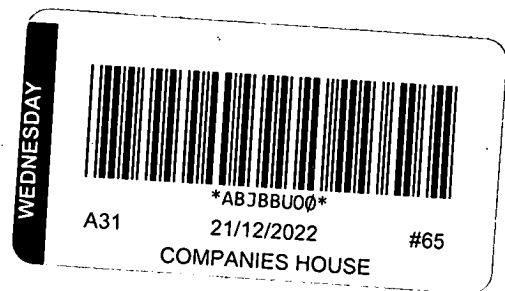


**Peak AI Limited**  
**Financial Statements**  
**For the Year Ended**  
**31 December 2021**



**BEEVER AND STRUTHERS**  
Chartered accountants & statutory auditor  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

**Peak AI Limited**  
**Financial Statements**  
**Year Ended 31 December 2021**

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# Peak AI Limited

## Officers and Professional Advisers

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**The Board of Directors**

Mr D A Leitch  
Mr R B Potter  
Mr A Sharma  
Mr J E Coker  
Mr K Wallington  
Mr O O W Richards  
Mr R P Anton  
Mr M A Ohrstrand

**Company Secretary**

John Fraser

**Registered Office**

Floor 12  
Neo Building  
Charlotte Street  
Manchester  
M1 4ET

**Auditor**

Beever and Struthers  
Chartered accountants & statutory auditor  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

# Peak AI Limited

## Strategic Report

Year Ended 31 December 2021

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### Principal Activity

The principal activity of Peak is as an AI company that provides the platform, applications and services to help businesses harness the potential of AI to grow revenues, increase profits and efficiency.

Peak's cloud AI platform provides a broad feature set that enables technical and commercial teams to build, deploy and manage AI applications at scale across an entire business.

The Peak platform has three core products - Dock, Factory and Work - and can be used by both technical and commercial teams. It also features a library of ready-to-go applications that fit a variety of use cases across sectors including CPG, Retail and Manufacturing. These apps allow users to rapidly apply AI to deliver on commercial objectives, while giving them the tools they need to extend their use of Decision Intelligence over time.

The Company also acts as a holding entity for other group companies.

### Key Performance Indicators

	2021	2020	Movement %
Turnover	£6,813,116	£3,275,181	108.0%
Gross margin	75.4%	74.8%	0.8%
Cash at bank	£51,996,848	£9,724,479	434.7%
Average headcount	209	131	59.5%

### Business Review

Turnover for the Group for the year ending 31 December 2021 was £6,813,116, a 108.0% increase on the prior year (2020: £3,275,181). This was primarily driven by the onboarding of new customers, supported by recurring turnover from current customers. This was substantial growth in a global market still heavily impacted by the COVID-19 pandemic.

In August 2021 the Group successfully raised a £50m Series C funding round led by SoftBank's Vision Fund 2, with all existing investors participating alongside. This funding round means the Group will be bringing the power of Decision Intelligence to more and more businesses around the world, further democratising AI in the enterprise and growing the Peak community at the same time.

This funding round will enable the Group to invest even more into its product and R&D initiatives. The Group will be heavily investing in 2022 in new platform features and capability to give customers even more power to solve their hardest problems and create the future on Peak.

# Peak AI Limited

## Strategic Report *(continued)*

Year Ended 31 December 2021

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### Principal Risks and Uncertainties

The following risks and uncertainties may affect the Group's operating results and financial position.

#### Market risks

The COVID-19 pandemic has continued to cause disruption and uncertainty to many industries. This uncertainty impacts the appetite of some businesses to invest, particularly in newer technologies such as AI. Adverse global economic conditions are a risk as they could impact the Group's access to, and cost of, finance in the future.

#### Access to talent

Attracting and retaining talent to support the continued growth of the Group is a key risk area. The Group regularly reviews its attraction and retention strategies to maximise its success in this area. Flexible working policies, career development opportunities and continuous engagement with employees across these areas ensures this remains forefront.

#### Competitive risks

The Group operates in a competitive environment. If competitors increase their position through product innovation, price discounting or aggressive marketing campaigns, this could impact the Group's financial performance and ability to deliver on its strategic priorities. To minimise this risk, the Group has developed strong strategic partnerships and has been focussed on building a strong customer pipeline. Significant investment in resource is also being made across the business, from data scientists and platform engineers, to commercial and customer success managers.

#### Liquidity risk

Liquidity risk is the risk that the Group cannot pay its contractual obligations as they fall due. The Directors believe that the Group has sufficient liquidity to meet its obligations as they fall due. As at 31 December 2021 the Group held cash of £51,996,848.

