

ELLIPTIC ENTERPRISES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



ELLIPTIC ENTERPRISES LIMITED

COMPANY INFORMATION

Directors	E W A Lascelles S D Maini C C Pilling R Seewald J S Smith Z Xu
Registered number	08458210
Registered office	Office 7 35-37 Ludgate Hill London EC4M 7JN
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

ELLIPTIC ENTERPRISES LIMITED

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ELLIPTIC ENTERPRISES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

Elliptic provides market leading crypto compliance solutions and services that are used by crypto businesses, financial institutions, law enforcement agencies and regulators to detect and prevent financial crime in cryptoassets through Blockchain analytics across more than 500 cryptoassets and over 100 billion data points, helping to provide accurate and actionable insights that businesses can rely on to mitigate risk and be compliant.

Business review

Elliptic has an established presence in the US, Asia and EMEA, servicing the needs of clients globally. The year ended 31 March 2022 saw Elliptic continue to grow its revenue streams, with revenue growing by 40% in 2022.

The Group continued to invest heavily in technology infrastructure and innovation, improving and expanding its product offering and user experience. This included the development of Holistic Screening, the first and only true unified view of value flows across all major blockchains and cryptoassets at scale at the click of a button. The Group also continued to develop its blockchain coverage with 98% of global trading volumes covered.

Principal risks and uncertainties

Foreign exchange risk

Elliptic has some exposure to foreign exchange fluctuations through its business operations with suppliers and customers. The company manages this risk through the identification of future currencies flows and maintenance of foreign currency bank accounts, largely matching currencies of cash reserves with overheads.

Change Management Risk

Inherent to Elliptic's strategy is rapid business change through product innovation, market direction and expansion, and investment in technical enhancements. This risk arises from organisational change, product introduction or enhancement and changes to the technology platform and supporting infrastructure.

All business departments and employees manage change and development as part of the normal course of business. Significant projects are actively managed by delivery managers to ensure that changes are effectively managed and delivered with executive, and where appropriate, board oversight.

Cyber and Data security risk

Both cyber security threats which might attempt to access Elliptic systems or data, and other IT infrastructure risks that could cause customers to experience a loss of service are principal risks.

The group maintains advanced security systems and organisational controls to mitigate these risks. These include a dedicated security team, company wide training, monitoring and alerting across key infrastructure systems and regular testing. The Group has demonstrated its security infrastructure through its SOC2 certification.

ELLIPTIC ENTERPRISES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties (continued)

Market volatility

The cryptoasset ecosystem is an emerging market with inherent risk of adverse changes impacting businesses that operate in the space. Elliptic is exposed to the risk that its earnings, capital or ability to meet business objectives could be adversely affected by changes in the level or volatility of market variables.

The group continually monitors exposure to market volatility, and mitigates risk with a rigorous and prudent approach to financial modelling and scenario planning. Adequate working capital and cost-base flexibility are maintained with a view to navigating potential changes in market conditions to capitalise on both challenges and opportunities.

Reputational Risk

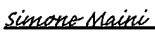
Elliptic has an unwavering commitment to providing the highest quality data in the blockchain analytics industry - helping customers meet their compliance and investigatory objectives. A significant lapse in data quality or timeliness could damage Elliptic's reputation as the market leader in enterprise and bank-grade data quality at scale.

While it is not possible for any blockchain analytics service to identify every possible risk, or data of interest within a given time-frame, the group prioritises its market leading position. This is monitored, and policies and processes are put in place to ensure there are safeguards against such a lapse in quality of service.

Financial key performance indicators

During the year, Elliptic grew its revenue by 40% to £6.1m (2021 - £4.4m). This was achieved by the consistent acquisition of new customers, as well as existing customer growth as Elliptic enables customers to scale their businesses. New customers include those native to the crypto market, law enforcement agencies and regulators, as well as fintech and traditional financial institutions moving into crypto.

This report was approved by the board and signed on its behalf.


Simone Maini (Dec 20, 2022 12:37 GMT)

S D Maini
Director

Date: 20/12/2022

ELLIPTIC ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Principal activity

The Group's principal activity is that of providing anti money laundering software tools.

