

VOYAGER LABS LIMITED

Registered number: 07154170

VOYAGER LABS LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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VOYAGER LABS LIMITED

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VOYAGER LABS LIMITED

DIRECTORS AND PROFESSIONAL ADVISORS

BOARD OF DIRECTORS

Jonathan Leon Joffe
Avi Korenblum
Stephan Robert Kappes
Yair Cohen
Dror Michman (appointed on July 8th, 2021)

REGISTERED NUMBER

07154170

REGISTERED OFFICE

22 Manchester Square
London
W1U 3PT

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH
United Kingdom

VOYAGER LABS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Business Review

Voyager Labs Limited (the "Company"), incorporated under UK Company law, is a privately-owned company which heads an international group of companies ("the Group").

The Group has developed a proprietary AI-based technology that harnesses billions of data points from unstructured data to reveal deep actionable insights.

The Group's unique technology searches, aggregates and fuses data points and human behaviour indicators from multiple data sources, intelligently processing and analysing them to provide a holistic view of reality from insights that were previously unattainable. Using an innovative, scalable, and cognitive approach, the Group has an unparalleled ability to interpret the complex layers of the digital world.

The Group's platforms are used by analysts, agents and other professionals worldwide to tackle challenges like fraud, crime, terror, insider threats, trafficking and other risks, helping to create a safer world for all.

The Group ended 2021 well capitalised, with \$13,223 thousands (2020 – \$23,027 thousands) of total equity, \$11,701 thousands (2020 – \$23,300 thousands) of cash and cash equivalents and \$24,980 thousands (2020 – \$30,914 thousands) of total assets.

Total revenues for the year ended December 31, 2021 increased to \$21,928 thousands from \$15,376 thousands in the year ended December 31, 2020, the increase is due to an increase in customer base and due to new contracts in the period. Total loss for the year ended December 31, 2021 decreased to \$11,249 thousands from \$11,474 thousands in the year ended December 31, 2020. The increase in revenue during the year was off-set by the increased in selling and marketing costs, resulting in broadly flat losses across the two years.

Key performance indicators

The Group has several key performance measures used internally to monitor and challenge performance and to assist in business decisions. The important performance indicators in the current and prior years include revenues and customers' base (number of customers).

Principal activities

The Group develops and sells software solutions based on artificial intelligence and big data analytics.

Business environment and future development

The Group will continue developing artificial intelligence and cognitive deep learning solutions and capabilities.

VOYAGER LABS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Principal Risks and Uncertainties

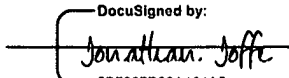
The Group faces a number of risks and uncertainties in the ordinary course of its business, such as (i) risks arising from adverse changes in global macroeconomic and other conditions, economic uncertainty and potential slowdowns, political unrest or outbreak of disease, such as the COVID-19 pandemic, around the world which may cause companies and governments to delay, reduce, or even cancel planned spending and may impact the Group's business and operations; (ii) risks arising from rapid changing technology and evolving industry standards and challenges in the market for the Group's product; (iii) risks arising from intense competition in the Group's market including from competitors with greater resources; (iv) risks arising from the Group's ability to execute on growth initiatives it pursues; (v) risks arising from the Group's ability to build and maintain relationship with third parties that market and sell the Group's products, and other business risks. These risks and uncertainties are managed by maintaining strong relationships with customers and partners, hiring talented staff to develop technologies and maintaining robust control environments. The Group undertakes certain transactions denominated in foreign currencies; hence it is exposed to foreign exchange rate fluctuations.

In February 2022, a military conflict erupted involving Russia and Ukraine. The Company is closely monitoring the situation and has put procedures in place to ensure compliance with sanctions. As of the issuance date of these consolidated financial statements, no adverse impact has affected the Company, as it has no affiliation to Russian clients, suppliers, investors nor any funds are invested in Russian financial institutions under the sanctions. The outcome and long-term consequences of this conflict remain unknown, as this is an ongoing situation.

Financial risk management

There are a number of financial risks to which the Group is exposed. The major risks and the controls designed to manage and mitigate them are set out and explained in Note 3."

On behalf of the board

DocuSigned by:

Jonathan Leon Joffe, Director

February 13, 2023

VOYAGER LABS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the annual report and consolidated audited financial statements of the Group and Company for the year ended 31 December 2021.

Directors

The Directors of the Company during the year and up to the date of signing of these financial statements were:

Jonathan Leon Joffe
Avi Korenblum
Stephan Robert Kappes
Yair Cohen
Dror Michman (appointed on July 8th, 2021)

Dividends

The directors do not recommend the payment of a dividend (2020: nil).

Going Concern

In assessing the Company's and Group's ability to continue as a going concern, the board of directors considered the business's cash flow forecasts for a period of at least 12 months from the date of approval of these consolidated financial statements. These include sales projections which are not yet fully contractually secured, and growth in operating expenditure aligned with the Group's investment plans.

After the balance sheet date, as detailed in Note 20 – Subsequent Event, the Group has secured a credit line from an Israeli bank and to date, has withdrawn the entire principal amount of \$12 million. The Group has also signed an agreement with its shareholders and received the funding of \$5million in the month of December 2022 in the form of a convertible loan.

Management has prepared a cash flow forecast that covers the period to the end of February 2024. In sensitising its cash flow forecasts, in particular the receipt of amounts attributed to the Group's revenues from its contracts with customers, the board of directors noted that the Group would under a severe but plausible downside scenario utilise all, or substantially all, of its cash reserves by the end of February 2024.

These conditions indicate the existence of a material uncertainty that may cast significant doubt over the Group's and the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

VOYAGER LABS LIMITED

Statement of directors' responsibilities in respect of the financial statements (continued)

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

Financial risk management

Refer to the financial risk management section in strategic report on page 3.

Third party indemnity

The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and also at the date of approval of the financial statements.

Israel branch

The Company has a branch in Israel.

