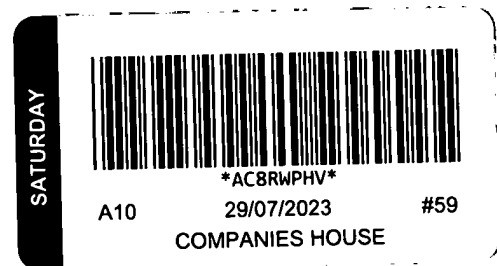


**TRACTABLE LTD.**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**



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**TRACTABLE LTD.**

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**TRACTABLE LTD.**

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**COMPANY INFORMATION**

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<b>Directors</b>	Alexandre Dalyac Razvan Ranca
<b>Company secretary</b>	Caroline O'Connor
<b>Registered number</b>	09315523
<b>Registered office</b>	5th Floor Broadwalk House 5 Appold Street London EC2A 2DA
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL

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## TRACTABLE LTD.

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Introduction

The directors present their Strategic Report for Tractable Ltd. ("Tractable") and its subsidiaries ("the Group") for the year ended 31 December 2022.

#### Business review

Tractable is a Business to Business ("B2B") Software as a Service ("SAAS") platform that sells and develops Artificial Intelligence ("AI") enabled technology to help accelerate the insurance claims and damage appraisal process. It has established customers and use cases in the automotive and property industry. The Group's proprietary AI software augments and automates the damage recovery process that has historically relied on an in-person visual damage appraisal.

The Group has subsidiaries based in Japan, Germany, France, Brazil and a representation office in Thailand. The operational headquarters are based in London.

The Group's turnover in 2022 has increased by 32% (2021: 51%). In addition the Group has continued its investment in Research & Development, Sales & Marketing and other functions to enable and support continued growth going forward.

#### Financial key performance indicators

The directors use Key Performance Indicators ("KPIs") to monitor and assess Group performance. Management consider the following as their KPIs:

	2022	2021
Turnover	£17,405,829	£13,187,477
Gross margin	69%	71%

#### Principal risks and uncertainties

The Group's activities expose it to the following financial risks:

##### Foreign exchange risk

The Group actively monitors foreign exchange risk and routinely assesses bank balances per currency to limit the amount of exposure to foreign exchange risk the business has. The Group limits its transactions in foreign currencies where they can in order to reduce this risk.

##### Credit risk

The Group actively monitors their accounts receivable balances. To date it has not had significant exposure to bad debt and has a strong accounts receivable ageing profile.

##### Interest rate risk

The Group currently has no external borrowings but do have access to a revolving credit facility agreement.

##### Conflict in Ukraine

The directors are monitoring the ongoing conflict in Ukraine. The business has not experienced a direct impact from the conflict to date and the directors believe that the Group should be reasonably protected from this conflict.

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

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**Inflation**

The global economy is experiencing inflationary pressures in almost all sectors and as a result the Group is constantly monitoring the market situation in terms of increasing costs, interest rates, inflation, and general recessionary matters. The business has not experienced a significant impact to date and the directors believe the Group to be reasonably protected.

**Climate change**

The directors recognise the objective of reducing the environmental impact of group activities and continue to review opportunities for improved energy efficiency within all operations and activities.

Following a review carried out by the Management, the Company energy usage has not altered significantly and is still classified as a Low Energy User, being less than 40,000 kWh per annum, therefore the Company has taken advantage of the exemption from reporting its energy consumption in line with the Streamlined Energy and Carbon Reporting legislation. Energy reduction actions taken in 2022 include:

- Increased use of technology to facilitate client, supplier and service provider meeting remotely rather than driving;
- Maintaining all office lighting and electrical equipment switched off when not in use.

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

*Razvan Ranca*

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**Razvan Ranca**  
Director

Date: 26 July 2023

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## TRACTABLE LTD.

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### Principal activity

The Group is a Business to Business ("B2B") Software as a Service ("SAAS") platform that develops Artificial Intelligence ("AI") enabled technology to help simplify and accelerate the insurance claims and damage appraisal process with established use cases in the automotive and property industry.