Results and dividends

The loss for the year, after taxation, amounted to £14,698,767 (2021 - £6,899,099).

The directors do not recommend payment of a dividend (2021 - £Nil).

Directors

The directors who served during the year were:

E W A Lascelles
S D Maini
C C Pilling
R Seewald (appointed 6 October 2021)
J S Smith
Z Xu
T Nii (resigned 1 October 2021)
C Scoggins (resigned 1 October 2021)

Future developments

The Group expects to continue to provide crypto compliance solutions and services.

The fund raise in the year provides the Directors with the confidence and platform to enable the Group to continue its growth strategy and invest in it's people, infrastructure and innovation.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

Post balance sheet events are disclosed within note 24.

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ELLIPTIC ENTERPRISES LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

This report was approved by the board and signed on its behalf.

Simone Maini
Simone Maini (Dec 20, 2022 12:37 GMT)

S D Maini
Director

Date: 20/12/2022

ELLIPTIC ENTERPRISES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- 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 will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELLIPTIC ENTERPRISES LIMITED

Opinion

We have audited the financial statements of Elliptic Enterprises Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

ELLIPTIC ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELLIPTIC ENTERPRISES LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ELLIPTIC ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELLIPTIC ENTERPRISES LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained a general understanding of the Group and Company's legal and regulatory frameworks through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the Group and Company's policies and procedures in relation to compliance with relevant laws and regulations and how management identify breaches of the applicable requirements. We also drew on our existing understanding of the Group and Company's industry and regulation.

We understand that the Group and the Company comply with requirements of the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group and Company's abilities to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Group and Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

To gain evidence about compliance with the significant laws and regulations above we reviewed board meeting minutes, reviewed the legal expense account and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries and incorrect recognition of revenue. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of revenue transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the Group and Company's processes and controls surrounding manual journal entries.

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

ELLIPTIC ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELLIPTIC ENTERPRISES LIMITED
(CONTINUED)

Use of our report

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

CLA Evelyn Partners

CLA Evelyn Partners (Dec 20, 2022 14:52 GMT)

Chetan Mistry (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Chartered Accountants

Statutory Auditor

45 Gresham Street

London

EC2V 7BG

Date: 20/12/2022

ELLIPTIC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	6,117,081	4,359,487
Cost of sales		(923,638)	(669,178)
Gross profit		5,193,443	3,690,309
Administrative expenses		(20,171,133)	(10,511,067)
Exceptional administrative expenses	5	-	(266,902)
Other operating income	6	1,622	173,039
Operating loss	7	(14,976,068)	(6,914,621)
Interest receivable and similar income	11	4,278	17,086
Loss before taxation		(14,971,790)	(6,897,535)
Tax on loss	12	273,023	(1,564)
Loss for the financial year		(14,698,767)	(6,899,099)
Crypto currency revaluation	13	(96,726)	226,287
Foreign exchange movement		(31,819)	12,422
Other comprehensive (loss)/income for the year		(128,545)	238,709
Total comprehensive loss for the year		(14,827,312)	(6,660,390)

The notes on pages 21 to 41 form part of these financial statements.

ELLIPTIC ENTERPRISES LIMITED
REGISTERED NUMBER:08458210

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	164,708	269,079
Tangible assets	14	348,252	104,432
		<u>512,960</u>	<u>373,511</u>
Current assets			
Debtors: amounts falling due within one year	16	3,910,867	1,427,916
Cash at bank and in hand	17	38,029,929	8,057,517
		<u>41,940,796</u>	<u>9,485,433</u>
Creditors: amounts falling due within one year	18	(5,630,585)	(2,172,837)
Net current assets		<u>36,310,211</u>	<u>7,312,596</u>
Total assets less current liabilities		<u>36,823,171</u>	<u>7,686,107</u>
Net assets		<u><u>36,823,171</u></u>	<u><u>7,686,107</u></u>
Capital and reserves			
Called up share capital	19	10	7
Share premium account	20	73,677,565	29,755,550
Revaluation reserve	20	141,251	237,977
Foreign exchange reserve	20	(85,616)	(53,797)
Share options reserve	20	120,183	83,560
Profit and loss account	20	(37,030,222)	(22,337,190)
Shareholders' funds		<u><u>36,823,171</u></u>	<u><u>7,686,107</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Simone Maini
Simone Maini (Dec 20, 2022 12:37 GMT)

S D Maini
Director

Date: 20/12/2022

The notes on pages 21 to 41 form part of these financial statements.

