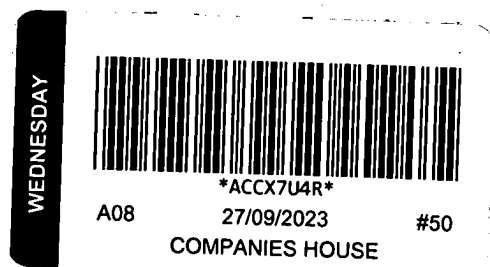


Company Registration No. SC493745 (Scotland)

SPIRE GLOBAL UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022



SPIRE GLOBAL UK LIMITED

COMPANY INFORMATION

Directors	P Platzer Spire Global Subsidiary, Inc B Johnson
Company number	SC493745
Registered office	Skypark 6 64-73 Finnieston Square Glasgow United Kingdom G3 8ET
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor Centenary House 69 Wellington Street Glasgow G2 6HG
Bankers	HSBC Bank plc Harry Weston Road Binley Coventry CV3 2SH

SPIRE GLOBAL UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

During the year Spire Global UK Limited ("the Company") continued its research and development activities in regards to increasing the productivity of cube satellites, which remain at the forefront of technology in providing data and data analytics in the weather, maritime and aviation sectors. The Company designs, tests, and manufactures satellites out of its Glasgow facility.

Turnover for the year in respect of satellite sales and production increased by £5.6m (35%) on the previous year to £21.5m. During the year, the Company provided 13 satellites for launch, compared to 12 in the previous year, along with another year of strong third-party revenues and intercompany charges to other global Spire subsidiaries for services rendered.

Profit before tax for the year was £2.8m, which was a decrease of £0.7m compared to the previous year, driven by a higher proportion of lower margin intercompany revenue.

The Company remains committed to expanding its UK operations from its Glasgow base, and since October 2021 has been operating successfully out of a purpose-built office and manufacturing facility and has built strong relationships within local government and space agencies in order to advance its technology. The company also now has a small satellite office at the Harwell Science and Innovation Campus in Oxfordshire, England.

A key non-financial performance indicator is the Company's ability to employ and retain quality staff. The aim is to provide a modern and flexible working environment to ensure staff have the ability to obtain and develop highly technical skills.

Principal risks and uncertainties

COVID-19 Impact – During the twelve months ended 31 December 2022, Spire Global, Inc. and its wholly owned subsidiaries (the "Group", headed by Spire Global, Inc) continued to experience adverse changes in customer buying behaviour that began in March 2020 as a result of the COVID-19 pandemic, including decreased customer engagement, delayed sales cycles, and deterioration of near-term demand. Despite these headwinds, the company experienced an increase in turnover, as previously outlined. As a result of the COVID-19 pandemic the Company has experienced delays and re-work due to third party satellite launch providers schedule shifts, delays and increased expenses in the Company's hiring process, some attrition from adjusting company policies due to the COVID-19 pandemic and additional time and expenses supporting customer contracts. The directors remain confident that due to the advancements in the space sector and satellite technology, the long-term business prospects continue to be strong.

Investment – Spire Global, Inc. is keen to find sources of additional capital in order to advance the satellite technology paramount to Spire Global UK Limited, and data production, which is the cornerstone of the Group's sales. Spire Global, Inc. was successful in securing a new \$120.0m credit facility in June 2022, in spite of the challenging broader economic conditions, including the COVID-19 pandemic, which could have resulted in uncertainty regarding the required invested capital.

Exchange rate risk – Exchange rate fluctuations pose a risk to Spire Global, Inc. and the Company, as is the case across all international businesses. Currency fluctuation risk however is somewhat mitigated as Spire Global, Inc. and its subsidiaries transacts in what are, historically speaking, relatively stable currencies (USD, GBP, Euro, & SGD).

Liquidity risks and uncertainties – Since inception, the Group, has been primarily focused on the development of its satellite technology including the manufacturing and launch of its satellite constellation. The Group has a history of operating losses and negative cash flows from operations. During the year ended 31 December 2022, the Group had a net loss of \$89.4m, negative cash flows from operations of \$47.8m and ended the year with cash and cash equivalents of \$47.2m, excluding restricted cash and marketable securities. The Group believes that it will have access to sufficient capital to operate for a period of at least one year from the issuance of the 2022 financial statements; however, additional funding will be necessary at some time to complete its various projects and expand upon its constellation of satellites.