#### Results and dividends

The loss for the year, after taxation, amounted to £35,616,380 (2021 - £15,659,743).

No dividends were paid in the year (2021: £Nil).

#### Directors

The directors who served during the year and subsequent to the year end up to signing of these financial statements were:

Alexandre Dalyac  
Razvan Ranca

#### Future developments

The directors expect the business to continue to grow in the forthcoming year, based on its product development and increased adoption by new and existing customers.

#### Political donations

Neither Tractable nor any of its subsidiaries made any political donations or incurred any political expenditure during the current or prior years.

#### Post balance sheet events

In July 2023, Tractable Inc (the immediate parent company) raised an additional \$65 million from Series E Preferred Stock; the first tranche of approximately \$35 million was funded on July 10, 2023. The second tranche of approximately \$30 million is due to be funded in 2024.

#### 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 directors are aware, there is no relevant audit information of which the Group and the Group's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Group and the Group's auditor is aware of that information.

#### Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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TRACTABLE LTD.

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

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

*Razvan Ranca*

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**Razvan Ranca**

Director

Date: 26 July 2023

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**TRACTABLE LTD.**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors are responsible for preparing the Annual Report and the Group and parent Company 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 they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



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## TRACTABLE LTD.

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRACTABLE LTD.

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#### Opinion

We have audited the financial statements of Tractable Ltd. ("the Company") for the year ended 31 December 2022 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 2.

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 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

#### Fraud and breaches of laws and regulations - ability to detect

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the director as to the Group's and Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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## TRACTABLE LTD.

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRACTABLE LTD.

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#### **Fraud and breaches of laws and regulations - ability to detect (continued)**

##### *Identifying and responding to risks of material misstatement due to fraud (continued)*

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group has only a few customers with individual contracts and there is no judgement or complexity with respect to revenue recognition on the contracts.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations and other unusual journal characteristics.

##### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the director and other management (as required by auditing standards), and discussed with the director and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, anti-money laundering, Consumer Rights Act 2015 and Sale of Goods Act, foreign corrupt practices, GDPR compliance, environmental protection, climate change and certain aspects of company legislation recognizing the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRACTABLE LTD.**

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**Fraud and breaches of laws and regulations - ability to detect (continued)**

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Group and 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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

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**TRACTABLE LTD.**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRACTABLE LTD.**

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**Auditor's responsibilities (continued)**

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the 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 Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Prince (Senior Statutory Auditor)

for and on behalf of

**KPMG LLP, Statutory Auditor**

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

26 July 2023

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TRACTABLE LTD.

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CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Note	2022 £	2021 £
Turnover	4	17,405,829	13,187,477
Cost of sales		(5,424,979)	(3,838,075)
<b>Gross profit</b>		<b>11,980,850</b>	<b>9,349,402</b>
Administrative expenses		(48,018,171)	(25,330,232)
Other operating income	5	686,796	394,102
<b>Operating loss</b>	6	<b>(35,350,525)</b>	<b>(15,586,728)</b>
Tax on loss	11	(265,855)	(73,015)
<b>Loss for the financial year</b>		<b>(35,616,380)</b>	<b>(15,659,743)</b>
<b>Loss for the year attributable to:</b>			
Owners of the parent		(35,616,380)	(15,659,743)
		<b>(35,616,380)</b>	<b>(15,659,743)</b>

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

All amounts are related to continuing operations.

TRACTABLE LTD.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Loss for the financial year		(35,616,380)	(15,659,743)
<b>Other comprehensive loss</b>			
Currency translation difference on foreign currency net investments		(39,552)	(284,816)
<b>Other comprehensive loss for the year</b>		(39,552)	(284,816)
<b>Total comprehensive loss for the year</b>		(35,655,932)	(15,944,559)
<b>Loss for the year attributable to:</b>			
Owners of the parent Company		(35,616,380)	(15,659,743)
		(35,616,380)	(15,659,743)
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent Company		(35,655,932)	(15,944,559)
		(35,655,932)	(15,944,559)

