

## Quantexa Limited

Annual Report and Financial Statements

Year Ended

31 March 2022

Company Number 10045407

FRIDAY



\*AC8PDTDC\*

A21

28/07/2023

#23

COMPANIES HOUSE

# Quantexa Limited

## Company Information

---

### Directors

I Hoque  
E W A Lascelles  
V K Marria  
R O'Brien (resigned 20 April 2021)  
N M Donofrio  
P Mestchian (resigned 9 July 2021)  
N B Fiore  
J McAdam (resigned 13 July 2022)  
R Seewald  
C W Bell (appointed 20 April 2021)  
A K Sarma (appointed 9 July 2021)  
A G Bexiga (appointed 13 July 2022)  
B Engle (appointed 19 April 2023)

### Registered number

10045407

### Registered office

Hill House  
1 Little New Street  
London  
EC4A 3TR

### Independent auditor

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

# Quantexa Limited

## Contents

---

	Page
<b>Group Strategic Report</b>	1 - 7
<b>Directors' Report</b>	8 - 13
<b>Independent Auditor's Report</b>	14 - 17
<b>Consolidated Statement of Comprehensive Income</b>	18
<b>Consolidated Balance Sheet</b>	19
<b>Company Balance Sheet</b>	20
<b>Consolidated Statement of Changes in Equity</b>	21 - 22
<b>Company Statement of Changes in Equity</b>	23
<b>Consolidated Statement of Cash Flows</b>	24 - 25
<b>Notes to the Financial Statements</b>	26 - 48

# Quantexa Limited

## Group Strategic Report For the Year Ended 31 March 2022

---

### Chairperson's statement

Quantexa Limited and its subsidiaries (together "the Group" or "Quantexa") is focused on using its technology to help organisations throughout the world make their data more meaningful, in order that they can realise its value for trusted strategic and operational decision-making. This has never been more important than it is today, during these turbulent times faced by businesses globally.

It is therefore especially pleasing to report another year of strong growth across all principal areas of our business. This included significant growth in our core sectors of banking, insurance, government and technology, media and telecoms ("TMT"), a number of significant new client wins, and strong growth in our key strategic regions of Europe, Middle East and Africa ("EMEA"), North America and Asia Pacific.

Our technology roadmap continues to innovate in areas such as Financial and Economic Crime Compliance, Data Management, Customer Intelligence and Risk. Our commitment to social and environmental responsibility saw the implementation of Quantexa's environmental, social and governance ("ESG") strategy and framework. Quantexa's employees and partners showed great resilience and focus during the year as the world began to emerge from the global pandemic and life returned to a 'new normal', drawing heavily on our culture of determination, accountability, teamwork and ambition.

Quantexa's business momentum is based on the successful execution of its product, regional and sector strategy, its people and technology and, most importantly, its customer focus. Despite the challenging economic headwinds, the Group is confident of making continued progress and of being able to drive strong growth in our business in the coming year.

**Nick Donofrio,**  
Quantexa Chairperson

### Overview

Quantexa saw strong growth in sales of its decision intelligence technology across all of its core markets for the financial year ended March 2022 with total revenue growing by 23% year-over-year. With increased penetration into the UK, European, North American and Asia Pacific markets, Quantexa delivered strong growth in all its key regions.

The EMEA region recorded a number of new client wins, and accounted for 68% of total revenue for the financial year ended March 2022. North America saw particularly strong year-on-year growth and accounted for 19% of total revenue in the year. Office openings in Melbourne and Singapore helped drive growth in the APAC region, which accounted for 13% of total annual revenue.

Quantexa's technology is used by some of the world's largest banks to help protect, optimise and grow their businesses in different divisions and geographies. While Banking remains Quantexa's largest industry vertical, the Group also delivered strong growth in the Insurance, Government, and TMT sectors which, on a combined basis, accounted for 17% of total revenue in the year.

The business delivered strong sales growth across its core solution suites of Contextual Data Management, Financial Crime, Fraud Detection and Customer Intelligence, reflecting strong demand for new offerings with existing customers, as well as growth with new customers and in new markets.

# Quantexa Limited

## Group Strategic Report (continued) For the Year Ended 31 March 2022

---

### Acceleration of customer penetration and adoption by the partner ecosystem

The growing adoption of Quantexa's technology solutions with existing and new customers has resulted in the Group and its clients receiving increasing industry recognition.

In July 2021, Quantexa's momentum was recognised with the Google Cloud 2021 Industry Solution Partner of the Year Award in the Financial Services category, for its achievements in the Google Cloud ecosystem.

In July 2021, Quantexa announced the completion of its Series D funding round, led by Warburg Pincus, raising \$156.5 million, providing further growth funding for the business.

In November 2021, Quantexa announced a new partnership with KPMG UK to optimise organisations' defences against fraud, money laundering and illicit finance. This included contracting with a UK Government Department in July 2021 to use Quantexa's solutions, to detect fraud stemming from the COVID-19 loan schemes.

One of Quantexa's EMEA customers was awarded the Celent Model Risk Manager Award for use of Quantexa's technology. Quantexa's AI-powered analytics solution significantly improved the customers data quality and enhanced the efficiency and intelligence of its KYC investigations.

*"Quantexa continues on its journey as a leading player in the fast-growing Decision Intelligence category. We're proud to retain sustained support from our loyal customers like HSBC and Standard Chartered Bank, and world-leading partners which include Moody's, Google, and Deloitte. Beyond strengthening our presence in North America and Europe, it is also exciting to see Quantexa attract customers across the APAC region. We look forward to breaking more new ground as a leading Decision Intelligence solutions provider with our innovative technology, which is helping to make data meaningful for organisations all over the world, enabling them to make better, trusted decisions and, in uncertain times, drive greater levels of resiliency and efficiency."*

**Vishal Marria, CEO**

### Summary and outlook

The Group delivered strong growth in all key strategic regions and sectors in the financial year ending March 2022, achieved through direct sales, as well as in conjunction with our key sales and delivery partners. Our global alliances initiative involves building relationships with strategic partners such as Accenture, Deloitte and Synchro. During FY22, continued investment in this area resulted in expanded professional services delivery capacity and a growing indirect channel pipeline of new business.

Quantexa's outlook remains positive with plans to pursue further expansion in Banking, Insurance, Government and TMT. The Group will also increase investments in North America, Europe, the Middle East and the Asia Pacific regions.

Quantexa Sarl was established in Luxembourg in June 2021. Subsequent to the financial year ended March 2022, Quantexa Technology Ltd. was incorporated in Dubai and Quantexa Netherlands was incorporated in support of expanding our operations and customer activity in the Middle East and Continental Europe respectively. In November 2022, a new office was opened in Malaga, the base for a new Technology and Analytics Hub.

Despite seeing no sustained impact on the Group, the longer-term impact of the Coronavirus pandemic on the markets the Group operates in, and the resulting pressures that our customers face, remain uncertain. Quantexa continues to invest in initiatives that strengthen its business resilience and to monitor the situation and markets closely, with the flexibility to adapt its business model, if needed.

# Quantexa Limited

## Group Strategic Report (continued) For the Year Ended 31 March 2022

---

### Financial review

#### Introduction

The financial results for 2022 reflect a year of strong revenue growth. License revenue increased due to new customer acquisition and expansion with our existing customer base. Professional service revenues grew with support from the increased delivery capacity available from our technical employees and integration partners.

#### Revenue

Recognised revenue for the year ended 31 March 2022 increased by 23% to £37.2m (2021: £30.3m).

Recurring license revenue accounted for 58% of recognised revenues of £37.2m (2021: 46% of recognised revenues of £30.3m). Professional services revenues generated and delivered by our partners and contractors decreased by 6% to £15.6m (2021: £16.5m).

