

**AUTOMATA TECHNOLOGIES LIMITED  
UNAUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**AUTOMATA TECHNOLOGIES LIMITED**  
**UNAUDITED ACCOUNTS**  
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**AUTOMATA TECHNOLOGIES LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>Directors</b>	Mostafa Elsayed Dr Kurt Kaltenecker Richard Joseph Stringer Barend Frans K. van den Brande
<b>Secretary</b>	Eriska Secretaries Limited
<b>Company Number</b>	09384597 (England and Wales)
<b>Registered Office</b>	THIRD FLOOR, 20 OLD BAILEY LONDON EC4M 7AN UNITED KINGDOM

**AUTOMATA TECHNOLOGIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	4	197,395	192,636
<b>Current assets</b>			
Inventories	5	1,368,081	302,157
Debtors	6	599,642	183,786
Cash at bank and in hand		758,244	143,641
		<u>2,725,967</u>	<u>629,584</u>
<b>Creditors: amounts falling due within one year</b>	7	(1,653,607)	(1,009,329)
<b>Net current assets/(liabilities)</b>		<u>1,072,360</u>	<u>(379,745)</u>
<b>Total assets less current liabilities</b>		1,269,755	(187,109)
<b>Creditors: amounts falling due after more than one year</b>	8	(7,149,456)	(445,276)
<b>Net liabilities</b>		<u>(5,879,701)</u>	<u>(632,385)</u>
<b>Capital and reserves</b>			
Called up share capital	9	24	23
Share premium		8,191,586	8,191,586
Profit and loss account		(14,071,311)	(8,823,994)
<b>Shareholders' funds</b>		<u>(5,879,701)</u>	<u>(632,385)</u>

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities. The profit and loss account has not been delivered to the Registrar of Companies.

The financial statements were approved by the Board of Directors and authorised for issue on 16 August 2022 and were signed on its behalf by

Mostafa Elsayed  
Director

Company Registration No. 09384597

**AUTOMATA TECHNOLOGIES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Statutory information**

Automata Technologies Limited is a private company, limited by shares, registered in England and Wales, registration number 09384597. The registered office is THIRD FLOOR, 20 OLD BAILEY, LONDON, EC4M 7AN, UNITED KINGDOM.

**2 Compliance with accounting standards**

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

**3 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

***Basis of preparation***

The annual financial statements have been prepared on a going concern basis in accordance with the FRS 102 Section 1A - Small Entities, and the Companies Act 2006. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

***Presentation currency***

The accounts are presented in £ sterling.

***Significant judgements and sources of estimation uncertainty***

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations and future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates made by management from time to time.

In the process of applying the accounting policies, the director have made the following estimates and judgements that have the most significant effects on the amounts recognised and disclosed in the annual financial statements:

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

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Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

***Property, plant and equipment***

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it.

If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management.

Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal.

Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Plant & machinery	3 years
Computer equipment	3 - 5 years
Other tangible fixed assets	Leasehold property 3 years

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***Financial instruments***

**Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Financial instruments at amortised cost**

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

***Inventories***

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

***Taxation***

**Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

**Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Tax expenses**

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

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***Leases***

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or

- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

***Impairment of assets***

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

***Share capital and equity***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

***Employee benefits***

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

***Borrowing costs***

Borrowing costs are recognised as an expense in the period in which they are incurred.

***Revenue***

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method

***Research and development***

Expenditure on research and development is written off in the year in which it is incurred.



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**Foreign currency transactions**

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Pound Sterling, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

**Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company

**4 Tangible fixed assets**

	<b>Plant &amp; machinery</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>	At cost	At cost	
At 1 January 2021	273,661	247,872	521,533
Additions	-	150,326	150,326
Disposals	-	(43,682)	(43,682)
At 31 December 2021	273,661	354,516	628,177
<b>Depreciation</b>			
At 1 January 2021	196,228	132,669	328,897
Charge for the year	73,626	70,175	143,801
On disposals	-	(41,916)	(41,916)
At 31 December 2021	269,854	160,928	430,782
<b>Net book value</b>			
At 31 December 2021	3,807	193,588	197,395
At 31 December 2020	77,433	115,203	192,636

**5 Inventories**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Raw materials	671,616	-
Finished goods	696,465	302,157
	1,368,081	302,157