SPIRE GLOBAL UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal Risks and Uncertainties (continued)

Liquidity risks and uncertainties (continued)

Historically, the Group has had operating losses and negative cash flows from operations. Whether, and when, the Group can attain profitability and positive cash flows from operations is uncertain and will depend on the successful development, manufacturing, and marketing of its satellite-based data products.

On behalf of the board



.....
P Platzer
Director

Date: 21/09/23.....

SPIRE GLOBAL UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company is the provision of Research and Development services and assembly of nanosatellites on behalf of Spire Global Inc.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid (2021:£nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Platzer

Spire Global Subsidiary, Inc

E A Martin

(Resigned 15 September 2022)

B Johnson

(Appointed 15 September 2022)

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
P Platzer

Director

Date: 21/09/23

SPIRE GLOBAL UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRE GLOBAL UK LIMITED

Opinion

We have audited the financial statements of Spire Global UK Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 31 December 2022 and of its profit 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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. [Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included [content to be provided by audit team].]

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

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

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.

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRE GLOBAL UK LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRE GLOBAL UK LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework [s] that the company operates in and how the company is complying with the legal and regulatory framework[s];
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud [for regulated entities, as defined in ISA 250B: having obtained an understanding of the effectiveness of the control environment].

[Significant laws and regulations (direct and indirect), and fraud risks - content to be provided by audit team]

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRE GLOBAL UK LIMITED (CONTINUED)

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.

Alan Aitchison

Alan Aitchison (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG
21/09/23.....

SPIRE GLOBAL UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	21,501,284	15,887,534
Cost of sales		(5,424,797)	(3,913,737)
Gross profit		16,076,487	11,973,797
Administrative expenses		(13,146,809)	(8,720,821)
Other operating (expenses)/income		(57,580)	229,331
Operating profit	5	2,872,098	3,482,307
Finance costs	6	(65,194)	-
Profit before taxation		2,806,904	3,482,307
Tax on profit	7	(6,306)	(666,718)
Profit for the financial year		2,800,598	2,815,589

SPIRE GLOBAL UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Non-current assets					
Property, plant and equipment	9		4,644,504		4,246,399
Current assets					
Inventories	10	8,040,282		2,947,395	
Trade and other receivables	11	7,823,683		4,188,653	
Cash and cash equivalents		4,713,650		674,292	
			20,577,615		7,810,340
Current liabilities	12	(2,935,799)		(3,047,985)	
Net current assets			17,641,816		4,762,355
Total assets less current liabilities			22,286,320		9,008,754
Non-current liabilities	13		(10,885,033)		(498,606)
Provisions for liabilities	14		(965,143)		(874,602)
Net assets			10,436,144		7,635,546
Equity					
Called up share capital	16		1		1
Retained earnings	17		10,436,143		7,635,545
Total equity			10,436,144		7,635,546

The financial statements were approved by the board of directors and authorised for issue on 21/09/23 and are signed on its behalf by:



 P Platzer
 Director

SPIRE GLOBAL UK LIMITED

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

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2021	1	4,819,956	4,819,957
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	2,815,589	2,815,589
Balance at 31 December 2021	1	7,635,545	7,635,546
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	2,800,598	2,800,598
Balance at 31 December 2022	1	10,436,143	10,436,144

SPIRE GLOBAL UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(3,878,261)		2,851,973
Interest paid			(65,194)		-
Income taxes (paid)/refunded			(61,720)		85,154
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(4,005,175)		2,937,127
Investing activities					
Purchase of property, plant and equipment		1,318,167		(3,431,392)	
Proceeds on disposal of property, plant and equipment		(2,625,454)		1,896	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(1,307,287)		(3,429,496)
Financing activities					
Proceeds from borrowings		9,914,892		-	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			9,914,892		-
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			4,602,430		(492,369)
Cash and cash equivalents at beginning of year			674,292		603,589
Effect of foreign exchange rates			(563,072)		563,072
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			4,713,650		674,292
			<u> </u>		<u> </u>

