

ICONIC LABS PLC

**UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024**

ICONIC LABS PLC

CONTENTS

	Page
Company Information	1
Chairman's Statement	2
Responsibility Statement	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Company Statement of Financial Position	9
Company Statement of Changes in Equity	10
Notes to the Consolidated Financial Statements	11

Directors	John Farquharson Bela Lendvai-Lintner Victor Humberdot
Company secretary	AMBA Secretaries Limited 400 Thames Valley Park Drive Reading, Berkshire RG6 1PT
Company number	10197256
Registered office	7 Bell Yard London WC2A 2JR
Auditor	Royce Peeling Green Limited The Copper Room, Deva City Office Park Trinity Way Manchester M3 7BG
Solicitor	RWK Goodman 69 Carter Lane London EC4V 5EQ
Financial Adviser	Novum Securities Limited 2 nd Floor 7-10 Chandos Street London W1G 9DQ
Registrar	Equiniti Group Limited Highdown House Yeoman Way West Sussex BN99 3HH

I am pleased to present the interim unaudited accounts for the six-month period ended 31 December 2024 for Iconic Labs PLC and its subsidiaries (together, "Iconic" or the "Company").

Over the six-month period ended 31 December 2024 the Board, along with its advisors, was focused on undertaking the due diligence necessary to complete the proposed acquisition of ITS Holdings 2023 Ltd ("ITS 2023"), the parent company of In The Style Fashion Limited, a leading online fashion retailer. However, on 13 February 2025, the Board announced that the transaction, which would have constituted a reverse takeover ("RTO") under the UK Listing Rules, would not proceed to conclusion.

The Board, with help from its advisors, is committed to finding alternative targets while focusing further on reducing its cost base.

While there are numerous businesses interested in being listed on the Main Market of the London Stock Exchange, identifying suitable targets takes a significant amount of time and resources. At the outset, any acquisition target must meet the minimum market capitalisation requirement of £30m. Once this threshold has been met, the Company seeks a target that can be acquired at a suitable valuation, preferably at a discount, with strong business fundamentals, experienced management, and solid long-term projections. The acquisition that the Company closes will provide a sound equity story to the market to generate long-term growth and value for its shareholders.

On 29 July 2024, the Listing Rules were replaced by the UK Listing Rules ("UKLR") under which the existing Standard Listing category was replaced by the Equity Shares (shell companies) category under Chapter 13 of the UKLR as it applied to the Company. Consequently, with effect from that date the Company is admitted to Equity Shares (shell companies) category of the Official List under Chapter 13 of the UKLR and to trading on the London Stock Exchange's Main Market for listed securities.

The Board expects the Company's shares to be re-admitted to trading in early April 2025.

We look forward to providing updates in due course.

GOING CONCERN ASSESSMENT

The Board has carefully considered the financial position of Iconic regarding the events during the six months ended 31 December 2024 and, given the termination of the ITS 2023 transaction, during the period to the release of these results. The Board has obtained confirmation from an existing investor that it is their current intention to provide short term funding to enable the Company to pursue a further target.

In the event that such a target cannot be identified within a short period of time, it is possible that the investor will cease to provide funding. Although the Directors would endeavor to pursue alternative sources of funding, there is no certainty that this could be achieved. In such an event Iconic would need to wind down its operations, realise any assets and may enter administration, if and to the extent there are creditors of the Company who cannot be paid. In such an event, Iconic would no longer manage its affairs or the realisation of its assets. As a result of either winding down the business or entering into administration, the Ordinary Shares would be cancelled from the Official List and Shareholders may receive little or no value for their Ordinary Shares.

On this basis, there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The following risks are considered by the Board to be the most significant to the business:

Reverse Takeover Risk

Iconic's strategy continues to be to identify and complete a reverse takeover of a target company. There is a risk that the Board, along with its advisors, is not able to identify a target within a suitable timeframe or that, once identified, is not able to carry it forward to completion.

Revenue, Profitability and Funding Risk

Iconic currently is not cash-generative and has therefore been reliant upon the Financing Facility with EHGOSF or Promissory Notes with WTGO Securitisation Fund for its main sources of working capital.

The Financing Facility is subject to a number of conditions ("Conditions"). At present, several of these Conditions have not been met, and it is currently unlikely that EHGOSF will waive the breaches of these Conditions. Therefore, at this point in time, the Company is not in a position to drawdown further on the Financing Facility.

The Company is reliant on short term funding made available by a current investor to allow it to assess possible targets and to continue to cover its cost base.