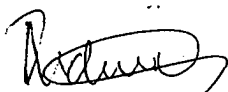
#### Legislative risk

Changes in regulation or legislation relating to the provision of cloud services or data privacy and protection would have an impact on the operations of the Group. Changes could drive an increase in costs or require a change to the products and services offered. A failure to comply with any regulation or legislation changes could lead to significant fines.

#### Cyber security risks

As the Group operates in a digital environment there is exposure to criminal risk from individual and organised electronic activities. The Group manages these risks by following best practice security procedures such as multi-factor authentication, data security and awareness programs for all employees, and regular oversight from the ISMS Board. The Group is SOC 2 and ISO 27001 compliant and certified which requires regular external audits.

This report was approved by the board of directors on .....13/12/2022..... and signed on behalf of the board by:



Mr R B Potter  
Director

# Peak AI Limited

## Directors' Report

Year Ended 31 December 2021

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The directors present their report and the financial statements of the group for the year ended 31 December 2021.

### Directors

The directors who served the company during the year were as follows:

Mr D A Leitch  
Mr R B Potter  
Mr A Sharma  
Mr J E Coker  
Mr K Wallington  
Mr O O W Richards  
Mr R P Anton  
Mr M A Ohrstrand (Appointed 7 September 2021)  
Mr M J Fletcher (Resigned 18 March 2021)

### Dividends

The directors do not recommend the payment of a dividend.

### Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and the profit or loss of the group for that period.

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

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

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

# Peak AI Limited

## Directors' Report *(continued)*

Year Ended 31 December 2021

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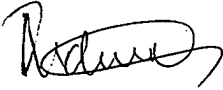
### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on .....**13/12/2022**..... and signed on behalf of the board by:



Mr R B Potter  
Director

# Peak AI Limited

## Independent Auditor's Report to the Members of Peak AI Limited

Year Ended 31 December 2021

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### Opinion

We have audited the financial statements of Peak AI Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows 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 FRS 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 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions Relating to Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the 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.

# Peak AI Limited

## Independent Auditor's Report to the Members of Peak AI Limited *(continued)*

Year Ended 31 December 2021

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### Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

### Matters on Which We are Required to Report by Exception

In the light of the knowledge and understanding of the 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 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.

# Peak AI Limited

## Independent Auditor's Report to the Members of Peak AI Limited *(continued)*

Year Ended 31 December 2021

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### 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.

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements based on our understanding of the Group and Company and through discussion with the Directors and other management (as required by auditing standards).

We also had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. Audit procedures performed included:

- Discussions with management, inquiring over non-compliance with laws, regulations, and fraud;
- Review of minutes of all Board meetings held in the year and post year end;
- Review of transactions (including journals); and
- Review of key business processes and evaluation of internal controls.

There are inherent limitations in the audit procedures described above. We did not identify any such irregularities however as with any audit, there remained a higher risk of non-detection of irregularities due to fraud, as these may involve deliberate concealment, collusion, forger, intentional omissions, misrepresentations, or the override of internal controls.

## Peak AI Limited

### Independent Auditor's Report to the Members of Peak AI Limited *(continued)*

#### Year Ended 31 December 2021

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Peak AI Limited

### Independent Auditor's Report to the Members of Peak AI Limited *(continued)*

Year Ended 31 December 2021

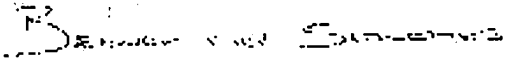
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#### Other Matters

The comparative period was not subject to audit because the company took advantage of small company audit exemption in the previous accounting period.

#### Use of Our Report

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

  
Suzanne Lomax (Senior Statutory Auditor)

For and on behalf of  
Beever and Struthers  
Chartered accountants & statutory auditor  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

13/12/2022

**Peak AI Limited**  
**Consolidated Statement of Comprehensive Income**  
**Year Ended 31 December 2021**

	Note	2021 £	2020 <i>(restated)</i> £
<b>Turnover</b>	<b>4</b>	<b>6,813,116</b>	3,275,181
Cost of sales		<u>(1,677,159)</u>	<u>(825,358)</u>
<b>Gross profit</b>		<b>5,135,957</b>	2,449,823
Administrative expenses		<u>(19,168,838)</u>	<u>(9,889,779)</u>
<b>Operating loss</b>	<b>5</b>	<b>(14,032,881)</b>	(7,439,956)
Interest payable and similar expenses	<b>8</b>	<u>(25,615)</u>	<u>(6,433)</u>
<b>Loss before taxation</b>		<b>(14,058,496)</b>	(7,446,389)
Tax on loss	<b>9</b>	<u>2,280,193</u>	<u>1,699,322</u>
<b>Loss for the financial year</b>		<b><u>(11,778,303)</u></b>	<b><u>(5,747,067)</u></b>
Foreign currency retranslation		<u>1,786</u>	<u>(6,954)</u>
<b>Total comprehensive income for the year</b>		<b><u>(11,776,517)</u></b>	<b><u>(5,754,021)</u></b>

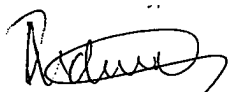
All the activities of the group are from continuing operations.

