

SAMSARA NETWORKS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 JANUARY 2023



SAMSARA NETWORKS LIMITED

COMPANY INFORMATION

Directors	Sanjit Biswas Chloe Hill (resigned 1 August 2022) Adam Eltoukhy Dominic Phillips Temikia Montford (appointed 1 August 2023)
Company secretary	Bird & Bird Company Secretaries Limited
Registered number	11250772
Registered office	Floor 4 1 Alie Street London E1 8DE

SAMSARA NETWORKS LIMITED

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SAMSARA NETWORKS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 28 JANUARY 2023

Business review and future developments

Samsara Networks Limited ("the Company") is a cost-plus entity for Samsara Inc. ("the Parent Company"). The Company operates on a transfer pricing model whereby it generates revenue from the provisioning of services to the Parent Company and is compensated for incurred costs plus a reasonable profit margin for such activities, as established by transfer pricing studies.

The services provided to the Parent Company primarily include the sales, marketing and engineering services.

The profit margin used to determine revenues is based on an approximate 5% mark-up over the total operating overhead expenses. The Company invoiced the Parent Company monthly for such services.

Samsara Inc. are the pioneers of the Connected Operations Cloud, which allows businesses that depend on physical operations to harness IoT (Internet of Things) data to develop actionable business insights and improve their operations.

Our Connected Operations Cloud consolidates data from our IoT devices and a growing ecosystem of connected assets and third-party systems, and makes it easy for organizations to access, analyse and act on data insights, using our cloud dashboard, custom alerts and reports, mobile apps and workflows. Our differentiated, purpose-built suite of solutions enables organizations to embrace and deploy a digital, cloud-connected strategy across their operations. With Samsara, customers have the ability to drive safer operations, increase business efficiency, and achieve their sustainability goals, all to improve the lives of their employees and the customers they serve.

Principal risks and uncertainties

A description of the risks and uncertainties associated with our business is set forth below. The occurrence of any of the events or developments described below, or of additional risks and uncertainties not presently known to us or that we currently deem immaterial, could materially and adversely affect our business, results of operations, financial condition and growth prospects.

- If organizations do not adopt our Connected Operations Cloud, our ability to grow our business and operating results may be adversely affected.
- If we are unable to attract new customers, our future results of operations could be harmed.
- If our customers do not renew their subscriptions for our services and add additional users and services to their subscriptions, our future results of operations could be harmed.
- If the delivery of our services to our customers is interrupted or delayed for any reason, our business could suffer.
- We rely on our key technical, sales and management personnel to grow our business, and the loss of one or more key employees or the inability to attract and retain qualified personnel could harm our business.

Financial key performance indicators

The retained earnings show a 41% increase from £3,001,816 to £4,246,657. The revenue of the company has increased by 48% from £24,445,674 to £36,163,267.

The operating profit of the company has increased by 65% and the profit after taxation has decreased by 0.5% from £1,250,629 to £1,244,841. There has been an increase in the expenses of the company (47%) due to continued growth in activity during the year.

SAMSARA NETWORKS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 JANUARY 2023**

This report was approved by the board on 1 August 2023 and signed on its behalf.

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Adam Eltoukhy
Director

SAMSARA NETWORKS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 JANUARY 2023**

The directors present their report and the financial statements for the year ended 28 January 2023.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £1,244,841 (2022 - £1,250,629).

The directors have not recommended a dividend be paid this year (2022: £nil)

Directors

The directors who served during the year were:

Sanjit Biswas
Chloe Hill (resigned 1 August 2022)
Adam Eltoukhy
Dominic Phillips

SAMSARA NETWORKS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 JANUARY 2023**

Disclosure of information to auditor

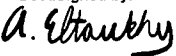
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Auditor

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

This report was approved by the board on 1 August 2023 and signed on its behalf.