Dilution and Pricing Risk

If EHGOSF exercises its full rights under the Financing Facility for conversion of Loan Notes and Warrants into Shares, this could result in a significant holding in the Company by EHGOSF. However, EHGOSF's strategy is generally to sell shares in the market as soon as practicable following the exercise of such rights and in any event under the Financing Facility, inter alia, EHGOSF cannot hold more than 29.9% of the Company. Accordingly, there is a risk that should the Company seek to drawdown under the Loan Notes and EHGOSF thereafter exercise and sell Shares in significant amounts over a lengthy period, this could have a material negative impact on the price of the Shares.

Financial Risk Management

The Board monitors the internal risk management function across Iconic and advises on all relevant risk issues. There is regular communication with external advisors and regulators.

FINANCIAL REVIEW

Iconic made a loss in the 6 month period of £293,680 (2023: profit of £270,132). The prior period profit was as a result of a write back in creditors as part of the CVA which was not repeated in the current period. While the monthly running costs of the Company have been significantly reduced, Iconic incurred legal and advisory costs in relation to the RTO in the period to 31 December 2024.

At 31 December 2024, Iconic held total assets of £85,149 (June 2024 - £139,340). The Group had liabilities of £3,761,872 at the balance sheet date (June 2024 - £3,522,383), an increase of £239,489.

Key Performance Indicators

The business is focused on the areas of cash management and operating results.

John Farquharson

John Farquharson
On behalf of the Board
31 March 2025

The directors confirm to the best of our knowledge:

- the interim financial statements have been prepared in accordance with IAS 34, as adopted by the United Kingdom;
- the Chairman's statement and interim financial statements include a fair review of the information required by the Financial Statements Disclosure and Transparency Rules (DTR) 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the Chairman's statement includes a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period and also any changes in the related party transactions described in the last annual report that could do so.

At the date of this statement, the Directors are those listed on the Company information page of these interim financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (unaudited)

	Six months ended 31 December 2024 £	Six months ended 31 December 2023 £	Year ended 30 June 2024 (audited) £
Revenue	-	-	-
Gross profit	-	-	-
Administrative expenses	(201,371)	(274,465)	(780,271)
Direct costs incurred in connection with financing facility	(60,000)	(194,536)	(310,006)
Creditors written back	-	739,133	844,225
Operating (loss)/profit	(261,371)	270,132	(246,052)
Finance costs	(32,309)	-	-
(Loss)/Profit before taxation	(293,680)	270,132	(246,052)
Taxation	-	-	-
(Loss)/Profit for the period	(293,680)	270,132	(246,052)
Total comprehensive (expense)/ income for the period	(293,680)	270,132	(246,052)
Basic and diluted (loss)/profit per ordinary share (pence)			
- from continuing operations	(2.63)	2.42	(2.20)
- from discontinued operations	(0.00)	0.00	(0.00)

The (loss)/profit for the period is wholly attributable to the equity holders of the parent company.

All operations of the group are continuing.

	Notes	Six months ended 31 December 2024 £	Six months ended 31 December 2023 (as restated) £	Year ended 30 June 2024 (audited) £
Non-current assets				
Intangible assets		<u>1</u>	<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>	<u>1</u>
Current assets				
Trade and other receivables		<u>35,860</u>	13,067	10,030
Cash and cash equivalents		<u>49,288</u>	<u>1,107</u>	<u>129,309</u>
		<u>85,148</u>	<u>14,174</u>	<u>139,339</u>
Total assets		<u>85,149</u>	<u>14,175</u>	<u>139,340</u>
Equity				
Shareholders' equity				
Share capital	3	5,192,602	5,107,132	5,192,602
Share premium		8,401,588	8,401,588	8,401,588
Retained deficit		<u>(17,270,913)</u>	<u>(16,461,049)</u>	<u>(16,977,233)</u>
Total equity		<u>(3,676,723)</u>	<u>(2,952,329)</u>	<u>(3,383,043)</u>
Current liabilities				
Trade and other payables	4	806,289	929,104	875,604
Loans and borrowings		<u>2,955,583</u>	<u>2,037,400</u>	<u>2,646,779</u>
		<u>3,761,872</u>	<u>2,966,504</u>	<u>3,522,383</u>
Total liabilities		<u>3,761,872</u>	<u>2,966,504</u>	<u>3,522,383</u>
Total equity and liabilities		<u>85,149</u>	<u>14,175</u>	<u>139,340</u>
Net asset value per share (pence)		<u>(32.94)</u>	<u>(26.45)</u>	<u>(30.31)</u>

The financial statements of Iconic Labs plc were approved by the Board and authorised for issue on 31st March 2025. They were signed on its behalf by:

John Farquharson

John Farquharson
Director

ICONIC LABS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2024
(unaudited)