#### Operating loss

Operating loss was £26.9m (2021: loss £9.5m), which includes share-based payments of £2.0m (2021: £1.1m). The loss from operations was largely driven by investments in hiring employees and building group infrastructure, both locally and in our international businesses.

#### Statement of financial position

During the financial year, the Group incorporated Quantexa S.a.r.l in Luxembourg. Investments in existing subsidiaries reflecting the initial share capital investments are shown in note 15.

Deferred income, which is the value of invoiced less recognised revenue, increased by 18% to £14.3m (2021 - £12.1m).

Trade and other receivables increased by 83% to £18.1m (2021 - £9.9m). Included within receivables is tax recoverable relating to R&D enhancements under the SME scheme and RDEC scheme. Intangibles assets, representing capitalised development costs relating to the development of software, increased to £1.9m net book value (2021 - £1.3m net book value).

#### Cash

Cash and cash equivalents at 31 March 2022 were £94.3m (2021 - £17.3m).

#### Key performance indicators (KPIs)

The Group sets and monitors business targets using a framework of Objectives and Key Results ("OKRs"), tracked using several KPIs used to identify trends in trading performance and to benchmark progress against key objectives. A selection of the most important of these KPIs are described below. The following KPIs are not defined under UK GAAP and are not intended to be a substitute for any UK GAAP measures of performance, but have been included as management considers them to be important measures in assessing the performance of the Group. KPIs do not have standardised definitions and therefore may not be comparable to similar measures presented by other entities. Where appropriate and practical, a reconciliation to UK GAAP measures is provided.

Committed Annual Recurring Revenue ("CARR") is the annual pro-ration of licence revenue as of the measurement date. It is the annual committed subscription value of all contracts with customers for which the Group is entitled to recognise revenue, including any contractual commitments to increase or decrease subscription prices in future periods.

# Quantexa Limited

## Group Strategic Report (continued) For the Year Ended 31 March 2022

---

### Key performance indicators (KPIs) (continued)

CARR is used to measure the annual recurring revenue generated from customer contracts that have been signed and committed to over a specific period. It is the main indicator of the predictable revenue stream for future periods on our existing customer base. CARR at 31 March 2022 grew by 71.2% to £33.9m (31 March 2021: £19.8m).

Net Retention Rate ("NRR") is the sum of Annual Recurring Revenue ("ARR") of all customers that were customers one year prior divided by the ARR for the same customers one year prior to the measurement date. ARR is the annual pro-ration of licence revenue as of the measurement date. It is the annual committed subscription value of all contracts with customers for which the Group is entitled to recognise revenue. NRR was 145% in the financial year ending March 2022 (2021: 117%), excluding any gains or losses from FX fluctuation.

Average Contract Value ("ACV") is ARR at the reporting date divided by the total number of customers contributing to ARR. ACV provides insights into the revenue contribution of individual customers and helps evaluate overall revenue performance. ACV is tracked over time to identify trends and evaluate the impact of business initiatives on revenue generation. ACV grew by 35% to £947k (2021: £701k). Average revenue per account ("ARPA") was disclosed in the prior period financial statements, however, management believes that ACV provides more useful information and is used to track business performance.

The Group also tracks Customer Retention Rates ("CRR"), a non-financial KPI, as the percentage of retained customers, those who remain customers of the Group, within a given time frame. It provides insights into the ability to keep its existing customers and maintain customer loyalty. A high CRR indicates that a business is successful in retaining its customers over time. It suggests customer satisfaction, loyalty and the effectiveness of customer retention strategies. For the fiscal year end March 2022 CRR was 96% (2021: 92%).

In summary, these KPI's show significant growth in new customer acquisition and strong adoption across our customer base, with the ability to grow revenues with minimal churn from the existing customer base.

### Principal risks and uncertainties

#### Brexit

Brexit is not regarded to date to have had a direct material impact on Quantexa Limited and its subsidiaries, although, it is important to note that the situation surrounding Brexit is dynamic and ongoing. The Group currently operates subsidiaries in Belgium and Luxembourg, and it intends to continue serving and supporting customers in European markets through these subsidiaries, and the creation of new subsidiaries where needed. Notwithstanding this, the Group expected to have limited ongoing exposure to the potentially adverse impacts of Brexit.

#### Conflict in Russia and Ukraine

Quantexa does not have financial ties with Russia or Ukraine, nor does the Group have a customer base in these regions. The Business Continuity team have, and continue to, closely monitor the Russia/Ukraine conflict. It is considered that there is no immediate risk or direct impact to Quantexa or our staff.

## Quantexa Limited

### Group Strategic Report (continued) For the Year Ended 31 March 2022

---

#### ESG

Quantexa is committed to making the world safer and more secure using software developed to combat crime through better KYC and the prevention of money laundering and fraud. In the digital era, this commitment applies to our work on the internet and the physical world.

As Quantexa aspires to achieve a more sustainable future for all, the Group set out the following practices and guidelines which our employees and stakeholders are expected to adopt and subscribe to:

- Commit to reducing emissions to achieve Net Zero by 2030.
- Perform an annual review and publish a "Responsibility Report" which will include:
  - Environmental: carbon reduction strategy and systemic environmental initiatives;
  - Social: diversity & inclusion metrics reporting; and
  - Governance: Anti-Bribery and Corruption and Corporate Social Responsibility metrics and reporting.
- Commit to investing in the training and awareness of all staff on managing environmental, social and governance risks.
- Implementing and adhering to various policies and procedures to reduce greenhouse gas emissions, energy use, water use, waste generation, consumption of finite natural resources and pollution of land, air, and water.
- Where possible, assist in the protection and damage limitation to nationally or internationally protected areas including UNESCO World Heritage sites, Ramsar sites, Man & Biosphere sites, and FSC High Conservation Value Forests; and, furthermore where possible, including damage to plants and animals listed on the IUCN Red List of critically endangered species.

Quantexa understands this is an urgent matter and our stakeholders expect no less from us than to meet all published targets. Quantexa is determined to do our part to fight climate change and to protect the environment. In 2020 and 2021, several initiatives were introduced to reduce the Group's carbon footprint, which are now starting to show returns across the ESG areas identified above.

#### Information security

The Quantexa Board of Directors and the Senior Management team, represented by the Head of Information Security and the Information Security Steering Group (ISSG), fully endorse all information security policies and standards, and expect them to be adhered to across the business. Prescribed controls are implemented throughout the organisation, supporting the continuous review and improvement of the Information Security Management System (ISMS).

The Group believes in continuous improvement programmes and plans. The Information Security Team provides all staff with relevant and up-to-date Information Security training upon joining Quantexa and annually thereafter. Participation in the training is tracked and all staff are provided with Information Security training as part of their induction process to inform them of their role in adhering to security policies, procedures and the Group's expectations. Additional security training, specific to a job role, function, or client requirement is provided after joining the organisation.

Information and systems are considered valuable Quantexa assets that require protection against varying internal and external security risks. These risks can threaten the confidentiality, integrity and availability of such assets, as well as the Group's reputation externally.

To reinforce our commitment to Information Security, Quantexa meets and exceeds the ISO/IEC 27001 standard requirements and certifies to the NCSC requirements for Cyber Essentials +. Quantexa has recently been awarded the AICPA SOC 2 Type 1 and AICPA SOC for Supply Chain.

# Quantexa Limited

## Group Strategic Report (continued) For the Year Ended 31 March 2022

### Section 172(1) statement

This section describes how Quantexa have engaged with and considered the interests of our key stakeholders when exercising our duty to promote the success of the Group under section 172(1) of the Companies Act 2006. The Group believes that considering our stakeholders in key business decisions is fundamental to driving value creation over the longer term. During this financial year, as the Group recovers from the global pandemic, there has been a need to balance the expectations of our stakeholders with group strategic and financial growth objectives.