**AUTOMATA TECHNOLOGIES LIMITED**  
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<b>6 Debtors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
VAT	-	25,657
Trade debtors	458,420	29,624
Accrued income and prepayments	136,907	83,434
Other debtors	4,315	45,071
	<u>599,642</u>	<u>183,786</u>
	<u><u>599,642</u></u>	<u><u>183,786</u></u>
 <b>7 Creditors: amounts falling due within one year</b>	 <b>2021</b>	 <b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	409,626	504,724
VAT	22,246	-
Trade creditors	886,363	261,204
Taxes and social security	318,782	182,093
Other creditors	12,000	56,718
Loans from directors	4,590	4,590
	<u>1,653,607</u>	<u>1,009,329</u>
	<u><u>1,653,607</u></u>	<u><u>1,009,329</u></u>

Silicon Valley Bank

Outstanding principle: £499,999.90 (prior year: £899,999.98)

Payable within the next 12 months: £400,000.08

The loan is secured and bears interest at Bank of England (BOE) Base Rate plus 8.75%. BOE Base Rate is currently 0.75% and will have a floor of 0.75%. Interest rate will be floating.

The loan is secured as follows:

Collateral - SVB to have a senior fixed and floating charge on all assets, including IP in the UK. SVB to have a first priority lien on all US assets, including IP. Assets in other jurisdictions to have the equivalent of a first priority lien.

Subordination - All indebtedness due to officers, directors, shareholders and other lien holders will be subordinated to the Company's obligations owing to Silicon Valley Bank in form and substance that is satisfactory to SVB in its sole discretion.

The loan is repayable as follows:

Tranche 1 to be interest only through 31st March 2020, followed by thirty (30) equal monthly principal payments plus accrued interest.

Tranche 2 to be co-terminus with Tranche 1.

Final Payment - 1.00% of the drawn amount payable at the earlier of Maturity or Repayment in full.

Borrower may elect to retire the Facility in its entirety at any time by paying the outstanding principal balance, unpaid accrued interest, Final Payment and a Prepayment Fee. The Prepayment Fee shall be 4.00% of the drawn amount if paid before the first anniversary of loan closing, 2.00% if paid after the first anniversary but before the second anniversary of loan closing, and 1.00% thereafter. Prepayment Fee to be waived if the facility is refinanced by SVB

Metro Bank PLC - Bounce Back Loan

Outstanding principle: £45,276.20

Payable within the next 12 months: £9,626.38

The loan is unsecured and bears interest at 2.5% per annum.

No capital or interest repayments are made for the first 12 months after the date the loan has been drawn down, due to the business interruption payment offered by the UK Government which will cover interest payments for this period.

The first repayment is due on the day falling 13 months after the day on which the loan was received. The loan will be repaid in 59 monthly payments each of £ 887.36 followed by a final repayment of £ 887.30 to be made on the same day of each month thereafter.

All outstanding amounts under this agreement (including accrued interest), is required to be repaid by the date 72 months from the loan drawdown date.

**AUTOMATA TECHNOLOGIES LIMITED**  
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<b>8 Creditors: amounts falling due after more than one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	7,149,456	445,276

UK FF Nominees Limited ("The Future Fund") - Convertible loan  
Outstanding principle: 7 013 807 (prior year: 950 000)

The loan is unsecured and bears interest at 8%. Interest not repayable unless default event occurs.  
To the extent that the loan remains outstanding will convert into shares in the capital of the Company on Conversion Date.

If the loan is not converted, at the election of the Future Fund (such election to be received by the Company in writing no later than 10 Business Days prior to the Maturity Date), the loan will become payable on Maturity Date together with the Redemption Premium or on an Event of Default together with any accrued but unpaid Interest and the Redemption Premium.

Save as set out above, no Loan shall be redeemed or prepaid, in whole or in part, without the prior written consent of each Lender.

<b>9 Share capital</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:		
10,702,142 Ordinary shares of £0.000001 each	10.70	10.43
588,200 A Ordinary Shares of £0.000001 each	0.58	0.58
5,555,554 Seed Preferred Shares of £0.000001 each	5.55	5.55
6,907,761 Series A Shares of £0.000001 each	6.90	6.90
8,191,587 Share Premium of £- each	-	-
	23.73	23.46

Shares issued during the period:  
269,367 Ordinary shares of £0.000001 each

0

<b>10 Capital commitments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts contracted but not provided for in the accounts	-	6,010,000

The company received the Future Fund amount of £6,010,000 on the 6th of January 2021.

**11 Loans to directors**

	<b>Brought Forward</b>	<b>Advance/ credit</b>	<b>Repaid</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Mostafa Elsayed				
Loans from related parties	(4,590)	-	-	(4,590)
	(4,590)	-	-	(4,590)

The loan is unsecured, bears no interest and has no fixed terms of repayment

**AUTOMATA TECHNOLOGIES LIMITED**  
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**12 Average number of employees**

During the year the average number of employees was 40 (2020: 40).

