

## **SteelEye Limited**

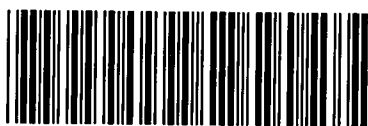
Report and Consolidated Financial Statements

Year Ended

31 December 2021

Company Number 10581067

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**SteelEye Limited**  
Registered number: 10581067

**Consolidated Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible Assets	6	2,690,532	2,005,686
Tangible fixed assets	7	129,798	81,746
		<u>2,820,330</u>	<u>2,087,432</u>
<b>Current assets</b>			
Debtors	9	1,993,409	1,058,345
Cash and cash equivalents		2,236,738	7,772,588
		<u>4,230,147</u>	<u>8,830,933</u>
Creditors: amounts falling due within one year	10	(3,038,544)	(1,653,824)
<b>Net current assets</b>		<u>1,191,603</u>	<u>7,177,109</u>
<b>Total assets less current liabilities</b>		<u>4,011,933</u>	<u>9,264,541</u>
<b>Net assets</b>		<u>4,011,933</u>	<u>9,264,541</u>
<b>Capital and reserves</b>			
Called up share capital	11	8,603	8,574
Share premium account		18,182,871	18,181,963
Capital redemption reserve		43	43
Foreign exchange reserve		(17,316)	(3,589)
Share based payment reserve	12	77,493	26,757
Profit and loss account		(14,239,761)	(8,949,207)
		<u>4,011,933</u>	<u>9,264,541</u>

**SteelEye Limited**  
Registered number: 10581067

**Consolidated Statement of Financial Position (continued)**  
**As at 31 December 2021**

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

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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



**M Smith**  
Director

Date: 30/09/2022

The notes on pages 5 to 20 form part of these financial statements.

**SteelEye Limited**  
Registered number: 10581067

**Company Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	6	2,683,009	2,005,685
Tangible assets	7	110,875	80,223
Investments	8	1,117	1,115
		<u>2,795,001</u>	<u>2,087,023</u>
<b>Current assets</b>			
Debtors	9	1,950,573	1,043,725
Cash and cash equivalents		2,173,585	7,756,595
		<u>4,124,158</u>	<u>8,800,320</u>
Creditors: amounts falling due within one year	10	(2,973,857)	(1,649,385)
<b>Net current assets</b>		<u>1,150,301</u>	<u>7,150,935</u>
<b>Total assets less current liabilities</b>		<u>3,945,302</u>	<u>9,237,958</u>
<b>Net assets</b>		<u>3,945,302</u>	<u>9,237,958</u>
<b>Capital and reserves</b>			
Called up share capital	11	8,603	8,574
Share premium account		18,182,871	18,181,963
Capital redemption reserve		43	43
Share based payment reserve	12	77,493	26,757
Profit and loss account		(14,323,708)	(8,979,379)
		<u>3,945,302</u>	<u>9,237,958</u>

**SteelEye Limited**  
Registered number: 10581067

**Company Statement of Financial Position (continued)**  
**As at 31 December 2021**

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The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £5,344,329 (2020 - £3,919,876).

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

  
.....  
**M Smith**  
Director

Date: 30/09/2022

The notes on pages 5 to 20 form part of these financial statements.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 1. General information

SteelEye Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the Company's operations and principal activity are set out in the Directors' Report.

### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

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

#### 2.3 Going concern

On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Group is well placed to manage its business risks.

The Group has been impacted by the outbreak of COVID-19 in the year which resulted in travel and border restriction, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. As a business, SteelEye adapted very well to working from home, and has evidenced the ability to continue to meet sales targets throughout to the pandemic. The business has a sufficient cash runway for the at least 12 months from the date of approving the financial statements and continue to perform in line the business plan. Management of the business also have the ability to utilise a variety of levers to reduce the cash burn and extend the cash runway under its current cost base if necessary. This is demonstrated by the fact that during December 2020 the Group raised additional cash to fund its operations through an equity funding round. At Board level, the CEO presents a COVID assessment at each board meeting.

On 24 August 2022, SteelEye Limited completed an £18,081,601 series B qualifying fundraising event, including the conversion of all £3,000,000 (plus accrued interest of £81,530) of convertible loan notes subscribed to on 28 February 2022. The price paid per share for new series B shares was £4.5361. As part of the series B fundraising, a new option pool was created equating to 10% of the total share capital of the Company.

Given the above the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and thus continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.4 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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

#### 2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

##### Rendering of services

Turnover 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 turnover 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.

Licence revenue is recognised over the term of the licence contract.