	Share capital £	Share premium £	Retained deficit £	Total equity £
Balance at 1 July 2023 as previously presented	4,539,523	8,341,761	(16,521,181)	(3,639,897)
Prior period adjustment (note 7)	-	-	(210,000)	(210,000)
Balance at 1 July 2023 as restated	4,539,523	8,341,761	(16,731,181)	(3,849,897)
Changes in equity				
Transactions with owners:				
Issue of shares	567,609	59,827	-	627,436
Total transactions with owners:	567,609	59,827	-	627,436
Total comprehensive income	-	-	270,132	270,132
Balance at 31 December 2023	5,107,132	8,401,588	(16,461,049)	(2,952,329)
Changes in equity				
Transactions with owners:				
Issue of shares	85,470	-	-	85,470
Total transactions with owners:	85,470	-	-	85,470
Total comprehensive expense	-	-	(516,184)	(516,184)
Balance at 30 June 2024	5,192,602	8,401,588	(16,977,233)	(3,383,043)
Total comprehensive expense	-	-	(293,680)	(293,680)
Balance at 31 December 2024	5,192,602	8,401,588	(17,270,913)	(3,676,723)

	Six months ended 31 December 2024 £	Six months ended 31 December 2023 £	Year ended 30 June 2024 (audited) £
Cash flows from operating activities			
Total comprehensive income for the period	(293,680)	270,132	(246,052)
Costs relating to financing facility	60,000	-	310,006
Interest on promissory notes	32,309	-	-
Net write back of trade creditors	-	(739,133)	(844,225)
Adjustments for			
Increase in trade and other receivables	(25,830)	(13,067)	(10,030)
Decrease in trade and other payables	(69,315)	(81,905)	(12,412)
Net cash used in by operating activities	<u>(296,516)</u>	<u>(563,973)</u>	<u>(802,713)</u>
Cash flows from financing activities			
Repayment of loans and borrowings	-	(415,000)	-
Issue for promissory notes	216,495	-	631,779
Issue of loans	-	302,400	250,000
Issue of share capital	-	627,437	-
Net cash generated by financing activities	<u>216,495</u>	<u>514,837</u>	<u>881,779</u>
(Decrease)/increase in cash and cash equivalents	<u>(80,021)</u>	<u>(49,136)</u>	<u>79,066</u>
Cash and cash equivalents at beginning of period	<u>129,309</u>	<u>50,243</u>	<u>50,243</u>
Cash and cash equivalents at end of period	<u>49,288</u>	<u>1,107</u>	<u>129,309</u>

	Six months ended 31 December 2024 £	Six months ended 31 December 2023 (as restated) £	Year ended 30 June 2024 (audited) £
Non-current assets			
Investments	1	1	1
Non-current assets	1	1	1
Current Assets			
Trade and other receivables	35,860	13,067	10,030
Cash and cash equivalents	49,288	1,107	129,309
	85,148,	14,174	139,339
Total assets	85,149	14,175	139,340
Equity			
Share capital	5,192,602	5,107,132	5,192,602
Share premium	8,401,588	8,401,588	8,401,588
Retained deficit	(17,270,913)	(16,461,049)	(16,977,233)
	(3,676,723)	(2,952,329)	(3,383,043)
Current liabilities			
Trade and other payables	806,289	929,104	875,604
Loans and borrowings	2,955,583	2,037,400	2,646,779
	3,761,872	2,966,504	3,522,383
Total liabilities	3,761,872	2,966,504	3,522,383
Total equity and liabilities	85,149	14,175	139,340

The financial statements of Iconic Labs plc, company number 10197256, were approved by the Board and authorised for issue on 31st March 2024. They were signed on its behalf by:

John Farquharson

John Farquharson
Director

	Share capital £	Share premium £	Retained deficit £	Total equity £
Balance at 1 July 2023 as previously presented	4,539,523	8,341,761	(16,521,181)	(3,639,897)
Prior period adjustment (note 7)	-	-	(210,000)	(210,000)
Balance at 1 July 2023 as restated	4,539,523	8,341,761	(16,731,181)	(3,849,897)
Changes in equity				
Transactions with owners:				
Issue of shares	567,609	59,827	-	627,436
Total transactions with owners:	567,609	59,827	-	627,436
Total comprehensive income	-	-	270,132	270,132
Balance at 31 December 2023	5,107,132	8,401,588	(16,461,049)	(2,952,329)
Changes in equity				
Transactions with owners:				
Issue of shares	85,470	-	-	85,470
Total transactions with owners:	85,470	-	-	85,470
Total comprehensive expense	-	-	(516,184)	(516,184)
Balance at 30 June 2024	5,192,602	8,401,588	(16,977,233)	(3,383,043)
Total comprehensive expense	-	-	(293,680)	(293,680)
Balance at 31 December 2024	5,192,602	8,401,588	(17,270,913)	(3,676,723)

1. Basis of preparation

The Company is registered in England and Wales. The consolidated interim financial statements for the six months ended 31 December 2024 comprise those of the Company and subsidiaries.