The notes on pages 19 to 35 form part of these financial statements.

**Peak AI Limited**  
**Consolidated Statement of Financial Position**  
**31 December 2021**

	Note	2021 £	2020 (restated) £
<b>Fixed assets</b>			
Intangible assets	10	154,073	4,222
Tangible assets	11	630,730	182,008
		<u>784,803</u>	<u>186,230</u>
<b>Current assets</b>			
Debtors	13	4,548,636	1,927,973
Cash at bank and in hand		51,996,848	9,724,479
		<u>56,545,484</u>	<u>11,652,452</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(4,371,885)</u>	<u>(5,497,610)</u>
<b>Net current assets</b>		<u>52,173,599</u>	<u>6,154,842</u>
<b>Total assets less current liabilities</b>		<u>52,958,402</u>	<u>6,341,072</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(287,952)</u>	<u>(45,000)</u>
<b>Net assets</b>		<u><u>52,670,450</u></u>	<u><u>6,296,072</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	2,887	1,900
Share premium account	23	76,847,033	20,729,049
Foreign currency reserve	23	(7,562)	(9,348)
Share option reserve	23	3,560,160	1,528,236
Profit and loss account	23	(27,732,068)	(15,953,765)
<b>Shareholders funds</b>		<u><u>52,670,450</u></u>	<u><u>6,296,072</u></u>

These financial statements were approved by the board of directors and authorised for issue on 13/12/2022, and are signed on behalf of the board by:



Mr R B Potter  
 Director

Company registration number: 09307701

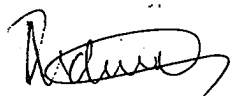
The notes on pages 19 to 35 form part of these financial statements.

**Peak AI Limited**  
**Company Statement of Financial Position**  
**31 December 2021**

	Note	2021 £	2020 (restated) £
<b>Fixed assets</b>			
Intangible assets	10	2,163	3,603
Tangible assets	11	536,580	142,994
Investments	12	152,912	1,610
		<u>691,655</u>	<u>148,207</u>
<b>Current assets</b>			
Debtors	13	4,464,626	1,895,735
Cash at bank and in hand		51,932,394	9,672,644
		<u>56,397,020</u>	<u>11,568,379</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(4,330,010)</u>	<u>(5,488,382)</u>
<b>Net current assets</b>		<u>52,067,010</u>	<u>6,079,997</u>
<b>Total assets less current liabilities</b>		<u>52,758,665</u>	<u>6,228,204</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(287,952)</u>	<u>(45,000)</u>
<b>Net assets</b>		<u><u>52,470,713</u></u>	<u><u>6,183,204</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	2,887	1,900
Share premium account	23	76,847,033	20,729,049
Share option reserve	23	3,560,160	1,528,236
Profit and loss account	23	(27,939,367)	(16,075,981)
<b>Shareholders funds</b>		<u><u>52,470,713</u></u>	<u><u>6,183,204</u></u>

The loss for the financial year of the parent company was £11,863,386 (2020: £5,790,186).

These financial statements were approved by the board of directors and authorised for issue on ...**13/12/2022**.., and are signed on behalf of the board by:



Mr R B Potter  
 Director

Company registration number: 09307701

The notes on pages 19 to 35 form part of these financial statements.

**Peak AI Limited**  
**Consolidated Statement of Changes in Equity**  
**Year Ended 31 December 2021**

	Note	Called up share capital £	Share premium account £	Foreign currency reserve £	Share option reserve £	Profit and loss account £	Total £
<b>At 1 January 2020 (as previously reported)</b>		1,478	9,699,285	(2,394)	42,561	(9,448,351)	292,579
Prior period adjustments	21	–	–	–	758,347	(758,347)	–
<b>At 1 January 2020 (restated)</b>		<u>1,478</u>	<u>9,699,285</u>	<u>(2,394)</u>	<u>800,908</u>	<u>(10,206,698)</u>	<u>292,579</u>
Loss for the year						(5,747,067)	(5,747,067)
Other comprehensive income for the year:							
Foreign currency retranslation		–	–	(6,954)	–	–	(6,954)
<b>Total comprehensive income for the year</b>		–	–	(6,954)	–	(5,747,067)	(5,754,021)
Issue of shares	422	11,271,354	–	–	–	–	11,271,776
Equity-settled share-based payments		–	–	–	727,328	–	727,328
Transaction costs		–	(241,590)	–	–	–	(241,590)
<b>Total investments by and distributions to owners</b>	422	<u>11,029,764</u>	–	–	<u>727,328</u>	–	<u>11,757,514</u>

The consolidated statement of changes in equity  
continues on the following page.  
The notes on pages 19 to 35 form part of these financial statements.