ELLIPTIC ENTERPRISES LIMITED
REGISTERED NUMBER:08458210

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	164,708	269,079
Tangible assets	14	281,045	90,452
Investments	15	118,477	118,477
		<u>564,230</u>	<u>478,008</u>
Current assets			
Debtors: amounts falling due within one year	16	4,405,807	2,332,148
Cash at bank and in hand	17	36,022,498	6,652,387
		<u>40,428,305</u>	<u>8,984,535</u>
Creditors: amounts falling due within one year	18	(3,455,555)	(1,083,669)
Net current assets		<u>36,972,750</u>	<u>7,900,866</u>
Total assets less current liabilities		<u>37,536,980</u>	<u>8,378,874</u>
Net assets		<u><u>37,536,980</u></u>	<u><u>8,378,874</u></u>
Capital and reserves			
Called up share capital	19	10	7
Share premium account	20	73,677,565	29,755,550
Revaluation reserve	20	141,251	237,977
Share options reserve	20	120,183	83,560
Profit and loss account brought forward		(21,698,220)	(14,647,312)
Loss for the year		(14,709,544)	(6,977,259)
Other changes in the profit and loss account		5,735	(73,649)
Profit and loss account carried forward	20	<u>(36,402,029)</u>	<u>(21,698,220)</u>
Shareholders' funds		<u><u>37,536,980</u></u>	<u><u>8,378,874</u></u>

ELLIPTIC ENTERPRISES LIMITED
REGISTERED NUMBER:08458210

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Simone Maini
Simone Maini (Dec 20, 2022 12:37 GMT)

S D Maini
Director

Date: 20/12/2022

The notes on pages 21 to 41 form part of these financial statements.

ELLIPTIC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Revaluation reserve	Foreign exchange reserve	Share options reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 April 2021	7	29,755,550	237,977	(53,797)	83,560	(22,337,190)	7,686,107
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(14,698,767)	(14,698,767)
Crypto currency revaluation	-	-	(96,726)	-	-	-	(96,726)
Currency translation differences	-	-	-	(31,819)	-	-	(31,819)
Total comprehensive income for the year	-	-	(96,726)	(31,819)	-	(14,698,767)	(14,827,312)
Shares issued during the year (note 19)	3	43,922,015	-	-	-	-	43,922,018
Share-based payment expense (note 21)	-	-	-	-	42,358	-	42,358
Lapsed options (note 21)	-	-	-	-	(5,735)	5,735	-
Total transactions with owners	3	43,922,015	-	-	36,623	5,735	43,964,376
At 31 March 2022	10	73,677,565	141,251	(85,616)	120,183	(37,030,222)	36,823,171

ELLIPTIC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Revaluation reserve	Foreign exchange reserve	Share options reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 April 2020 (unaudited)	7	29,730,132	-	(66,219)	-	(15,364,442)	14,299,478
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(6,899,099)	(6,899,099)
Surplus on revaluation of other fixed assets	-	-	226,287	-	-	-	226,287
Currency translation differences	-	-	-	12,422	-	-	12,422
Total comprehensive income for the year	-	-	226,287	12,422	-	(6,899,099)	(6,660,390)
Shares issued during the year	-	25,418	-	-	-	-	25,418
Transfer to/from profit and loss account	-	-	11,690	-	78,117	(89,807)	-
Share-based payment expense	-	-	-	-	21,601	-	21,601
Lapsed options	-	-	-	-	(16,158)	16,158	-
Total transactions with owners	-	25,418	11,690	-	83,560	(73,649)	47,019
At 31 March 2021	7	29,755,550	237,977	(53,797)	83,560	(22,337,190)	7,686,107