Integration fees and other revenue in respect of ad-hoc projects is recognised on a monthly basis when the services are provided.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.6 Operating leases: the Group as lessee

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

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

#### 2.7 Research and development / Intangible assets

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which are 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.9 Pensions

##### Defined contribution pension plan

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

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



# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.10 Share based payments

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

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

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

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

#### 2.11 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 reporting date in the countries where the Company and the Group operate and generate income.

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

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

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.12 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. Developed intangible assets are amortised over 3 years on a straight line basis. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

#### 2.13 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.

Depreciation is provided on the following basis:

Leasehold improvements	- 20% straight line
Furniture, fittings and equipment	- 10% - 25% straight line

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.

#### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.16 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.

#### 2.17 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.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.18 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 and investments in ordinary shares.

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.

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 statement of comprehensive income.

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.

#### 2.19 Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components and presented separately in the statement of financial position.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

#### Research and development

The company incurs research and development expenditure. Research expenditure cannot be capitalised, however development costs are capitalised as intangible assets. As such judgement is applied to determine whether expenditure constitutes research or development.

### 4. Employees

The average monthly number of employees, including directors, during the year for the Group was 57 (2020 - 37), and for the Company was 41 (2020 - 30).

### 5. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
Tax credits on research and development expenditure at 14.5%	(623,268)	(434,955)
	<u>(623,268)</u>	<u>(434,955)</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	5,139	-
Foreign tax in respect of prior periods	47	-
	<u>5,186</u>	<u>-</u>
<b>Total current tax</b>	<u>(618,082)</u>	<u>(434,955)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(151)
<b>Total deferred tax</b>	<u>-</u>	<u>(151)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(618,082)</u>	<u>(435,106)</u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 6. Intangible assets

#### Group and Company

	Research and development £
<b>Cost</b>	
At 1 January 2021	5,112,650
Additions	2,166,842
At 31 December 2021	<u>7,279,492</u>
<b>Amortisation</b>	
At 1 January 2021	3,106,964
Charge for the year	1,481,996
At 31 December 2021	<u>4,588,960</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>2,690,532</u></u>
At 31 December 2020	<u><u>2,005,686</u></u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 7. Tangible fixed assets

#### Group

	Leasehold improvements £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	17,886	115,029	132,915
Additions	-	85,565	85,565
Exchange adjustments	-	86	86
At 31 December 2021	17,886	200,680	218,566
<b>Depreciation</b>			
At 1 January 2021	6,750	44,419	51,169
Charge for the year	5,096	33,040	38,136
Exchange adjustments	-	(537)	(537)
At 31 December 2021	11,846	76,922	88,768
<b>Net book value</b>			
At 31 December 2021	6,040	123,758	129,798
At 31 December 2020	11,136	70,610	81,746

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 7. Tangible fixed assets (continued)

#### Company

	Leasehold improvements £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	17,886	107,251	125,137
Additions	-	63,312	63,312
At 31 December 2021	17,886	170,563	188,449
<b>Depreciation</b>			
At 1 January 2021	6,750	38,164	44,914
Charge for the year on owned assets	5,096	27,564	32,660
At 31 December 2021	11,846	65,728	77,574
<b>Net book value</b>			
At 31 December 2021	6,040	104,835	110,875
At 31 December 2020	11,136	69,087	80,223

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 8. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	1,115
Additions	2
At 31 December 2021	<u>1,117</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
SteelEye India Private Limited	No 7 KSRTC Layout, Chikkalasandra, Bangalore, KA560061, India	Ordinary	100%
SteelEye US Inc.	31 Saint James Ave, Boston, MA 02116	Ordinary	100%
SteelEye Portugal Unipessoal LDA	Avenida da Republica 50,10,, Lisboa, 1050- 196	Ordinary	100%

During the year, the group incorporated the subsidiary companies SteelEye US Inc. and SteelEye Portugal Unipessoal LDA.



# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 9. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	737,210	262,679	737,210	262,679
Amounts owed by group undertakings	-	-	3,306	-
Other debtors	730,800	529,066	713,480	526,558
Prepayments and accrued income	501,599	254,488	496,577	254,488
Tax recoverable	23,696	11,960	-	-
Deferred taxation	104	152	-	-
	<b>1,993,409</b>	<b>1,058,345</b>	<b>1,950,573</b>	<b>1,043,725</b>

Included within group and company other debtors is rental deposits of £101,518 and £89,861 (2020 - £89,861 and £89,861) respectively.

Also included within group and company other debtors is a research and development credit of £623,268 and £623,268 (2020 - £434,955 and £434,955) respectively.

