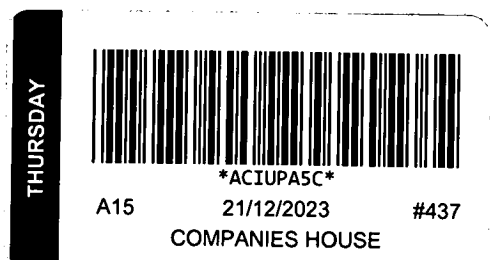


Registered number: 09274045

EIGEN TECHNOLOGIES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



EIGEN TECHNOLOGIES LTD

COMPANY INFORMATION

Directors	Mr J Feuer (resigned 20 September 2023) Mrs N S Grose (resigned 28 June 2023) Dr L Liu Mrs M I Mutafchieva Mr S J Nundy Mr M Y See Mr G E Pohle (appointed 18 August 2023) Ms Z Chaudhry (appointed 28 June 2023, resigned 20 November 2023) Mr Z R Fields (appointed 20 November 2023)
Registered number	09274045
Registered office	Fetter Yard 86 Fetter Lane London EC4A 1EN
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

EIGEN TECHNOLOGIES LTD

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EIGEN TECHNOLOGIES LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

Eigen Technologies is a research-led artificial intelligence company based in New York and London. Its mission is to help individuals and organisations make the right decisions by unlocking the value of their qualitative data. The Company strives to automate the extraction and classification of information from all types of documents. Eigen Technologies use state-of-the-art machine learning algorithms to recognise patterns in documents and give accurate answers to unique questions. It enables clients to make the right business decisions with their own data such as driving down costs, meeting regulatory requirements or calculating business risks.

Business review

The Company's business model is based on actively growing its recurring-contracted revenues. Such licence contracts typically run for one to three years. The Company has established and continues to expand its notable customer base from leading global financial institutions, insurance and re-insurance multinational firms, and other well-established businesses such as global manufacturers and large international law firms.

Principal risks and uncertainties

Competition risk

Natural language processing and machine learning products are part of an emerging market characterised by fast-moving technology changes and intense competition. As a result, the Company will continue to face significant competition risk that may reduce its capacity to achieve its financial targets. The Company aims to mitigate this risk by continuing to invest in its proprietary technology and in its sales and marketing activities and by launching new products and new markets.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognisable asset or liability. This risk is managed by accurately forecasting the Company's future cash requirements and planning well in advance for the subsequent funding rounds.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to minimise that risk by managing its cash generation from its operation and from its fundraising activities.

Cyberattacks and Data Protections

Protecting its clients' data is critical to the Company's success. The Company or its clients could breach regulations, face fines and penalties from a cyberattack on the Company's systems by criminals or other nefarious organisations. As a result of such attack, the Company would face financial losses, significant operational disruptions, loss of customer trust and reputational brand damage. The Company mitigates that cyber risk by ensuring that it is up to date with the most recent security industry standards and address promptly identified weaknesses.

EIGEN TECHNOLOGIES LTD

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Laws & Regulations

Changes in, or failure to comply with, the laws and regulations application the Company's business operations could increase its costs and reduce its gross and net operating margins.

Wider economic environment

There are a number of ongoing uncertain and rapidly changing situations across the globe that impact the wider economic environment that the Company operates in. The Company is monitoring such events and has incorporated factors such as inflation and interest rates into forecasts and risk assessments.

Currency Risk

The Company forecasts its future cash requirements in the relevant currencies and accordingly maintains its cash reserves in the required currencies in order to reduce exposure to the variability of foreign exchange rates.

Litigation Risk

Litigation or legal proceedings could expose the Company to significant liabilities or damage its reputation.

Going concern

The group incurred operating losses of £21,944,135 during the year. This was an increase of 28% from 2021 and at the same time the group grew turnover by 36% (£5.96m 2021 to £8.12m 2022). The directors consider that the group's revenue will continue to grow but expenditure will now stabilise. Detailed cashflow projections have been prepared for the Group including a sensitised version to reflect the impact a material reduction in trade would have on the Group's cash position. These projections show that the Group has the ability to continue trading for at least 12 months from the date of the signing of these financial statements, assuming that the external debt financing is successfully renegotiated in 2024.