ELLIPTIC ENTERPRISES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Revaluation reserve	Share options reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2021	7	29,755,550	237,977	83,560	(21,698,220)	8,378,874
Comprehensive income for the year						
Loss for the year	-	-	-	-	(14,709,544)	(14,709,544)
Crypto currency revaluation	-	-	(96,726)	-	-	(96,726)
Total comprehensive income for the year	-	-	(96,726)	-	(14,709,544)	(14,806,270)
Contributions by and distributions to owners						
Shares issued during the year	3	43,922,015	-	-	-	43,922,018
Share-based payment expense	-	-	-	42,358	-	42,358
Lapsed options	-	-	-	(5,735)	5,735	-
Total transactions with owners	3	43,922,015	-	36,623	5,735	43,964,376
At 31 March 2022	10	73,677,565	141,251	120,183	36,402,029	37,536,980

ELLIPTIC ENTERPRISES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Share premium account £	Revaluation reserve £	Share options reserves £	Profit and loss account £	Total equity £
At 1 April 2020 (unaudited)	7	29,730,132	-	-	(14,647,312)	15,082,827
Comprehensive income for the year						
Loss for the year	-	-	-	-	(6,977,259)	(6,977,259)
Crypto currency revaluation	-	-	226,287	-	-	226,287
Total comprehensive income for the year	-	-	226,287	-	(6,977,259)	(6,750,972)
Contributions by and distributions to owners						
Shares issued during the year (note 19)	-	25,418	-	-	-	25,418
Transfer to/from profit and loss account	-	-	11,690	78,117	(89,807)	-
Share-based payment expense (note 21)	-	-	-	21,601	-	21,601
Lapsed options (note 21)	-	-	-	(16,158)	16,158	-
Total transactions with owners	-	25,418	11,690	83,560	(73,649)	47,019
At 31 March 2021	7	29,755,550	237,977	83,560	(21,698,220)	8,378,874

ELLIPTIC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(14,698,767)	(6,899,099)
Adjustments for:		
Loss on disposal of intangible assets	-	24,785
Depreciation of tangible assets	111,523	63,811
Loss on disposal of tangible assets	2,735	1,927
Government grants	(1,622)	-
Interest received	(4,278)	(17,086)
Taxation (credit)/charge	(273,023)	1,564
Increase in debtors	(2,480,180)	(143,008)
Increase in creditors	3,431,724	687,812
Corporation tax received	267,302	2,513
Foreign exchange movement	(31,819)	13,663
Share-based payment charge	42,358	21,601
Net cash used in operating activities	(13,634,047)	(6,241,517)
Cash flows from investing activities		
Sale of intangible assets	7,645	-
Purchase of tangible fixed assets	(362,702)	(37,073)
Sale of tangible fixed assets	4,624	1,515
Government grants received	1,622	-
Interest received	4,278	17,086
Net cash used in investing activities	(344,533)	(18,472)

ELLIPTIC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from financing activities		
Issue of share capital	43,922,018	25,418
Net cash generated from financing activities	43,922,018	25,418
Net increase/(decrease) in cash and cash equivalents	29,943,438	(6,234,571)
Cash and cash equivalents at beginning of year	8,056,764	14,291,335
Cash and cash equivalents at the end of year	38,000,202	8,056,764
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	38,029,929	8,057,517
Credit card facilities	(29,727)	(753)
	38,000,202	8,056,764

ELLIPTIC ENTERPRISES LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	8,057,517	29,972,412	38,029,929
Credit card facilities	(753)	(28,974)	(29,727)
	<u>8,056,764</u>	<u>29,943,438</u>	<u>38,000,202</u>

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Elliptic Enterprises Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 08458210). The registered office address is Office 7 35-37 Ludgate Hill, London, EC4M 7JN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will continue to trade for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements and will be able to meet its debts as they fall due.