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

**TRACTABLE LTD.**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	657,407	106,352
Tangible assets	13	1,123,099	604,090
		<u>1,780,506</u>	<u>710,442</u>
<b>Current assets</b>			
Debtors	15	13,975,671	9,471,593
Cash at bank and in hand		6,029,587	5,708,858
		<u>20,005,258</u>	<u>15,180,451</u>
Creditors: amounts falling due within one year	16	(14,614,579)	(49,972,136)
<b>Net current assets/(liabilities)</b>		<u>5,390,679</u>	<u>(34,791,685)</u>
<b>Total assets less current liabilities</b>		<u>7,171,185</u>	<u>(34,081,243)</u>
<b>Provisions for liabilities</b>			
Deferred taxation	17	(57,022)	(74,269)
		<u>(57,022)</u>	<u>(74,269)</u>
<b>Net assets/(liabilities)</b>		<u><u>7,114,163</u></u>	<u><u>(34,155,512)</u></u>
<b>Shareholders' funds/(deficit)</b>			
Called up share capital	18	50,090	90
Share premium account	19	76,875,607	-
Other reserves	19	(110,615)	(71,063)
Profit and loss account	19	(69,700,919)	(34,084,539)
<b>Shareholders' funds/(deficit)</b>		<u><u>7,114,163</u></u>	<u><u>(34,155,512)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 July 2023.

*Razvan Ranca*

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**Razvan Ranca**  
Director

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

TRACTABLE LTD.

**COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	657,407	106,352
Tangible assets	13	1,119,453	603,053
Fixed asset investments	14	190,549	24,135
		<u>1,967,409</u>	<u>733,540</u>
<b>Current assets</b>			
Debtors	15	12,541,908	8,763,770
Cash at bank and in hand		3,497,530	1,194,845
		<u>16,039,438</u>	<u>9,958,615</u>
Creditors: amounts falling due within one year	16	(10,553,153)	(44,636,177)
<b>Net current assets/(liabilities)</b>		<u>5,486,285</u>	<u>(34,677,562)</u>
<b>Total assets less current liabilities</b>		<u>7,453,694</u>	<u>(33,944,022)</u>
<b>Net assets/(liabilities)</b>		<u><u>7,453,694</u></u>	<u><u>(33,944,022)</u></u>
<b>Shareholders' funds/(deficit)</b>			
Called up share capital	18	50,090	90
Share premium account	19	76,875,607	-
Profit and loss account		(69,472,003)	(33,944,112)
<b>Shareholders' funds/(deficit)</b>		<u><u>7,453,694</u></u>	<u><u>(33,944,022)</u></u>

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these financial statements. The Company loss for the year was £35,527,891 (2021: £15,538,768).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 July 2023.

*Razvan Ranca*

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**Razvan Ranca**  
Director

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



TRACTABLE LTD.

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

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
<b>At 1 January 2021</b>	90	-	213,753	(18,424,796)	(18,210,953)	(18,210,953)
Loss for the year	-	-	-	(15,659,743)	(15,659,743)	(15,659,743)
Currency translation difference on foreign currency net investments	-	-	(284,816)	-	(284,816)	(284,816)
<b>Total comprehensive loss for the year</b>	-	-	(284,816)	(15,659,743)	(15,944,559)	(15,944,559)
<b>At 31 December 2021</b>	90	-	(71,063)	(34,084,539)	(34,155,512)	(34,155,512)
Loss for the year	-	-	-	(35,616,380)	(35,616,380)	(35,616,380)
Currency translation difference on foreign currency net investments	-	-	(39,552)	-	(39,552)	(39,552)
<b>Total comprehensive loss for the year</b>	-	-	(39,552)	(35,616,380)	(35,655,932)	(35,655,932)
Shares issued during the year	50,000	76,875,607	-	-	76,925,607	76,925,607
<b>At 31 December 2022</b>	<b>50,090</b>	<b>76,875,607</b>	<b>(110,615)</b>	<b>(69,700,919)</b>	<b>7,114,163</b>	<b>7,114,163</b>