The Directors consider it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements, however the need to renegotiate external debt financing is a material uncertainty in the scenario that trading forecasts are not met. Whilst the Directors recognise there are options to reduce the variable cost base, if the assumptions adopted in the forecasts are not met, significant doubt would be cast on the Group's ability to continue as a going concern.

Financial key performance indicators

The board tracks a small number of financial key performance indicators to enable a consistent method of performance analysis, in addition to benchmarking against similar businesses.

The key performance indicators utilized by the board were as follows:

	2022	2021	2020
Turnover	£8.12m	£5.96m	£3.14m
Gross Profit	£6.74m	£4.37m	£1.18m
Gross Margin	83%	73%	38%


During the last financial year, the Company greatly accelerated its total revenue from £5.96m to £8.12m, a year-on-year growth rate of 36%. Additionally, the Company significantly improved its gross profit from £4.37m to £6.74m, generating a gross margin of 83% in 2022 against a gross margin of 73% in 2021. Administrative expenses grew from £23.15m to £29.70m, an increase of £6.55m in the fiscal year. The additional expenses mainly relate to a rise in staff costs and other related charges, technical infrastructure, and sales and marketing investments.

The consolidated statement of comprehensive income and financial position are set out in on pages 11 and 12 respectively. The loss for the financial year of £21.9m has been added to the shareholders' deficit.

EIGEN TECHNOLOGIES LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 18 December 2023 and signed on its behalf.

DocuSigned by:

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Dr L Liu
Director

EIGEN TECHNOLOGIES LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

Results and dividends

The loss for the year, after taxation, amounted to £21,944,135 (2021 - loss £17,059,505).

Directors

The directors who served during the year were:

Mr J Feuer (resigned 20 September 2023)
Mrs N S Grose (resigned 28 June 2023)
Dr L Liu
Mrs M I Mutafchieva
Mr S J Nundy
Mr M Y See

EIGEN TECHNOLOGIES LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events


To date of signing, 24,615 Ordinary Shares were issued with consideration received of £31,449.

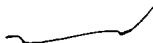
Auditors

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

This report was approved by the board on 18 December 2023 and signed on its behalf.

DocuSigned by:


3F1001D0FBC84BB...
Dr L Liu
Director



EIGEN TECHNOLOGIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGEN TECHNOLOGIES LTD

Opinion

We have audited the financial statements of Eigen Technologies Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the Group will need to renegotiate its existing, or secure additional, debt financing within the next 12 months should trading performance not follow forecasts. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

EIGEN TECHNOLOGIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGEN TECHNOLOGIES LTD (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

EIGEN TECHNOLOGIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIGEN TECHNOLOGIES LTD (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements.

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

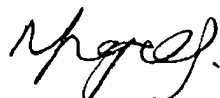
- Inspecting correspondence with tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, particularly the classification of convertible loan notes and the recovery of R+D tax debtor balances.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Anastasia Frangos (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

19 December 2023

EIGEN TECHNOLOGIES LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	8,122,130	5,957,723
Cost of sales		(1,380,041)	(1,585,021)
Gross profit		<u>6,742,089</u>	<u>4,372,702</u>
Administrative expenses		(29,702,033)	(23,149,707)
Operating loss	5	<u>(22,959,944)</u>	<u>(18,777,005)</u>
Interest receivable and similar income	8	5,456	903
Interest payable and similar expenses	9	(1,348,951)	(361,382)
Loss before tax		<u>(24,303,439)</u>	<u>(19,137,484)</u>
Tax on loss	10	2,359,304	2,077,979
Loss for the financial year		<u>(21,944,135)</u>	<u>(17,059,505)</u>
Other comprehensive income for the year			
Currency translation differences		620,016	166,765
Other comprehensive income for the year		<u>620,016</u>	<u>166,765</u>
Total comprehensive income for the year		<u>(21,324,119)</u>	<u>(16,892,740)</u>
Profit for the year attributable to:			
Owners of the parent company		(21,944,135)	(17,059,505)
		<u>21,944,135</u>	<u>17,059,505</u>

The notes on pages 16 to 32 form part of these financial statements.