During the year, the Group expanded its headcount and continued to invest in its product offering and infrastructure, increasing the cost base for the year. The Group reported a loss after tax for the year of £14,698,760 (2021 - £6,899,099) and had net assets of £36,843,678 (2021 - £7,686,107). The directors have prepared forecasts to December 2025 and are confident that the Group will have the resources to meet its day to day liabilities. The Group raised \$60m in equity through a series C round in October 2021 which will provide sufficient cash reserves to cover all ongoing cash requirements for at least the next 12 months from the date of signature of these accounts.

The Group benefits from being an online marketplace, using cloud-based information technology systems for most aspects of managing and operating its business. Based on this information, the directors believe that the Group has access to adequate resources to continue being in operational existence for the foreseeable future and that it is appropriate to continue to adopt the going concern basis for the preparation of these financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Turnover

Turnover represents amounts receivable for services. The total turnover of the Group for the year has been derived from its principal activities.

Revenue from a contract to provide services is recognised in the period in which the services are provided. Amounts invoiced in advance are deferred accordingly and are presented within deferred income

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

Research and development expenditure is recognised as an expense when it is incurred.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.11 Intangible assets

Crypto currencies are included in fixed assets in the Statement of Financial Position and presented as intangible assets with indefinite useful lives. Cryptocurrencies held by the Group and Company are assessed under the Revaluation model, with initial measurement at cost and subsequent measurement at fair value less any accumulated amortisation and impairment. Revaluations above cost are recognised in Other Comprehensive Income and movements below cost expensed to profit or loss.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.16 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.18 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The directors consider that the following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recoverability of trade debtors

At each reporting date, Trade debtors are assessed for recoverability. The bad debt provision is assessed by the Directors based on their knowledge of each specific customer having regard to previous payment patterns and relevant information. If there is any evidence of impairment the carrying amount is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Comprehensive Income. At 31 March 2022 the bad debt provision for the Group amounted to £974,555 (2021: £270,317).

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	575,614	364,721
Rest of Europe	838,521	564,511
Rest of the world	4,702,946	3,430,255
	<u>6,117,081</u>	<u>4,359,487</u>

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Exceptional items

	2022 £	2021 £
Severance costs	-	273,942
Restructuring costs	-	(7,040)
	<u>-</u>	<u>266,902</u>

6. Other operating income

	2022 £	2021 £
Government grants receivable	1,622	173,039
	<u>1,622</u>	<u>173,039</u>

Grants of £1,622 relate to amounts received by the Group from overseas support schemes. In 2021 £173,039 was received by the Group in respect of the Coronavirus Job Retention Scheme ("CJRS"), a UK Government's furlough scheme which was created for the purpose of supporting businesses during the pandemic.

7. Operating loss

The operating loss is stated after charging/(crediting):

	2022 £	2021 £
Research & development expenditure incurred	772,492	452,780
Foreign exchange (gains)/losses	(42,305)	513,489
Operating lease rentals	1,016,496	1,186,862
Share-based payment expense	<u>42,358</u>	<u>21,601</u>

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	45,150	42,000
Fees payable to the Group's auditor and its associates in respect of:		
Accounts preparation	3,500	-
Taxation compliance services	4,000	-
	7,500	-

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	10,232,272	5,361,588	7,743,164	4,458,570
Social security costs	1,155,712	633,012	961,955	569,047
Cost of defined contribution scheme	167,355	88,999	89,962	60,761
	11,555,339	6,083,599	8,795,081	5,088,378

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Administration, Sales and Development	123	80	80	70

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	487,903	317,104
Group contributions to defined contribution pension schemes	2,642	2,626
Share-based payment expense	13,704	3,275
	<u>504,249</u>	<u>323,005</u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £184,850 (2021 - £153,377).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,321 (2021 - £1,313).