**Peak AI Limited**  
**Consolidated Statement of Changes in Equity** *(continued)*  
**Year Ended 31 December 2021**

	Note	Called up share capital £	Share premium account £	Foreign currency reserve £	Share option reserve £	Profit and loss account £	Total £
<b>At 31 December 2020 (as previously reported)</b>		1,900	20,970,639	(9,348)	70,760	(14,641,782)	6,392,169
Prior period adjustments	21	–	(241,590)	–	1,457,476	(1,311,983)	(96,097)
<b>At 31 December 2020 (restated)</b>		<u>1,900</u>	<u>20,729,049</u>	<u>(9,348)</u>	<u>1,528,236</u>	<u>(15,953,765)</u>	<u>6,296,072</u>
Loss for the year						(11,778,303)	(11,778,303)
Other comprehensive income for the year:							
Foreign currency retranslation		–	–	1,786	–	–	1,786
<b>Total comprehensive income for the year</b>		–	–	1,786	–	(11,778,303)	(11,776,517)
Issue of shares		987	56,259,571	–	–	–	56,260,558
Equity-settled share-based payments		–	–	–	2,031,924	–	2,031,924
Transaction costs		–	(141,587)	–	–	–	(141,587)
<b>Total investments by and distributions to owners</b>		<u>987</u>	<u>56,117,984</u>	<u>–</u>	<u>2,031,924</u>	<u>–</u>	<u>58,150,895</u>
<b>At 31 December 2021</b>		<u>2,887</u>	<u>76,847,033</u>	<u>(7,562)</u>	<u>3,560,160</u>	<u>(27,732,068)</u>	<u>52,670,450</u>

The notes on pages 19 to 35 form part of these financial statements.

**Peak AI Limited**  
**Company Statement of Changes in Equity**  
**Year Ended 31 December 2021**

	Note	Called up share capital £	Share premium account £	Share option reserve £	Profit and loss account £	Total £
<b>At 1 January 2020 (as previously reported)</b>		1,478	9,699,285	42,561	(9,527,448)	215,876
Prior period adjustments	21	–	–	758,347	(758,347)	–
<b>At 1 January 2020 (restated)</b>		<u>1,478</u>	<u>9,699,285</u>	<u>800,908</u>	<u>(10,285,795)</u>	<u>215,876</u>
Loss for the year		–	–	–	(5,790,186)	(5,790,186)
<b>Total comprehensive income for the year</b>		–	–	–	(5,790,186)	(5,790,186)
Issue of shares		422	11,271,354	–	–	11,271,776
Equity-settled share-based payments		–	–	727,328	–	727,328
Transaction costs		–	(241,590)	–	–	(241,590)
<b>Total investments by and distributions to owners</b>		<u>422</u>	<u>11,029,764</u>	<u>727,328</u>	<u>–</u>	<u>11,757,514</u>
<b>At 31 December 2020 (as previously reported)</b>		1,900	20,970,639	70,760	(14,763,998)	6,279,301
Prior period adjustments	21	–	(241,590)	1,457,476	(1,311,983)	(96,097)
<b>At 31 December 2020 (restated)</b>		<u>1,900</u>	<u>20,729,049</u>	<u>1,528,236</u>	<u>(16,075,981)</u>	<u>6,183,204</u>

The company statement of changes in equity  
continues on the following page.

The notes on pages 19 to 35 form part of these financial statements.

**Peak AI Limited**  
**Company Statement of Changes in Equity** *(continued)*  
**Year Ended 31 December 2021**

	Called up share capital £	Share premium account £	Share option reserve £	Profit and loss account £	Total £
Note					
Loss for the year				(11,863,386)	(11,863,386)
<b>Total comprehensive income for the year</b>	-	-	-	(11,863,386)	(11,863,386)
Issue of shares	987	56,259,571	-	-	56,260,558
Equity-settled share-based payments	-	-	2,031,924	-	2,031,924
Transaction costs	-	(141,587)	-	-	(141,587)
<b>Total investments by and distributions to owners</b>	987	56,117,984	2,031,924	-	58,150,895
<b>At 31 December 2021</b>	<u>2,887</u>	<u>76,847,033</u>	<u>3,560,160</u>	<u>(27,939,367)</u>	<u>52,470,713</u>

The notes on pages 19 to 35 form part of these financial statements.

