
As at 31 July 2024

COMPANY – company number 14385467	Note	2024 €'000	2023 €'000
Non-current assets			
Investments	16	1,405	1,116
Total non-current assets		1,405	1,116
Current assets			
Intercompany receivable		3,746	3,166
Trade and other receivables	17	186	184
Cash and cash equivalents	18	2,626	2,949
Total current assets		6,558	6,299
TOTAL ASSETS		**7,963**	**7,415**
Equity attributable to owners of the parent			
Called up share capital	20	1,436	1,436
Share premium	20	6,365	6,365
Share based payment reserve	21	1,108	554
Foreign exchange reserve		135	22
Retained earnings		(1,281)	(1,016)
Total equity		7,763	7,361
Current liabilities			
Intercompany payables		96	32
Trade and other payables	24	104	22
Total current liabilities		200	54
Total liabilities		200	54
TOTAL EQUITY AND LIABILITIES		**7,963**	**7,415**

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement or statement of comprehensive income. The Company's loss for the year was €265K (2023: €1,016K).

These Financial Statements were approved by the board of Directors on 22 January 2025 and were signed on its behalf by:

Raluca Saceanu

Director

The accompanying notes on pages 41 to 73 form part of the Financial Statements.

STATEMENT OF CASHFLOW
As at 31 July 2024

GROUP	Notes	2024 €'000	2023 €'000
Cash flow from operating activities			
Profit / (loss) for the financial year		133	(167)
Adjustments for:			
Interest payable	10	11	64
Finance costs	10	32	36
Impact of foreign exchange		-	(9)
Taxation		-	223
Share based payments		554	554
IPO costs in shares		-	608
Depreciation and amortisation	6	568	549
Fair value loss / (gain) on investments		(13)	(1)
Changes in working capital:			
Decrease / (increase) in trade and other receivables		607	(241)
(Decrease) / increase in trade and other payables		(978)	1,532
Net cash inflow from operating activities		914	3,148
Cash flow from investing activities			
Cash acquired on acquisition		-	7
Purchase of intangible fixed assets	13	(3,408)	(2,625)
Purchase of tangible fixed assets	14	(94)	(112)
Net cash inflow / (outflow) from investing activities		(3,502)	(2,730)
Cash flows from financing activities			
Net proceeds from the issue of shares		-	3,373
Repayment of lease liabilities	19	(115)	(76)
Other finance costs		(9)	(7)
Net cash (outflow) / inflow from financing activities		(124)	3,290
Net (decrease)/ increase in cash and cash equivalents		(2,712)	3,708
Cash and cash equivalents at beginning of period		6,062	2,358
Foreign exchange impact on cash		(6)	(4)
Cash and cash equivalents at the end of the period	19	3,344	6,062

Significant non-cash transactions

The only significant non-cash transactions that are included in the cash flow were the issue of shares and share options as detailed in Notes 20 and 21.

The accompanying notes on pages 41 to 73 form part of the Financial Statements.

STATEMENT OF CASHFLOW
As at 31 July 2024

COMPANY	Notes	2024 €'000	2023 €'000
Cash flow from operating activities			
Loss for the financial year		(265)	(1,016)
Adjustments for:			
Share based payments		265	450
IPO costs in shares		-	608
Changes in working capital:			
(Increase) in trade and other receivables		(468)	(521)
Increase in trade and other payables		145	55
Net cash outflow from operating activities		(323)	(424)
Cash flows from financing activities			
Net proceeds from the issue of shares		-	3,373
Net cash inflow from financing activities		-	3,373
Net (decrease)/ increase in cash and cash equivalents		(322)	2,949
Cash and cash equivalents at beginning of period		2,949	-
Cash and cash equivalents at the end of the period	18	2,626	2,949

Significant non-cash transactions

The only significant non-cash transactions that are included in the cash flow were the issue of shares and share options as detailed in Notes 20 and 21.

The accompanying notes on pages 41 to 73 form part of the Financial Statements.

STATEMENT OF CHANGE IN EQUITY
As at 31 July 2024

GROUP	Share Capital €'000	Share Premium €'000	SBP Reserve €'000	Other Reserve €'000	Foreign Exchange Reserve €'000	Retained Earnings €'000	Total Equity €'000
Balance at 1 August 2022 (unaudited)	-	-	-	23	34	4,476	4,533
Loss for the year	-	-	-	-	-	(167)	(167)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**(167)**	**(167)**
Capital reorganisation	1,012	-	-	(1,012)	-	-	-
Issue of shares to settle acquired CLN	159	2,577	-	-	-	-	2,736
Issue of shares	265	4,108	-	-	-	-	4,373
Acquisition of Smart Securities	-	-	-	(226)	-	-	(226)
Share based payments	-	-	554	-	-	-	554
Share issue costs	-	(320)	-	-	-	-	(320)
Total transaction with owners	1,436	6,365	554	(1,238)	-	-	7,117
Balance at 31 July 2023	1,436	6,365	554	(1,215)	34	4,309	11,483
Profit for the year	-	-	-	-	-	133	133
Other comprehensive income	-	-	-	-	97	-	97
Total comprehensive income for the year	-	-	-	-	97	133	230
Share based payments	-	-	554	-	-	-	554
Total transaction with owners	-	-	554	-	-	-	554
Balance at 31 July 2024	1,436	6,365	1,108	(1,215)	131	4,442	12,267

The accompanying notes on pages 41 to 73 form part of the Financial Statements.

STATEMENT OF CHANGE IN EQUITY
As at 31 July 2024

COMPANY	Share Capital €'000	Share Premium €'000	SBP Reserve €'000	Foreign Exchange Reserve €'000	Retained Earnings €'000	Total Equity €'000
Loss for the year	-	-	-	-	(1,016)	(1,016)
Other comprehensive income	-	-	-	22	-	22
Total comprehensive income/(loss) for the year	-	-	-	22	(1,016)	(994)
Issue of shares as part of capital reorganisation	1,012	-	-	-	-	1,012
Issue of shares to settle acquired CLN	159	2,577	-	-	-	2,736
Issue of shares	265	4,108	-	-	-	4,373
Share based payments	-	-	554	-	-	554
Share issue costs	-	(320)	-	-	-	(320)
Total transaction with owners	1,436	6,365	554	-	-	8,355
Balance at 31 July 2023	1,436	6,365	554	22	(1,016)	7,361
(Loss) for the year	-	-	-	-	(265)	(265)
Other comprehensive income	-	-	-	113	-	113
Total comprehensive income/(loss) for the year	-	-	-	113	(265)	(152)
Share based payments	-	-	554	-	-	554
Total transaction with owners	-	-	554	-	-	554
Balance at 31 July 2024	1,436	6,365	1,108	135	(1,281)	7,763

The accompanying notes on pages 41 to 73 form part of the Financial Statements.