DIRECTORS' REPORT (Continued)

VOYAGER LABS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2021

Research and development expenditure

The Group's main platforms include: (i) VoyagerAnalytics, which harnesses publicly available unstructured data to reveal deep, actionable insights on targets, groups and topics and the intricate interplay between them; (ii) VoyagerCheck, which puts pioneering deep learning, machine learning, and Natural Language Processing (NLP) algorithms to work for security professionals; and (iii) VoyagerVision, which applies industry-leading core technology for pattern recognition and computer vision to model and analyse the explicit and implicit information contained in oceans of visual data

The Group continues to enhance the features and performance of its existing solutions and to introduce new solutions through extensive research and development activities. In addition to the development of new solutions and the addition of capabilities to existing solutions, its research and development activities include quality assurance and advanced technical support for the Group's customer services organization. Research and development are performed in Israel.

To support its research and development efforts, the Group makes significant investments in R&D every year. The Group allocates its research and development resources in response to market research and customer demand for additional features and solutions. The Group's development strategy involves rolling the initial releases of its products and adding features over time. The Group incorporates product feedback received from its customers into its product development process.

The group has incurred \$10,684 thousands in research and development expenditure during the year ended December 31, 2021 (2020 - \$11,521 thousands).

Business environment and future development

Detail of business environment and future development are disclosed in the strategic report on Page 4. Details of risk management are disclosed on Note 3 of the financial statements.

Independent Auditors

In accordance with section 485 of the Companies Act 2006, the independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board on February 13, 2023 and signed on its behalf.

DocuSigned by:
Jonathan L. [Signature]
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Independent auditors' report to the members of Voyager Labs Limited

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph below, Voyager Labs Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company statements of financial position as at 31 December 2021; the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated and Company statements of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for qualified opinion

The Consolidated and Company statements of financial position include an investment in WeLab (investment) measured at fair value through profit or loss account, with a carrying amount of \$2,864 thousand at 31 December 2021 (31 December 2020: \$2,864 thousand). In the absence of observable data points, we have been unable to obtain sufficient appropriate audit evidence as to the fair value of the investment in accordance with IFRS 9 - Financial Instruments, as such we are unable to satisfy ourselves as to the carrying amount of the investment.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

Without further modifying our opinion on the financial statements, we have considered the adequacy of the disclosure made in note 2.2 to the financial statements concerning the group's and the company's ability to continue as a going concern. The Directors' cash flow projections include sales projections which are not yet fully contractually secured, and growth in operating expenditure aligned with the group's investment plans. In sensitising its cash flow forecasts, in particular the receipt of amounts attributed to the group's revenues from its contracts with customers, the board of directors noted that the group would under a severe but plausible downside scenario utilise all, or substantially all, of its cash reserves by the end of February 2024. These conditions, along with the other matters explained in note 2.2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the company were unable to continue as a 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.

VOYAGER LABS LIMITED

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and applicable tax legislations, and we considered the extent to which non-

VOYAGER LABS LIMITED

compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Understanding and evaluating the design and implementation of controls designed to prevent and detect irregularities and fraud;
- Inquiry of management and the group's legal advisors regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

In respect solely of the limitation on our work relating to fair valuation of investment, described in the Basis for qualified opinion paragraph above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept by the company.

Under the Companies Act 2006 we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Alex Lazarus (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 February 2023

VOYAGER LABS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)

	Note	2021	2020
Revenue		21,928	15,376
Cost of sales		(5,348)	(3,886)
Gross profit		16,580	11,490
Operating expenses	4	(27,553)	(23,862)
Operating loss on ordinary activities before interest and taxes		(10,973)	(12,372)
Finance income		20	1,051
Finance expenses		(184)	(66)
Loss before income tax		(11,137)	(11,387)
Income tax expense	6	(112)	(87)
Loss for the year		(11,249)	(11,474)
Total comprehensive loss for the year		(11,249)	(11,474)

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

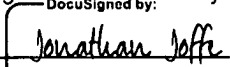
The results above refer entirely to continuing operations.

VOYAGER LABS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
AS AT 31 DECEMBER 2021 (U.S. Dollars in thousands)

	Note	31 December 2021	31 December 2020
<u>Assets</u>			
Non-current assets			
Financial asset at FVTPL	7	2,864	2,864
Property, plant and equipment	8	378	598
Right of use assets	9	161	508
		<u>3,403</u>	<u>3,970</u>
Current assets			
Trade and other receivables	12	9,876	3,644
Cash and cash equivalents		11,701	23,300
		<u>21,577</u>	<u>26,944</u>
Total assets		<u>24,980</u>	<u>30,914</u>
<u>Liabilities</u>			
Current liabilities			
Lease liabilities	9	78	522
Income tax liabilities	6	55	112
Trade and other payables	13	8,999	7,030
		<u>9,132</u>	<u>7,664</u>
Long-term liabilities			
Lease liabilities	9	110	-
Other long-term liabilities	14	2,515	223
		<u>2,625</u>	<u>223</u>
Total liabilities		<u>11,757</u>	<u>7,887</u>
Net assets		<u>13,223</u>	<u>23,027</u>
<u>Equity</u>			
Share capital	15	33	32
Share premium		103,297	102,673
Other reserves		7,890	7,070
Accumulated losses		(97,997)	(86,748)
Total equity		<u>13,223</u>	<u>23,027</u>

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

These financial statements on pages 11 to 36 were approved by the Board of Directors on February 13, 2023 and signed on its behalf by

DocuSigned by:

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Jonathan Leon Joffe, Director

VOYAGER LABS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)

	Note	Share capital	Share premium	Other reserves	Retained earnings (Accumulated losses)	Total equity
Balance at 1 January 2020		32	102,666	5326	(75,724)	33,528
Total comprehensive loss for the year		-	-	-	(11,474)	(11,474)
Exercise of options		*-	7	-	-	7
Share based payment expense	18	-	-	966	-	966
Balance at 31 December 2020		32	102,673	7,070	(86,748)	23,027
Total Comprehensive loss for the year		-	-	-	(11,249)	(11,249)
Exercise of options		1	624	-	-	625
Share based payment expense	18	-	-	820	-	820
Balance at 31 December 2021		33	103,297	7,890	(97,997)	13,223

Other reserves represent reserves in respect of share-based compensation.