# Peak AI Limited

## Consolidated Statement of Cash Flows

Year Ended 31 December 2021

	2021	2020 <i>(restated)</i>
	£	£
<b>Cash flows from operating activities</b>		
Loss for the financial year	(11,778,303)	(5,747,067)
<i>Adjustments for:</i>		
Depreciation of tangible assets	176,586	17,911
Amortisation of intangible assets	1,440	1,440
Interest payable and similar expenses	25,615	6,433
Equity-settled share-based payments	2,031,924	699,129
Tax on loss	(2,280,193)	(1,699,322)
Accrued expenses	117,963	493,249
<i>Changes in:</i>		
Trade and other debtors	(1,408,677)	(740,832)
Trade and other creditors	(1,655,869)	3,209,762
Cash generated from operations	(14,769,514)	(3,759,297)
Interest paid	(25,615)	(6,433)
Tax received	1,141,014	1,673,009
Net cash used in operating activities	<u>(13,654,115)</u>	<u>(2,092,721)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(179,250)	(25,040)
Net cash used in investing activities	<u>(179,250)</u>	<u>(25,040)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	56,260,558	11,271,776
Payments of share issue costs	(141,587)	(241,590)
Proceeds from borrowings	–	50,000
Repayments of borrowings	(5,000)	–
Payments of finance lease liabilities	(9,277)	(48,111)
Net cash from financing activities	<u>56,104,694</u>	<u>11,032,075</u>
<b>Net increase in cash and cash equivalents</b>	42,271,329	8,914,314
<b>Cash and cash equivalents at beginning of year</b>	9,724,479	817,365
Exchange gains/(losses) on cash and cash equivalents	1,040	(7,200)
<b>Cash and cash equivalents at end of year</b>	<u>51,996,848</u>	<u>9,724,479</u>

The notes on pages 19 to 35 form part of these financial statements.

# Peak AI Limited

## Notes to the Financial Statements

Year Ended 31 December 2021

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### 1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Floor 12, Neo Building, Charlotte Street, Manchester, M1 4ET.

### 2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting Policies

#### Basis of Preparation

The financial statements have been prepared on the historical cost basis including adjustments for prior period errors as detailed in note 21.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Disclosure Exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

#### Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings. Subsidiary undertakings are deemed to be those entities over which the parent company has effective control irrespective of shareholding. The results of the group's subsidiary undertaking Peak Business Insight Private Limited for the year ending 31 March are consolidated with no adjustment for being non-coterminous.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

#### Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

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#### 3. Accounting Policies *(continued)*

##### Judgements and Key Sources of Estimation Uncertainty *(continued)*

###### Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- the group enters into leasing arrangements and management must determine whether the terms of such leasing agreements, along with their intentions for use of the leased assets, result in the leases being classified as operating leases or as finance leases. Management follow the guidance available in FRS 102 when making such judgements.

###### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- management periodically review the recoverability of trade receivables and other receivables. Based on historic experience, ongoing customer relationships and an assessment of the ageing on receivables management will provide against certain balances that they determine may not be recoverable
- the group's share options are included in the financial statements at their fair value. This is determined using estimations based on expected future performance, the likelihood of options vesting and consideration of current market conditions that may change in the future.

##### Revenue Recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

##### Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

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#### 3. Accounting Policies *(continued)*

##### **Income Tax *(continued)***

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Foreign Currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### **Operating Leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

##### **Intangible Assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Development costs - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

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#### 3. Accounting Policies *(continued)*

##### Research and Development

Research and development expenditure is written off in the period in which it is incurred.

##### Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	20% reducing balance
Fixtures and fittings	-	25% reducing balance
Equipment	-	50% reducing balance
User defined asset	-	25-50% reducing balance

##### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

##### Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### Finance Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

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#### 3. Accounting Policies *(continued)*

##### Finance Leases and Hire Purchase Contracts *(continued)*

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

##### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

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#### 3. Accounting Policies *(continued)*

##### Defined Contribution Plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### Share-Based Payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

#### 4. Turnover

Turnover arises from:

	2021	2020 <i>(restated)</i>
	£	£
Rendering of services	<u>6,813,116</u>	<u>3,275,181</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 5. Operating Profit

Operating profit or loss is stated after charging/crediting:

	2021	2020 <i>(restated)</i>
	£	£
Amortisation of intangible assets	1,440	1,440
Depreciation of tangible assets	129,238	119,569
Impairment of trade debtors	520,245	(18,854)
Research and development expenditure written off	–	(18,662)
Equity-settled share-based payments expense	2,031,924	699,129
Foreign exchange differences	<u>17,321</u>	<u>16,930</u>

#### 6. Staff Costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021 No.	2020 No.
Number of customer development staff	98	56
Number of market development staff	22	14
Number of R&D staff	60	45
Number of support staff	29	16
	<u>209</u>	<u>131</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020 <i>(restated)</i>
	£	£
Wages and salaries	9,585,895	5,737,842
Social security costs	1,278,983	620,435
Other pension costs	952,565	266,407
	<u>11,817,443</u>	<u>6,624,684</u>