1 GENERAL INFORMATION

Smarttech247 Group plc ("Smarttech247") is a public limited company incorporated and registered in England and Wales with its registered office at 165 Fleet Street, London, EC4A 2DY. The Company's registered number is 14385467. The Company has four 100% owned subsidiaries, Zefone Limited incorporated and registered in Ireland, Smart Systems Security Limited, incorporated and registered in England and Wales, Smarttech 247 Cyber Security Sarl incorporated and registered in Romania and Smartech Sp z.o.o. incorporated and registered in Poland (together "the Group").

The Group's principal activities consist of providing managed detection and response capabilities to global organisations, and associated services including penetration testing, governance risk and compliance and cyber consultancy.

The consolidated Financial Statements were approved for issue by the Board of Directors on 22 January 2025.

2 ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The financial statements for the year ended 31 July 2024 have been prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRS") with the principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

On 18 November 2022, Smarttech247 Group plc which had never traded, acquired 100% of Zefone Limited. The Group has used merger accounting to account for this acquisition as there was no change in the shareholders or holdings, and therefore it is accounted for with no change in the book values of assets and liabilities and no fair value accounting applied. Consequently, the prior year incorporated the full year results for Zefone Limited and its subsidiaries as well as the trading of the Company from incorporation on 29 September 2022 to 31 July 2023, prepared under IFRS. See Note 2.6 for further information.

The financial statements have been prepared under the historical cost convention as modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The preparation of financial statements in conformity with UK IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in Note 2.24.

The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently in the financial statements.

The consolidated financial statements are presented in Euros (€) unless otherwise stated, which is the Company's functional currency and the Group and Company's presentational currency and presented to the nearest €'000.

2.2 New standards, amendments and interpretations

The Group and Company have adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 1 August 2023.

No standards or Interpretations that came into effect for the first time for the financial year beginning 1 August 2023 have had an impact on the Group or Company.

2.3 New standards and interpretations not yet adopted

Standards and amendments to standards that have been issued that are applicable for the Group but are not effective for 2024 and have not been early adopted are:

Standard	Impact on initial application	Effective date
Amendments to IAS 1	Classification of liabilities as Current or Non-current, effective from 1 January	1 January 2024
Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leasebacks	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS21	Lack of exchangeability	1 January 2025
Amendments IFRS 9 and IFRS 7 – Financial instruments	Classification and measurement of financial instruments	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	Presentation and Disclosure of financial Statements	1 January 2027

The effect of these new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

The directors are evaluating the impact that these standards may have on the financial statements of Group.

2.4 Going concern

Management has prepared the financial statements on a going concern basis. The directors are satisfied that adequate resources are available to the Group, taking into consideration the funds generated from the successful AIM listing and associated fundraise during the prior year. Furthermore, the Group is expected to generate positive cash flow from its operating business going forward. Consequently, they have no reason to believe that any material uncertainty exists that would cast a doubt about the ability of the Group and Company to continue as a going concern.

In making this judgement management considered the Group's budgets and cash flow forecasts for a period of at least twelve months from the date of approval of the financial information and the level of existing cash resources which demonstrates that the Group will be in a position to meet its liabilities as they fall due.

The Group has therefore adopted the going concern basis in preparing the financial statements.

2.5 Basis of consolidation

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

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

The Group has applied the acquisition method to account for certain business combinations within the Group. With this method, the consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The Group has also used merger accounting as described in more detail below in Note 2.6 for the combination of Smarttech247 Group plc and Zefone Limited, its principal trading subsidiary.

2.6 Merger accounting

The Company was incorporated on 29 September 2022 with one £0.01 ordinary share and on 18 November 2022, became the parent company of the Group when it issued 87,499,999 £0.01 ordinary shares in exchange for 100% of the ordinary shares in Zefone Limited as part of a share for share exchange.

This transaction was not considered to be a business combination within the scope of IFRS3 as the transaction was between entities under common control. This is a key judgement, and as a transaction where there was no change in the shareholders or holdings, is accordingly accounted for using merger accounting with no change in the book values of assets and liabilities and no fair value accounting applied.

Further information on the transaction is included in Note 22.

2.7 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial information for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial information is presented in €, which is the Company's presentation and functional currency. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency). IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation are recognised in other comprehensive income/(loss).

(ii) Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at statement of financial position date. Gains or losses arising from settlement of transactions and from translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income for the period.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- income and expenses for each statement of comprehensive income are translated at the average exchange rate; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

2.8 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

2.9 Impairment of non-financial assets

Non-financial assets and intangible assets not subject to amortisation are tested annually for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment review is based on discounted future cash flows. If the expected discounted future cash flow from the use of the assets and their eventual disposal is less than the carrying amount of the assets, an impairment loss is recognised in profit or loss and not subsequently reversed.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units or "CGUs").

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions and bank overdrafts.

2.11 Fair value measurement

Fair value measurement IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. Further information is set out at Note 2.12 (c).

IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

2.12 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

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

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

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

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

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

Financial investments

Listed investments are valued at closing bid price on 31 July of each year. Unlisted investments that are not publicly traded and whose fair value cannot be measured reliably, are measured at fair value through profit and loss, less impairment. For details of the key assumptions used and the impact of changes to these assumptions, see Note 15.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

d) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, with the Group performing the following procedures to reduce the risk of credit losses:

- Performing credit checks on existing, new or prospective customers
- Maintaining regular dialogue with senior staff of existing customers to discuss payments of invoices

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group's most significant clients are public or regulated industry entities which generally have high credit ratings or are of a high credit quality due to the nature of the client. These customers are not considered to have been significantly impacted by Covid.

Expected credit losses are assessed on an individual customer basis, based on the historical payment profiles of the customers, the current and historic relationship with the customer, and the industry in which the customer operates. There have been no impairments of trade receivables in the periods.

2.13 Leases

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In all instances the leases were discounted using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

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

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than €20K) are recognised on a straight-line basis as an expense in profit or loss.

2.14 Equity

Share capital is determined using the nominal value of shares that have been issued.

Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Retained losses includes all current and prior period results as disclosed in the statement of comprehensive income.

2.15 Share based payments

The Group has made awards of warrants and options on its unissued share capital to certain parties in return for services provided to the Group. Under IFRS 2, these share-based payments are either valued at the value of the services provided or where this data is not available a fair value should be calculated using the Black Scholes Option Pricing model and/or the Monte Carlo valuation model which is how they have been valued in this case. The valuation of these warrants and options involves making several critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions have been integrated into the Black Scholes Option Pricing model and the Monte Carlo valuation model to derive a value for these share-based payments. These assumptions are described in more detail in Note 21.

2.16 Revenue

Under IFRS 15, Revenue from Contracts with Customers, five key points to recognise revenue have been assessed:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) a Group entity satisfies a performance obligation.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group, and specific criteria have been met for each of the Group's activities, as described below.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

The Group bases its estimates on all available information including historical results and experience taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Where the Group makes sales relating to a future financial period, these are deferred and recognised under 'accrued expenses and deferred income' in the Statement of Financial Position.

The Group derives revenue from the provision of managed detection and response and other cyber security services, whereby revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and

- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue from the sale of products is recognised when the customer has received the products, which is when it is considered that the performance obligations have been met.

In arrangements where fees are invoiced ahead of revenue being recognised, deferred income is recorded.

2.17 Government grants

Capital grants received and receivable are treated as deferred income and amortised to the Income Statement annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Income Statement when received.

2.18 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date.

Deferred tax arises from timing differences that are differences between the taxable profits and total comprehensive income as stated in the financial statements. The timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is proved in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised of the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probably that future taxable profits will be available against which temporary differences can be utilised. Current or deferred taxation assets and liabilities are not discounted.

2.19 Research and development tax credits and grants

Tax credits and grants in connection with the amounts spent by the Group on research and development are received from Enterprise Ireland and the Irish Government. The relevant tax credit is recognised on an accruals basis, however the application process can take a significant period of time and the outcome can be uncertain. Consequently, this income is only accounted for in the period when approval is received.

2.20 Property, plant and equipment

Property, plant and equipment are recorded at historical cost or deemed cost, less accumulated depreciation and impairment losses. Costs includes prime cost, overheads and interest incurred in financing the construction of property, plant and equipment. Capitalisation of interest ceases when the asset is brought into use.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Plant and machinery	-	12.5% straight line
Fixtures and fittings	-	12.5% straight line

The Group's policy is to review the remaining useful economic lives and residual values of property, plant and equipment on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful economic useful life and residual value.

Fully depreciated property, plant and equipment are retained in the cost of property, plant and equipment and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amounts, less proceeds from disposal, is charges or credited to the income statement.

2.21 Intangible assets

Costs incurred on developments projects (relating to the development and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Intangible asset impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period. The carrying value of the Group's intangible assets have been reviewed against the net present value of the future cashflows discounted at the rate of 10% that are expected to be generated from those assets.

Research and development expenditure

Development expenditure is written off in the same period unless the Board is satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised and amortised over the period from which the Group is expected to benefit.

Amortisation is provided on all intangible assets so as to write off the cost of an asset over its estimated useful life as follows:

Development costs	-	20-33.3% straight line

Software license

Software licenses are valued at costs less accumulated amortisation

Website and software licenses	-	33.3% straight line or over the term of the licence

2.22 Convertible loan notes, borrowings and borrowing costs

Convertible loan notes classified as financial liabilities and borrowings are recognised initially at fair value, net of transaction costs. After initial recognition, loans are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the loan to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability or at least 12 months after the end of the reporting period.

2.23 Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

Defined contribution pension plan

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, the Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods.

For defined contribution plans, the Company pays contributions to privately administered pension plans on a contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

2.24 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Basis of acquisition accounting

The Group has applied the merger accounting method to account for certain business combinations within the Group. Merger accounting has been applied as the entities were commonly controlled at the point of acquisition. The assets and liabilities have been recognised at their book values. The choice of the accounting policy is a key judgement.

Establishing useful economic lives for depreciation purposes of property, plant and equipment

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

Providing for doubtful debts

The Group makes an estimate of the recoverable value of trade and other receivables. The Group uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of receivables and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an ongoing basis.

Amortisation of Intangible Assets (Note 13)

The annual amortisation of intangible assets depends primarily on the estimated useful lives of assets and estimates of residual value. The directors regular review these assets useful lives and change them as necessary to reflect current thinking on remining lives in light of prospective economic utilisation. Changes in asset useful lives can have a significant impact on amortisation charges for the period. Detail of the useful life is included in the accounting policy.

Carrying Value of Intangible Assets (Note 13)

Determining whether there are indicators of impairment of the company's intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The directors are satisfied that the carrying value of the Group's intangible assets are at least equal to their recoverable amounts.

Valuation of unlisted investments (Note 15)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions, see Note 15.

Share based payments (Note 21)

The Group issues options and warrants to its employees, directors, investors and advisors. These are valued in accordance with IFRS 2 "Share-based payments". In calculating the related charge on issuing shares and warrants the Group will use a variety of estimates and judgements in respect of inputs used including share price volatility, risk free rate, and expected life. Changes to these inputs may impact the related charge. In the period the Group did not perform any new valuations but released expenses to the statement of other comprehensive income from valuations in prior periods.

3. SEGMENT REPORTING

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that during the years ended 31 July 2023 and 31 July 2024 the Group operated in the single business segment of managed detection and response capabilities to global organisations.

4. REVENUE

	2024 €'000	2023 €'000
Ireland	5,986	5,971
Europe	335	79
Rest of the world	6,854	6,130
	13,174	12,180

The vast majority of the Group's revenue is derived from the principal activity of providing managed detection and response capabilities to global organisations, and associated services including penetration testing, governance risk and compliance and cyber consultancy. The geographical classification is based on the nationality of the entity invoiced and not on the nationality of the parent company in the group.

In 2024, the Group had two customers that represented 35% of total revenue. In 2023, the Group had two customers that represented 37% of total revenue.

Where revenue is included as deferred income at the year end, all of this balance is expected to be received during the course of the following year.