The principles behind section 172 are considered at Board level and embedded throughout the Group to promote its success for the benefit of all stakeholders.

In doing this, the Directors must have regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group.

<p><b>Shareholders and investors</b></p>	<p>Securing our shareholders' trust through continuous engagement ensures their ongoing investment and support.</p> <p>The Audit &amp; Risk Committee have oversight of internal and external audit processes, ensuring the business' internal framework of controls is sufficient to protect shareholder investments, and that the presentation of the financial statements provides investors with an accurate, fair and balanced view of performance, strategy and operations.</p> <p>Quantexa's Advisory Board comprises leading industry experts that provide a wealth of knowledge and strategic direction to help navigate Quantexa through the market changes and rapid scaling.</p> <p>The Board is partially represented by investors, who have the opportunity to provide their input on the business' strategy through board discussions and the circulation of monthly management accounts and performance analysis.</p>
<p><b>Fostering business relationships with suppliers and customers</b></p>	<p>Fostering business relationships with key external stakeholders, such as customers and suppliers, is recognised as a critical focus for the Board and management throughout the year. Maintaining and increasing their enthusiasm and loyalty for Quantexa ensures the enduring success of our business.</p> <p>The Group has launched 'Quantexa Community', a centralised collaboration platform to connect and engage with our customers and partners. As part of the broader digital experience strategy, this has improved and simplified Quantexa's digital experience for our customers and partners by making it easier to find the right information at the right time.</p> <p>Our Board take an active approach to key stakeholders to measure customer satisfaction by personally reaching out to our customers and their stakeholders, in an effort to understand customer needs and requirements and to improve their overall experience.</p> <p>Our partners provide avenues to expand our reach and access to new customers, both in the UK and internationally. Quantexa also has partners assessing and supporting our operations, to ensure constant evolution and improvement. The Group's partner relationships are often long-term, and the Directors and their teams meet with key partners to maintain and help develop strategic relationships.</p>

## Quantexa Limited

### Group Strategic Report (continued) For the Year Ended 31 March 2022

<b>Employees</b>	<p>Quantexa is continuously committed to employee engagement and encourages collaboration and transparency through numerous means of communication such as one-to-one meetings, email correspondence and group updates.</p> <p>Employee engagement is a primary focus for the Directors and management of the Group, connecting employees to the Group's strategy and purpose, enabling them to contribute to our business performance. Quantexa keeps the Group's employees informed through updates hosted by the Chief Executive Officer and the Leadership Team, which helps to drive communication and awareness across the business, highlighting key business strategies, commercial wins, colleague recognition and introducing new colleagues across the Group. This provides an opportunity for our employees to ask real time questions to our Leadership Team.</p> <p>The Leadership Team continues to place high importance on the feedback and insights of its employees. In support of this, Peakon, a tool to help monitor both employee engagement and wellbeing, performs quarterly surveys, as well as monthly pulse surveys, enabling us to listen to our colleagues and address key concerns. Colleague surveys have been conducted on a number of occasions throughout the year in order to maintain ongoing engagement and gather feedback, and are reported to the Board. The Board has been pleased to note that the results of these surveys confirm a high degree of satisfaction among colleagues with the measures being taken to ensure their wellbeing, and a strong sense of engagement demonstrated by an increase in engagement score from 8.1 to 8.2 and a Net Promoter Score ("NPS") increase of 10 points, from 40 to 50 in the year.</p> <p>With a focus on developing teams around individual strengths and identifying best fit candidates, Quantexa have also introduced McQuaig, a psychometric testing tool to develop, provide insights and help continue to build our strong corporate and employee culture.</p>
<b>Communities and society</b>	<p>Quantexa is committed to making the world safer and more secure using software developed to combat crime through better KYC and the prevention of money laundering and fraud. In the digital era, this commitment applies to our work on the internet and the physical world.</p> <p>Please refer to the ESG Section of the Strategic Report for more information.</p>

This report was approved by the board on

and signed on its behalf.

DocuSigned by:  
  
CFDA501AD8E84F6...  
**V K Marria**  
 Director

# Quantexa Limited

## Directors' Report For the Year Ended 31 March 2022

---

The Directors present their report and the financial statements for the year ended 31 March 2022.

### Results and dividends

The loss for the year, after taxation, amounted to £26,292,883 (2021 - loss £9,597,715).

The Directors do not recommend payment of a dividend (2021 - £Nil).

### Directors

The Directors who served during the year and to the date of this report were:

I Hoque  
E W A Lascelles  
V K Marria  
R O'Brien (resigned 20 April 2021)  
N M Donofrio  
P Mestchian (resigned 9 July 2021)  
N B Fiore  
J McAdam (resigned 13 July 2022)  
R Seewald  
C W Bell (appointed 20 April 2021)  
A K Sarma (appointed 9 July 2021)  
A G Bexiga (appointed 13 July 2022)  
B Engle (appointed 19 April 2023)

### Financial risk management

Due to the nature of Quantexa's business and commercial model, it is exposed to various enterprise risks, which are monitored and managed in accordance with the Group's Enterprise Risk framework, which seeks to mitigate such risks where at all possible. The Board of Directors establishes the principles and monitors the Group's financial risk management policies and procedures, which comprise objectives and risk tolerance limits for financial management purposes.

### Price risk

Management continue to monitor the market and the trading environment in which the Group operates and seeks to respond to any change in the market or trading environment with a view to mitigating the risk to the Group's product and resource pricing that might arise from such changes.

### Liquidity risk and cash flow risk

The Group manages liquidity risk and cash flow, regularly monitoring the performance of sales, new and existing customer wins, as well as overall business performance, against the financial resources and fundraising prospects available to the Group. Refer to note 2.3 for further information.

### Credit risk

The Group's commercial and financial transactions inherently give rise to some credit risk exposure, which is primarily attributable to its trade debtors. Credit risk is managed by continuously monitoring payments against contractual agreements and ensuring a thorough credit score check is conducted on all new and existing customers.

# Quantexa Limited

## Directors' Report (continued) For the Year Ended 31 March 2022

---

### Research and development activities

Throughout the past fiscal year, Quantexa continued to invest in the development and evolution of its Decision Intelligence Platform.

In October 2021, Quantexa launched Quantexa 2, the latest version of the Group's Decision Intelligence Platform, responding to the growing global demand for trusted, actionable intelligence from fast-increasing and fragmented data volumes. Helping enterprises navigate data proliferation and challenges, the new platform version introduced powerful capabilities that boost control and functionality, reduce friction, and easily add new data sources to internal analytics capabilities.

The Research and Development department works across all the areas of the platform from the core technology stack, entity resolution and the user interface, as well as focusing on tooling and best practice for data ingestion and analytics. The team remains at the forefront of Quantexa's product innovation, evolution, and development, building testing frameworks, executing quality control and further developing architecture and solutioning models.

### Engagement with employees

Quantexa ended the fiscal year ended March 2022 with 474 employees across the group, compared to 306 at the end of FY21, a 55% increase year-over-year. In terms of gender, the number of female employees increased from 19% to 24% of the total directly employed headcount. The Group tested and launched hybrid working across all regions, ensuring all our colleagues are provided with equipment and training to enable them to work remotely when efficient for them to do so.

The Group communicates on a regular basis with its employees through group-wide meetings, management briefings and other ad hoc meetings; this, in addition to written updates on group developments which are provided to all employees, further details are included in the s172 section of the Strategic Report.