#### 7. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020 <i>(restated)</i>
	£	£
Remuneration	799,761	418,230
Company contributions to defined contribution pension plans	112,751	85,135
	<u>912,512</u>	<u>503,365</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020 <i>(restated)</i>
	No.	No.
Defined contribution plans	<u>5</u>	<u>6</u>

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 7. Directors' Remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2021	2020 <i>(restated)</i>
	£	£
Aggregate remuneration	275,518	116,000
Company contributions to defined contribution pension plans	6,868	37,368
	<u>282,386</u>	<u>153,368</u>

#### 8. Interest Payable and Similar Expenses

	2021	2020 <i>(restated)</i>
	£	£
Interest on banks loans and overdrafts	<u>25,615</u>	<u>6,433</u>

#### 9. Tax on Loss

Major components of tax income

	2021	2020 <i>(restated)</i>
	£	£
<b>Current tax:</b>		
UK current tax income	(1,789,562)	(647,973)
Adjustments in respect of prior periods	(520,740)	(1,041,108)
Total UK current tax	<u>(2,310,302)</u>	<u>(1,689,081)</u>
Foreign current tax income	<u>30,109</u>	16,072
Total current tax	<u>(2,280,193)</u>	<u>(1,673,009)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	–	(26,313)
<b>Tax on loss</b>	<u>(2,280,193)</u>	<u>(1,699,322)</u>

The parent company/group has accumulated losses of £16.9m (2020: £8.8m) which are unprovided in the financial statements.

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 9. Tax on Loss *(continued)*

##### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020 <i>(restated)</i>
	£	£
Loss on ordinary activities before taxation	<u>(14,058,496)</u>	<u>(7,446,389)</u>
Loss on ordinary activities by rate of tax	(2,693,001)	(1,414,814)
Adjustment to tax charge in respect of prior periods	(520,740)	(1,041,108)
Effect of expenses not deductible for tax purposes	–	(27,644)
Effect of capital allowances and depreciation	–	(26,313)
Effect of different UK tax rates on some earnings	30,109	–
Utilisation of tax losses	(770,020)	810,557
Unused tax losses	1,673,460	–
Rounding on tax charge	(1)	–
Tax on loss	<u>(2,280,193)</u>	<u>(1,699,322)</u>

#### 10. Intangible Assets

Group	Goodwill	Development costs	Total
	£	£	£
<b>Cost</b>			
At 1 January 2021 (as restated)	619	7,200	7,819
Acquisitions through business combinations	151,291	–	151,291
<b>At 31 December 2021</b>	<u>151,910</u>	<u>7,200</u>	<u>159,110</u>
<b>Amortisation</b>			
At 1 January 2021	–	3,597	3,597
Charge for the year	–	1,440	1,440
<b>At 31 December 2021</b>	<u>–</u>	<u>5,037</u>	<u>5,037</u>
<b>Carrying amount</b>			
<b>At 31 December 2021</b>	<u>151,910</u>	<u>2,163</u>	<u>154,073</u>
At 31 December 2020	<u>619</u>	<u>3,603</u>	<u>4,222</u>

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 10. Intangible Assets *(continued)*

Company	Development costs £
<b>Cost</b>	
At 1 January 2021 (as restated) and 31 December 2021	<u>7,200</u>
<b>Amortisation</b>	
At 1 January 2021	3,597
Charge for the year	<u>1,440</u>
<b>At 31 December 2021</b>	<u>5,037</u>
<b>Carrying amount</b>	
At 31 December 2021	<u>2,163</u>
At 31 December 2020	<u>3,603</u>

#### 11. Tangible Assets

Group	Plant and machinery £	Fixtures and fittings £	Equipment £	Leased assets £	Total £
<b>Cost</b>					
At 1 January 2021 (as restated)	3,944	82,616	195,166	152,903	434,629
Additions	–	21,006	158,244	445,312	624,562
Other movements	45	360	1,083	–	1,488
<b>At 31 December 2021</b>	<u>3,989</u>	<u>103,982</u>	<u>354,493</u>	<u>598,215</u>	<u>1,060,679</u>
<b>Depreciation</b>					
At 1 January 2021	1,956	51,583	109,552	89,530	252,621
Charge for the year	594	10,395	88,782	76,815	176,586
Other movements	26	219	497	–	742
<b>At 31 December 2021</b>	<u>2,576</u>	<u>62,197</u>	<u>198,831</u>	<u>166,345</u>	<u>429,949</u>
<b>Carrying amount</b>					
At 31 December 2021	<u>1,413</u>	<u>41,785</u>	<u>155,662</u>	<u>431,870</u>	<u>630,730</u>
At 31 December 2020	<u>1,988</u>	<u>31,033</u>	<u>85,614</u>	<u>63,373</u>	<u>182,008</u>