	2024 €'000	2023 €'000
Revenue recognised at a point in time	6,162	5,720
Revenue recognised over time	7,012	6,460
	13,174	12,180

5. COST OF SALES

	2024 €'000	2023 Restated €'000
Cost sales – purchases	5,460	5,374
Cost sales – direct costs	2,737	1,655
	8,197	7,029

During 2023, certain costs, principally wages and salaries, that were incurred in Poland and Romania were included under general administration expenses. However, management have reviewed these costs and believe they should be treated as cost of sales as they relate to the costs of providing MDR services and so have been included in cost of sales in 2024. For the two periods to be properly comparable, the prior year has therefore been restated. This is purely a reclassification between cost of sales and administration expenses with no net change to the results of the prior period. The reclassification is believed to give a more accurate position of gross margins within the financial statements.

The impact of the reclassification adjustment to the cost of sales and administrative expenses is set out below:

	2023 €'000	Reclass adjustment €'000	2023 Restated €'000
Cost sales – purchases	5,374	-	5,374
Cost sales – direct costs	-	1,655	1,655
	5,374	1,655	7,029

Within the restated figures for 2023, cost of sales - purchases have reduced slightly and certain of the prior year's costs included in administration expenses, principally wages and salaries have been moved to cost of sales – direct costs resulting in a net increase of €1,655,000.

	2023 €'000	Reclass adjustment €'000	2023 Restated €'000
Administrative expenses	6,981	(1,655)	5,326
	6,981	(1,655)	5,326

Within the restated figures for 2023, administration costs have reduced by €1,655,000, equivalent to the movement in total cost of sales.

6. ADMINISTRATIVE EXPENSES

	2024 €'000	**2023 Restated €'000**
Wages and salaries (including directors)	2,842	1,900
Consultancy and professional fees	513	338
Administrative expenses	779	701
Amortisation of intangible fixed assets	432	428
Depreciation of right-of-use assets	66	63
Depreciation of tangible fixed assets	70	56
IPO related costs	-	977
CLN settlement costs	-	315
Share based payments	554	554
Other expenses	(24)	(6)
	5,232	5,326

The restatement adjustment for 2023 as described above is principally going through wages and salaries costs but also across other categories as costs within this category have been reclassified as direct costs attributable to cost of sales. Included above within Administrative Expenses are certain one-off costs that principally relate to IPO costs, issue of share options and CLN settlement costs.

	2024 €'000	**2023 €'000**
IPO related costs	-	977
Share based payments	554	554
CLN settlement costs	-	315
Total one-off costs	554	1,846
Operating profit	228	303
Adjusted operating profit	782	2,149
Add back depreciation and amortisation	568	549
Adjusted EBITDA	1,350	2,698

The following auditors' fees are included in Administrative Expenses:

	2024 €'000	**2023 €'000**
Audit of Group and Company	70	50
For audit work in relation to subsidiary companies	25	25
For audit related services	-	33
For non-audit services	-	85
	95	193

7. OTHER OPERATING INCOME

	2024 €'000	2023 €'000
Other	26	63
R&D grant	-	415
R&D tax credit	457	-
	483	478

During the year, the Group received:

(i) Research and Development grant of €nil from Enterprise Ireland (2023: €415K).

(ii) Research and Development tax credit of €457K (2023: €nil).

(iii) Other includes €13K fair value gain on investments (2023: €1K) with balance of €13K from Enterprise Ireland (2023: €62K)

8. EMPLOYEES

Staff costs (inclusive of director's salaries) comprise:

	2024 €'000	2023 €'000
Wages and salaries	6,923	5,099
Pension costs	55	28
Share based payments	554	554
Other costs and taxes	505	368
Total employee costs	8,037	6,048
Employee costs have been accounted for as follows:		
Employee costs capitalised	2,573	2,277
Employee costs included in cost of sales	2,068	1,317
Employee cost include in administration expenses	2,842	1,900
Share based payments	554	554
Total	8,037	6,048

Staff costs include the total cost to the Group of its employees irrespective of whether the cost is included within the profit and loss account under costs of sales, administration costs or capitalised and carried as an intangible asset in the case of certain wages and salaries that relate to research and development.

The average monthly number of employees, including the Directors, during the year was 162 (2023: 135).

9. DIRECTORS' REMUNERATION

	2024 €'000	2023 €'000
Directors' remuneration	430	313
Pension contributions	23	18
Share based payments	265	296
Other costs and taxes	-	11
	718	638

During the year, retirement benefits accruing to Directors of €nil (2023: €nil) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of €183K (2023: €157k).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to €13K (2023: €14K).

10. FINANCE COSTS

	2024 €'000	2023 €'000
Interest	11	**71**
Lease liability finance charges (Note 19)	32	29
	43	100

11. TAXATION

	2024 €'000	2023 €'000
The charge for year is made up as follows:		
Corporation tax		
Corporation taxation on the results for the year	52	371
	52	371
Deferred tax		
Deferred tax	-	-
	-	-
Taxation charge on profits on ordinary activities on profits on ordinary activities	52	371

The headline rate of UK corporation tax for the year ended 31 July 2023 was 25%, previously 19% for periods to 31 March 2023. Additionally, the UK's Marginal Relief rules applied from 1 April 2023. With regard to Marginal Relief, the main rate of 25% applies broadly where a company has augmented profits in excess of £250K. Between £50K to £250K, a marginal rate of relief will apply proportionately between 19% and 25%, with 19% applying to profits below £50K.

Factors affecting tax change for the year

	2024 €'000	2023 €'000
Profit on ordinary activities before tax	185	204
Tax calculated at domestic tax rates applicable to profits in respective countries.	35	37
Effects of:		
Expenses not deductible for tax purposes	85	365
Group relief surrendered / (claimed)	-	(3)
Foreign tax - other	5	3
Remeasurement of deferred tax for changes in tax rate	-	(2)
Adjustments in respect of prior year	-	30
Difference in overseas tax rates	(52)	(109)
Other movements	(21)	50
Taxation charge on profits on ordinary activities	52	371

The weighted average applicable tax rate was 19% (2023: 18%). The increase is caused by the change in main rate of tax in the UK to 25% (2023: 19%), affecting the overall group average.

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year.