### Disabled employees

The Group values the individual contribution of all employees and prospective employees from all sectors of the community. The Group recognises its social, moral and statutory duties to employ people with disabilities and not to subject them to any disadvantage in the workplace and is committed to continuously supporting employees with disabilities by providing appropriate equipment, technology and any additional training as required.

## Quantexa Limited

### Directors' Report (continued) For the Year Ended 31 March 2022

#### Streamlined Energy and Carbon Reporting (SECR)

##### Calculation Methodology

Quantexa Limited has completed a report to meet the Streamlined Energy and Carbon Reporting (SECR) standards for FY 22 for the period 1st April 2021 to 31st March 2022. This is the first year that Quantexa Limited meets the qualification criteria as a large unquoted group. As per SECR requirements, energy activities have been tracked in the UK and GHG emissions have been calculated using the appropriate emissions factors from BEIS's 2021 Government Conversion Factors. This work has been completed in line with the GHG Protocol guidance and covered all the Scope 1 and 2 emissions produced by Quantexa Limited, under operational control. Quantexa does not have any fuel-based data for transport, so this has been calculated using a spend based approach, alongside all other business travel under scope 3. This is voluntarily reported here alongside additional scope 1 and 3 emissions for completeness. Quantexa will also be reporting its global GHG emissions in its annual ESG report.

<b>GREENHOUSE GAS EMISSIONS</b>	
Stationary and mobile combustion of gas (tCO <sub>2</sub> e)	24
Electricity purchased for the Group's own use (tCO <sub>2</sub> e)	59
Total GHG emissions (tCO <sub>2</sub> e)	83
Intensity factor (tCO <sub>2</sub> e/revenue)	3.5
<b>GREENHOUSE GAS EMISSIONS</b>	
Other scope 1 emissions e.g., refrigerants (tCO <sub>2</sub> e)	0.02
Electricity purchased for the Group's own use (tCO <sub>2</sub> e)	0.00
Business travel emissions (tCO <sub>2</sub> e)	141
Commuting emissions (tCO <sub>2</sub> e)	49
Purchased goods and services emissions (tCO <sub>2</sub> e)	995
Waste emissions (tCO <sub>2</sub> e)	0.3
Other fuel and energy related emissions (tCO <sub>2</sub> e)	7.5
Total GHG emissions (tCO <sub>2</sub> e)	1,216
Intensity factor (tCO <sub>2</sub> e/revenue)	52
<b>ENERGY CONSUMPTION</b>	
Stationary and mobile combustion of gas (kWh)	131,007
Electricity purchased for the Group's own use (kWh)	279,117
Total energy consumption (kWh)	410,124
Intensity factor (kWh/revenue)	17,452

##### Energy Efficiency Narrative

In line with group growth, Quantexa has worked towards emission reduction in 2021/22 by acting to better understand and improve the energy efficiency of its operations.

Understanding the challenges associated with shared office space, Quantexa developed more in-depth relationships with WeWork. These relationships enable a deeper focus to be placed on energy usage and savings, including broader use of renewable energies and sustainability across all office locations. An example of this would be the use of passive InfraRed lighting systems alongside smart lighting controls helping to conserve electricity across all locations.

In addition, Quantexa has partnered with both Altruistiq and Ecologi to assist in the management of all sustainability requirements and to directly fund climate solutions helping to reduce or remove carbon emissions with a carbon offset programme.

## Quantexa Limited

### Directors' Report (continued) For the Year Ended 31 March 2022

---

#### **Streamlined Energy and Carbon Reporting (SECR) (continued)**

Additional initiatives include:

- Empowering teams to make sustainable decisions both at work and at home
- Encouraging employees to use more sustainable means of transport when commuting to the office
- Reducing carbon emissions through individual accountability for emissions from business travel

Quantexa aims to continue to improve energy efficiency and will continue to focus on a reduction in emissions from all locations.

#### **Qualifying third party indemnity provisions**

The Group maintains appropriate Directors' and Officers' Liability insurance on behalf of the Directors. In addition, individual qualifying third-party indemnities are given to the Directors which comply with the provisions of Section 234 of the Companies Act 2006, and were in force throughout the year and up to the date of signing the Directors' Report.

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements 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 Group 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 to disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Matters covered in the Group Strategic Report**

Information on how the Directors have had regard for the Group's business relationships with suppliers, customers and others, and the impact this has had on the principal decisions made in the year, are contained within the Group's Strategic Report on pages 1 to 8.

## Quantexa Limited

### Directors' Report (continued) For the Year Ended 31 March 2022

---

#### Going concern

The Group's financial statements have been prepared on a going concern basis.

During fiscal year 2022, the Group reported a loss of £26.9m (2021 - loss of £9.6m). These losses reflect the continued investment the Group is making in research and development, sales and marketing in order to maintain rapid growth in new regions whilst creating best in class products and solutions for its customers.

The Directors continue to monitor and evaluate any direct consequences the Group may incur relating to global conflict, climate change, and COVID-19, alongside other events. The Directors have determined that these do not create a material uncertainty or cast doubt on the ability of the entity to continue on a going concern basis of accounting for at least twelve months from the date of signature.

In July 2021, Quantexa closed a Series D funding round and raised \$156.5m, \$120.0m of which was received by the Group. Based on this injection of cash, the Directors have budgeted for further investments in the business during the next financial year. In April 2023, the Group successfully completed its Series E funding of \$129m.

The Directors have reviewed the Group's cash flow forecasts, taking into account the likely future developments of the Group, and have reasonable expectations that the Group will have adequate resources to meet its obligations as they fall due for a minimum of twelve months from the date of signature. Quantexa currently has no debt, or customers in default.

The Group manages liquidity risk by regularly monitoring the performance of sales, new and existing customer wins, as well as overall business performance, against the financial resources and fundraising prospects available to the Group.

#### Post balance sheet events

In June 2022, Quantexa incorporated a new entity in Spain, and in November, a new Technology Hub space within the tech ecosystem of the Malaga Valley.

As part of our growth strategy, Quantexa Netherland BV was incorporated in September 2022, which was previously a branch of our Belgium entity, but is now established as a 100%-owned subsidiary of Quantexa Limited.

In August 2022, Quantexa successfully established a local presence in the United Arab Emirates in Dubai's International Financial Centre.

In February 2023, the Group acquired Aylien Limited, an Ireland-based company to enhance Quantexa's Decision Intelligence Platform and to enhance customers' ability to unify structured and unstructured data.

In April 2023, the Group successfully completed its Series E funding round of \$129m led by GIC, including participation from existing investors.

#### 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 and the Group'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 and the Group's auditor is aware of that information.

## Quantexa Limited

### Directors' Report (continued) For the Year Ended 31 March 2022

---

#### Auditor

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

This report was approved by the board on

and signed on its behalf.

DocuSigned by:  
*Vishal Marria*  
CFDA501AD8E64F6...

**V K Marria**  
Director

## Quantexa Limited

### Independent Auditor's Report to the Members of Quantexa Limited

---

#### Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Quantexa Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, 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)*.

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### 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 Group's or Parent 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.

## Quantexa Limited

### Independent Auditor's Report to the Members of Quantexa Limited (continued)

---

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements other than the financial statements and our auditor's report thereon. 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.