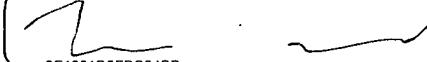
EIGEN TECHNOLOGIES LTD
REGISTERED NUMBER: 09274045

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	866,402	337,302
		<u>866,402</u>	<u>337,302</u>
Current assets			
Debtors: amounts falling due within one year	13	9,357,077	5,807,899
Cash at bank and in hand	14	5,531,453	17,774,945
		<u>14,888,530</u>	<u>23,582,844</u>
Creditors: amounts falling due within one year	15	(9,064,457)	(8,254,234)
Net current assets		<u>5,824,073</u>	<u>15,328,610</u>
Total assets less current liabilities		<u>6,690,475</u>	<u>15,665,912</u>
Creditors: amounts falling due after more than one year	16	(25,246,314)	(12,909,341)
Net (liabilities)/assets		<u>(18,555,839)</u>	<u>2,756,571</u>
Capital and reserves			
Called up share capital	19	650	649
Share premium account	20	46,063,810	46,052,102
Foreign exchange reserve	20	768,394	148,378
Profit and loss account	20	(65,388,693)	(43,444,558)
Equity attributable to owners of the parent Company		<u>(18,555,839)</u>	<u>2,756,571</u>
		<u>(18,555,839)</u>	<u>2,756,571</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:


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Dr L Liu
 Director

The notes on pages 16 to 32 form part of these financial statements.

EIGEN TECHNOLOGIES LTD
REGISTERED NUMBER: 09274045

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	829,369	296,828
Investments	12	19	19
		<u>829,388</u>	<u>296,847</u>
Current assets			
Debtors: amounts falling due within one year	13	15,150,006	10,989,901
Cash at bank and in hand	14	5,253,322	17,658,536
		<u>20,403,328</u>	<u>28,648,437</u>
Creditors: amounts falling due within one year	15	(6,453,889)	(5,997,087)
Net current assets		<u>13,949,439</u>	<u>22,651,350</u>
Total assets less current liabilities		<u>14,778,827</u>	<u>22,948,197</u>
Creditors: amounts falling due after more than one year		(25,246,313)	(12,909,341)
Net assets excluding pension asset		<u>(10,467,486)</u>	<u>10,038,856</u>
Net (liabilities)/assets		<u>(10,467,486)</u>	<u>10,038,856</u>
Capital and reserves			
Called up share capital	19	650	649
Share premium account	20	46,063,810	46,052,102
Profit and loss account brought forward	(36,013,895)	(21,746,480)	(21,746,480)
Loss for the year	(20,518,051)	(14,267,415)	(14,267,415)
Profit and loss account carried forward		(56,531,946)	(36,013,895)
		<u>(10,467,486)</u>	<u>10,038,856</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:


Dr L Liu
 Director

The notes on pages 16 to 32 form part of these financial statements.

EIGEN TECHNOLOGIES LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	646	46,042,533	(18,387)	(26,385,053)	19,639,739
Loss for the year	-	-	-	(17,059,505)	(17,059,505)
Currency translation differences	-	-	166,765	-	166,765
Total comprehensive income for the year	-	-	166,765	(17,059,505)	(16,892,740)
Shares issued during the year	3	9,569	-	-	9,572
At 1 January 2022	649	46,052,102	148,378	(43,444,558)	2,756,571
Loss for the year	-	-	-	(21,944,135)	(21,944,135)
Currency translation differences	-	-	620,016	-	620,016
Total comprehensive income for the year	-	-	620,016	(21,944,135)	(21,324,119)
Shares issued during the year	1	11,708	-	-	11,709
At 31 December 2022	650	46,063,810	768,394	(65,388,693)	(18,555,839)

The notes on pages 16 to 32 form part of these financial statements.

EIGEN TECHNOLOGIES LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2021	646	46,042,533	(21,746,480)	24,296,699
Loss for the year	-	-	(14,267,415)	(14,267,415)
Contributions by and distributions to owners				
Shares issued during the year	3	9,569	-	9,572
At 1 January 2022	<u>649</u>	<u>46,052,102</u>	<u>(36,013,895)</u>	<u>10,038,856</u>
Loss for the year	-	-	(20,518,051)	(20,518,051)
Other comprehensive income for the year	-	-	-	-
Shares issued during the year	1	11,708	-	11,709
At 31 December 2022	<u><u>650</u></u>	<u><u>46,063,810</u></u>	<u><u>(56,531,946)</u></u>	<u><u>(10,467,486)</u></u>

The notes on pages 16 to 32 form part of these financial statements.