Statement of compliance

This consolidated interim financial report has been prepared in accordance with the measurement principles of IFRS adopted in the United Kingdom. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial performance and position of the Company since the last annual consolidated financial statements for the period ended 30 June 2024. This consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards. The financial statements are unaudited and do not constitute statutory accounts as defined in section 434(3) of the Companies Act 2006. A copy of the audited annual report for the period ended 30 June 2024 has been delivered to the Registrar of Companies. The auditor's report on these accounts contained a material uncertainty related to the going concern of the Company and did not contain statements under S498(2) or S498(3) of the Companies Act 2006.

This consolidated interim financial report was approved by the Board of Directors on 31 March 2025.

Significant accounting policies

The accounting policies applied by the Company in this consolidated interim financial report are the same as those applied by the Company in its consolidated financial statements for the period ended 30 June 2024.

New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of the adoption of these standards.

Going concern

The Board of Directors has carefully considered the financial position of Iconic Labs regarding the events during the six months ended 31 December 2024 and to the date of issuing this interim financial report and conclude that there still remains a material uncertainty related to the going concern of the Company.

2. Operating segments

The Company's sole asset is Gay Star News ("GSN"), an online media platform dedicated to the LGBTQ+ community.

3. Share capital

	31 December 2024		30 June 2024	
	Number	£	Number	£
Allotted, issued and fully paid:				
Classified as equity				
Ordinary shares of £0.0001 each	11,161,483	1,116	11,161,483	1,116
Deferred shares of £0.0999 each	11,161,483	1,115,032	11,161,483	1,115,032
Deferred shares of £0.00249 each	1,637,129,905	4,076,454	1,637,129,905	4,076,454
Total	1,659,452,871	5,192,602	1,659,452,871	5,192,602

In accordance with the Companies Act 2006, the Company has no limit on its authorised share capital.

4. Trade and other payables

Group

	31 December 2024	31 December 2023	30 June 2024 (audited)
	£	£	£
Trade payables	774,056	868,266	800,289
Other payables	(11,942)	1,400	-
Accruals	44,175	59,438	75,315
	806,289	929,104	875,604

Company

	31 December 2024	31 December 2023	30 June 2024 (audited)
	£	£	£
Trade payables	774,056	868,266	800,289
Other payables	(11,942)	1,400	-
Accruals	44,175	59,438	75,315
	806,289	929,104	875,604

Book values approximate to fair values at 31 December 2024 and 30 June 2024.

5. Financial instruments

Reconciliation of movement in net cash

	Net cash at 1 July 2024	Cash flow	Promissory notes issued in the period	Accrued interest on promissory notes	Loan notes issued in the period	Net cash at 31 December 2024
	£	£	£	£	£	£
Cash at bank and in hand	129,309	(80,021)	-	-	-	49,288
Borrowings	(2,646,779)	-	(216,495)	(32,309)	(60,000)	(2,955,583)
Total financial liabilities	(2,517,470)	(80,021)	(216,495)	(32,309)	(60,000)	(2,906,295)

6. (Loss)/Profit from Operations

	Period ending 31 December 2024	Period ending 31 December 2023	Year ended 30 June 2024 (audited)
	£	£	£
The (loss)/profit for the period is stated after charging:			
Auditors' remuneration – audit services	15,000	34,200	29,000
Expenses by Nature:	£	£	£
Legal & audit fees	79,452	197,595	336,952
Consultancy & professional fees	91,942	54,064	168,375
Other supplies and external services	29,977	22,806	274,944
Creditors' write off	-	(739,133)	(844,225)
Total operating expenses/(income)	201,371	(464,668)	(63,954)
Total administrative expense	201,371	(464,668)	(63,954)
Interest on promissory notes	32,309	-	-
Direct costs incurred in connection with financing facilities	60,000	194,536	310,006
	293,680	(270,132)	246,052

7. Prior period adjustment

During the preparation of the financial statements for the year ended 31 June 2024, the Company identified an error where fees incurred on the draw down of convertible loan notes had been omitted from the accounting records and financial statements in the prior year. As a result of this error, convertible loan notes, reported within loans and borrowings in the Consolidated Statement of Financial Position, were understated by £210,000. Legal and waiver fees reported within administrative expenses in the Consolidated Statement of Comprehensive Income were also understated by £210,000.