#### Other Companies Act 2006 reporting

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.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Quantexa Limited

### Independent Auditor's Report to the Members of Quantexa Limited (continued)

---

#### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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 have obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company. We determined that the most significant are directly relevant to specific assertions in the financial statements are those relating to the reporting framework (FRS102, the Companies Act 2006) and the tax legislation (the Finance Act);
- We have reviewed the Group and Parent Company's compliance with these laws and regulations through our audit procedures over the financial statements and related tax balances;
- We enquired with management and those charged with governance, as to whether there were known or suspected instances of non-compliance with laws and regulations or fraud;
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur through the risk of management override of controls. In order to address this risk we considered the characteristics of unusual journal entries and reviewed the ledger to highlight any possible entries that could fit such characteristics; and
- We have challenged management on their assumptions in respect of significant accounting estimates relating to revenue. Specifically, we have considered this in light of our deemed fraud risk of misstatement of revenue and performed cut-off testing around year end transactions and deferred amounts to gain assurance that amounts had been correctly treated in the appropriate accounting period.

## Quantexa Limited

### Independent Auditor's Report to the Members of Quantexa Limited (continued)

---

#### Auditor's responsibilities for the audit of the financial statements (continued)

##### *Extent to which the audit was capable of detecting irregularities, including fraud (continued)*

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Owen Pettifor*

823F4A29B9CA448...

**Owen Pettifor** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

Date: 17 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Quantexa Limited

### Consolidated Statement of Comprehensive Income For the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	37,177,221	30,307,255
Cost of sales		<u>(14,543,294)</u>	<u>(12,151,492)</u>
<b>Gross profit</b>		<b>22,633,927</b>	<b>18,155,763</b>
Administrative expenses		<b>(52,686,702)</b>	(29,850,355)
Other operating income	5	<b>3,103,744</b>	2,162,740
<b>Operating loss</b>	<b>6</b>	<b>(26,949,031)</b>	<b>(9,531,852)</b>
Interest receivable and similar income	10	<b>75,643</b>	15,684
Interest payable and similar expenses	11	<b>(807)</b>	(187)
<b>Loss before taxation</b>		<b>(26,874,195)</b>	<b>(9,516,355)</b>
Tax credit/(charge) on loss	12	<b>581,312</b>	(81,360)
<b>Loss for the financial year</b>		<b>(26,292,883)</b>	<b>(9,597,715)</b>
Foreign currency translation		<b>(545,772)</b>	326,000
<b>Other comprehensive (loss)/income for the year</b>		<b>(545,772)</b>	326,000
<b>Total comprehensive loss for the year</b>		<b>(26,838,655)</b>	<b>(9,271,715)</b>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the parent Company		<b>(26,838,655)</b>	(9,271,715)
		<b>(26,838,655)</b>	<b>(9,271,715)</b>

The notes on pages 26 to 48 form part of these financial statements.

**Quantexa Limited**  
Registered number:10045407

**Consolidated Balance Sheet**  
As at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	1,900,027	1,346,774
Tangible assets	14	602,488	291,877
		<u>2,502,515</u>	<u>1,638,651</u>
<b>Current assets</b>			
Debtors	16	18,116,420	9,924,565
Current asset investments	17	-	17,000,000
Cash at bank and in hand	18	94,274,175	17,255,489
		<u>112,390,595</u>	<u>44,180,054</u>
Creditors: amounts falling due within one year	19	(29,746,521)	(22,777,763)
<b>Net current assets</b>		<u>82,644,074</u>	<u>21,402,291</u>
<b>Total assets less current liabilities</b>		<u>85,146,589</u>	<u>23,040,942</u>
<b>Provisions for liabilities</b>			
Deferred taxation	20	-	(151,107)
<b>Net assets</b>		<u><u>85,146,589</u></u>	<u><u>22,889,835</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,659	1,411
Share premium account	22	137,542,516	50,459,775
Foreign exchange reserve	22	(212,076)	333,696
Profit and loss account	22	(52,185,510)	(27,905,047)
		<u>85,146,589</u>	<u>22,889,835</u>

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

DocuSigned by:  
  
 CFDA501AD8E84F6...  
**V K Marria**  
 Director

The notes on pages 26 to 48 form part of these financial statements.

**Quantexa Limited**  
Registered number:10045407

**Company Balance Sheet**  
As at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	1,900,027	1,346,774
Tangible assets	14	400,777	229,447
Investments	15	503,123	418,011
		<u>2,803,927</u>	<u>1,994,232</u>
<b>Current assets</b>			
Debtors	16	43,721,021	26,984,137
Current asset investments	17	-	17,000,000
Cash at bank and in hand	18	87,997,801	12,244,011
		<u>131,718,822</u>	<u>56,228,148</u>
Creditors: amounts falling due within one year	19	(26,266,589)	(21,070,894)
<b>Net current assets</b>		<u>105,452,233</u>	<u>35,157,254</u>
<b>Total assets less current liabilities</b>		<u>108,256,160</u>	<u>37,151,486</u>
<b>Provisions for liabilities</b>			
Deferred taxation	20	-	(151,107)
<b>Net assets</b>		<u><u>108,256,160</u></u>	<u><u>37,000,379</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,659	1,411
Share premium account	22	137,542,516	50,459,775
Profit and loss account	22	(29,288,015)	(13,460,807)
<b>Shareholder's funds</b>		<u><u>108,256,160</u></u>	<u><u>37,000,379</u></u>

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 £17,839,628 (2021 - £2,963,657)

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

DocuSigned by:  
  
CFDA501AD8E64F6...

**V K Marria**  
Director

The notes on pages 26 to 48 form part of these financial statements.

## Quantexa Limited

### Consolidated Statement of Changes in Equity For the Year Ended 31 March 2022

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Shareholders' funds
	£	£	£	£	£
At 1 April 2021	1,411	50,459,775	333,696	(27,905,047)	22,889,835
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(26,292,883)	(26,292,883)
Foreign exchange difference	-	-	(545,772)	-	(545,772)
<b>Total comprehensive loss for the year</b>	<u>-</u>	<u>-</u>	<u>(545,772)</u>	<u>(26,292,883)</u>	<u>(26,838,655)</u>
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	248	87,082,741	-	-	87,082,989
Share based payment	-	-	-	2,012,420	2,012,420
<b>Total transactions with owners</b>	<u>248</u>	<u>87,082,741</u>	<u>-</u>	<u>2,012,420</u>	<u>89,095,409</u>
<b>At 31 March 2022</b>	<u><u>1,659</u></u>	<u><u>137,542,516</u></u>	<u><u>(212,076)</u></u>	<u><u>(52,185,510)</u></u>	<u><u>85,146,589</u></u>

The notes on pages 26 to 48 form part of these financial statements.

## Quantexa Limited

### Consolidated Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Shareholders' funds
	£	£	£	£	£
At 1 April 2020	1,199	15,636,691	7,696	(19,140,249)	(3,494,663)
<b>Comprehensive income/(loss) for the year</b>					
Loss for the year	-	-	-	(9,597,715)	(9,597,715)
Foreign exchange difference	-	-	326,000	-	326,000
<b>Total comprehensive income/(loss) for the year</b>	-	-	326,000	(9,597,715)	(9,271,715)
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	212	34,823,084	-	-	34,823,296
Share based payment	-	-	-	832,917	832,917
<b>Total transactions with owners</b>	212	34,823,084	-	832,917	35,656,213
<b>At 31 March 2021</b>	<b>1,411</b>	<b>50,459,775</b>	<b>333,696</b>	<b>(27,905,047)</b>	<b>22,889,835</b>

The notes on pages 26 to 48 form part of these financial statements.