Basic Earnings Per Share	**2024**	**2023**
Profit / (loss) for the year from continuing operations – €	133,000	(167,000)
Weighted number of ordinary shares in issue	124,078,982	100,500,026
Basic earnings per share from continuing operations – € cents	0.107	(0.166)

Diluted Earnings Per Share	**2024**	**2023**
Profit/(loss) for the year from continuing operations – €	133,000	(167,000)
Weighted number of ordinary shares in issue	124,078,982	100,500,026
Weighted number of dilutive securities in issue	8,006,891	n/a
	132,085,873	n/a
Diluted earnings per share from continuing operations – € cents	0.101	n/a

The weighted average number of ordinary shares in issue for the prior year has been used as the total number of shares swapped for the purchase of Zefone Limited as if those shares were in issue during the prior year. Diluted earnings per share was not calculated in 2023 as it is assumed that there were no dilutive instruments given the Group incurred a loss for the period.

13. INTANGIBLE ASSETS

Group	**Website & software licenses €'000**	**Development costs €'000**	**Total €'000**
Cost			
At 1 August 2022	1,227	1,533	2,760
Additions	-	2,625	2,625
At 31 July 2023	1,227	4,158	5,385
Additions	85	3,323	3,408
At 31 July 2024	1,312	7,481	8,793
Amortisation			
At 31 July 2022	912	109	1,021
Charge for the year	241	189	430
At 31 July 2023	1,153	298	1,451
Charge for the year	58	374	432
At 31 July 2024	1,211	672	1,883
Net book value			
31 July 2023	74	3,860	3,934
31 July 2024	**101**	**6,809**	**6,910**

The Directors have considered the carrying value of these balances in order to determine whether any impairment of the Group's intangible assets is required. This has included considering the economic viability and expected future financial performance of the products relating to these assets by modelling the expected net future cash flows expected to be generated. All development expenditure is capitalised and not recognised as an expense during the period.

A model has been prepared for the Cash Generating Unit ("CGU") in order to calculate the likely level of cash that can be generated by that CGU. The model has been prepared on a detailed basis from the sales pipeline for the first two years and then the cashflow in year two is grown at the rate of 10% per annum for years three and four. The resulting cash flows are then discounted back to a net present value ("NPV") using a 10% discount rate. The NPV is then compared to the carrying value of the intangible asset for that CGU. In terms of sensitivities, the Directors have considered the impact of a reduction in revenue on the NPV calculated and are satisfied that any resulting reduction in NPV is offset by the prudent approach of not ascribing any value to the cash generated after year four.

The Board considers the net present values calculated to be prudent, particularly as the value of cash generated in perpetuity has not been included. and is satisfied that the carrying value of the Group's intangible assets are at least equal to their recoverable amounts.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Plant & machinery €'000	Fixtures & fittings €'000	Total €'000
Cost			
At 1 August 2022	35	194	229
Additions	20	92	112
At 31 July 2023	55	286	341
Additions	94	-	94
At 31 July 2024	149	286	435
Depreciation			
At 1 August 2022	26	106	132
Charge for the year	11	45	56
At 31 July 2023	37	151	188
Charge for the year	27	43	70
At 31 July 2024	64	194	258
Net book value			
At 31 July 2023	18	135	153
At 31 July 2024	**85**	**92**	**177**

15. FINANCIAL FIXED ASSETS

Group	Level 3- Unlisted investments €'000	Level 1- Listed investments €'000	Total €'000
Investment			
Cost of valuation			
At 1 August 2022	1,039	122	1,161
Revaluations	-	1	1
At 31 July 2023	1,039	123	1,162
Additions	-	13	13
At 31 July 2024	1,039	136	1,175
Carrying amount			
At 31 July 2023	1,039	123	1,162
At 31 July 2024	**1,039**	**136**	**1,175**

IFRS 13 valuation hierarchy:

Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs, which are not based on observable market data.

Unlisted investments comprise the investment in Visibility Blockchain Limited of 35,940 B Preference Shares. These shares do not give rights to receive notice of any general meeting of Visibility Blockchain Limited, or to attend thereat or vote on any resolution at a general meeting. Unlisted investments are valued using level 3 inputs under the IFRS 13 Fair Value Hierarchy. The valuation of this investment is based on using level 3 inputs identified above. These include the value at which the most recent funding round involving third party investors took place where over €10 million in new equity was raised, management's view of the likely proceeds from the sale of this company based on indications received to date and growth in revenue. As a result of the above analysis, the revaluation during the year is €nil (2023: €nil).

Listed investments relate to a portfolio investment comprising of various equities, bonds and alternative financial instruments. These are valued using the share price at each reporting date, which is a level 1 input under the IFRS 13 Fair Value Hierarchy.

16. INVESTMENTS

Company	**2024 €000**	**2023 €000**
Investment in Zefone Limited	1,405	1,116
	1,405	1,116

Company subsidiary undertakings

The Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

Name	Business Activity	Country of Incorporation	Registered Address	Percentage Holding
Zefone Limited	Provision of cybersecurity products and services	Ireland	Unit 17A, Building 4700 Cork Airport Business Park, Cork	100%
Smart Systems Security Limited	Provision of cybersecurity products and services	England and Wales	85 Great Portland Street, London W1W 7LT	100%
Smartech 247 sp. z.o.o.	Provision of cybersecurity products and services	Poland	Krakovie Przy ul., Podole 60, 30-394 Krakov	100%
Smartech247 Cyber Security SRL	Provision of cybersecurity products and services	Romania	Bd Iancu de Hunedoara 54 B, Etaj 2, Bucuresti – Sectorul 1	100%

17. TRADE AND OTHER RECEIVABLES

Group	2024 €'000	2023 €'000
Trade receivables	4,066	5,194
Accrued revenue	387	53
Other receivables	898	278
Director's current account	65	57
Prepayments	512	841
	5,928	6,423

Company	2024 €'000	2023 €'000
Other receivables	159	167
Prepayments	27	17
	186	184

Other receivables principally comprise the sales tax element of purchases made and other tax recoverable. The majority of the amounts receivable are in Euros and USD, and are current in terms of age profile with the majority of the balance having now been received post year end.

	2024 €'000	2023 €'000
Due in less than 30 days	2,779	2,103
Due between 30 and 60	832	2,333
Due between 60 and 90 days	230	341
Over 90 days	226	417
	4,066	5,194

	2024 €'000	2023 €'000
Currency of receivables		
Euro	1,525	1,726
USD	2,424	3,340
GBP	118	128
	4,066	5,194

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short-term deposits held with banks with a A-1+ rating. The carrying value of these approximates to their fair value. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts.