* Less than \$1 thousand

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

VOYAGER LABS LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)

	Note	2021	2020
Cash flows from operating activities			
Cash used in operations	11	(11,563)	(11,013)
Income tax paid		(72)	(54)
Net cash used in operating activities		(11,635)	(11,067)
Cash flows from investing activities			
Additions to property, plant and equipment	8	(87)	(249)
Net cash used in investing activities		(87)	(249)
Cash flows from financing activities			
Principal elements of lease payments	9	(502)	(504)
Proceeds from exercise of options	18	625	7
Net cash generated from/(used in)		123	(497)
Net decrease in cash and cash equivalents		(11,599)	(11,813)
Cash and cash equivalents at 1 January		23,300	35,113
Cash and cash equivalents at 31 December		11,701	23,300

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

VOYAGER LABS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION**
AS AT 31 DECEMBER 2021 (U.S. Dollars in thousands)

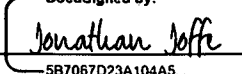
	Note	31 December 2021	31 December 2020 (Restated)	31 December 2019 (Restated)
<u>Assets</u>				
Non-current assets				
Financial asset at FVTPL	7	2,864	2,864	2,000
Investment in subsidiary	10 & 2.3(a)	59,340	58,520	40,404
		62,204	61,384	42,404
Current assets				
Trade and other receivables	12	32,293	25,381	23,859
Cash and cash equivalents		5,514	9,778	28,374
		37,807	35,159	52,233
Total assets		100,011	96,543	94,637
<u>Liabilities</u>				
Current liabilities				
Income tax liabilities	6	16	6	138
Trade and other payables	13	4,108	1,210	838
		4,124	1,216	976
Long-term liabilities				
Other long-term liabilities		154	-	-
		154	-	-
Total liabilities		4,278	1,216	976
Net assets		95,733	95,327	93,691
<u>Equity</u>				
Share capital	15	33	32	32
Share premium		103,297	102,673	102,666
Other reserves	2.3(a)	7,890	7,070	6,104
Accumulated losses		(15,487)	(14,448)	(15,141)
Total equity		95,733	95,327	93,661

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act not to present the Company income statement. The loss for the financial year of the Company for the year ended December 31, 2021 was \$1,039 thousands (profit for the financial year ended 31 December 2020: \$693 thousands).

These financial statements on pages 11 to 36 were approved by the Board of Directors on February 13, 2023 and signed on its behalf by

DocuSigned by:



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Jonathan Leon Joffe, Director

VOYAGER LABS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)

	Share capital	Share premium	Other reserves (restated)	Accumulated losses	Total equity (restated)
Balance at 1 January 2020	32	102,666	-	(15,141)	87,557
Impact of restatement (Note 2.3(a))	-	-	6,104	-	6,104
Balance at 1 January 2020 (restated)	32	102,666	6,104	(15,141)	93,661
Impact of restatement (Note 2.3(a))	-	-	966	-	966
Total comprehensive profit for the year	-	-	-	693	693
Exercise of options	*-	7	-	-	7
Balance at 31 December 2020 and at 1 January 2021 (restated)	32	102,673	7,070	(14,448)	95,327
Total comprehensive loss for the year	-	-	-	(1,039)	(1,039)
Share based payment expense	-	-	820	-	820
Exercise of options	1	624	-	-	625
Balance at 31 December 2021	33	103,297	7,890	(15,487)	95,733

* Less than \$1 thousand

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

VOYAGER LABS LIMITED**COMPANY STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)

	Note	2021	2020
Cash flows from operating activities			
Cash used in from operation	11	(4,889)	(1,453)
Net cash used in operations		<u>(4,889)</u>	<u>(1,453)</u>
Cash flows from investment activities			
Investment in subsidiary		-	(17,150)
Net cash used in investment activities		<u>-</u>	<u>(17,150)</u>
Cash flows from financing activities			
Proceeds from exercise of options	18	<u>625</u>	<u>7</u>
Net cash generated from financing activities		<u>625</u>	<u>7</u>
Net decrease in cash and cash equivalents		(4,264)	(18,596)
Cash and cash equivalents at 1 January		9,778	28,374
Cash and cash equivalents at 31 December		<u>5,514</u>	<u>9,778</u>

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

VOYAGER LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)

1. GENERAL INFORMATION

The Company is incorporated under the law of England and domiciled in England - the United Kingdom under the Companies Act 2006. The Company is limited by shares. The address of the registered office is 22 Manchester Square, London W1U 3PT. The Company is a privately-owned company and has wholly-owned subsidiaries in Israel and in the United States. The principal activities of the Company and its subsidiaries ("the Group") are disclosed in the Strategic report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of presentation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its company financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The consolidated financial statements of the Group and Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements are presented in U.S. dollars and have been prepared under the historical cost convention, modified by revaluation of financial assets held at fair value through profit and loss.

Accounting policies have been applied consistently, other than where new policies have been adopted.

The consolidated financial statements have been presented in United States Dollars ("USD") which is the presentation and functional currency of the Company and Group and all values are rounded off to the nearest thousand dollars except where otherwise stated.

2.2 Going concern

In assessing the Company's and Group's ability to continue as a going concern, the board of directors considered the business's cash flow forecasts for a period of at least 12 months from the date of approval of these consolidated financial statements. These include sales projections which are not yet fully contractually secured, and growth in operating expenditure aligned with the Group's investment plans.

After the balance sheet date, as detailed in Note 20 – Subsequent Event, the Group has secured a credit line from an Israeli bank and to date, has withdrawn the entire principal amount of \$12 million. The Group has also signed an agreement with its shareholders and received the funding of \$5million in the month of December 2022 in the form of a convertible loan.

Management has prepared a cash flow forecast that covers the period to the end of February 2024. In sensitising its cash flow forecasts, in particular the receipt of amounts attributed to the Group's revenues from its contracts with customers, the board of directors noted that the Group would under a severe but plausible downside scenario utilise all, or substantially all, of its cash reserves by the end of February 2024.

These conditions indicate the existence of a material uncertainty that may cast significant doubt over the Group's and the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)****2.3 Change in accounting policy and disclosures****New and amended standards adopted by the Group**

the Group and Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2021:

- Definition of Material – Amendments to IAS 1 and IAS 8; and
- Revised Conceptual Framework for Financial Reporting.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the company. None of these are expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

2.3(a) Prior year restatement

The prior year comparatives of the Company statement of financial position and Company statement of changes in equity have been restated to incorporate the effects of share-based payment transaction in the Parent Company not included in prior years. Accordingly, an additional statement of financial position as at 31 December 2019 is presented in the Company financial statements due to retrospective correction of prior period errors.