DocuSigned by:

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Adam Eltoukhy
Director

SAMSARA NETWORKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMSARA NETWORKS LIMITED

Opinion

We have audited the financial statements of Samsara Networks Limited (the 'Company') for the year ended 28 January 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

SAMSARA NETWORKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMSARA NETWORKS LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SAMSARA NETWORKS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMSARA NETWORKS LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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.

SAMSARA NETWORKS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMSARA NETWORKS LIMITED
(CONTINUED)**



Christine Dobson (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

11 August 2023

SAMSARA NETWORKS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 JANUARY 2023**

	Note	2023 £	2022 £
Turnover	4	36,163,267	24,445,674
Gross profit		<u>36,163,267</u>	<u>24,445,674</u>
Administrative expenses		(34,423,577)	(23,392,420)
Operating profit	5	1,739,690	1,053,254
Interest receivable and similar income	9	3,013	-
Profit before tax		<u>1,742,703</u>	<u>1,053,254</u>
Tax on profit	10	(497,862)	197,375
Profit for the financial year		<u><u>1,244,841</u></u>	<u><u>1,250,629</u></u>

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 12 to 25 form part of these financial statements.

SAMSARA NETWORKS LIMITED
REGISTERED NUMBER: 11250772

BALANCE SHEET
AS AT 28 JANUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	1,077,133	1,076,145
		<u>1,077,133</u>	<u>1,076,145</u>
Current assets			
Debtors: amounts falling due within one year	12	4,901,461	2,882,770
Bank and cash balances		1,241,380	1,261,946
		<u>6,142,841</u>	<u>4,144,716</u>
Creditors: amounts falling due within one year	14	(2,736,832)	(2,218,945)
Net current assets		<u>3,406,009</u>	<u>1,925,771</u>
Total assets less current liabilities		<u>4,483,142</u>	<u>3,001,916</u>
Provisions for liabilities			
Deferred tax	15	(236,385)	-
		<u>(236,385)</u>	<u>-</u>
Net assets		<u><u>4,246,757</u></u>	<u><u>3,001,916</u></u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	4,246,657	3,001,816
		<u><u>4,246,757</u></u>	<u><u>3,001,916</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 August 2023.

DocuSigned by:

A. Eltoukhy

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Adam Eltoukhy
Director

The notes on pages 12 to 25 form part of these financial statements.

SAMSARA NETWORKS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 JANUARY 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 30 January 2022	100	3,001,816	3,001,916
Comprehensive income for the year			
Profit for the year	-	1,244,841	1,244,841
Capital Contribution - share based payment	-	6,431,236	6,431,236
Capital Contribution - share based payment recharge	-	(6,431,236)	(6,431,236)
Total comprehensive income for the year	-	1,244,841	1,244,841
At 28 January 2023	100	4,246,657	4,246,757

The notes on pages 12 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 JANUARY 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2021	100	1,751,187	1,751,287
Comprehensive income for the year			
Profit for the year	-	1,250,629	1,250,629
Capital Contribution - share based payment	-	4,539,239	4,539,239
Capital Contribution - share based payment recharge	-	(4,539,239)	(4,539,239)
Total comprehensive income for the year	-	1,250,629	1,250,629
At 29 January 2022	100	3,001,816	3,001,916

The notes on pages 12 to 25 form part of these financial statements.

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

1. General information

Samsara Networks Limited is a private limited company, limited by shares (registered number 11250772) incorporated and domiciled in the UK. Its registered office is Floor 4 1 Alie Street, London, United Kingdom, E1 8DE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Samsara Inc. as at 28 January 2023 and these financial statements may be obtained from 1 De Haro St, San Francisco, California, 94107, United States.

2.3 Going concern

The company is reliant on support from the parent entity, Samsara Inc. to continue as a going concern, and the directors have received confirmation that they will have this support for the foreseeable future. With this support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements.

In making their assessment the directors have considered the impact of the current economic climate including the ability of the company to continue to service customers, the impact on future revenues and cash collections. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

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.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company 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.

