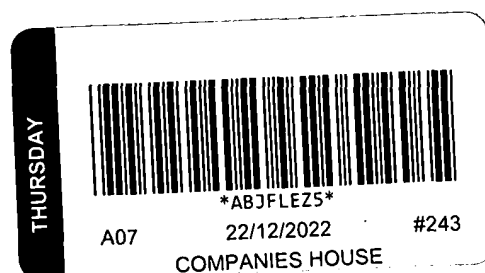


Company Registration No. 09604448 (England and Wales)

**CHATTERMILL ANALYTICS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**



**CHATTERMILL ANALYTICS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

|  | Notes | 2021<br>£        | £                  | 2020<br>£        | £                  |
|--|-------|------------------|--------------------|------------------|--------------------|
| <b>Fixed assets</b>  |       |                  |                    |                  |                    |
| Tangible assets  | 5     |                  | 13,297             |                  | 9,914              |
| Investments  | 6     |                  | 21,921             |                  | 21,921             |
|  |       |                  | <u>35,218</u>      |                  | <u>31,835</u>      |
| <b>Current assets</b>  |       |                  |                    |                  |                    |
| Debtors  | 7     | 1,351,038        |                    | 1,127,502        |                    |
| Cash at bank and in hand                                       |       | 2,415,171        |                    | 1,600,478        |                    |
|  |       | <u>3,766,209</u> |                    | <u>2,727,980</u> |                    |
| <b>Creditors: amounts falling due within one year</b>          | 8     | (2,750,178)      |                    | (1,160,454)      |                    |
| <b>Net current assets</b>                                      |       |                  | <u>1,016,031</u>   |                  | <u>1,567,526</u>   |
| <b>Total assets less current liabilities</b>                   |       |                  | 1,051,249          |                  | 1,599,361          |
| <b>Creditors: amounts falling due after more than one year</b> | 9     |                  | (284,052)          |                  | (916,667)          |
| <b>Net assets</b>  |       |                  | <u>767,197</u>     |                  | <u>682,694</u>     |
| <b>Capital and reserves</b>                                    |       |                  |                    |                  |                    |
| Called up share capital  | 10    |                  | 257                |                  | 223                |
| Share premium account  |       |                  | 7,414,396          |                  | 4,941,663          |
| Share based payment reserve                                    |       |                  | 389,609            |                  | -                  |
| Profit and loss reserves                                       |       |                  | <u>(7,037,065)</u> |                  | <u>(4,259,192)</u> |
| <b>Total equity</b>  |       |                  | <u>767,197</u>     |                  | <u>682,694</u>     |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 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 of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

Company Registration No. 09604448

## CHATTERMILL ANALYTICS LIMITED

### STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

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The financial statements were approved by the board of directors and authorised for issue on 16/12/2022 and are signed on its behalf by:

DocuSigned by:

*Mikhail Dubov*

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M Dubov

Director

# CHATTERMILL ANALYTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Chattermill Analytics Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 68 Hanbury Street, London, England, E1 5JL.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Going concern

Management has considered the financial condition of the entity and determined that there are sufficient reserves for the business to continue operating as a going concern. After completing a Series B fundraise in August 2022, the entity has cash reserves in excess of the forecast costs, expenses and obligations required by the entity for the foreseeable future. There are no other material uncertainties that cast significant doubt upon the entity's ability to continue as a going concern.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable excluding discounts, rebates, value added tax and other taxes. Revenue is recognised on a straight-line basis over the life of the contract.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                       |                       |
|-----------------------|-----------------------|
| Fixtures and fittings | 5 years straight line |
| Office equipment      | 4 years straight line |

#### Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# CHATTERMILL ANALYTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

# CHATTERMILL ANALYTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated 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 that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Share-based payments

The company issues equity-settled share-based incentives to employees.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the most recent equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

# CHATTERMILL ANALYTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies (Continued)

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

|       | 2021<br>Number | 2020<br>Number |
|-------|----------------|----------------|
| Total | 42             | 40             |

### 3 Government grants

In the previous year, the company made a successful application under the government Coronavirus Job Retention Scheme to aid businesses with the financial impact of the COVID-19 pandemic. The total amount claimed during the year was £Nil (2020: £57,837) and has been recognised in the statement of comprehensive income as other operating income. The grant relates to staff costs which are included within administrative expenses.

**CHATTERMILL ANALYTICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021****4 Taxation**

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| <b>Current tax</b>                                   |             |             |
| UK corporation tax on profits for the current period | (408,717)   | (445,061)   |

The tax credit of £408,717 (2020: £445,061) relates to Research and Development tax credits.

The company has estimated trading losses of £3,764,760 (2020: £2,188,782) available for carry forward against future trading profits. A deferred tax asset of £941,190 (2020: £415,869) has not been recognised due to uncertainty over the amount and timing of future taxable profits.

A change to the main UK corporation tax rate, announced in the Budget on 3 March 2021, was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 is 25%.