The table below shows the impact of the prior year restatement on the primary financial statements:

Company statement of financial position

	Investment in subsidiary	Other reserves*
Reported as at 31 December 2019	34,300	-
Cumulative effects of restatement	6,104	6,104
Restated as at 31 December 2019/1 January 2020	40,404	6,104
Additions made during the year as reported (Note 10)	17,150	-
Impact of restatement	966	966
Restated as at 31 December 2020	58,520	7,070

*Other reserves have also been restated in the Company statement of changes in equity.

VOYAGER LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

2.4 Basis of consolidation

Subsidiaries are all entities over which the Group has control. Subsidiaries are fully consolidated from the date on which control passes to the Group and are deconsolidated from the date that control ceases. The Group controls an entity when the Group has the power to govern the entity's financial and operating policies, 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. The consolidated financial statements present the results of the Company and its subsidiaries ('the Group') applying consistent accounting policies and after the elimination of intercompany transactions and balances between group companies. Subsidiary investments held by the Company are carried at cost, less any provision for impairment.

The results and financial position of foreign subsidiaries are included in the consolidated financial statements after the elimination of intercompany balances and transactions. Any foreign exchange gain or loss arising on intercompany that cannot be eliminated is recognised in the statement of changes in equity under other reserves.

2.5 Revenue recognition

Revenue represents fair value of consideration received or receivable from contracts for providing goods and services, over time or at a point in time, by the Group to customers in the ordinary course of the Group's activities.

Revenue is recognized net of value-added tax, returns, rebates and discounts.

Revenue is measured based on a consideration specified in a contract with a customer and are only recognised to the extent that it is highly probable that a significant reversal will not occur.

Nature of Goods and Services

The Group generate revenues primarily in the form of software license fees and related maintenance and services fees. Software license revenues include fees from the sales of perpetual and term licenses. Maintenance and services revenues primarily consist of fees for maintenance services (including support and unspecified upgrades and enhancements when and if they are available), training and professional services.

As the Group's stand-alone selling price of the good or service is highly variable or uncertain, we use the residual approach in order to estimate the stand-alone selling price of the good or service.

Customer support revenue is derived from providing on-call telephone support, technical support services, bug fixes and unspecified software updates and upgrades to customers on a when-and-if-available basis. Each of these performance obligations provide benefit to the customer on a standalone basis and are distinct in the context of the contract and the Company account for these support services as a single performance obligation. The Company recognize support services on pro-rata basis over the contractual term. The Company's contracts with customers generally include a one year of support and maintenance. For such contracts, the Company allocate revenue to the support and maintenance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to its customers.

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)****2.5 Revenues recognition (continued)**

The following table provide information about revenues from software license fees and related maintenance and services:

Group:	2021	2020
Software license fee	16,432	11,388
Maintenance and services fee	5,496	3,988
	21,928	15,376

Costs to Obtain and Fulfil Contracts

The Group capitalises commission expenses paid to internal sales personnel and agent commission expenses that are incremental to obtaining customer contracts. The Company have determined that these commission expenses are in fact incremental and would not have occurred absent the customer contract. Capitalized sales and agent commissions are amortized over the period the goods or services are transferred to the customer to which the assets relate, which ranges from one to three years. For practical expedient, where the asset that would be recognized as a result of capitalizing the cost of obtaining a contract would be amortized over one year or less, the Company expense those costs when incurred.

Total capitalized costs to obtain contracts were \$1,692 thousands for the year ended December 31, 2021 (\$153 thousands for the year ended December 31, 2020).

Contract balances:

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers (U.S. Dollars in thousands):

Group:	31 December 2021	31 December 2020
Trade receivables, net	2,215	625
Unbilled receivables	5,363	1,494
Deferred revenues	4,579	2,976

The Group receives payments from customers based upon contractual payment schedules; trade receivables are recorded when the right to consideration becomes unconditional, and an invoice is issued to the customer. Contract assets include amounts related to the Company's contractual right to consideration for completed performance objectives not yet invoiced. Contract liabilities (deferred revenue) include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

The amount of revenues recognized in the period that was included in the opening deferred revenues balance was \$3,179 and \$3,343 thousand for the years ended December 31, 2021 and 2020, respectively.

Of the balance as of December 31, 2021 the Company expects to recognize approximately \$3,575 thousand over the next 12 months and the remainder thereafter.

VOYAGER LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued) **FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

2.6 Leases

The Company's leases include property. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The Group recognises for all leases except for short-term and low value leases, a right-of-use asset and a corresponding lease liability at present value for future lease payables as at balance sheet date.

Lease liabilities include the following lease payments:

- Fixed payments, less lease incentives offered by the lessor;
- Variable payments linked to an index or interest rate;
- Expected residual payments from residual value guarantees;
- The exercise price of call options when exercise is estimated to be sufficiently likely; and
- Contractual penalties for the termination of lease if the lease term reflects the exercise of a termination option

Lease payments are discounted at the implicit interest rate underlying the lease to the extent that this can be determined. Otherwise, discounting is at the incremental borrowing rate 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.

Lease payments are allocated between principal and interest cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, which comprises the following:

- Lease liability;
- Lease payments made at or prior to delivery, less lease incentives received; and
- Initial direct costs

Right-of-use assets are subsequently measured at amortised cost. They are depreciated over the term of the lease using the straight-line method. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Payments associated with short-term and low value leases are recognised on a straight-line basis as an expense in profit or loss in accordance with IFRS 16. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are not interrelated with other leased assets and is low value in nature.

Extension and termination options exist for a number of leases, particularly for real estate. Such contract terms offer the Group the greatest possible flexibility in doing business. In determining lease terms, all facts and circumstances offering economic incentives for exercising extension options or not exercising termination options are taken into account. Changes due to the exercise or non-exercise of such options are considered in determining the lease term only if they are sufficiently probable.