11. Interest receivable and similar income

	2022 £	2021 £
Other interest receivable	<u>4,278</u>	<u>17,086</u>

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on losses for the year	(273,023)	1,564
Total current tax	<u>(273,023)</u>	<u>1,564</u>

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(14,971,790)	(6,897,535)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(2,844,640)	(1,310,532)
Effects of:		
Expenses not deductible for tax purposes	31,450	4,173
Capital allowances for year in excess of depreciation	(197)	3,268
Non-taxable income	-	(7,493)
Effects of overseas tax rates	7,022	(98)
Other permanent differences	(16,447)	4,030
Utilisation of losses not previously recognised	-	(11,063)
State taxes	583	799
Research and Development tax credit	(278,655)	-
Movements in deferred tax not recognised	2,814,574	1,318,480
Other differences leading to an increase in the tax charge	13,287	-
Total tax (credit)/charge for the year	(273,023)	1,564

Factors that may affect future tax charges

A deferred tax asset of £6,538,366 (2021 - £3,723,792) in respect of available tax losses has not been recognised at 31 March 2022 due to the uncertainty over its recoverability.

Finance Act 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Intangible assets

Group and Company

	Crypto currency £
Cost	
At 1 April 2021	269,079
Disposals	(7,645)
Revaluations	(96,726)
At 31 March 2022	<u>164,708</u>
 Net book value	
At 31 March 2022	<u>164,708</u>
 <i>At 31 March 2021</i>	<u><u>269,079</u></u>

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2021	17,091	227,740	244,831
Additions	14,839	347,863	362,702
Disposals	(789)	(7,693)	(8,482)
At 31 March 2022	31,141	567,910	599,051
Depreciation			
At 1 April 2021	7,410	132,989	140,399
Charge for the year	6,425	105,098	111,523
Disposals	(33)	(1,090)	(1,123)
At 31 March 2022	13,802	236,997	250,799
Net book value			
At 31 March 2022	17,339	330,913	348,252
At 31 March 2021	9,681	94,751	104,432

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Tangible fixed assets (continued)

Company

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2021	16,113	199,255	215,368
Additions	14,839	280,440	295,279
Disposals	(789)	(7,693)	(8,482)
At 31 March 2022	30,163	472,002	502,165
Depreciation			
At 1 April 2021	6,899	118,017	124,916
Charge for the year	6,191	91,136	97,327
Disposals	(33)	(1,090)	(1,123)
At 31 March 2022	13,057	208,063	221,120
Net book value			
At 31 March 2022	17,106	263,939	281,045
At 31 March 2021	9,214	81,238	90,452

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	118,477
At 31 March 2022	<u>118,477</u>

The additions to investments relate to the Company's ownership of the share capital in Elliptic Singapore Private Limited.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Elliptic Inc	USA	Common stock	100%
Elliptic Singapore Private Limited	Singapore	Common stock	100%
Elliptic Japan KK	Japan	Common stock	100%

The registered office for Elliptic Inc is 1732 1st Avenue #23346, New York, NY, 10128, USA.

The registered office for Elliptic Singapore Private Limited is 29-11 South Beach Tower, 38 Beach Road, Singapore, 189767.

The registered office for Elliptic Japan KK is Tokyo Club Building 11F, 3-2-6 Kasumigaseki Chiyoda-ku, Tokyo.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Elliptic Inc	(645,336)	19,360
Elliptic Singapore Private Limited	60,268	16,883
Elliptic Japan KK	5,426	(43,561)

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	1,721,517	627,936	545,684	83,454
Amounts owed by group undertakings	-	-	1,828,119	1,563,134
Other debtors	763,314	310,824	680,432	284,225
Prepayments and accrued income	1,426,036	489,156	1,351,572	401,335
	<u>3,910,867</u>	<u>1,427,916</u>	<u>4,405,807</u>	<u>2,332,148</u>

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	38,029,929	8,057,517	36,022,498	6,652,387
Less: credit card facilities	(29,727)	(753)	-	-
	<u>38,000,202</u>	<u>8,056,764</u>	<u>36,022,498</u>	<u>6,652,387</u>

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Credit card facilities	29,727	753	-	-
Trade creditors	1,206,686	115,900	1,160,283	105,908
Corporation tax	1,379	4,329	-	-
Other taxation and social security	502,521	5,205	439,359	-
Other creditors	182,616	34,691	182,616	22,253
Accruals and deferred income	3,707,656	2,011,959	1,673,297	955,508
	<u>5,630,585</u>	<u>2,172,837</u>	<u>3,455,555</u>	<u>1,083,669</u>