Group	2024 €'000	2023 €'000
Cash and cash equivalents	3,344	6,062
	3,344	6,062

Company	2024 €'000	2023 €'000
Cash and cash equivalents	2,626	2,949
	2,626	2,949

The table below shows the currency profiles of cash and cash equivalents:

Group	2024 €'000	2023 €'000
Euro	396	289
USD	154	2,714
GBP	2,712	3,002
Polish Zloty	63	49
Romanian Leu	19	8
	3,344	6,062

Company	2024 €'000	2023 €'000
GBP	2,626	2,949
	2,626	2,949

19. LEASES

The Group had the following lease assets and liabilities:

Group	2024 €'000	2023 €'000
Right-of-use assets		
Properties	265	331
	265	331
Lease liabilities		
Current	28	91
Non-current	241	260
	269	351

	2024 €'000	2023 €'000
Maturity on the lease liabilities are as follows:		
Current	28	91
Due between 1-2 years	31	68
Due between 2-5 years	72	105
Due beyond 5 years	138	87
	269	351

Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

	2024 €'000	2023 €'000
Properties		
Opening balance	331	**64**
Additions	-	330
Depreciation	(66)	(63)
	265	331

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	2024 €'000	2023 €'000
Opening balance	351	**68**
Additions	-	330
Payment made	(114)	(76)
Finance charge (Note 10)	32	29
	269	351

The Group leases captured under IFRS 16 relate predominantly to the office premises in both Ireland and Romania, with an office lease in Poland coming to an end in 2023, which was extended on a short-term basis and thus falling outside the scope of IFRS16 in 2024.

20. SHARE CAPITAL

	Number of £0.01 shares	Share Capital €'000	Share premium €'000
One £0.01 share issued on incorporation	1	-	-
Shares issued on exchange for Zefone Limited shares [1]	87,499,999	1,012	-
Shares issued on conversion of convertible loan note at £0.1732 [2]	13,646,441	158	2,577
Shares subscribed for by EBT [3]	10,546,713	122	-
Placing shares issued at £0.2966	12,385,828	144	4,108
Share issue costs	-	-	(320)
At 31 July 2023	124,078,982	1,436	6,365
At 31 July 2024	124,078,982	1,436	6,365

[1] The issue of shares with a nominal value of €1,012,000 (£875,000) in exchange for the 2 £1 shares in Zefone Limited with a nominal value of £2 results on elimination of the difference in a credit to a merger reserve (within other reserves) of €1,012,000 (£875,000) in accordance with the merger accounting principles as set out in Note 2.

[2] The issue price for the issue of shares to convert the convertible loan notes was based on the conversion terms which specified a particular valuation at which the conversion should take place. The liability to be settled amounted to €2,683,562 and the number of shares issued amounted to 13,646,441 which therefore gave an effective issue price of £0.1732.

[3] During the prior period, the Company established a Employee Benefit Trust ("EBT") and issued 10,546,713 shares to the EBT at nominal value. The subscription of these shares was funded through a loan provided by the Group to the EBT.

During the prior period, certain costs associated with the IPO amounting to €868K were also settled by the issue of new shares, of which €260K was included in share issue costs. There were no such costs incurred in the current period.

The number of new shares currently authorised to be issued, as approved at the Company's most recent AGM, was 31 million.

21. SHARE BASED PAYMENT RESERVE

	2024 €'000	2023 €'000
Advisor warrants issued [1]	107	107
Employee options issued [2, 3]	1,001	447
	1,108	554

[1] On 30 November 2022, 863,115 warrants were issued to advisors and have been fair valued in accordance with IFRS 2 at the fair value of the services received. The warrants have an exercise price of £0.2966 and a time to expiry of 4 years from grant.

[2] On 30 November 2022, 4,541,290 employee options were granted under the Group's LTIP. These options have different vesting conditions based on performance milestones that can be viewed below.

[3] On 28 April 2023 and 23 May 2023 2,451,728 and 177,195 employee options were granted under the Group's LTIP. These options have different vesting conditions based on performance milestones that can be viewed below.

Share based payments valuation

The following tables summarise the valuation techniques and inputs used to calculate the values of share-based payments in the period:

Warrants

On 30 November 2022, 863,115 warrants were issued to advisors and have been fair valued in accordance with IFRS 2 at the fair value of the services received. The warrants have an exercise price of £0.2966 and a time to expiry of 4 years from grant.

Grant date	Number	Share price £	Exercise price £	Volatility %	RF Rate %	Technique
30 Nov 2022	863,115	0.2966	0.2966	41.0	3.00	Black Scholes

The charge during the year for warrants was €nil (2023: €107K).

Options

On 30 June 2022, 28 April 2023 and 23 May 2023 4,541,290, 1,446,737 and 147,589 employee options were granted under the Groups LTIP respectively. The option vesting details are listed below:

Vesting Event	Trigger for Vesting	Number of options vested on date of vesting
1	- First anniversary date of the date of Admission	50%
2	- Second anniversary date of date of Admission; and - The date if any on which the placing price has increased by 200%	25%
3	- Third anniversary date of date of Admission; and - The date if any on which the placing price has increased by 200%	25%

On 28 April 2023 and 23 May 2023 968,189 and 39,969 employee options were granted under the Group's LTI respectively. The option vesting details are listed below:

Vesting Event	Trigger for Vesting	Number of options vested on date of vesting
1	- First anniversary date of the date of Admission	50%
2	- Second anniversary date of date of Admission; and - The date if any on which the placing price has increased by 200%	50%

All of the options issued subject to vesting condition 1 were valued using the Black Scholes methodology, whilst the options issued subject to vesting conditions 2 and 3 were value using the Monte Carlo technique. Additionally, a non-marketable discount rate of 7.94% has been applied across all of the employee warrants when calculating their value.