Turnover represents the amounts derived from the provision of services to the company's parent entity, Samsara Inc., which falls within the company's ordinary activities. The company recognises turnover as a mark up on operating expenditure incurred and is reflective of an arms-length transaction of similar services. This is supported through an intercompany agreement between the two entities. Operating expenditure subject to the mark-up agreement includes the cost of stock-based compensation for equity instruments awarded by Samara Inc. to employees of Samara Networks Limited under Samsara Inc.'s equity incentive plan. No other turnover is recognised within the entity.

2.6 Operating leases: the Company 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 Interest income

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

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

2.9 Share-based payments

Where equity instruments are awarded to employees, the fair value of the instruments 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 balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of equity instruments that eventually vest. Market vesting conditions are factored into the fair value of the equity instruments 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 Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of equity instruments are modified before they vest, the increase in the fair value of the equity instruments, 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.

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

2. Accounting policies (continued)**2.10 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.11 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.

Depreciation is provided on the following basis:

Long-term leasehold property	- 10 years
Fixtures and fittings	- 5 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 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.

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

2. Accounting policies (continued)

2.13 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.

2.14 Creditors

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

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company 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.

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

2. Accounting policies (continued)
2.16 Financial instruments

The Company 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These judgements and estimates are reviewed on an ongoing basis.

The directors consider there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

4. Turnover

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

	2023 £	2022 £
Provision of services	36,163,267	24,445,674
	<u>36,163,267</u>	<u>24,445,674</u>

Costs are recharged to the company's parent entity, Samsara Inc. which is registered in United States of America.

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Exchange differences	(22,309)	110,326
Other operating lease rentals	3,111,266	2,982,367
	<u>3,111,266</u>	<u>2,982,367</u>

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

6. Auditor's remuneration

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

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	35,000	26,750

7. Employees

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	18,701,006	11,906,325
Social security costs	2,673,856	1,244,918
Share based compensation	6,431,236	4,539,239
Cost of defined contribution scheme	485,870	339,830
	28,291,968	18,030,312

The directors were remunerated for their services to the company by Samsara Inc. but no intercompany recharge has been made.

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

	2023	2022
	No.	No.
Employees	132	99

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

8. Share-based payments

The company's immediate parent company, Samsara Inc. grants various rights over its equity instruments to employees of the company. A charge of £6,431,236 has been allocated from the parent company in the year ended 28 January 2023 (2022: £4,539,239). This has been charged to the profit and loss account and recognised as a "capital contribution" from the parent and credited directly to equity. However, as Samsara Inc. requires the company to bear the cost, the "capital contribution" has then been debited from equity and treated as a liability to Samsara Inc. The charge was calculated using the fair value of the equity instruments granted to employees of the company.

The following describes the arrangements in place:

In February 2015, Samsara Inc. adopted the Samsara Inc. 2015 Equity Incentive Plan (the "2015 Plan") pursuant to which the Board of Directors may grant incentive stock options and non-statutory stock options to purchase shares of its common stock, restricted stock awards, stock appreciation rights, and RSUs. In connection with the adoption of the 2021 Equity Incentive Plan (the "2021 Plan") in December 2021, the 2015 Plan was terminated with respect to the issuance of future awards.

In December 2021, the Board of Directors adopted and stockholders approved the 2021 Equity Incentive Plan, which became effective in December 2021 in connection with the initial public offering ("IPO").

Restricted Stock Units ("RSUs") granted prior to the IPO had both a service condition and a performance condition. Stock-based compensation expense is only recognized for RSUs for which both the service condition and performance condition have been met. The service condition for these awards is generally satisfied over four years. The performance condition is satisfied upon the occurrence of a qualifying liquidity event, defined as the earlier of a successful IPO or acquisition (as defined in the 2015 Plan).

The exemptions available in FRS 102 from providing detailed disclosures in respect of these share based payments have been taken.