## Quantexa Limited

### Company Statement of Changes in Equity For the Year Ended 31 March 2022

	Called up share capital	Share premium account	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 April 2021	1,411	50,459,775	(13,460,807)	37,000,379
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(17,839,628)	(17,839,628)
<b>Total comprehensive loss for the year</b>	-	-	(17,839,628)	(17,839,628)
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	248	87,082,741	-	87,082,989
Share based payment	-	-	2,012,420	2,012,420
<b>Total transactions with owners</b>	248	87,082,741	2,012,420	89,095,409
<b>At 31 March 2022</b>	<b>1,659</b>	<b>137,542,516</b>	<b>(29,288,015)</b>	<b>108,256,160</b>

### Company Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Share premium account	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 April 2020	1,199	15,636,691	(11,330,067)	4,307,823
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(2,963,657)	(2,963,657)
<b>Total comprehensive loss for the year</b>	-	-	(2,963,657)	(2,963,657)
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	212	34,823,084	-	34,823,296
Share based payment	-	-	832,917	832,917
<b>Total transactions with owners</b>	212	34,823,084	832,917	35,656,213
<b>At 31 March 2021</b>	<b>1,411</b>	<b>50,459,775</b>	<b>(13,460,807)</b>	<b>37,000,379</b>

The notes on pages 26 to 48 form part of these financial statements.

## Quantexa Limited

### Consolidated Statement of Cash Flows For the Year Ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(26,292,883)	(9,597,715)
<b>Adjustments for:</b>		
Amortisation of intangible assets	389,613	296,577
Depreciation of tangible assets	256,788	157,676
Interest paid	807	187
Interest received	(75,643)	(15,684)
Taxation charge	(581,312)	81,360
R&D tax credit	(3,078,026)	(2,585,003)
Share based payment expense	2,012,420	832,917
(Increase)/decrease in debtors	(4,676,008)	841,071
Increase in creditors	6,976,374	384,237
Corporation tax (paid)/received	(7,616)	2,704,051
Transfer of investments to cash	17,000,000	-
<b>Net cash generated from operating activities</b>	<b>(8,075,486)</b>	<b>(6,900,326)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(942,866)	(739,117)
Purchase of tangible fixed assets	(567,064)	(152,725)
Purchase of short term unlisted investments	-	(17,000,000)
Interest received	67,692	15,684
<b>Net cash from investing activities</b>	<b>(1,442,238)</b>	<b>(17,876,158)</b>

## Quantexa Limited

### Consolidated Statement of Cash Flows (continued) For the Year Ended 31 March 2022

	2022	2021
	£	£
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	87,082,989	34,823,296
Interest paid	(807)	(187)
<b>Net cash used in financing activities</b>	<b>87,082,182</b>	<b>34,823,109</b>
<b>Net increase in cash and cash equivalents</b>	<b>77,564,458</b>	<b>10,046,625</b>
Cash and cash equivalents at beginning of year	17,255,489	6,880,759
Foreign exchange gains and losses	(545,772)	328,105
<b>Cash and cash equivalents at the end of year</b>	<b>94,274,175</b>	<b>17,255,489</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	94,274,175	17,255,489
	<b>94,274,175</b>	<b>17,255,489</b>

The notes on pages 26 to 48 form part of these financial statements.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

---

### 1. General information

Quantexa Limited is a private company incorporated in England and Wales under the Companies Act 2006. It is a company limited by shares. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities 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 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 presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### *Parent Company disclosure exemptions*

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Parent Company would be identical; and
- No cash flow statement or net debt reconciliation has been presented for the Parent Company; and
- Disclosures in respect of the details of the Parent Company's share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 2.3 Going concern

The Group's financial statements have been prepared on a going concern basis.

During fiscal year 2022, the Group reported a loss of £26.9m (2021 - loss of £9.6m). These losses reflect the continued investment the Group is making in research and development, sales and marketing in order to maintain rapid growth in new regions whilst creating best in class products and solutions for its customers.

The Directors continue to monitor and evaluate any direct consequences the Group may incur relating to global conflict, climate change, and COVID-19, alongside other events. The Directors have determined that these do not create a material uncertainty or cast doubt on the ability of the entity to continue on a going concern basis of accounting for at least twelve months from the date of signature.

In July 2021, Quantexa closed a Series D funding round and raised \$156.5m, \$120.0m of which was received by the Group. Based on this injection of cash, the Directors have budgeted for further investments in the business during the next financial year. In April 2023, the Group successfully completed its Series E funding of \$129m.

The Directors have reviewed the Group's cash flow forecasts, taking into account the likely future developments of the Group, and have reasonable expectations that the Group will have adequate resources to meet its obligations as they fall due for a minimum of twelve months from the date of signature. Quantexa currently has no debt, or customers in default.

The Group manages liquidity risk by regularly monitoring the performance of sales, new and existing customer wins, as well as overall business performance, against the financial resources and fundraising prospects available to the Group.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 2.4 Turnover

Revenue is measured as the fair value of consideration we expect to be entitled to, in exchange for transferring products or providing services to our customers and is recognised when the significant risks and rewards are transferred.

We account for contracts with our customers when both parties have approved the contract and are committed to perform their respective obligations, each party's rights regarding products and services to be transferred are identified, payment terms are identified, the contract has commercial substance and collection of consideration is probable. We utilise written contracts as the means to establish the terms and conditions by which our products, product updates and support and/or professional services are sold.

Our revenues are generated primarily from licensing our software, providing product updates and support related to our licensed products, as well as providing professional services to our customers.

##### Software license fees

Our software license revenues are primarily offered on term-based licenses including support and regular updates, under which we grant customers the right to use the software for a specified period and provide the required support for the same period. Given the nature of the products provided and the updates and support it is considered to be one complete solution to our customers compliance requirements and so recognised over time.

##### Professional services

We also provide professional services, including system implementation and integration services, consulting and training. Our consulting products are contracted for in conjunction with the licensing of our software products and/or on a stand-alone basis.

Some of our professional services are provided under time and materials contracts, and the related revenues are recognised as the services are provided. The remaining contracts are specified on a specified on a fixed fee basis.

Our fixed price service contracts are typically recognised on a proportional performance basis. For these fixed price projects, progress is measured based on project milestones achieved. When it cannot be demonstrated that services meet the criteria of recognition over time, revenue from a fixed price engagement is recognised only at points in time when the customer obtains the rights and obligations associated with the contracted products.

#### 2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 2.6 Intangible assets

Intangible assets represent the capitalised development costs related to the development of software. 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 is 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.

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.

Where capitalised intangible assets are amortised over 5 years, the period over which the Group anticipates receiving benefit from the software. Amortisation is charged to 'Administrative expenses' in the Consolidated Statement of Comprehensive Income.

#### 2.7 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, as stated below.

Depreciation is provided on the following bases:

Leasehold improvements	- 2 years - Straight line method
Fixtures and fittings	- 2 years - Straight line method
Computer equipment	- 3 years - Straight line method

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.

#### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.9 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.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 2.10 Cash and cash equivalents

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

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

#### 2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities, such as 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.

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

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

#### 2.12 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.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 2.13 Foreign currency translation

##### 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 the Consolidated Statement of Comprehensive Income.

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 the Consolidated Statement of Comprehensive Income within 'Administrative expenses'.

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.

#### 2.14 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 balance sheet 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.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 2.15 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.

#### 2.16 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 the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

#### 2.17 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

#### 2.18 Other income

Other income is recognised in the Consolidated Statement of Comprehensive Income when turnover is not attributable to the principal activity of the Group.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

---

### 2. Accounting policies (continued)

#### 2.19 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.20 Research and development

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 range from 3 to 6 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.

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

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

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Development costs - the Group invests in new product development and where allowable it capitalises these development costs. The expected useful economic life of the new products is amended where necessary to reflect technological advances, economic utilisation and market requirements. See note 13 for the carrying values of capitalised development costs.
- Determine the fair value of the share options at the grant date through estimating the share value at the grant date taking into account the value of the Company and comparable companies.