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,486,333 (2021 - 1,486,333) Ordinary shares of £0.000001 each	1.49	1.48
750,616 (2021 - 750,615) Ordinary A shares of £0.000001 each	0.75	0.75
32,601 (2021 - 32,601) Ordinary B shares of £0.000001 each	0.03	0.03
1,158,732 (2021 - 1,158,731) Series A shares of £0.000001 each	1.16	1.16
868,637 (2021 - 868,636) Series A-1 shares of £0.000001 each	0.87	0.87
27,608 (2021 - 27,608) Ordinary C shares of £0.000001 each	0.03	0.03
2,359,400 (2021 - 2,359,393) Series B shares of £0.000001 each	2.36	2.36
2,787,033 (2021 - Nil) Series C shares of £0.000001 each	2.79	-
	9.48	6.68

In October 2021, Elliptic successfully raised a \$60m Series C equity investment to fuel further growth. The financing round was led by Evolution Equity Partners, alongside new investment from SoftBank Vision Fund 2. Existing investors AlbionVC, Digital Currency Group, Wells Fargo Strategic Capital, SBI Group, Octopus Ventures, SignalFire and Paladin Capital Group also participated.

The latest fundraise will accelerate Elliptic's efforts in enabling financial markets participants to embrace the crypto opportunity with trust and confidence. With the new investment, Elliptic plans to strengthen its global leadership position through continued research and development, investment in its global network and expansion of Elliptic's team.

As part of the Series C equity investment, the Company issued:

- 1 Ordinary A Share at a price of \$21.53 per share for a total consideration of \$21.53.
- 1 Series A Share at a price of \$21.53 per share for a total consideration of \$21.53.
- 1 Series A-1 Share at a price of \$21.53 per share for a total consideration of \$21.53.
- 7 Series B Shares at a price of \$21.53 per share for a total consideration of \$150.70.
- 2,787,033 Series C Preferred Shares at a price of \$21.53 per share for a total consideration of \$59,999,803.83.

The Company issued 1,753 Ordinary Shares at a price of £1.056 per share for a total consideration of £1,851.17. These Ordinary shares were issued to employees in relation to share options.

All share classes above have attached to them full voting and dividend rights.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. Reserves

Share premium account

The share premium account includes the premium in issue of equity shares, net of any issue cost.

Revaluation reserve

This represents intangible assets (Crypto currency) amounts revalued above cost.

Foreign exchange reserve

This represents amounts from currency translation on consolidation.

Share options reserve

The share options reserve relates to the share-based payments made by the Parent Company.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

ELLIPTIC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Share-based payments

During the year ended 31 March 2022, the Group granted options over 303,446 Ordinary shares of £0.000001 each to 6 employees. The options have an exercise price of £0.40 and vest over 4 years.

The shares have been valued at the grant date by applying the Black Scholes option pricing model.

During the year, the total share-based payment expense recognised in profit or loss was £42,358 (2021 - £21,600). At 31 March 2022, 1,315,682 (2021 - 1,119,293) share options were granted and remained unexercised.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	44	1,119,293	46	762,021
Granted during the year	40	303,446	45	626,856
Exercised during the year	49	(45,470)	36	(69,998)
Expired during the year	58	(61,587)	58	(199,586)
Outstanding at the end of the year	43	1,315,682	44	1,119,293

	2022 Black Scholes	2021 Black Scholes
Option pricing model used		
Weighted average share price (£)	1.056	0.44
Exercise price (£)	0.40	0.40
Weighted average contractual life	4 years	4 years
Expected volatility	35%	40%
Expected dividend growth rate	0%	0%
Risk-free interest rate	0.9%	0.91%

22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £167,355 (2021 - £88,999). Contributions totalling £39,120 (2021 - £18,478) were payable to the fund at the reporting date and are included in creditors.

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23. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Key management personnel includes all directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £926,258 (2021 - £656,778).

24. Post balance sheet events

Subsequent to the year end the Company issued 43,719 Ordinary shares for consideration of £20,507. These Ordinary shares were issued to employees in relation to share options.

25. Controlling party

The directors do not consider there to be an ultimate controlling party.