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

**TRACTABLE LTD.**

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	<b>90</b>	<b>-</b>	<b>(18,405,344)</b>	<b>(18,405,254)</b>
Loss for the year	-	-	(15,538,768)	(15,538,768)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(15,538,768)</b>	<b>(15,538,768)</b>
<b>At 31 December 2021</b>	<b>90</b>	<b>-</b>	<b>(33,944,112)</b>	<b>(33,944,022)</b>
Loss for the year	-	-	(35,527,891)	(35,527,891)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(35,527,891)</b>	<b>(35,527,891)</b>
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	50,000	76,875,607	-	76,925,607
<b>Total transactions with owners</b>	<b>50,000</b>	<b>76,875,607</b>	<b>-</b>	<b>76,925,607</b>
<b>At 31 December 2022</b>	<b>50,090</b>	<b>76,875,607</b>	<b>(69,472,003)</b>	<b>7,453,694</b>

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

TRACTABLE LTD.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(35,616,380)	(15,659,743)
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	426,250	146,296
Net interest receivable and similar income	(4,092)	(394,102)
Taxation	265,855	73,015
Increase in trade and other debtors	(4,504,078)	(5,494,756)
Decrease in trade and other creditors	(1,946,695)	(87,795)
Taxation paid	(117,254)	(10,662)
<b>Net cash used in operating activities</b>	<b>(41,496,394)</b>	<b>(21,427,747)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(823,338)	(504,537)
Purchase of intangible fixed assets	(672,976)	(108,615)
<b>Net cash used in investing activities</b>	<b>(1,496,314)</b>	<b>(613,152)</b>
<b>Cash flows from financing activities</b>		
Proceeds from intercompany balances	43,348,899	22,907,770
Interest receivable	4,092	-
<b>Net cash generated from financing activities</b>	<b>43,352,991</b>	<b>22,907,770</b>
<b>Net increase in cash and cash equivalents</b>	<b>360,283</b>	<b>866,871</b>
Cash and cash equivalents at beginning of year	5,708,858	4,805,962
Foreign exchange gains and losses	(39,554)	36,025
<b>Cash and cash equivalents at the end of year</b>	<b>6,029,587</b>	<b>5,708,858</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	6,029,587	5,708,858
	<b>6,029,587</b>	<b>5,708,858</b>

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

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## TRACTABLE LTD.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. General information

Tractable Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 5th Floor, Broadwalk House, 5 Appold Street, London, EC2A 2DA, United Kingdom.

#### 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 Company's functional and presentational currency is pound sterling.

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 Profit and Loss Account in these financial statements.

##### 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 Balance Sheet, 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 Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2019.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.3 Parent Company disclosure exemptions**

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12.

The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Profit and Loss Account, Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included;
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.4 Going concern**

Notwithstanding net current assets of £5,390,679 (2021: net current liabilities £34,791,685) as at 31 December 2022, a loss for the year then ended of £35,616,380 (2021: £15,659,743) and operating cash outflows for the year of £41,496,394 (2021: £21,427,747), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the Tractable Inc Group (the Group) including Tractable Limited and its subsidiaries (the UK Group) in order to assess going concern. This indicates that, taking account of reasonably possible downsides, the UK Group will have sufficient funds, through funding from their ultimate parent company, Tractable Inc, to meet its liabilities as they fall due during the going concern assessment period.

Those forecasts are dependent on Tractable Inc providing additional financial support during the going concern assessment period. Tractable Inc has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date and currently outstanding, during the going concern assessment period.

The directors of Tractable Inc Group have prepared cash flow forecasts for the consolidated group for a period of at least 12 months, including a base case and a reasonably possible downside scenario. The downside scenario prepared assumes that the negative earnings before interest, tax and depreciation ('EBITDA') for consolidated Group is approximately 30% higher in the 15-month period to 30 September 2024 than in the base case scenario as a result of the Group taking longer than expected to convert revenue growth into improved earnings performance.

Those forecasts show that in a downside scenario the consolidated group is able to operate within its equity available. In July 2023, the Group raised an additional \$65 million from Series E Preferred Stock; the first tranche of approximately \$35 million was funded on July 10, 2023 with the remainder to be funded in 2024.