Other key sources of estimation uncertainty:

- Intangible fixed assets (see note 13)  
Intangible fixed assets are amortised over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and product life cycles are taken into account.
- Tangible fixed assets (see note 14)  
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### 4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	17,118,031	13,565,587
Rest of Europe	8,331,404	8,794,254
Rest of the world	11,727,786	7,947,414
	37,177,221	30,307,255

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 5. Other operating income

	2022 £	2021 £
Other operating income	25,718	87,090
R&D SME tax credit	3,078,026	2,075,650
	3,103,744	2,162,740

#### 6. Operating loss

The operating loss is stated after charging/(crediting):

	2022 £	2021 £
Tangible fixed assets - depreciation	256,788	157,676
Exchange differences	(4,560,341)	195,240
Other operating lease rentals	2,807,858	1,253,804
Research and development costs charged as an expense	17,055,837	3,380,665
Share based payment	2,012,420	832,917
Intangible fixed assets - amortisation	389,613	296,577
	389,613	296,577

#### 7. Auditor's remuneration

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

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the consolidated and parent Company financial statements	67,500	47,500
Fees payable to the Company's auditor for the audit of other subsidiary financial statements	8,418	6,473
Fees payable to the Company's auditor for non-audit services	10,921	33,707
	10,921	33,707

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 8. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	44,293,271	26,581,455	30,410,898	20,081,584
Social security costs	3,720,730	2,513,405	3,416,708	2,377,186
Cost of defined contribution scheme	1,837,969	1,129,797	1,221,148	832,849
	<u>49,851,970</u>	<u>30,224,657</u>	<u>35,048,754</u>	<u>23,291,619</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Sales	35	32	13	16
Customer	36	16	24	9
Delivery	139	121	94	95
Marketing	15	7	10	6
R&D	114	59	104	58
Head office	53	34	50	33
	<u>392</u>	<u>269</u>	<u>295</u>	<u>217</u>

#### 9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	1,094,963	349,036
Directors pension costs	5,332	13,226
	<u>1,100,295</u>	<u>362,262</u>

During the year retirement benefits were accruing to 2 Directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £365,378 (2021 - £197,704).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £2,666 (2021 - £10,826).

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 10. Interest receivable and similar income

	2022 £	2021 £
Other interest receivable	75,643	15,684

#### 11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	(807)	(187)

#### 12. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	21,568
Foreign tax on income for the year	(430,205)	6,312
<b>Total current tax</b>	<b>(430,205)</b>	<b>27,880</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	89,380
Adjustments in respect of prior periods	(151,107)	(35,900)
<b>Total deferred tax</b>	<b>(151,107)</b>	<b>53,480</b>
<b>Taxation (credit)/charge on loss on ordinary activities</b>	<b>(581,312)</b>	<b>81,360</b>

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 12. Taxation (continued)

##### Factors affecting tax (credit)/charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(26,874,195)</u>	<u>(9,516,355)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>(5,106,097)</b>	(1,808,107)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>446,294</b>	167,700
Adjustments to tax charge in respect of prior periods	<b>64,421</b>	21,568
Adjustments to tax charge in respect of prior periods - deferred tax	<b>151,107</b>	(35,900)
Adjustment in respect of change in tax rates	<b>(730,900)</b>	(494,340)
R&D recognised in P&L	<b>774,032</b>	491,754
Other timing permanent differences	<b>(21,029)</b>	(8,142)
R&D expenditure credits	<b>(46,534)</b>	119,478
Fixed asset differences	<b>(21,390)</b>	-
Deferred tax not recognised	<b>2,504,809</b>	-
Difference in overseas tax rates	<b>(168,290)</b>	-
Foreign tax losses not recognised	<b>1,572,265</b>	-
Foreign tax losses carried forward	-	1,672,579
Other differences	-	(45,230)
<b>Total tax (credit)/charge for the year</b>	<u><b>(581,312)</b></u>	<u>81,360</u>

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 12. Taxation (continued)

#### Factors that may affect future tax charges

At 31 March 2022, the Group has available tax losses of £34,241,803 (2021 - £11,311,454) to carry forward against profits of future periods. At tax rates ranging from 17% to 30% an estimated deferred tax asset of £8,560,451 (2021 - £2,808,915) in relation to these losses has not been recognised as, in the short term, there is insufficient certainty over the profits against which this can be recovered.

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

### 13. Intangible assets

#### Group and Company

	Computer software £
<b>Cost</b>	
At 1 April 2021	1,852,444
Additions	942,866
At 31 March 2022	<u>2,795,310</u>
<b>Amortisation</b>	
At 1 April 2021	505,670
Charge for the year	389,613
At 31 March 2022	<u>895,283</u>
<b>Net book value</b>	
At 31 March 2022	<u>1,900,027</u>
At 31 March 2021	<u>1,346,774</u>

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 14. Tangible fixed assets

##### Group

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2021	16,066	36,132	612,232	664,430
Additions	-	27,575	539,489	567,064
Exchange adjustments	-	-	5,197	5,197
At 31 March 2022	<u>16,066</u>	<u>63,707</u>	<u>1,156,918</u>	<u>1,236,691</u>
<b>Depreciation</b>				
At 1 April 2021	16,066	32,958	323,529	372,553
Charge for the year	-	30,749	226,039	256,788
Exchange adjustments	-	-	4,862	4,862
At 31 March 2022	<u>16,066</u>	<u>63,707</u>	<u>554,430</u>	<u>634,203</u>
<b>Net book value</b>				
At 31 March 2022	<u>-</u>	<u>-</u>	<u>602,488</u>	<u>602,488</u>
At 31 March 2021	<u>-</u>	<u>3,174</u>	<u>288,703</u>	<u>291,877</u>

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 14. Tangible fixed assets (continued)

##### Company

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	16,066	36,132	495,972	548,170
Additions	-	27,575	345,752	373,327
At 31 March 2022	<u>16,066</u>	<u>63,707</u>	<u>841,724</u>	<u>921,497</u>
<b>Depreciation</b>				
At 1 April 2021	16,066	32,958	269,699	318,723
Charge for the year	-	30,749	171,248	201,997
At 31 March 2022	<u>16,066</u>	<u>63,707</u>	<u>440,947</u>	<u>520,720</u>
<b>Net book value</b>				
At 31 March 2022	<u>-</u>	<u>-</u>	<u>400,777</u>	<u>400,777</u>
At 31 March 2021	<u>-</u>	<u>3,174</u>	<u>226,273</u>	<u>229,447</u>

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 15. Fixed asset investments

##### Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 April 2021	418,011
Additions	85,112
At 31 March 2022	503,123

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Quantexa Inc.	Sale and implementation of software	Ordinary	100%
Quantexa Pty Ltd	Sale and implementation of software	Ordinary	100%
Quantexa Canada	Sale and implementation of software	Ordinary	100%
Quantexa BVBA	Sale and implementation of software	Ordinary	100%
Quantexa Pte	Sale and implementation of software	Ordinary	100%
Quantexa S.a.r.l.	Sale and implementation of software	Ordinary	100%

The registered office of Quantexa Inc. is 160 Greentree Drive, Suite 101, Dover, Delaware, 19904, USA.

The registered office of Quantexa Pty Ltd is Level 32, Martin Place, Sydney, NSW 2000, Australia.

The registered office of Quantexa Canada is 600-925 West Georgia Street, Vancouver, BC, V6C 3L2, Canada.

The registered office of Quantexa BVBA is WeWork, Belmont Court, rue Belliard 53, 1000 Bruxelles, Belgium.

The registered office of Quantexa Pte. Ltd. is 600 North Bridge Road, #23-01, Parkview Square, Singapore.

The registered office of Quantexa S.a.r.l. is Tomorrow Street Innovation Centre 15, Rue Edward Steichen, L-2540 Luxembourg.