Vesting Condition 1

Grant date	Number	Share price £	Exercise price £	Volatility %	RF Rate %	Technique
30 Nov 2022	2,270,645	0.2966	0.2966	48.5	3.24	Black Scholes
28 Apr 2023	1,207,464	0.3600	0.2966	48.6	3.72	Black Scholes
23 May 2023	88,597	0.3600	0.2966	48.6	4.38	Black Scholes

Vesting Condition 2

Grant date	Number	Share price £	Exercise price £	Volatility %	RF Rate %	Technique
30 Nov 2022	1,135,323	0.2966	0.2966	48.5	3.24	Monte Carlo
28 Apr 2023	850,962	0.3600	0.2966	48.6	3.72	Monte Carlo
23 May 2023	51,700	0.3600	0.2966	48.6	4.38	Monte Carlo

Vesting Condition 3

Grant date	Number	Share price £	Exercise price £	Volatility %	RF Rate %	Technique
30 Nov 2022	1,135,323	0.2966	0.2966	48.5	3.24	Monte Carlo
28 Apr 2023	361,684	0.3600	0.2966	48.6	3.80	Monte Carlo
23 May 2023	36,897	0.3600	0.2966	48.6	4.38	Monte Carlo

The number and average exercise price of share options and warrants as follows:

	2024		2023	
	Weighted average exercise price	Number of options / warrants	Weighted average exercise price	Number of options / warrants
Opening balance	£0.2966	8,006,891	-	-
Granted during the year (warrants)	-	-	£0.2966	863,115
Granted during the year (options)	-	-	£0.2966	7,143,776
Cancelled during the year (options)	£0.2966	(223,207)	-	-
Outstanding at the end of the year	£0.2966	7,783,684	£0.2966	8,006,891
Exercisable at the end of the year	£0.2966	4,211,797	£0.2966	863,115

Share options and warrants outstanding at 31 July 2024 had a weighted average exercise price of £0.2966 (2023: £0.2966) and a weighted average contractual life of 1.36 years (2023: 3.48 years). To date no share options and warrants have been exercised.

The charge during the year for employee options was €554K (2023: €554K), which has taken into account approximately 15% employees who left during the year. In accordance with IFRS 2 whereby a 'true up' of the impact on the share-based payment charge of €28K for these leavers relating to the prior year being captured in the current year.

There are no market based vesting conditions attaching to any of the warrants.

22. OTHER RESERVES

	2024 €'000	2023 €'000
Merger reserve	(1,215)	(1,215)
	(1,215)	(1,215)

As referred to in Note 2 above, on 18 November 2022, the Company became the parent company of the Group when it issued 87,499,999 £0.01 ordinary shares in exchange for 100% of the ordinary shares in Zefone Limited. Zefone Limited has been shown as the continuing entity and its comparative financial information shown for 2022. Intercompany transactions and balances between Group companies are therefore eliminated in full. The equity presented is that of Smarttech247 Group plc with the difference on elimination of Zefone Limited's capital of €1,012,000 (£875,000) being shown as a merger reserve.

In the prior year, Zefone acquired Smart Systems Security Limited for €1,190 (£1,000) with the total identifiable net liabilities acquired being €225,000, resulting in the €226,000 being recorded to other reserve.

In 2022, Zefone acquired Smarttech247 SP. Z O.O. for €2,112 (10,000 Polish Zloty) with the total identifiable net assets acquire being €26,000, resulting in the €23,000 being recorded to other reserve.

23. RESERVES

Foreign exchange reserve

Foreign exchange differences arising on translating into the reporting currency.

Share based payment reserve

Cumulative charge recognised under IFRS 2 in respect of share-based payment awards.

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

24. TRADE AND OTHER PAYABLES

Group	2024 €'000	2023 €'000
Trade creditors	2,477	3,183
Corporation tax	-	220
Other taxation and social security	609	753
Accruals	339	56
Deferred income	1,623	1,869
Other payables	215	150
	5,263	6,231

Of the deferred income balance at the period end, none is expected to be received beyond one year after the period end.

Company	**2024 €'000**	**2023 €'000**
Trade creditors	25	7
Other taxation and social security	11	5
Accruals	68	10
Intercompany payable	96	32
	200	54

The table below sets out the maturity profile of the financial liabilities at 31 July 2024, namely trade and other payables, corporation tax, deferred income and lease liabilities:

	2024 €'000	**2023 €'000**
Due in less than 30 days	2,005	2,201
Due in between 30 and 60 days	362	772
Due in more than 60 days	111	210
	2,477	3,183

The table below sets out the maturity profile of the deferred income balance at 31 July 2024:

	2024 €'000	**2023 €'000**
Due within 1 year	1,504	1,449
Due after 1 year	119	420
	1,623	1,869

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital Risk Management

The Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, and liquidity risks. The management of these risks is vested to the Board of Directors.

Credit Risk

Credit risk arises on financial instruments such as trade receivables, short-term bank deposits.

Policies and procedures exist to ensure that customers have an appropriate credit history. The Group's most significant clients are public or regulated industry entities which generally have high credit ratings or are of a high credit quality due to the nature of the client.

Counterparty exposure positions are monitored regularly so that credit exposures to any one counterparty are within acceptable limits.

At the balance sheet date there were no significant concentrations of credit risk.

Trade and other receivables and contract assets included in the balance sheet are stated net of expected credit loss (ECL) provisions which have been estimated on a customer-by-customer basis, based on the relationship with the customer and its historical payment profile. There are no provisions held against trade receivables at the balance sheet date.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	2024	2024	2023	2023
	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
	€'000	€'000	€'000	€'000
Cash and cash equivalents	3,344	3,344	6,062	6,062
Trade receivables	4,066	4,066	5,194	5,194
	7,410	7,410	11,256	11,256

Currency Risk

The Group operates in a global market with income and costs possibly arising in a number of currencies and is exposed to foreign currency risk primarily in respect of entities within the Group entering into commercial transactions arising from sales or purchases in currencies other than the Companies' functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through their foreign currency denominated cash balances and a portion of the Group's costs being incurred in Euro, Polish Zloty and Romanian Leu. Accordingly, movements in the Euro exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition. Such changes are not considered likely to have a material effect on the Group's financial position at 31 July 2024.

Currency risk is managed by maintaining some cash deposits in currencies other than Sterling. The table below shows the currency profiles of cash and cash equivalents:

	2024 €'000	2023 €'000
Cash and cash equivalents		
Euro	396	289
USD	154	2,714
GBP	2,712	3,002
Polish Zloty	63	49
Romanian Leu	19	8
	3,344	6,062

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group had cash and cash equivalents at year end as below:

	2024 €'000	2023 €'000
Cash and cash equivalents	3,344	6,062
	3,344	6,062

Interest Rate Risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	2024 €'000	2023 €'000
Bank balances	3,344	6,062
	3,344	6,062

26. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Group **2024** **Financial assets / liabilities**	**Financial assets at amortised cost** **€'000**	**Financial liabilities at amortised cost** **€'000**	**Total** **€'000**
Trade and other receivables [1]	5,416	-	5,416
Cash and cash equivalents	3,344	-	3,344
Trade and other payables [2]	-	(4,924)	(4,924)
Lease liabilities (current and non-current)	-	(269)	(269)
	8,760	(5,193)	3,567

[1] *Trade and other receivables excludes prepayments.*
[2] *Trade and other payables excludes accruals.*

Group 2023 Financial assets / liabilities	Financial assets at amortised cost €'000	Financial liabilities at amortised cost €'000	Total €'000
Trade and other receivables [1]	5,582	-	5,582
Cash and cash equivalents	6,062	-	6,062
Trade and other payables [2]	-	(6,175)	(6,175)
Lease liabilities (current and non-current)	-	(351)	(351)
	11,644	(6,526)	5,118

[1] Trade and other receivables excludes prepayments.
[2] Trade and other payables excludes accruals.