**5 Tangible fixed assets**

|                                    | <b>Plant and<br/>machinery<br/>etc<br/>£</b> |
|------------------------------------|--|
| <b>Cost</b>                        |  |
| At 1 January 2021                  | 29,135                                       |
| Additions                          | 7,106  |
| At 31 December 2021                | 36,241                                       |
| <b>Depreciation and impairment</b> |  |
| At 1 January 2021                  | 19,221                                       |
| Depreciation charged in the year   | 3,723  |
| At 31 December 2021                | 22,944                                       |
| <b>Carrying amount</b>             |  |
| At 31 December 2021                | 13,297                                       |
| At 31 December 2020                | 9,914  |

**6 Fixed asset investments**

|             | <b>2021</b> | <b>2020</b> |
|-------------|-------------|-------------|
|             | <b>£</b>    | <b>£</b>    |
| Investments | 21,921      | 21,921      |

**CHATTERMILL ANALYTICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021****6 Fixed asset investments (Continued)****Movements in fixed asset investments**

|                                      | <b>Shares in<br/>group<br/>undertakings<br/>£</b> |
|--------------------------------------|---|
| <b>Cost or valuation</b>             |   |
| At 1 January 2021 & 31 December 2021 | 21,921  |
| <b>Carrying amount</b>               |   |
| At 31 December 2021                  | 21,921  |
| At 31 December 2020                  | 21,921  |

**7 Debtors**

|  | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|--|-------------------|-------------------|
| <b>Amounts falling due within one year:</b>          |                   |                   |
| Trade debtors  | 884,625           | 613,189           |
| Corporation tax recoverable                          | 408,717           | -                 |
| Other debtors  | 41,856            | 514,313           |
|  | <u>1,335,198</u>  | <u>1,127,502</u>  |
| <b>Amounts falling due after more than one year:</b> |                   |                   |
| Other debtors  | 15,840            | -                 |
|  | <u>15,840</u>     | <u>-</u>          |
| <b>Total debtors</b>                                 | <u>1,351,038</u>  | <u>1,127,502</u>  |

**8 Creditors: amounts falling due within one year**

|                                    | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|------------------------------------|-------------------|-------------------|
| Bank loans                         | 333,333           | -                 |
| Trade creditors                    | 162,450           | 91,860            |
| Amounts owed to group undertakings | 123,485           | 21,943            |
| Taxation and social security       | 157,340           | 132,388           |
| Other creditors                    | 1,973,570         | 914,263           |
|                                    | <u>2,750,178</u>  | <u>1,160,454</u>  |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**CHATTERMILL ANALYTICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021****9 Creditors: amounts falling due after more than one year**

|                           | <b>2021</b>    | <b>2020</b>    |
|---------------------------|----------------|----------------|
|                           | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts | 250,000        | -              |
| Other creditors           | 34,052         | 916,667        |
|                           | <u>284,052</u> | <u>916,667</u> |

In 2020 amounts totalling £1,000,000 were loaned from Silicon Valley Bank. These loans are repayable by September 2023 and incur interest at 8.5% plus base rate per annum. The loans are secured by a fixed and floating charge over the assets of the company.

**10 Called up share capital**

|   | <b>2021</b>   | <b>2020</b>   | <b>2021</b> | <b>2020</b> |
|---|---------------|---------------|-------------|-------------|
|   | <b>Number</b> | <b>Number</b> | <b>£</b>    | <b>£</b>    |
| <b>Ordinary share capital</b>               |               |               |             |             |
| <b>Issued and fully paid</b>                |               |               |             |             |
| Ordinary Shares of 1p each                  | 13,666        | 13,606        | 136         | 136         |
|   | <u>13,666</u> | <u>13,606</u> | <u>136</u>  | <u>136</u>  |
| <b>Preference share capital</b>             |               |               |             |             |
| <b>Issued and fully paid</b>                |               |               |             |             |
| Series seed preferred shares of 1p each     | 7,850         | 7,850         | 79          | 79          |
| Series seed II preferred shares of 1p each  | 849           | 849           | 8           | 8           |
| Series seed III preferred shares of 1p each | 3,369         | -             | 34          | -           |
|   | <u>12,068</u> | <u>8,699</u>  | <u>121</u>  | <u>87</u>   |
| Preference shares classified as equity      |               |               | 121         | 87          |
| <b>Total equity share capital</b>           |               |               | <u>257</u>  | <u>223</u>  |

The holders of the Preferred Ordinary shares will be paid up in full before any distribution is made in relation to the Ordinary shares if the company enters liquidation. The shares rank pari passu in all other respects and both carry the right to one vote at general meetings, and the right to dividends.

Stock options have been granted over Ordinary shares to key members of staff that permit them to purchase Ordinary stock for a purchase price of £60 per share once vesting criteria have been met. The number of shares over which options exist as at the balance sheet date was 2,349 (2020: 1,983).

# CHATTERMILL ANALYTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Called up share capital (Continued)

During the year ended 31 December 2021, the following shares were issued:

On 19 January 2021, 6 Ordinary shares with a nominal value of £0.01 each were issued for a total consideration of £360.

On 16 April 2021, 3,369 Series Seed III Preferred shares with a nominal value of £0.01 each were issued for a total consideration of £2,497,608.

On 29 July 2021, 40 Ordinary shares with a nominal value of £0.01 each were issued for a total consideration of £2,400.

On 2 November 2021, 3 Ordinary shares with a nominal value of £0.01 each were issued for a total consideration of £180.

On 29 December 2021, 4 Ordinary shares with a nominal value of £0.01 each were issued for a total consideration of £240.

On 31 December 2021, 7 Ordinary shares with a nominal value of £0.01 each were issued for a total consideration of £420.

### 11 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2021<br>£    | 2020<br>£ |
|----------------------------|--------------|-----------|
| Within one year            | 6,667        | -         |
| Between one and five years | 1,856        | -         |
|                            | <u>8,523</u> | <u>-</u>  |

### 12 Directors' transactions

The directors were provided with an interest free loan from the company which is repayable on demand. During the year, £6,112 (2020: £1,500) was repaid and £996 (2020: £Nil) was advanced. At the year end, £803 (2020: £5,919) was owed to the company from the directors.