9. Interest receivable

	2023 £	2022 £
Other interest receivable	3,013	-
	<u>3,013</u>	<u>-</u>

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

10. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	261,477	-
Total current tax	261,477	-
Deferred tax		
Origination and reversal of timing differences	280,717	(259,721)
Adjustments in respect of previous periods	(44,332)	13
Effect of tax rate change on opening balance	-	62,333
Total deferred tax	236,385	(197,375)
Taxation on profit on ordinary activities	497,862	(197,375)

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *lower than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>1,742,703</u>	<u>1,053,254</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	331,114	200,118
Effects of:		
Expenses not deductible for tax purposes	94	30,152
Fixed asset differences	(16,367)	(3,882)
Adjustments to tax charge in respect of prior periods	(321,482)	(88)
Adjustments to tax change in respect of prior periods - deferred tax	(44,332)	13
Remeasurement of deferred tax for changes in tax rates	67,372	(138,500)
Other permanent differences	481,463	(764,735)
Movement in deferred tax not recognised	-	479,547
Total tax charge for the year	<u><u>497,862</u></u>	<u><u>(197,375)</u></u>

The company is no longer carrying forward tax losses (2022: £1,714,213) as these were all utilised in the year.

Factors that may affect future tax charges

An increase to the UK Corporation tax rate from 19% to 25% (effective from 1 April 2023) was announced in the chancellors budget on 3 March 2021.

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

11. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Total £
Cost or valuation			
At 30 January 2022	172,864	1,601,547	1,774,411
Additions	15,541	349,647	365,188
At 28 January 2023	188,405	1,951,194	2,139,599
Depreciation			
At 30 January 2022	26,021	672,245	698,266
Charge for the year on owned assets	13,100	351,100	364,200
At 28 January 2023	39,121	1,023,345	1,062,466
Net book value			
At 28 January 2023	149,284	927,849	1,077,133
At 29 January 2022	146,843	929,302	1,076,145

12. Debtors

	2023 £	2022 £
Amounts owed by group undertakings	3,723,718	874,602
Other debtors	129,780	276,092
Prepayments and accrued income	613,967	468,011
VAT recoverable	433,996	1,264,065
	4,901,461	2,882,770

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

13. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	1,241,380	1,261,946
	<u>1,241,380</u>	<u>1,261,946</u>

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	172,742	334,275
Other creditors	1,089,165	580,747
Accruals and deferred income	1,474,925	1,303,923
	<u>2,736,832</u>	<u>2,218,945</u>

15. Deferred taxation

	2023 £
Charged to profit or loss	(236,385)
At end of year	<u><u>(236,385)</u></u>

The deferred taxation balance is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	(236,385)	(231,157)
Tax losses carried forward	-	231,157
	<u><u>(236,385)</u></u>	<u><u>-</u></u>

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

16. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary shares of £1.00 each	100	100

17. Reserves**Profit and loss account**

This reserve records retained earnings, any capital contributions and accumulated profit or losses.

18. Capital commitments

The company had capital commitments of £nil at 28 January 2023 (29 January 2022: £nil).

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £485,870 (2022 - £339,830). Contributions totalling £nil (2022 - £536) were payable to the fund at the balance sheet date.

20. Commitments under operating leases

At 28 January 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	2,154,054	2,154,054
Later than 1 year and not later than 5 years	3,590,089	5,744,143
	<u>5,744,143</u>	<u>7,898,197</u>

21. Related party transactions

The company has taken advantage of the exemption under FRS 102 not to disclose transactions with other members of the group on the grounds that 100% of the voting rights are controlled within the group.

SAMSARA NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JANUARY 2023**

22. Controlling party

The immediate and ultimate parent entity of the company is Samsara Inc., a company registered in the United States of America, and is the smallest and largest company to prepare consolidated financial statements in which Samsara Networks Limited is included. The address of Samsara Inc. is:

Samsara Inc.
1 De Haro Street
San Francisco
California
United States
94107

Samsara Inc. is listed on the New York Stock Exchange; accordingly, the directors are of the opinion that there is no ultimate controlling party.