2.7 Investment in unlisted securities

Investment represents Investment in unlisted securities. Financial assets that are within the scope of IFRS 9 are required to be subsequently measured at fair value on the basis of the Group's business model for managing financial assets. The group measured the investment in unlisted securities on fair value through profit or loss. In connection with unlisted securities held as of 31 December 2021 and 2020, see Note 7.

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)****2.8 Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost at acquisition less accumulated depreciation. Cost includes the original purchase price for the asset and costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all property, plant and equipment so as to write off the cost, less any residual value, on a straight-line basis over the expected useful economic lives of the assets concerned by applying the following annual lives

Leasehold improvement	- Over the remaining term of the lease
Office furniture and equipment	- 6-7 years straight line
Computer, software and peripheral equipment	- 3 years straight line

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. An asset's carrying amount is written down immediately to its recoverable amount (higher of an asset's fair value less costs to sell and value in use) if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated income statement.

2.9 Trade payables

Trade payables are either obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers or transaction obligations for amounts due to end customer.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are classified as current liabilities if settlement is due within one year or less. If not, they are presented as non-current liabilities.

2.10 Foreign currency translation**(a) Functional and presentation currency**

Items included in the financial statements of 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 statements are presented in U.S. Dollars (\$), which is the Company's and the Group's functional and presentational currency.

The exchange rate as of December 31, 2021 and 2020 from British Pound ("GBP") to United States Dollars ("USD") was: GBP= 1.35148 USD and GBP=1.366 USD.

The exchange rate as of December 31, 2021 and 2020 from New Israeli Shekel ("NIS") to United States Dollars ("USD") was: NIS= 0.32154 USD and NIS= 0.31104 USD.

The exchange rate as of December 31, 2021 and 2020 from EUR to United States Dollars ("USD") was: EUR= 1.1318 USD and EUR= 1.22678 USD.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation to year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

VOYAGER LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued) **FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

2.10 Foreign currency translation (continued)

The assets and liabilities of foreign operations are translated to the Group's presentational currency at foreign exchange rates ruling at the reporting date. Exchange differences arising from this translation of foreign operations are taken directly to the foreign exchange reserve.

The income and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

2.11 Taxation

The tax expense for the period comprises current and deferred tax.

Current income tax is recognised based on the amounts expected to be paid or recovered under the tax rates and laws in the countries where the Company and its subsidiaries operate and generate taxable income at the reporting date.

Deferred income tax is provided in full, using the liability method, on temporary differences that arise between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding tax base. A temporary difference is a taxable temporary difference if it will give rise to taxable amounts in the future when the asset or liability is settled. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be offset. Deferred tax assets and liabilities recognised are not discounted. Current tax assets and liabilities are shown separately on the face of the statement of financial position. Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset taxation assets with taxation liabilities.

A Deferred tax asset for the carry forward tax losses was not recognised as there is not sufficient evidence to support the utilisation of these tax losses.

2.12 Share based compensation

The Group makes share-based payments to certain employees. The Group measured and recognize the compensation expense based on estimated fair values for all share-based payment awards made to employees and directors.

The Group estimate the fair value of equity-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's consolidated statements of operations, based on the accelerated attribution method.

2.13 Share capital

Ordinary and preferred shares are classified as equity.

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

VOYAGER LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued) **FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

2.14 Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation; and if the amount can be reliably measured. If the obligation cannot be reliably measured, it is classified as a contingent liability.

2.15 Critical accounting judgements and estimates

The preparation of the financial statement requires the use of accounting estimates which, by definition, will seldom equal the actual results. Significant estimates and judgement include:

(i) Revenue recognition: The Group's revenue recognition policies require it to make significant judgments and estimates. In applying its revenue recognition policy, The Group must determine which portions of its revenue are recognized at a point in time (generally product revenue) and which portions must be deferred and recognized over time (generally services and support revenue). The Group analyses various factors including, but not limited to, the selling price of undelivered services when sold on a stand-alone basis, the creditworthiness of its customers, and contractual terms and conditions in helping the Group to make such judgments about revenue recognition. Changes in judgment on any of these factors could materially impact the timing and amount of revenue recognized in a given period;

(ii) Stock based compensation: the Group selected the Black-Scholes-Merton option-pricing model as the most appropriate method for computing the fair value of its share-based awards, using the standard parameters established in that model including estimates relating to the fair value of its ordinary shares, volatility, estimated life of the instruments, risk-free interest rates and dividends yield. Any changes to these factors and assumptions can affect the estimate of fair value of stock-based compensation and, consequently, the related expense recognized;

(iii) Financial asset at FVTPL – see note 7 and 17.

2.16 Cash and cash equivalents

Cash is defined as cash in hand and on demand deposits. Cash equivalents are defined as short term, highly liquid investments with original maturities of three months or less.

2.17 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-60 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.18 Financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group 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.

VOYAGER LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued) **FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**

3. RISK MANAGEMENT

3.1 Financial Risk Management

Exchange Rate Risk

Some of the Group's assets and liabilities are affected by fluctuations in the exchange rate primarily between the U.S. dollar and the New Israeli Shekels ("NIS") and to a lesser extent between the U.S. dollar and the Euro and GBP.

As of December 31, 2021, the Group's total assets and liabilities linked to the NIS amounted to \$2,866 thousands and \$3,515 thousands, respectively. A 10% depreciation of the dollar in relation to the NIS would cause an exchange gain of \$72 thousands (2020: loss of \$72 thousands).

As of December 31, 2021, the Group's total assets and liabilities linked to the Euro amounted to \$811 thousands and \$62 thousands, respectively. A 10% depreciation of the dollar in relation to the Euro would cause an exchange rate income of \$83 thousands. (2020: income of \$150 thousands).

Interest Rate Risk

The Group invests in cash, cash equivalents and bank deposits. Market interest rate changes increase or decrease the interest income the Group generates from these interest-bearing assets.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalent to meet obligations when due and to close out market positions. At the end of the reporting period the group held deposits at call of \$3,698 thousand (2020: \$9,750 thousand) that are expected to readily generate cash inflows for managing liquidity risk.

3.2 Capital risk management

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.
- In order to maintain or adjust the capital structure, the group might adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Currently, the Group does not have any debt and is debt-free and has not paid any dividend as it loss making.