SPIRE GLOBAL UK LIMITED

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

1 Accounting policies

Company information

Spire Global UK Limited is a private company limited by shares and is registered and incorporated in Scotland. The registered office is Skypark 6, 64-73 Finnieston Square, Glasgow, United Kingdom, G3 8ET.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The company meets its working capital requirements through the support of its parent company and is dependent upon its parent for ongoing trade. The Parent entity Directors have provided a binding letter of support, confirming that this will continue for the foreseeable future. In their own assessment of the Group's ability to continue as a Going Concern, and therefore to provide this financial support, the Parent entity Directors have taken account of available funding lines, forecast cashflows for a period looking forward to 2024 and the underlying assumptions within these. The Parent entity Directors have concluded that the Group has sufficient cash resources to continue to meet liabilities as they fall due for the foreseeable future. Accordingly, the Directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of these financial resources and support.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Software

33% straight line

Patents and licences

Straight line over the duration of the contract

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	33% straight line

Assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Inventories

Inventory consists of raw materials, work in progress and finished goods. Inventories and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, inter-company and other debtors

Trade debtors, inter-company and other debtors are recognised initially at the transaction price or, when the arrangement constitutes a financing transaction, at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Trade debtors, inter-company and other debtors are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

A provision for impairment of inter-company and other debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the inter-company or other debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Basic financial liabilities

Trade, inter-company and other creditors payable within one year, and borrowings that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade, inter-company or other creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability in deferred income.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

There are no estimates and assumptions considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Revenue

An analysis of the company's revenue is as follows:

	2022	2021
	£	£
Revenue analysed by class of business		
Sales of goods	5,696,036	3,985,957
Sales of services	15,805,248	11,901,577
	<u>21,501,284</u>	<u>15,887,534</u>
Revenue analysed by geographical market		
	2022	2021
	£	£
North America	16,405,977	13,276,526
Europe	5,095,307	2,611,008
	<u>21,501,284</u>	<u>15,887,534</u>

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022 Number	2021 Number
135	106

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	8,004,464	6,753,645
Social security costs	1,162,073	784,346
Pension costs	337,866	301,334
	<u>9,504,403</u>	<u>7,839,325</u>

5 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	23,383	(292,852)
Research and development costs	579,480	658,681
Government grants	119,300	-
Fees payable to the company's auditor for the audit of the company's financial statements	51,843	17,000
Depreciation of owned property, plant and equipment	904,904	614,108
Loss on disposal of property, plant and equipment	4,278	-
Amortisation of intangible assets	-	116,954
Operating lease charges	447,860	192,237

6 Finance costs

	2022 £	2021 £
Other finance costs:		
Other interest	65,194	-

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Taxation

	2022 £	2021 £
Current tax		
Adjustments in respect of prior periods	(4,283)	5,355
R&D losses surrendered	(79,952)	-
Total current tax	<u>(84,235)</u>	<u>5,355</u>
Deferred tax		
Origination and reversal of timing differences	38,301	601,071
Changes in tax rates	-	65,647
Adjustment in respect of prior periods	52,240	(5,355)
Total deferred tax	<u>90,541</u>	<u>661,363</u>
Total tax charge	<u>6,306</u>	<u>666,718</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>2,806,904</u>	<u>3,482,307</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	533,312	661,638
Tax effect of expenses that are not deductible in determining taxable profit	172,649	139,275
Adjustments in respect of prior years	(47,957)	-
Effect of change in tax rate	9,192	209,905
Permanent capital allowances in excess of depreciation	(38,023)	(29,042)
R&D expenditure credits	(46,578)	(312,958)
Other permanent differences	(283,056)	(2,100)
Surrender of tax losses for R&D tax credit refund	104,765	-
Additional deduction for R&D expenditure	(318,046)	-
R&D losses surrendered	(79,952)	-
Tax expense for the year	<u>6,306</u>	<u>666,718</u>

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Intangible fixed assets

	Software £	Patents and licences £	Total £
Cost			
At 1 January 2022 and 31 December 2022	467,213	8,309,480	8,776,693
Amortisation and impairment			
At 1 January 2022 and 31 December 2022	467,213	8,309,480	8,776,693
Carrying amount			
At 31 December 2022	-	-	-
At 31 December 2021	-	-	-