### 10. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	364,201	208,309	354,220	222,489
Amounts owed to group undertakings	-	-	6,796	-
Corporation tax	5,118	-	-	-
Other taxation and social security	248,270	135,272	238,533	135,272
Other creditors	275,026	108,704	239,476	90,085
Accruals and deferred income	2,145,929	1,201,539	2,134,832	1,201,539
	<b>3,038,544</b>	<b>1,653,824</b>	<b>2,973,857</b>	<b>1,649,385</b>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 11. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
3,611,946 (2020 - 3,582,780) Ordinary shares of £0.001 each	3,612	3,583
1,607,440 (2020 - 1,607,440) Seed Preferred shares of £0.001 each	1,607	1,607
3,383,838 (2020 - 3,383,838) Series A Preferred shares of £0.001 each	3,384	3,384
	<u>8,603</u>	<u>8,574</u>

On 24 December 2021, 29,166 Ordinary shares were issued at £0.001 per share.

### 12. Share based payments

SteelEye Limited operates an equity-settled share based remuneration scheme for employees. All employees are eligible to participate in the long-term incentive scheme. Certain options vest in full immediately prior to the occurrence of a change of control or sixty-five percent of the option shares vest over a four year time period provided that the option holder is still an employee, with the remainder vesting immediately prior to the occurrence of an exit. Certain options vest over a four year time period only, provided that the option holder is still an employee. All options expire after a period of ten years from the date of grant if the vesting conditions are not met.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	8.28	1,292,799	0.10	385,000
Granted during the year	18.00	88,400	10.86	997,799
Exercised during the year	3.21	(29,166)	0.10	(90,000)
Cancelled during the year	11.88	(34,034)		
<b>Outstanding at the end of the year</b>	<u>8.95</u>	<u>1,317,999</u>	<u>8.28</u>	<u>1,292,799</u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 12. Share based payments (continued)

The exercise price of the options outstanding at the year end ranged between 0.10 pence and 10 pence (2020 - ranged between 0.10 pence and 11 pence) and their weighted average contractual life to vesting was 4.00 years (2020 - 3.17 years).

Of the total number of options outstanding at the year end, nil (2020 - nil) had vested and were exercisable.

The weighted average share price (at the date of exercise) of options exercised during the year was 18.00 pence (2020 - 10.86 pence).

The weighted average fair value of each option granted during the year was 29.97 pence (2020 - 29.91 pence).

The Black-Scholes option pricing model was used to value the equity-settled share-based payment awards that were granted during the year as it was considered that this approach would result in a materially accurate estimate of the fair value of options granted. The following information was used in this valuation:

	2021 Black-Scholes	2020 Black-Scholes
Option pricing model used		
Weighted average share price (pence)	63.20	39.00
Exercise price (pence)	18.00	10.86
Weighted average contractual life (days)	4	4
Expected volatility	54%	57%
Risk-free interest rate	1.230%	0.981%

The share-based remuneration expense comprises:

	2021	2020
Equity-settled schemes	50,736	26,757
	<u>50,736</u>	<u>26,757</u>

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 13. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	246,171	239,407	246,171	239,407
Later than 1 year and not later than 5 years	722,754	212,275	722,754	212,275
	<u>968,925</u>	<u>451,682</u>	<u>968,925</u>	<u>451,682</u>

### 14. Related party transactions

The Company has taken exemption under FRS 102 section 1AC.35 from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

On 1 October 2021, the Company purchased paintings totalling £2,360 from a related party.

### 15. Post balance sheet events

On 28 February 2022, SteelEye Limited issued £3,000,000 in convertible loan notes to four existing shareholder subscribers. Interest on the Stock will accrue at a rate of 6% per annum. The Stock and all accrued interest if converted shall convert at a price per share being a 25% discount to the Subscription Price per new share paid by the investors participating in a qualifying fundraising event. The amount subscribed by each shareholder was as follows:

Subscriber	Loan stock (£)
FIL	1,725,000
CRANFORD	138,000
BEACON	1,275,000
GRAPEVINE	312,000
<b>TOTAL</b>	<b>3,000,000</b>

On 24 August 2022, SteelEye Limited completed an £18,081,601 series B qualifying fundraising event, including the conversion of all £3,000,000 (plus accrued interest of £81,530) of convertible loan notes subscribed to on 28 February 2022. The price paid per share for new series B shares was £4.5361. As part of the series B fundraise, a new option pool was created equating to 10% of the total share capital of the Company.

### 16. Controlling party

The directors do not consider there to be an ultimate controlling party of the Company and Group.

# **SteelEye Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2021**

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### **17. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 30 September 2022 by Peter Smithson (senior statutory auditor) on behalf of BDO LLP.