Company 2024 Financial assets / liabilities	Financial assets at amortised cost €'000	Financial liabilities at amortised cost €'000	Total €'000
Trade and other receivables [1]	159	-	159
Cash and cash equivalents	2,626	-	2,626
Trade and other payables [2]	-	(36)	(36)
	2,785	(36)	2,749

[1] Trade and other receivables excludes prepayments.
[2] Trade and other payables excludes accruals and intercompany payables.

Company 2023 Financial assets / liabilities	Financial assets at amortised cost €'000	Financial liabilities at amortised cost €'000	Total €'000
Trade and other receivables [1]	167	-	167
Cash and cash equivalents	2,949	-	2,949
Trade and other payables [2]	-	(8)	(8)
	3,116	(8)	3,108

[1] Trade and other receivables excludes prepayments.
[2] Trade and other payables excludes accruals and intercompany payables.

27. RECONCILIATION OF MOVEMENT IN NET DEBT

2024	**At 1 August 2023**	**Non-cash changes**	**Cashflow**	**At 31 July 2023**
	€'000	**€'000**	**€'000**	**€'000**
Cash at bank	6,062	(7)	(2,711)	3,344
Lease liabilities – current & non-current	(351)	(32)	114	(269)
Net Debt	5,711	(39)	(2,597)	3,075

2023	**At 1 August 2022**	**Non-cash changes**	**Cashflow**	**At 31 July 2023**
	€'000	**€'000**	**€'000**	**€'000**
Cash at bank	2,358	(4)	3,708	6,062
Borrowings – non-current	(2,342)	2,342	-	-
Lease liabilities – current & non-current	(68)	(359)	76	(351)
Net Debt	(52)	1,979	3,784	5,711

*Non-cash movements in cash related to the foreign exchange impact on non € denominated cash balances, whilst on the lease liabilities relates to the finance charges incurred on the lease liabilities plus additional leases executed during the year.

The non-cash movements on borrowings relate to interest accrued and reclassifications between current and non-current portions of the borrowings.

28. MERGER ACQUISITIONS

Smart Systems Security Limited

On 18 November 2022, Zefone acquired Smart Systems Security Limited for €1,190 (£1,000). The initial estimate of the fair value of the assets acquired and liabilities assumed of Smarttech Systems Security Limited at the date of acquisition based upon the balance sheet at 30 November 2022 were as follows:

	€'000
Cash	1
Total consideration	**1**
Recognised amounts of assets and liabilities acquired:	
Trade and other receivables	5
Cash	8
Trade and other liabilities	(239)
Total identifiable net assets	**(226)**
Net difference taken to merger reserve	**(225)**

Zefone Limited

On 18 November 2022, through the Share Exchange Agreement, Smarttech247 Group plc acquired 100% of the shares of Zefone Limited.

On 18 November 2022, the convertible loan notes described in Note 23 were novated up to Smarttech247 Group plc under the Deed of Novation, conditional on the share for share exchange noted above and admission to the AIM market.

For more detail, please refer to Note 22 and Note 2.6 for information on the presentation of the Financial Statements.

29. RELATED PARTY TRANSACTIONS

The Group's investments in subsidiaries have been disclosed in Note 16 and details of directors' emoluments are set out in the Directors' Remuneration report beginning on page 21.

Ronan Murphy, who is a director of the Group, is also a director of and has a significant indirect interest in Visibility Blockchain Limited of 21.4%. Consequently, Visibility Blockchain Limited is regarded as a related party by virtue of Ronan Murphy's ability to exert significant influence over Visibility Blockchain Limited.

The following amounts are receivable at the financial year end:

	2024 €'000	2023 €'000
Visibility Blockchain Limited	70	89
	70	89

The following amounts are due to related parties:

	2024 €'000	2023 €'000
Visibility Blockchain Limited`	347	441
	347	441

Net balance with related parties:

	2024 €'000	2023 €'000
Visibility Blockchain Limited	(277)	(352)
	(277)	(352)

Certain revenue is recognised between Zefone Limited and Visibility Blockchain Limited under a reseller agreement. During the year the total amount of services charged under a reseller agreement by Visibility Blockchain Limited to Zefone Limited amounted to €307K (2023: €447K).

Certain operating expenses are incurred by the Group and then recharged to Visibility Blockchain Limited. During the year the total amount of expenses allocated to Visibility Blockchain Limited by Zefone Limited amounted to €206K (2023: €365K). In the opinion of the directors these amounts arise in the ordinary course of business and the terms of the amounts due are in accordance with the terms ordinarily offered by the Group.

On 18 November 2022, Amplified Technologies Limited ("Amplified"), which is 100% owned by Ronan Murphy, a director of the Company, sold its 100% shareholding in Zefone Limited to the Company in return for new shares in the Company, effectively exchanging 100% ownership of Zefone Limited for 100% ownership of the Company as a precursor to the IPO of the Company. As at the period end, Amplified owed €18K to the Group in connection with a liability settle by the Group on behalf of Amplified (2023: €0K).

Ronan Murphy has a loan outstanding with the Group amounting to €65K (2023: €57K). This loan is unsecured, interest free and is repayable on demand.

30. PENSION COMMITMENTS

The Group operates a defined contribution scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to €134K (2022: €75K). €25K (2022: €10K) was payable to the fund at the statement of financial position date and is included with creditors.

31. CAPITAL COMMITMENTS

There were no capital commitments as at 31 July 2024 or 31 July 2023.

32. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2024 or 31 July 2023.

33. EVENTS SUBSEQUENT TO PERIOD END

There have been no further events subsequent to period end.

34. CONTROL

In the opinion of the Directors as at the year end and the date of the financial statements, Ronan Murphy is the ultimate controlling party.