The Group has only ordinary and preferred shares and no additional capital that require risk management (Note 15)

3.3 Credit risk management

Financial instruments that subject the Group to concentrations of credit risk consist primarily of cash, cash equivalents and restricted cash, which are deposited in major UK, Israeli and American financial institutions. Management believes that these financial institutions are financially sound and there is no significant risk.

Customers risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set, based on internal or external ratings, in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**3. RISK MANAGEMENT (CONTINUED)****3.3 Credit risk management (continued)**

The Company maintains allowance for estimated losses resulting from the inability of the Group's customers to make required payments. Allowance of expected credit losses represents the current estimate of lifetime expected credit losses over the remaining duration of existing accounts receivable considering current market conditions and supportable forecasts when appropriate. The estimate is a result of the Group's ongoing evaluation of collectability, customer creditworthiness, historical levels of credit losses and future expectations.

The allowance of expected credit losses was not material for the periods presented.

4. OPERATING EXPENSES

Operating expenses is stated after charging/(crediting):

	Group 2021	Group 2020
Salaries and related expenses including share-based payments	17,486	17,052
Fair value unrealised gain on investments	-	(864)
Provision for bad debt	58	-
Depreciation of right of use assets	516	518
Depreciation	307	339
Fees payable to the Company's auditors and their associates for the audit of parent company and consolidated financial statements	169	55
Fees payable to the Company's auditors for other services	6	9
Fees payable to the Company's auditors associates for the audit of the Company's subsidiaries	10	24
Fees payable to the Company's auditors associates for other services	13	13

Average monthly number of persons employed by the Group per activities, was:

	Group 2021	Group 2020
Operation	10	9
Research and development	55	59
Sales and marketing	33	27
General and administrative	16	14
Total	114	109

Employment costs for all the above employees, including directors, were:

	Group 2021	Group 2020
Wages and salaries	16,049	13,330
Social security costs	617	2,756
Share based payments	820	966
Total	17,486	17,052

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**5. DIRECTORS' EMOLUMENTS**

Total emoluments in respect of all directors of the Group and Company are:

	2021	2020
Salaries and related expenses	379	375
Share based payments	43	22
Total	422	397

The board of directors are considered to be key management personnel.

During the year the highest paid director received aggregate emoluments (salaries and related expenses only) of \$379 (2020 - \$375).

6. INCOME TAX EXPENSE**(a) Tax on loss on ordinary activities**

	Group 2021	Group 2020
Current tax		
Overseas tax	105	108
Local tax	7	(21)
Total tax expense	112	87

Overseas tax is calculated based on net profit in the entities and the local tax statutory rules and rates.

The Israeli subsidiary carry forward losses for tax purposes are approximately \$64.5 million (2020 – \$58 million). No deferred tax asset has been recognised in the year.

(b) Factor affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Group 2021	Group 2020
Loss on ordinary activities before tax	(11,137)	(11,387)
Loss before tax on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020:19%)	(2,116)	(2,164)
Effects of:		
Expenses not deductible for tax purposes	156	73
Unrelieved tax losses carried forward	1,868	2,127
Overseas tax rate higher than UK corporate tax rate	(104)	58
Other differences leading to increase (decrease) in tax	308	(7)
Total tax expense	112	87

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**7. FINANCIAL ASSET AT FVTPL**

In December 2015, the Company invested \$2,000 in a privately-held company. As of the investment date and as at 31 December 2020 the Company holds insignificant holdings in this company's equity.

Financial assets that are within the scope of IFRS 9 are required to be subsequently measured at fair value on the basis of the Group's business model for managing financial assets. The Group measured the investment in the unlisted securities on fair value through profit or loss. Due to unavailability of observable data inputs as at balance sheet date, the investment has been carried on the prior year fair value which was based on Series C funding round held in February 2021. This is determined to be a level 2 financial asset.

8. PROPERTY, PLANT AND EQUIPMENT

	Computer, software and peripheral equipment	Leasehold improvement	Office furniture and equipment	Total
Group				
Cost				
At 1 January 2020	1,304	344	161	1,809
Additions	247	-	2	249
At 31 December 2020	1,551	344	163	2,058
Additions	113	2	(28)	87
At 31 December 2021	1,664	346	135	2,145
Accumulated depreciation				
At 1 January 2020	770	312	39	1,121
Charge for the year	308	12	19	339
At 31 December 2020	1,078	324	58	1,460
Charge for the year	320	3	(16)	307
At 31 December 2021	1,398	327	42	1,767
Net book value				
At 31 December 2021	266	19	93	378
At 31 December 2020	473	20	105	598

9. LEASES

The Company applies IFRS16 for two of its lease agreements, for the premises used by its Israeli Subsidiary. Both leases are classified as operating leases in accordance with the standard.

In November 2019, the Israeli Subsidiary signed a lease agreement for office space in the Southern area. The one-year lease included an option provision for an additional year, for which the Company determined that its exercise is reasonably certain. The monthly lease payments are approximately \$5 thousand, including a maintenance fee.

In January 2020, the Israeli Subsidiary signed an additional lease agreement for office and parking spaces in the Central area. The two-year lease included an option provision for an additional year, for which the Company determined that its exercise is not reasonably certain. The monthly lease payments are approximately \$40 thousand, including a maintenance fee. The lease payments are denominated in NIS and are linked to the consumer price index (CPI).

The Company's operating lease expenses are recognized on a straight-line basis. Operating lease cost and cash payments for the twelve months ended December 31, 2021 and 2020, were as follows:

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**9. LEASES (continued)**

	Group 2021	Group 2020
Cash payments for operating leases	497	550
Operating lease cost	484	564
Short term lease costs*	301	226
Right-of-use assets obtained in exchange for new operating lease liabilities	169	913

* Short term lease costs relate to leases under the practical expedient regarding leases for under 12 months in Voyager Analytics Inc.

The right of use asset relates to the lease for the office premises. The carrying value of the right of use asset as at 31 December 2021 is \$161 (2020: \$508). The depreciation on the right of use asset for the year ended 31 December 2021 was \$516 (2020: \$518)."