9 Property, plant and equipment

	Leasehold improvements £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost						
At 1 January 2022	923,744	2,625,454	1,883,736	473,417	466,223	6,372,574
Additions	135,486	258,043	690,756	115,285	107,717	1,307,287
Disposals	(404,147)	-	(7,229)	(79,879)	(259,482)	(750,737)
Transfers	2,396,549	(2,625,454)	215,048	-	13,857	-
At 31 December 2022	3,051,632	258,043	2,782,311	508,823	328,315	6,929,124
Depreciation and impairment						
At 1 January 2022	762,210	-	923,742	142,220	298,003	2,126,175
Depreciation charged in the year	323,111	-	394,010	84,129	103,654	904,904
Eliminated in respect of disposals	(404,148)	-	(3,226)	(79,879)	(259,206)	(746,459)
At 31 December 2022	681,173	-	1,314,526	146,470	142,451	2,284,620
Carrying amount						
At 31 December 2022	2,370,459	258,043	1,467,785	362,353	185,864	4,644,504
At 31 December 2021	161,534	2,625,454	959,994	331,197	168,220	4,246,399

10 Inventories

	2022 £	2021 £
Raw materials and consumables	4,302,180	1,639,423
Work in progress	3,738,102	1,307,972
	8,040,282	2,947,395

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Trade and other receivables

	2022	2021
	£	£
Trade receivables	465,659	125,949
Corporation tax recoverable	334,807	188,852
Amounts owed by fellow group undertakings	4,968,589	3,063,467
Other receivables	496,798	468,392
Prepayments and accrued income	1,557,830	341,993
	<u>7,823,683</u>	<u>4,188,653</u>

12 Current liabilities

	2022	2021
	£	£
Trade payables	651,396	1,013,317
Amounts owed to fellow group undertakings	344,889	547,447
Taxation and social security	397,521	277,938
Other payables	94,478	40,027
Accruals and deferred income	1,447,515	1,169,256
	<u>2,935,799</u>	<u>3,047,985</u>

13 Non-current liabilities

	2022	2021
	£	£
Amounts due to group undertakings	9,914,892	-
Other payables	850,534	498,606
Accruals and deferred income	119,607	-
	<u>10,885,033</u>	<u>498,606</u>

The company holds a Bond and Floating Charge in relation to the property held.

Amounts due to group undertakings relate to loan notes to the parent entity of £9,914,892 (2021: £nil) are interest bearing, 4% annually, and not repayable until 31 December 2027.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>9,914,892</u>	<u>-</u>
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SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Provisions for liabilities

	Notes	2022 £	2021 £
Deferred tax liabilities	15	965,143	874,602

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	965,143	874,602
		2022 £
Movements in the year:		
Liability at 1 January 2022		874,602
Charge to profit or loss		90,541
Liability at 31 December 2022		965,143

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

16 Called up share capital

	2022 £	2021 £
Ordinary share capital Issued and fully paid		
1 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

The company's ordinary shares carry full rights in the company with respect to voting, dividends and distributions.

17 Retained earnings

Profit and loss reserves represent cumulative profit and loss net of distributions to owners.

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	2,800,598	2,815,589
Adjustments for:		
Taxation charged	6,306	666,718
Finance costs	65,194	-
Loss on disposal of property, plant and equipment	4,278	-
Amortisation and impairment of intangible assets	-	116,954
Depreciation and impairment of property, plant and equipment	904,904	614,108
Foreign exchange (gains)/losses on cash equivalents	563,072	(563,072)
Movements in working capital:		
(Increase) in inventories	(5,092,887)	(1,556,046)
(Increase)/decrease in trade and other receivables	(3,489,075)	4,918,911
Increase/(decrease) in trade and other payables	359,349	(4,161,189)
Cash (absorbed by)/generated from operations	<u>(3,878,261)</u>	<u>2,851,973</u>

19 Analysis of changes in net funds

	1 January 2022 £	Cash flows £	Exchange rate movements £	31 December 2022 £
Cash at bank and in hand	674,292	4,602,430	(563,072)	4,713,650

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	575,024	128,278
Between one and five years	2,136,524	2,094,165
In over five years	666,804	1,244,699
	<u>3,378,352</u>	<u>3,467,142</u>

SPIRE GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of property, plant and equipment	583,955	128,502

22 Related party transactions

The company has taken advantage of the exemption granted by section 33.1A of FRS102 not to disclose transactions with other group companies. There were no other related party transactions outwith the group during the year.

23 Ultimate parent undertaking and controlling party

In the opinion of the directors, the company's immediate and ultimate parent undertaking is Spire Global, Inc. a company incorporated in the United States and whose registered office is 8000 Towers Crescent Drive, Vienna, VA 22182. Spire Global, Inc. is the parent undertaking of the largest and smallest group of which the company is a member and for which consolidated financial statements are prepared.