The Group also has access to a \$40m Revolving Credit Facility agreement which is undrawn at the date of signing the financial statements. The downside case does not require utilisation of this facility. The group was in compliance with all related financial covenants as of December 31, 2022 and forecasts to remain in compliance for at least 12 months from signing the financial statements. The Group was granted a 30-day extension of its reporting covenant to provide audited financial statements within 6 months following December 31, 2022 which was satisfied on July 10, 2023.

The Directors have considered the forecasts prepared for Tractable Inc Group and have concluded that the Group is a going concern, and has the ability to provide the necessary financial support to the company during the going concern assessment period.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the UK Group and parent company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is pound sterling.

**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.

**2.6 Revenue**

Revenue is recognised over time to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.7 Operating leases: the Group as lessee**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.8 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 Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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 balance sheet 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 balance sheet 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 balance sheet date.

**2.10 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Other intangible fixed assets	-	4	years
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.11 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.

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.

The estimated useful lives range as follows:

Long-term leasehold property	- 4 years
Office equipment	- 4 years
Computer equipment	- 4 years

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.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.14 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.15 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.17 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties, investments in ordinary shares and cash and cash equivalents.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.17 Financial instruments (continued)**

net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.18 Other operating income**

Intercompany payments to compensate Tractable Ltd for (i) R&D related services provided and (ii) for the utilisation of its Intellectual Property, are recognised as Other Operating Income in the Consolidated Profit and Loss Account.

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

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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.

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TRACTABLE LTD.

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

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Service subscriptions	17,405,829	13,187,477
	<u>17,405,829</u>	<u>13,187,477</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
APAC and EMEA	17,405,829	13,187,477
Americas	-	-
	<u>17,405,829</u>	<u>13,187,477</u>

Turnover for the Americas is included in our ultimate parent accounts and not part of the Tractable Ltd Group consolidated accounts.

**5. Other operating income**

	2022 £	2021 £
Other operating income	686,796	394,102
	<u>686,796</u>	<u>394,102</u>

Intercompany payments to compensate Tractable Ltd for (i) R&D related services provided and (ii) for the utilisation of its Intellectual Property.

**6. Operating loss**

The operating loss is stated after charging:

	2022 £	2021 £
Rent	2,265,290	1,551,492
Software & IT	2,227,111	1,325,280
Cloud infrastructure	5,837,237	4,098,967
	<u>5,837,237</u>	<u>4,098,967</u>

**TRACTABLE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. Auditor's remuneration**

During the year, the Group obtained the following services from the Company's auditor:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	<b>55,094</b>	<b>33,200</b>

**8. Parent Company's result for the year**

No profit and loss account is presented for Tractable Ltd, the Company, as permitted by section 408(3) of the Companies Act 2006. The result after taxation of the Company for the year ended 31 December 2022 was a loss of £35,527,891 (2021: £15,538,768).

**9. Employees**

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>27,783,473</b>	16,825,415	<b>22,813,173</b>	13,914,300
Social security costs	<b>3,589,433</b>	1,778,374	<b>2,954,469</b>	1,573,923
Cost of defined contribution scheme	<b>887,447</b>	163,736	<b>729,922</b>	156,952
	<b>32,260,353</b>	18,767,525	<b>26,497,564</b>	15,645,175

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Research and development	<b>158</b>	127	142	113
Sales and marketing	<b>46</b>	27	26	22
Customer success	<b>35</b>	16	15	9
General & administration	<b>40</b>	21	38	20
	<b>279</b>	191	221	164

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TRACTABLE LTD.

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

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10. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	172,497	120,000
	<u>172,497</u>	<u>120,000</u>

There are no retirement benefits accruing to the directors under money purchase schemes or defined benefit schemes, or that exercised any share options as there are none.