Future maturities of the Israeli Subsidiary's operating lease liabilities are approximately \$198 thousand in 2021 (2020: \$538).

Lease liabilities	31 December 2021	31 December 2020
Current	78	522
Non-Current	110	-
Present value of lease liabilities	188	522
Imputed interest	10	16
Future maturities	198	538

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company holds the entire issued share capital (both direct and indirect) of the following companies:

Company name	Country of incorporation	Address	Percentage Shareholding	Principal Activity
Bionic 8 Analytics Ltd	Israel	6 Hacharash St. Hod Hasharon	100%	Research, development and sales and marketing
Voyager Analytics, Inc.	United States of America	11200 Rockville Pike, North Bethesda, MD 20852	100%	Sales and marketing
Novarize, Inc. (indirect holding)	United States of America	11200 Rockville Pike, North Bethesda, MD 20852	100%	Sales and marketing

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS (continued)**

All subsidiary undertakings have been included in the consolidated and Company financial statements.

	Company 2021	Company 2020 (Restated)
Beginning of year – restated (Noted 2.3 (a))	58,520	40,404
Additions in year	-	17,150
Effects of share-based payment transactions		
- Impact of restatement (Note 2.3(a))	--	9066
- Contribution made during the year	820	-
End of year	<u>59,340</u>	<u>58,520</u>

The Company believes that the value of the Investment is supported by the recoverable amount of Bionic 8 Analytics Ltd.

11. CASH USED IN OPERATIONS

	Group 2021	Company 2021	Group 2020	Company 2020
Group				
(Loss) / profit before income tax	(11,137)	(1,039)	(11,387)	693
Adjustments for:				
Depreciation	307	-	339	-
Depreciation of right of use assets	516	-	518	-
Share based payments	820	-	966	-
Changes in working capital:				
Increase in trade and other receivables	(6,232)	(6,912)	(999)	(1,522)
Accrued severance pay	68	-	31	-
Increase in trade and other payables	4,095	3,062	383	240
Unrealised gain on investments	-	-	(864)	(864)
Cash used in operations	<u>(11,563)</u>	<u>(4,889)</u>	<u>(11,013)</u>	<u>(1,453)</u>

12. TRADE AND OTHER RECEIVABLES

	Group 31 December 2021	Company 31 December 2021	Group 31 December 2020	Company 31 December 2020
Trade receivables, net	2,215	404	625	-
Unbilled receivables	5,363	405	1,494	468
Amounts owed by Group undertaking	-	30,659	-	24,284
Contract assets and prepaid expenses	1,781	697	508	149
Other receivables	517	128	1,017	480
Total	<u>9,876</u>	<u>32,293</u>	<u>3,644</u>	<u>25,381</u>

*Net of allowances of \$58 as of December 31, 2022.

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**13. TRADE AND OTHER PAYABLES**

	Group	Company	Group	Company
	31 December	31 December	31 December	31 December
	2021	2021	2020	2020
Trade payables	2,895	56	1,398	6
Amounts owed to Group undertaking	-	3,720	-	-
Payable to employees	3,388	-	2,172	-
Contract liabilities *	2,357	255	2,976	1,151
Accrued expenses	359	77	484	53
Total	8,999	4,108	7,030	1,210

* Total gross contract liabilities as of December 31, 2021 amounted to \$6,554 (December 31, 2020 - \$3,997). The increase in contract liabilities is on account receipt of advance from customers on account of sales contracts during the year.

14. Other long-term liabilities**Accrued severance pay**

Israeli labour law generally requires payment of severance pay upon dismissal of an employee or upon termination of employment in certain other circumstances. The Company's pension and severance pay liability to certain employees is covered mainly by purchase of insurance policies. Pursuant to section 14 of the Severance Compensation Act, 1963 ("section 14"), most of the Company's employees are entitled to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments in accordance with section 14 relieve the Company from any future severance payments in respect of those employees and as such the Company may only utilize the insurance policies for the purpose of disbursement of severance pay. The Company has recorded a severance pay liability for the amount that would be paid if certain of its employees were terminated at the balance sheet date, in accordance with Israeli labour law. This liability is computed based upon the number of years of service multiplied by their monthly salary. Accrued severance pay for the Group as of 31 December 2021 and 2020 were \$291 and \$223 respectively.

Non-current contract liabilities

These contract liabilities represents advance received from customers and are not expected to be settled in next 12 months amounting to \$2,223 (2020: Nil).

15. SHARE CAPITAL AND SHARE PREMIUM

a. The Company issued 4,515 preferred A-3 shares 3,408 preferred A-2 shares and 2,634 preferred A-1 shares in consideration of \$74,997, \$19,997 and \$5,000 on April 2015, September 2014 and February 2014, respectively.

The total consideration from those issuances, net of issuance costs, amounted to \$99,572 thousands.

b. In September 2015 the Company issued bonus shares, such that each current shareholder that hold one share, received additional 999 shares from the same type.

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**15. SHARE CAPITAL AND SHARE PREMIUM (continued)**

c. The Company's capital consisted of the following as of 31 December, 2021 and 2020:

	Authorized capital		Fully paid and issue	
	31 December		31 December	
	2021	2020	2021	2020
	Number of shares		Number of shares	
A Preferred Shares of £0.001 each	5,700,000	5,700,000	5,700,000	5,700,000
A-1 Preferred Shares of £0.001 each	2,634,000	2,634,000	2,634,000	2,634,000
A-2 Preferred Shares of £0.001 each	3,408,000	3,408,000	3,408,000	3,408,000
A-3 Preferred Shares of £0.001 each	4,515,000	4,515,000	4,515,000	4,515,000
B Ordinary Shares of £0.001 each	4,300,000	4,300,000	4,300,000	4,300,000
C Ordinary Shares of £0.001 each	2,284,111	2,284,111	1,000,989	918,341
	<u>22,841,111</u>	<u>22,841,111</u>	<u>21,557,989</u>	<u>21,475,341</u>

Par value of the company fully paid and issue shares in U.S. Dollars in thousands as of December 31, 2021 and 2020:

	31 December	
	2021	2020
A Preferred Shares of £0.001 each	9	9
A-1 Preferred Shares of £0.001 each	4	4
A-2 Preferred Shares of £0.001 each	5	5
A-3 Preferred Shares of £0.001 each	7	7
B Ordinary Shares of £0.001 each	6	6
C Ordinary Shares of £0.001 each	2	1
	<u>33</u>	<u>32</u>

d. The preferred shares listed above carried certain preferential rights to conversion, dividends rights, liquidation preferences and voting rights over certain corporate actions.