EIGEN TECHNOLOGIES LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(21,944,135)	(17,059,505)
Adjustments for:		
Depreciation of tangible assets	347,439	386,553
Exchange difference	1,389,562	166,764
Interest paid	1,348,951	-
Interest received	(5,456)	(903)
Taxation charge	(2,359,304)	(2,077,864)
(Increase)/decrease in debtors	(1,601,799)	701,312
Increase in creditors	1,492,232	2,263,707
Corporation tax received	-	2,066,277
Net cash generated from operating activities	<u>(21,332,510)</u>	<u>(13,553,659)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(876,540)	(83,801)
Interest received	5,456	903
Net cash from investing activities	<u>(871,084)</u>	<u>(82,898)</u>
Cash flows from financing activities		
Issue of ordinary shares	11,709	9,572
New secured loans	10,328,013	12,909,341
Interest paid	(379,620)	-
Net cash used in financing activities	<u>9,960,102</u>	<u>12,918,913</u>
Net (decrease) in cash and cash equivalents	<u>(12,243,492)</u>	<u>(717,644)</u>
Cash and cash equivalents at beginning of year	17,774,945	18,492,589
Cash and cash equivalents at the end of year	<u>5,531,453</u>	<u>17,774,945</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,531,453	17,774,945
	<u>5,531,453</u>	<u>17,774,945</u>

The notes on pages 16 to 32 form part of these financial statements.

EIGEN TECHNOLOGIES LTD

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	New external debt £	At 31 December 2022 £
Cash at bank and in hand	17,774,945	(12,243,492)	-	5,531,453
Debt due after 1 year	(12,909,341)	-	(12,336,972)	(25,246,313)
	<u>4,865,604</u>	<u>(12,243,492)</u>	<u>(12,336,972)</u>	<u>(19,714,860)</u>

The notes on pages 16 to 32 form part of these financial statements.

EIGEN TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Eigen Technologies Ltd is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Fetter Yard, 86 Fetter Lane, London, United Kingdom, EC4A 1EN.

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 judgment in applying the Group's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

MentorSquared Tech India Private Limited is a wholly owned subsidiary of Eigen Technologies Limited. The directors have excluded the dormant entity from the consolidation on the grounds that inclusion would not be material to the financial statements.

The accounting policies are uniform across the group.

2.3 Going concern

The group incurred operating losses of £21,944,135 during the year. This was an increase of 28% from 2021 and at the same time the group grew turnover by 36% (£5.96m 2021 to £8.12m 2022). The directors consider that the group's revenue will continue to grow but expenditure will now stabilise. Detailed cashflow projections have been prepared for the Group including a sensitised version to reflect the impact a material reduction in trade would have on the Group's cash position. These projections show that the Group has the ability to continue trading for at least 12 months from the date of the signing of these financial statements, assuming that the external debt financing is successfully renegotiated in 2024.

The Directors consider it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements, however the need to renegotiate external debt financing is a material uncertainty in the scenario that trading forecasts are not met. Whilst the Directors recognise there are options to reduce the variable cost base, if the assumptions adopted in the forecasts are not met, significant doubt would be cast on the Group's ability to continue as a going concern.

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term unless the rental payments are that offer a rent free period and or rent discount, in which case the group recognises the annual rent with these spread over the term of the lease.

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 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.

2.8 Interest income

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

2.9 Pensions

Defined contribution pension plan

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

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

2.10 Share-based payments

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

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

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

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

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.11 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the life of the lease
Office computer costs (UK & US)	- 33%
Office furniture (UK & US)	- 33%

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.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 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.

2.15 Cash and cash equivalents

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

2.16 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.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.18 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.18 Financial instruments (continued)

impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

When the Group sells products that have multiple transactions, the total consideration from the arrangement is allocated to each element based on their relevant fair values. Management applies judgement in determining the amount of revenue recognised for the delivered elements, this is to ensure that the total consideration from the contract is allocated on an appropriate basis relative to the fair value of the licence and services provided to our clients.

Bad debt

Management applies judgement in evaluating the recoverability of debtors. The directors consider the debtors listed in the financial statements are recoverable and assess the timing and ability of customers to pay amounts in reaching this conclusion.