11. Taxation

	2022 £	2021 £
<b>Foreign tax</b>		
Foreign tax on loss for the year	283,102	73,015
	<u>283,102</u>	<u>73,015</u>
<b>Total current tax</b>	<u>283,102</u>	<u>73,015</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(17,247)	-
<b>Total deferred tax</b>	<u>(17,247)</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>265,855</u>	<u>73,015</u>

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TRACTABLE LTD.

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

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11. 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	(35,350,525)	(15,586,728)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(6,716,600)	(2,961,478)
<b>Effects of:</b>		
Expenses not deductible	2,937	77,686
Income not taxable	(1,082,296)	(567,440)
Effects of overseas tax rates	149,111	8,993
Adjustments to tax charge in respect of prior periods	-	261
Effect of SME R&D Scheme	2,875,641	1,865,754
Deferred tax not recognised	5,037,062	1,649,239
<b>Total tax charge for the year</b>	<b>265,855</b>	<b>73,015</b>

**Factors that may affect future tax charges**

Following the Budget announcement on 3 March 2021 the UK Corporation Tax rate (from 1 April 2023) will be 25% (for companies with profits over £250,000) and continue to be 19% (for companies with profits of £50,000 or less). Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate. The tax rate change was enacted in Finance Act 2021 on 24 May 2021. Tractable will continue to monitor its potential impact on the Group.

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TRACTABLE LTD.

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

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12. Intangible assets

Group and Company

	Computer software £
<b>Cost</b>	
At 1 January 2022	120,204
Additions	672,976
At 31 December 2022	<u>793,180</u>
<b>Amortisation</b>	
At 1 January 2022	13,852
Charge for the year on owned assets	121,921
At 31 December 2022	<u>135,773</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>657,407</u></u>
At 31 December 2021	<u><u>106,352</u></u>



TRACTABLE LTD.

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

13. Tangible fixed assets

Group

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	-	66,332	876,626	942,958
Additions	61,567	48,063	713,708	823,338
At 31 December 2022	61,567	114,395	1,590,334	1,766,296
<b>Depreciation</b>				
At 1 January 2022	-	56,762	282,106	338,868
Charge for the year on owned assets	13,992	13,345	276,992	304,329
At 31 December 2022	13,992	70,107	559,098	643,197
<b>Net book value</b>				
At 31 December 2022	47,575	44,288	1,031,236	1,123,099
At 31 December 2021	-	9,570	594,520	604,090

The Group has fixed and floating charges on its assets relating to its Revolving Credit Facility.

TRACTABLE LTD.

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

13. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	-	65,195	873,323	938,518
Additions	61,567	48,085	708,951	818,603
At 31 December 2022	61,567	113,280	1,582,274	1,757,121
<b>Depreciation</b>				
At 1 January 2022	-	55,626	279,839	335,465
Charge for the year on owned assets	13,992	13,366	274,845	302,203
At 31 December 2022	13,992	68,992	554,684	637,668
<b>Net book value</b>				
At 31 December 2022	47,575	44,288	1,027,590	1,119,453
At 31 December 2021	-	9,569	593,484	603,053

The Group has fixed and floating charges on its assets relating to its Revolving Credit Facility.

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**TRACTABLE LTD.**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**14. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2022	<b>24,135</b>
Additions	<b>166,414</b>
At 31 December 2022	<b>190,549</b>

Additions relate to the incorporation of Tractable Ltda, a 100% subsidiary established in Brazil in 2022 to facilitate market expansion.

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Tractable KK	C/O Mazars Japan K.K., ATT New Tower 11F, 2- 11-7, Aksaka, Minato-ku, Tokyo, 107-0052, Japan	Market expansion for B2B SaaS	Ordinary	100%
Tractable GmbH	Am Zirkus 2, Berlin, Germany, 10117	Market expansion for B2B SaaS	Ordinary	100%
Tractable SAS	33 Rue La Fayette, Paris, 75009	Market expansion for B2B SaaS	Ordinary	100%
Tractable Ltda	Av. Paulista, 352 - CJ 76 e 77 - Bela Vista, São Paulo - SP, 01310-905	Market expansion for B2B SaaS	Ordinary	100%

Tractable Ltd. hold a representative office in Thailand and its registered office is 88 The Parq Building, 7-8th Floor, Ratchadaphisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, 10110.