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 11. Tangible Assets *(continued)*

Company	Fixtures and fittings £	Equipment £	Leased assets £	Total £
<b>Cost</b>				
At 1 January 2021 (as restated)	51,084	149,768	152,903	353,755
Additions	20,551	56,962	445,312	522,825
<b>At 31 December 2021</b>	<u>71,635</u>	<u>206,730</u>	<u>598,215</u>	<u>876,580</u>
<b>Depreciation</b>				
At 1 January 2021	34,151	87,080	89,530	210,761
Charge for the year	6,662	45,762	76,815	129,239
<b>At 31 December 2021</b>	<u>40,813</u>	<u>132,842</u>	<u>166,345</u>	<u>340,000</u>
<b>Carrying amount</b>				
<b>At 31 December 2021</b>	<u>30,822</u>	<u>73,888</u>	<u>431,870</u>	<u>536,580</u>
At 31 December 2020	16,933	62,688	63,373	142,994

#### 12. Investments

The group has no investments.

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2021 as restated	1,610
Additions	151,302
<b>At 31 December 2021</b>	<u>152,912</u>
<b>Impairment</b>	
At 1 January 2021 as restated and 31 December 2021	—
<b>Carrying amount</b>	
<b>At 31 December 2021</b>	<u>152,912</u>
At 31 December 2020	1,610

#### Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Peak Business Insight Private Limited	A-29, Anita Colony Bajaj Nagar Jaipur India 302015	Ordinary	100

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 12. Investments *(continued)*

	Registered office	Class of share	Percentage of shares held
Peak AI USA Inc	Suite 09-117 524 Broadway New York USA	Ordinary	100
Peak Business Insight Australia PTY Ltd	Level 15 270 Adelaide Street Brisbane Queensland Australia	Ordinary	100

#### 13. Debtors

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Trade debtors	1,233,258	724,352	1,233,258	724,352
Amounts owed by group undertakings	–	–	256,691	84,083
Prepayments and accrued income	1,358,040	440,874	1,172,779	436,321
Corporation tax repayable	1,793,196	650,383	1,789,562	647,973
Other debtors	164,142	112,364	12,336	3,006
	<u>4,548,636</u>	<u>1,927,973</u>	<u>4,464,626</u>	<u>1,895,735</u>

Trade debtors is shown net of a bad debt provision of £327,578 (2020: £Nil).

#### 14. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Bank loans and overdrafts	9,626	5,000	9,626	5,000
Trade creditors	1,099,680	429,068	1,064,128	422,928
Accruals and deferred income	2,505,567	4,591,068	2,501,790	4,590,497
Social security and other taxes	523,161	358,458	523,161	358,458
Obligations under finance leases and hire purchase contracts	220,572	37,115	220,572	37,115
Other creditors	13,279	76,901	10,733	74,384
	<u>4,371,885</u>	<u>5,497,610</u>	<u>4,330,010</u>	<u>5,488,382</u>

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 15. Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Bank loans and overdrafts	35,374	45,000	35,374	45,000
Obligations under finance leases and hire purchase contracts	252,578	–	252,578	–
	<u>287,952</u>	<u>45,000</u>	<u>287,952</u>	<u>45,000</u>

The finance leases are secured on the assets to which they relate. The bank loan is unsecured.

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2020: £5,286) for the group and £Nil (2020: £5,286) for the company in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

#### 16. Finance Leases and Hire Purchase Contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Not later than 1 year	220,572	37,115	220,572	37,115
Later than 1 year and not later than 5 years	252,578	–	252,578	–
	<u>473,150</u>	<u>37,115</u>	<u>473,150</u>	<u>37,115</u>

#### 18. Deferred Tax

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Accelerated capital allowances	31,935	27,168	31,935	27,168
Unused tax losses	(44,562)	(39,796)	(44,562)	(39,796)
Pension plan obligations	12,627	12,628	12,627	12,628
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

#### 19. Employee Benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £952,565 (2020: £266,407).

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 20. Share-Based Payments

The group operates a number of option schemes, all of which have the same terms and conditions. All staff are offered share options, which is determined on a number of market factors. Share options vest over a 4 year period, with a weighting that rewards tenure. Unless an employee is classed as a "bad leaver" vesting is guaranteed for all option holders. Should the group be acquired or undertake an IPO all outstanding options would vest at that point. All options are equity settled.