Research and Development Tax credit and debtor

Management applies judgement in evaluating the recognition and recovery of R&D tax credit amounts. The directors consider the amounts included to be fully recoverable and assess a range of factors in reaching this conclusion, including ongoing correspondence with HMRC.

4. Turnover

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

	2022 £	2021 £
Revenue	8,122,130	5,957,723
	<u>8,122,130</u>	<u>5,957,723</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	2,142,544	462,694
Rest of the world	5,979,586	5,495,029
	<u>8,122,130</u>	<u>5,957,723</u>

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Operating lease expense	284,499	525,000
Depreciation	486,368	405,797
Exchange differences	854,536	131,721
	<u> </u>	<u> </u>

6. Auditors' remuneration

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

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	44,500	36,000
All other services	27,880	3,000
	<u> </u>	<u> </u>

7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	17,041,242	14,513,067
Social security costs	1,919,036	1,476,822
Cost of defined contribution scheme	390,693	391,881
	<u> </u>	<u> </u>
	<u>19,350,971</u>	<u>16,381,770</u>

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

	2022 No.	2021 No.
Employees	167	175
	<u> </u>	<u> </u>

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Interest receivable

	2022 £	2021 £
Other interest receivable	5,456	903
	<u>5,456</u>	<u>903</u>

9. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	682,530	361,382
Other interest payable	666,421	-
	<u>1,348,951</u>	<u>361,382</u>

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	(2,231,784)	(2,077,979)
	<u>(2,231,784)</u>	<u>(2,077,979)</u>
Total current tax	<u>(2,231,784)</u>	<u>(2,077,979)</u>
Deferred tax		
Origination and reversal of timing differences	(127,520)	-
	<u>(127,520)</u>	<u>-</u>
Total deferred tax	<u>(127,520)</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(2,359,304)</u>	<u>(2,077,979)</u>

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - higher than) 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	(24,303,440)	(19,137,484)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(4,587,845)	(3,636,122)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	71,384	-
Fixed asset differences	(21,120)	-
Short-term timing difference leading to an increase (decrease) in taxation	103,378	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	2,074,899	1,558,143
Total tax charge for the year	<u>(2,359,304)</u>	<u>(2,077,979)</u>

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tangible fixed assets**Group**

	Leasehold Improvements £	Office equipment £	Total £
Cost or valuation			
At 1 January 2022	690,708	708,519	1,399,227
Additions	707,178	169,361	876,539
At 31 December 2022	<u>1,397,886</u>	<u>877,880</u>	<u>2,275,766</u>
Depreciation			
At 1 January 2022	568,599	493,326	1,061,925
Charge for the year	166,925	180,514	347,439
At 31 December 2022	<u>735,524</u>	<u>673,840</u>	<u>1,409,364</u>
Net book value			
At 31 December 2022	<u>662,362</u>	<u>204,040</u>	<u>866,402</u>
At 31 December 2021	<u>122,109</u>	<u>215,193</u>	<u>337,302</u>

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tangible fixed assets (continued)**Company**

	Leasehold improvements £	Office equipment £	Total £
Cost or valuation			
At 1 January 2022	690,708	559,748	1,250,456
Additions	707,178	131,002	838,180
At 31 December 2022	<u>1,397,886</u>	<u>690,750</u>	<u>2,088,636</u>
Depreciation			
At 1 January 2022	568,599	385,029	953,628
Charge for the year	166,925	138,714	305,639
At 31 December 2022	<u>735,524</u>	<u>523,743</u>	<u>1,259,267</u>
Net book value			
At 31 December 2022	<u>662,362</u>	<u>167,007</u>	<u>829,369</u>
At 31 December 2021	<u>122,109</u>	<u>174,719</u>	<u>296,828</u>

12. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	19
At 31 December 2022	<u>19</u>

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Eigen Technologies Inc.	115 W 30th Street New York, NY 10001	Ordinary	100%
MentorSquared TechIndia Private Limited*	M/s. Crawford Bayley & Co., State 4th Floor, N.G. N Vaidya Marg, Fort Mumbai MH 400023 IN	Ordinary	100%

*indicates dormant company

13. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	3,105,180	2,698,852	2,250,518	2,175,668
Amounts owed by group undertakings	-	-	6,843,998	5,768,670
Other debtors	717,159	338,052	625,965	309,246
Prepayments and accrued income	1,254,241	692,917	1,149,028	658,239
Tax recoverable	4,152,977	2,078,078	4,152,977	2,078,078
Deferred taxation	127,520	-	127,520	-
	<u>9,357,077</u>	<u>5,807,899</u>	<u>15,150,006</u>	<u>10,989,901</u>

14. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	5,531,453	17,774,945	5,253,322	17,658,536
	<u>5,531,453</u>	<u>17,774,945</u>	<u>5,253,322</u>	<u>17,658,536</u>

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	1,571,981	585,487	1,209,880	444,497
Other taxation and social security	367,021	539,006	352,082	484,314
Other creditors	73,899	23,531	71,900	22,418
Accruals and deferred income	7,051,556	7,106,210	4,820,027	5,045,858
	<u>9,064,457</u>	<u>8,254,234</u>	<u>6,453,889</u>	<u>5,997,087</u>

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Convertible loan notes	14,918,301	12,909,341
Other loans	10,328,013	-
	<u>25,246,314</u>	<u>12,909,341</u>

The loan notes have an interest rate of 5% and are convertible or repayable at least 12 months from the year end, with the timing of this dependent on a number of conditions. There was no security included as part of the agreements.

The other loan has a variable rate of interest dependent on a number of conditions and is repayable at least 12 months from the year end in instalments. There was no security included as part of the financing.

17. Financial Instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through profit or loss	5,531,453	17,774,945	5,253,322	17,658,535
Trade debtors	3,127,980	2,698,852	2,273,318	2,175,668
	<u>8,659,433</u>	<u>20,473,797</u>	<u>7,526,640</u>	<u>19,834,203</u>
Financial liabilities				
Trade creditors	1,571,981	585,487	1,209,880	444,497

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Deferred taxation**Group**2022
£

Charged to profit or loss

127,520

At end of year127,520**Company**2022
£

Charged to profit or loss

127,520

At end of year127,520

Short term timing differences

Group 2022 £	Company 2022 £
127,520	127,520
<u>127,520</u>	<u>127,520</u>

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
850,000 (2021 - 850,000) Ordinary shares of £0.0001 each shares of £0.0001 each	85	85
419 (2021 - 419) A Ordinary shares of £1.00 each shares of £1.0000 each	419	419
2 (2021 - 2) B Ordinary shares of £1.00 each shares of £1.0000 each	2	2
205,000 (2021 - 200,000) C Ordinary shares of £0.0001 each shares of £0.0001 each	21	20
270,542 (2021 - 270,542) A Voting shares of £0.0001 each shares of £0.0001 each	27	27
243,542 (2021 - 243,542) A Non-Voting shares of £0.0001 each shares of £0.0001 each	24	24
701,750 (2021 - 701,750) Series B Voting shares of £0.0001 each shares of £0.0001 each	70	70
20,748 (2021 - 20,748) Series B Non Voting shares of £0.0001 each shares of £0.0001 each	2	2
	650	649
	650	649

20. Reserves**Share premium account**

This reserve represents the premium arising on the issue of shares net of issue costs.

Foreign exchange reserve

Comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).

Profit and loss account

This reserve represents cumulative profits and losses net of dividends and other adjustments.

21. Share options

The company currently has a total of 231,281 share options in issue, of which 70,469 have not vested at the year end. A fair value exercise was undertaken at the grant date of the options using the Black Scholes model. These options are exercisable over a maximum period of 10 years and vest over time. The charge calculated from this was immaterial and has not been included in the 2022 financial statements.

EIGEN TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Pension commitments

The Group operates a defined contributions 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 £345,563 (2021 - £335,710). Contributions totalling £57,596 (2021 - £nil) were payable to the fund at the reporting date and are included in creditors.

23. Commitments under operating leases

At 31 December 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	345,519	251,713	345,519	251,713
Later than 1 year and not later than 5 years	1,209,317	-	1,209,317	-
	<u>1,554,836</u>	<u>251,713</u>	<u>1,554,836</u>	<u>251,713</u>

24. Related party transactions

Key management personnel are considered to be the board of directors. Total directors' remuneration in the year amounted to £275,956 (2021: £226,074).

25. Post balance sheet events

To date of signing, 24,615 Ordinary Shares were issued with consideration received of £31,449.

26. Controlling party

The directors' consider there to be no single ultimate controlling party.