**TRACTABLE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. Debtors**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Trade debtors	<b>1,172,205</b>	179,945	<b>378,860</b>	179,945
Other debtors	<b>9,072,218</b>	4,008,989	<b>8,931,781</b>	3,859,016
Prepayments and accrued income	<b>3,731,248</b>	5,282,659	<b>3,231,267</b>	4,724,809
	<b>13,975,671</b>	9,471,593	<b>12,541,908</b>	8,763,770

**16. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Trade creditors	<b>1,525,060</b>	820,370	<b>1,401,492</b>	642,351
Amounts owed to group undertakings	<b>3,582,189</b>	37,446,701	<b>5,867,608</b>	41,824,317
Taxation and social security	<b>1,206,726</b>	2,061,397	<b>10,692</b>	637,678
Other creditors	<b>640,893</b>	44,670	-	42,675
Accruals and deferred income	<b>7,659,711</b>	9,598,998	<b>3,273,361</b>	1,489,156
	<b>14,614,579</b>	49,972,136	<b>10,553,153</b>	44,636,177

**17. Deferred taxation**

**Group**

	<b>2022 £</b>
At beginning of year	<b>(74,269)</b>
Charged to profit or loss	<b>17,247</b>
<b>At end of year</b>	<b>(57,022)</b>

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17. Deferred taxation (continued)

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(57,022)	(74,269)
	<u>(57,022)</u>	<u>(74,269)</u>

18. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
5,008,200 (2021 - 8,200) Ordinary shares of £0.01 each	50,082	82
800 (2021 - 800) A Ordinary shares of £0.01 each	8	8
	<u>50,090</u>	<u>90</u>

During the year 5,000,000 ordinary shares of £0.01 nominal value were issued for the amount of £76,925,607, giving rise to £76,875,607 of share premium.

Intercompany amounts loaned by Tractable Inc totaling an aggregate of \$93,103,110 were released as part of this issuance.

19. Reserves

**Share premium account**

Share premium represents the amount of money that a company receives for its shares over and above their nominal value.

**Other reserves**

Other reserves represent the currency translation difference on foreign currency net investments.

**Profit and loss account**

Profit and loss account represents cumulative profit's and losses net of dividends paid and other adjustments.

20. Pension commitments

The Group operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Group and amounted to £889,502 (2021: £163,736). As at 31 December 2022 the total amount accrued was £49,646 (2021: £41,303).

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**21. Commitments under operating leases**

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Not later than 1 year	<b>1,088,599</b>	872,925	<b>834,586</b>	762,677
Later than 1 year and not later than 5 years	<b>217,702</b>	50,250	<b>36,292</b>	50,250
	<b><u>1,306,301</u></b>	<u>923,175</u>	<b><u>870,878</u></b>	<u>812,927</u>

**22. Related party transactions**

In accordance with FRS 102 Section 33, the Company has not disclosed any related party transactions between wholly owned entities within the Group.

There are no outstanding loans to the directors.

The Group held an intercompany creditor with Tractable Inc (the immediate parent company) of £3,582,189 at 31 December, 2022 (2021: £37,446,701).

Other operating income of £686,796 (2021: £394,102) was also recognised by the Group in relation to intercompany transactions with Tractable Inc (the immediate parent company).

**23. Post balance sheet events**

In July 2023, Tractable Inc (the immediate parent company) raised an additional \$65 million from Series E Preferred Stock; the first tranche of approximately \$35 million was funded on July 10, 2023. The second tranche of approximately \$30 million is due to be funded in 2024.

**24. Controlling party**

There is no ultimate controlling party.

Tractable Limited is a subsidiary undertaking of Tractable Inc.

The largest group in which the results of the Company and its group are consolidated is that headed by Tractable Inc, a company incorporated in the United States and registered at Serendipity Labs, 28 Liberty Street, 6th Floor, New York, NY 10005. The smallest group in which they are consolidated is that headed by the Company. The consolidated financial statements of these groups are not available to the public.