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

Group and company	2021		2020	
	No.	WAEP	No.	WAEP
Outstanding at 1 January 2021	280,627	0.90	138,448	0.53
Granted during the year	95,605	5.13	160,092	1.23
Forfeited during the year	(28,394)	1.79	(9,371)	1.35
Exercised during the year	(41,569)	0.22	(8,542)	0.50
Outstanding at 31 December 2021	<u>306,269</u>	<u>2.23</u>	<u>280,627</u>	<u>0.90</u>
Exercisable at 31 December 2021	<u>100,457</u>	<u>3.82</u>	<u>83,063</u>	<u>3.82</u>

The total expense recognised in profit or loss for the year is as follows:

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Equity-settled share-based payments	<u>2,031,924</u>	<u>699,129</u>	<u>2,031,924</u>	<u>699,129</u>

The group determines the fair value of share options issued using a binomial valuation technique. Volatility and other market conditions are determined by benchmarking the company against other listed entities undertaking similar activity along with comparison to historical performance and management's expectations in relation to things such as the likelihood of dividends being paid.

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

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#### 21. Prior Period Errors

Whilst preparing the financial statements for the year ended 31 December 2021 a number of prior period errors were identified. As a result the following corrections have been made:

##### Share options

The company has a number of share options issued to staff which were being accounted for in the financial statements. However, on review of the valuation technique used this was deemed not to achieve the appropriate fair value as required by FRS 102. As a result revised valuations were undertaken and a prior period error was identified. The profit and loss reserve at 1 January 2020 was reduced by £758,347 and a charge to profit and loss for the year ended 31 December 2020 was made of £699,129. As a result the profit and loss reserve at 1 January 2021 was lower by £1,457,476 than previously reported.

##### Share premium

Legal and professional costs relating to the fundraise that occurred during the 31 December 2020 year end totalling £241,590 have been reclassified from profit and loss and deducted from share premium after it was identified that these had been incorrectly classified.

##### Accrued income

It was identified that accrued income had been accounted for incorrectly in relation to 4 customer contracts. As a result accrued income and turnover for the year ended 31 December 2020 were reduced by £96,097.

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 22. Called Up Share Capital

##### Issued, called up and fully paid

	2021		2020 <i>(restated)</i>	
	No.	£	No.	£
A Ordinary shares of £0.001 each	706,141	706	755,198	755
B Ordinary shares of £0.001 each	341,889	342	341,889	342
C Ordinary shares of £0.001 each	255,159	255	255,159	255
E Ordinary shares of £0.001 each	77,100	77	77,100	77
F Ordinary shares of £0.001 each	185,404	185	185,404	185
G Ordinary shares of £0.001 each	231,214	231	54,245	54
G Preferred shares of £0.001 each	347,374	347	230,967	231
H Preferred shares of £0.001 each	743,191	743	—	—
	<u>2,887,472</u>	<u>2,887</u>	<u>1,899,962</u>	<u>1,900</u>

##### Share movements

	No.	£
A Ordinary		
At 1 January 2021	755,198	755
Issue of shares under share options	13,264	13
Shares cancelled	(62,321)	(62)
At 31 December 2021	<u>706,141</u>	<u>706</u>
G Ordinary		
At 1 January 2021	54,245	54
Issue of shares	176,969	177
At 31 December 2021	<u>231,214</u>	<u>231</u>
G Preferred		
At 1 January 2021	230,967	231
Issue of shares	54,086	54
Shares cancelled	62,321	62
At 31 December 2021	<u>347,374</u>	<u>347</u>
H Preferred		
At 1 January 2021	—	—
Issue of shares	743,191	743
At 31 December 2021	<u>743,191</u>	<u>743</u>

# Peak AI Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2021

#### 22. Called Up Share Capital *(continued)*

On 2 March 2021 62,231 A Ordinary shares of £0.001 each were reclassified as 62,231 G Preferred shares of £0.001 each.

#### 23. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Share option reserve - This reserve records the value received in relation to the issue of share options.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 24. Analysis of Changes in Net Debt

	At 1 Jan 2021	Cash flows	Other changes	Exchange movements	At 31 Dec 2021
	£	£	£	£	£
Cash at bank and in hand	9,724,479	42,271,329	-	1,040	51,996,848
Debt due within one year	(42,115)	14,276	(202,359)	-	(230,198)
Debt due after one year	(45,000)	-	(242,952)	-	(287,952)
	<u>9,637,364</u>	<u>42,285,605</u>	<u>(445,311)</u>	<u>1,040</u>	<u>51,478,698</u>

#### 25. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Not later than 1 year	145,308	175,806	145,308	175,806
Later than 1 year and not later than 5 years	788	414,561	788	414,561
	<u>146,096</u>	<u>590,367</u>	<u>146,096</u>	<u>590,367</u>

#### 26. Related Party Transactions

##### Group

The group has chosen to utilise the exemption available in relation to the disclosure of intercompany transactions as the subsidiaries of the group are all 100% owned.



### Certificate of Completion

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