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	7,796,490	5,916,819	4,188,471	4,447,662
Amounts owed by group undertakings	-	-	31,234,458	19,286,122
Other debtors	883,697	691,117	717,408	563,481
Prepayments and accrued income	3,335,383	731,626	2,377,065	524,146
Tax recoverable	6,100,850	2,585,003	5,203,619	2,162,726
	<b>18,116,420</b>	<b>9,924,565</b>	<b>43,721,021</b>	<b>26,984,137</b>
	<b>18,116,420</b>	<b>9,924,565</b>	<b>43,721,021</b>	<b>26,984,137</b>

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is charged at a rate of 2.6% per annum.

#### 17. Current asset investments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Unlisted investments	-	17,000,000	-	17,000,000
	<b>-</b>	<b>17,000,000</b>	<b>-</b>	<b>17,000,000</b>
	<b>-</b>	<b>17,000,000</b>	<b>-</b>	<b>17,000,000</b>

On 18 December 2020, Quantexa invested £17m in fixed term deposit accounts, with term lengths ranging from 5 to 6 months. Due to the amounts invested in these accounts, the interest accrued at a rate of 0.35%.

#### 18. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	94,274,175	17,255,489	87,997,801	12,244,011
	<b>94,274,175</b>	<b>17,255,489</b>	<b>87,997,801</b>	<b>12,244,011</b>
	<b>94,274,175</b>	<b>17,255,489</b>	<b>87,997,801</b>	<b>12,244,011</b>

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	2,710,736	937,581	2,026,623	588,093
Amounts owed to group undertakings	-	-	7,258,234	4,441,832
Other taxation and social security	2,207,491	2,965,286	1,764,095	2,758,801
Other creditors	231,000	272,231	101,173	245,133
Accruals and deferred income	24,597,294	18,602,665	15,116,464	13,037,035
	<u>29,746,521</u>	<u>22,777,763</u>	<u>26,266,589</u>	<u>21,070,894</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged at a rate of 2.6% per annum.

#### 20. Deferred taxation

##### Group and Company

	2022 £
At beginning of year	(151,107)
Charged to profit or loss	151,107
<b>At end of year</b>	<u><u>-</u></u>

The deferred taxation balance is made up as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	-	(184,513)	-	(184,513)
Short term timing differences	-	33,406	-	33,406
	<u>-</u>	<u>(151,107)</u>	<u>-</u>	<u>(151,107)</u>

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 21. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
754,549 (2021 - 754,549) Ordinary A shares of £0.001 each	755	755
249,932 (2021 - 249,932) Series A shares of £0.001 each	250	250
195,363 (2021 - 195,363) Series B shares of £0.001 each	195	195
211,499 (2021 - 211,499) Series C shares of £0.001 each	211	211
248,319 (2021 - Nil) Series D shares of £0.001 each	248	-
	<b>1,659</b>	<b>1,411</b>
	<b>1,659</b>	<b>1,411</b>

On 13 July 2021, the Company issued 240,282 Series D Preference shares of £0.001 each for a total consideration of £350.69 per share.

On 1 September 2021, The Company issued 8,037 Series D Preference shares of £0.001 each for a total consideration of £350.69 per share.

#### Rights attached to shares:

Ordinary A shares have full rights in the Company with respect to voting, dividends and distributions.

Series A shares have full rights in the Company with respect to voting and dividends and preferential rights with respect to distributions up to the subscription price paid

Series B shares have full rights in the Company with respect to voting and dividends and preferential rights with respect to distributions up to the subscription price paid.

Series C shares have full rights in the Company with respect to voting and dividends and preferential rights with respect to distributions as set out in the articles of association.

Series D preference shares have full rights in the Company with respect to voting and dividends and preferential rights with respect to distributions as set out in the articles of association.

### 22. Reserves

The Group has the following reserves:

#### Share premium account

The share premium reserve relates to amounts paid for share capital in excess of nominal value.

#### Foreign exchange reserve

The foreign currency translation reserve relates to differences arising on consolidation as the subsidiary companies are in different functional currencies.

#### Profit and loss account

Retained earnings represent cumulative profits or losses net of dividends paid and other adjustments.

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

#### 23. Share based payments

As at 31 March 2022 there were 94,776 (2021 - 109,306) share options issued to 79 (2021 - 84) members of staff under the Quantexa EMI Share Option Scheme which was adopted by the Company on 2 December 2016. All of the share options issued qualified under the EMI scheme.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	161	109,306	111	120,290
Granted during the year		-	742	8,938
Lapsed during the year	90	(13,330)	287	(4,900)
Surrendered options	94	(1,200)	104	(15,022)
<b>Outstanding at the end of the year</b>	<b>345</b>	<b>94,776</b>	161	109,306

During the year there were also 8,366 (2021 - 4,362) unapproved share options issued to 6 (2021 - 5) further individuals, none of whom are Directors (2021 - none of whom was a director). The weighted average exercise price (pounds) for these was £22.970 (2021 - £16.523). There are 43,896 (2021 - 36,897) unapproved share options in issue at 31 March 2022 to 11 individuals (2021 - nine), none (2021 - two) of whom are Directors. At 31 March 2022 Nil (2021 - Nil) of the unapproved share options had vested.

The Group recognised total expenses of £2,012,420 (2021 - £832,917) related to equity settled share-based payment transactions in the year.

# Quantexa Limited

## Notes to the Financial Statements For the Year Ended 31 March 2022

### 24. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,837,969 (2021 - £1,129,797). Contributions totalling £97,263 (2021 - £176,811) were payable to the fund at the balance sheet date and are included in creditors.

### 25. Commitments under operating leases

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	3,578,634	2,344,460	2,919,882	2,255,764
Later than 1 year and not later than 5 years	1,357,295	4,152,173	1,235,340	4,152,173
	<u>4,935,929</u>	<u>6,496,633</u>	<u>4,155,222</u>	<u>6,407,937</u>

### 26. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 102 s.33.1A not to disclose transactions with other wholly-owned members of the Group.

HSBC Bank is a shareholder of the Company. During the year the Company made sales of £5,195,159 (2021 - £4,954,611) to HSBC Bank. At the year end, the balance owed to the Company was £Nil (2021 - £Nil).

ABN Amro is a shareholder of the Company. During the year, the Company made sales of £1,095,112 (2021 - £Nil) to ABN Amro. At the year end, the balance owed to the Company was £83,038 (£Nil).

Bank of New York Mellon is a shareholder of the Company. During the year, the Company made sales of £4,954,611 to Bank of New York Mellon. At the year end, the balance owed to the Company was £87,000 (2021 - £Nil).

Key management personnel consists of Directors. Compensation paid in the year in respect of Directors is shown in note 9.

## Quantexa Limited

### Notes to the Financial Statements For the Year Ended 31 March 2022

---

#### **27. Post balance sheet events**

In June 2022, Quantexa incorporated a new entity in Spain, and in November, a new Technology Hub space within the tech ecosystem of the Malaga Valley.

As part of our growth strategy, Quantexa Netherland BV was incorporated in September 2022, which was previously a branch of our Belgium entity, but is now established as a 100%-owned subsidiary of Quantexa Limited.

In August 2022, Quantexa successfully established a local presence in the United Arab Emirates in Dubai's International Financial Centre.

In February 2023, the Group acquired Aylie Limited, an Ireland-based company to enhance Quantexa's Decision Intelligence Platform and to enhance customers' ability to unify structured and unstructured data.

In April 2023, the Group successfully completed its Series E funding round of \$129m led by GIC, including participation from existing investors.

#### **28. Controlling party**

In the opinion of the Directors, the Company has no single controlling party. Quantexa Limited is not included in the consolidated financial statements of any other group.