16. COMPANY RELATED PARTY TRANSACTIONS

The Company has elected the exemption not to disclose transactions entered into with other entities in which 100% of the share capital of such entities are held within the Group.

For directors' emolument see Note 5.

During the year the Company incurred the following related party transactions with its Group companies:

<u>Receivables Balances</u>	Company 31 December 2021	Company 31 December 2020
Bionic 8 Analytics Ltd	<u>30,659</u>	<u>24,322</u>
<u>Payables Balances</u>	Company 31 December 2021	Company 31 December 2020
Bionic 8 Analytics Ltd	<u>3,720</u>	<u>38</u>

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**16. COMPANY RELATED PARTY TRANSACTIONS (continued)**

The Company, in the ordinary course of business, entered into distribution agreement and management services with Bionic 8 Analytics. These transactions are under terms that are no less favourable to the Group than those arranged with third parties. Total services from Bionic 8 Analytics Ltd during the year ended 31 December, 2021 amounted of \$ 3,720 (31 December 2020 – \$5,609).

17. FAIR VALUES OF FINANCIAL INSTRUMENTS (Group and Company)

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances and Trade and Other receivables. Financial liabilities consist of Trade and Other payables and amounts due to related parties.

All financial assets and financial liabilities have been recognised at their carrying values which are not materially different to their fair values. None of the financial assets and financial liabilities need to be impaired.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of cash and cash equivalents, trade receivables and trade payables approximate their fair value due to the short-term maturity of such instruments.

The following table categorises the carrying value of the financial assets and liabilities at the balance sheet date all of which are held at amortised cost. In each case, the fair value is not materially different to the carrying value.

	Group 31 December 2021	Company 31 December 2021	Group 31 December 2020	Company 31 December 2020
Financial assets				
Trade and other receivables	7,728	31,522	3,136	25,232
Cash and cash equivalents	11,701	5,514	23,300	9,778
Financial assets at FVTPL	2,864	2,864	2,864	2,864
	22,293	39,900	29,300	37,874
Financial liabilities				
Trade and other payables	6,642	3,853	4,054	59
Lease liabilities	188	-	522	-
	6,830	3,853	4,576	59

The following table categorises the carrying value of the financial assets at the balance sheet date all of which are held at fair value through profit or loss. The asset is classified as a level 2 financial asset.

	Group and Company	
	31 December 2021	31 December 2020
Financial asset at FVTPL	2,864	2,864

VOYAGER LABS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)**18. SHARE BASED PAYMENTS**

The Company has adopted a share option plan on February 27, 2013, which was amended in February 2016, in favour of employees of and consultants to the Company and any of its subsidiary undertakings in respect of options over C Shares.

The Company has reserved 2,284,111 shares for issuance under the Option Plan, as amended.

Share option grants generally vest over a four-year period and generally have contractual terms of ten years.

The following table summarizes share option activity for the years ended 31 December 2021 and 2020, including adjustment derives from the stock dividend, as mentioned in Note 15b:

	Number of options	Weighted average exercise price (\$)
Options outstanding as of 1 January 2020	861,458	7.050
Granted	118,743	8.880
Exercised	(1,167)	6.340
Forfeited	(183,987)	7.334
Options outstanding as of 31 December 2020	<u>795,047</u>	<u>7.259</u>
Granted	297,730	10.320
Exercised	(82,648)	7.539
Forfeited	(157,033)	8.649
Options outstanding as of 31 December 2021	<u>853,096</u>	<u>8.044</u>

Options exercisable as of 31 December 2021 amount to 389,391 (31 December 2020 – 343,278).

The fair value of option granted was estimated using the Black-Scholes option-pricing model. The assumptions used to value options granted during 2021 and 2020 was as follows:

Assumptions:	2021	2020
Risk-free interest rate	<u>0.71%-1.21%</u>	0.29%-0.41%
Expected term (in years)	6.25	6.25
Dividend yield	0%	0%
Volatility	76.40%	49.50%
Average fair value market	\$10.5	\$8.88

Share based compensation expenses totalled to \$820 thousands and \$966 thousands for the years ended on 31 December 2021 and 2020, respectively.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

19. CONTROLLING PARTY

The Company is owned by a number of private shareholders and companies, none of whom own a significant proportion of the issued share capital of the Company. Accordingly, there is no parent entity nor ultimate controlling party in which the company's results are consolidated.

VOYAGER LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (GROUP AND COMPANY) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021 (U.S. Dollars in thousands)

20. SUBSEQUENT EVENT

Bank Loan

On April 14, 2022 (hereafter – agreement date), the Israeli Subsidiary entered into an agreement with an Israeli bank, under which the bank shall provide a credit line of up to \$12 million which may be withdrawn in one or more drawdowns (the credit line shall expire within 364 days from agreement date), the repayment period will be 36 months from the date of the first drawdown. Amounts drawn shall bear an interest rate of 6% per annum, plus Secured Overnight Financing Rate ("SOFR"). Under the agreement, the Group must have a deposit amounting to at least 50% of the credit line's current maturities, including accumulated interest, in accordance with the amortization schedule, with principal repayments commencing from December 2022.

The Group withdrew the full \$12 million principal amount between May and September 2022.

Litigation and claims

On January 12, 2023, Meta Platforms, Inc. filed a complaint in the U.S. District Court for the Northern District of California, asserting breach of contract against Voyager Labs Limited. In its Complaint, Meta alleges that Voyager Labs Limited has violated the Facebook Terms of Service, the Instagram Terms of Service, and the Meta Commercial Terms of Use. In addition to permanent injunctive relief, Meta seeks an unspecified amount of damages for investigative costs and a disgorgement of profits. At this early stage of the litigation, it is not possible to estimate Meta's likely monetary recovery if it were to prevail. Voyager Labs Limited intends to vigorously defend against Meta's Complaint, which it believes lacks merit.