



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



WAYRA UK LIMITED

COMPANY INFORMATION

Directors	Thomas Peter de Albuquerque Andrés Saborido Scafati (appointed 13 July 2021) Bruno Vidal Sa de Moraes
Company secretary	Prism Cosec Limited
Registered number	08083534
Registered office	Highdown House Yeoman Way Worthing West Sussex BN99 3HH
Independent auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 40 Clarendon Road, Watford WD17 1JJ United Kingdom

WAYRA UK LIMITED

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WAYRA UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

Legal form and principal activities

Wayra UK Limited (the "Company" or "Wayra UK") is a private company limited by shares registered in England and Wales under the registered number 08083534. The registered address is Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH. It is a wholly owned subsidiary of Telefónica Open Innovation S.L., a company incorporated in Spain.

Wayra UK Limited is part of Telefónica S.A.'s (the "Group") open innovation area with a presence in Latin America, Germany, Spain and the UK and operates under the Wayra brand. The aim of Wayra is to build bridges between a big corporate such as Telefonica and start-ups and scale-ups by finding and nurturing the best technological projects and talent. And also offering the chance to receive investments and operate from a state-of-the-art workspace to help to turn innovative ideas into reality. Wayra also offers access to a far-reaching network of individuals to mentor and develop the start-ups.

In 2021, Wayra UK partnered with other major corporations and government institutions seeking to work closely with entrepreneurs developing disruptive ideas:

- Health Hub, a collaboration with pharmaceutical company Novartis International AG, that is accelerating the next generation of health-care start-ups.
- Cyber Accelerator with GCHQ, the government security agency, and the UK Department of Culture, Media and Sport (DCMS) that aims to help cyber start-ups develop.
- Intelligent Mobility (IM) Accelerator, a partnership Catapult Connected Places, designed to attract disruptive start-ups with high-growth potential into the UK transport supply chain.
- 5PrinG accelerator, the 1st UK 5G commercial accelerator, a partnership with Telefónica UK, Deloitte, West Midlands 5G and Digital Catapult.
- Edison Accelerator, with GE Healthcare to support start-ups in health care.

This enhanced support means that Wayra is supporting 98 companies across the UK in 2021 (70 in 2020) with acceleration and pre-acceleration programmes.

Since 2012, Wayra UK has invested in 146 companies in the UK, who have together raised over £360m in third-party investment.

Wayra UK's success is the result of a combination of the human resources dedicated to start-up business development, a network of mentors that includes senior executives at Telefónica and support directly from Telefónica's UK and global boards.

WAYRA UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial performance of the Company for the year ended 31 December 2021

The Directors consider that the most relevant financial ratios to take into account are its revenues, its comprehensive profit or loss and operating profit (total operating income less total operating expenses) or loss and main Key Performance Indicator is its portfolio value (total investment in technological start-ups, see note 10 to the financial statements) given the Company's nature of business as an investor in and accelerator of technological start-ups.

The Company's total revenue for the year ended 31 December 2021 was £6,112,430 compared to £1,555,888 at 31 December 2020 due to an increase in the acceleration services provided to Wayra investments.

The Company's operating loss for the year ended 31 December 2021 was £53,963 compared to £22,132 loss at 31 December 2020.

As at 31 December 2021, the Company has a portfolio of long term investments in technology start-up companies of £15,419,410 (2020: £14,929,393). Despite the Company having operating loss in the year, its portfolio increase, determined as described in note 10, shows how the Company continues investing in technological start-ups and performing well in this area which is the most relevant one according to its nature. Total number of investees at December 2021 was 146 (2020: 141).

The net assets position at 31 December 2021 was £16,683,598 (2020: £17,173,441).

The loss for the year, after taxation, amounted to £489,843 (2020: profit £272,497).

Dividends

The Company did not pay a dividend in the year ended 31 December 2021 (2020: nil)

Directors

The Directors who served during the year were:

Miguel Arias Bermudez (resigned 13 July 2021)
Andrés Saborido Scafati (appointed 13 July 2021)
Thomas Peter de Albuquerque
Bruno Vidal Sa de Moraes

The Secretary of the Company is Prism Cosec Limited.

Political contributions

The Company made no political donations during the year (2020: Nil)

Small companies' exemptions

In preparing the Annual Report and Financial Statements for the year ended 31 December 2021, the Directors have taken advantage of the small companies' exemption under section 414 (B) of the Companies Act 2006 not to prepare a Strategic Report.

In addition, the Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

WAYRA UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors Liability Insurance and Indemnities

Telefónica S.A. the Company's ultimate parent company, maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against Directors of the companies within the Telefónica Group and the Directors of the Company are covered by this insurance.

The indemnity was in force throughout the last financial year and is currently in force.

Disclosure of information to auditor

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

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

Post year end events

The Company has made a new investment in Raylo.Pay and follow on investment in Redsift, Cloud.NC and Trilio.

There are no other material subsequent events after the balance sheet date.

Independent Auditors

During the year, PricewaterhouseCoopers LLP were re-appointed as auditors in accordance with section 485 of the Companies Act 2006. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Going Concern

The financial position of the Company is described above. In addition, notes 1 and 17 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk. Consequently, the Directors believe that the Company is well placed to manage its business risk successfully.

The Company has received a letter of parental support from Telefónica S.A. , the ultimate parent company, which confirms that Telefónica S.A., will continue to provide financial support to the Company for a period of twelve months from the date of signing of the Auditors' Report in the financial statements. Accordingly, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial Risk Management Objectives, Policies and Exposure

Details of the Company's approach to financial risk management are set out in the financial statements in note 17 Financial instruments.

This report was approved by the board on 28 July 2022 and signed on its behalf.

Bruno Vidal Sa de Moraes
Director

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Bruno Vidal Sa De Moraes
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WAYRA UK LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Annual Report and the financial statements, in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are also 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.

The statement was approved by the Board of directors on 28 July 2022 and signed on its behalf.

Bruno Vidal Sa de Moraes
Director

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Bruno Vidal Sa De Moraes
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WAYRA UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAYRA UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Wayra UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

WAYRA UK LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

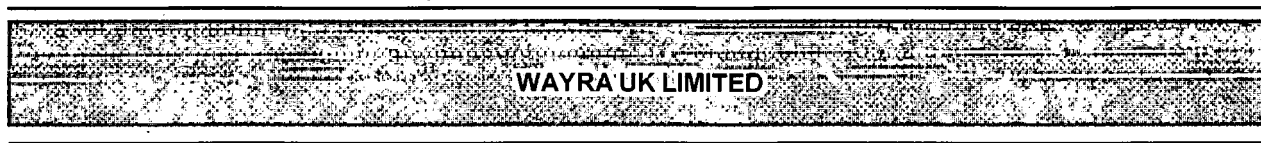
As explained more fully in the Directors' Responsibility Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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



Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, employee tax legislation and corporation tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or profits and potential management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates with a focus on the fair value of investments;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations to revenue; and
- Obtaining and testing management's corporation tax calculations

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A handwritten signature in dark ink, appearing to read "Hannes Verwey".

Hannes Verwey (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Watford 28 July 2022

WAYRA UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**


	Note	2021 £	2020 £
Revenue	4	6,112,430	1,555,888
Cost of sales	10	(1,337,930)	-
Operating expenses	5	(3,502,765)	(3,054,050)
Depreciation	9	(828)	(294)
Investment fair value changes	10	(1,324,870)	1,476,324
Operating Loss		<u>(53,963)</u>	<u>(22,132)</u>
Finance income	6	3,352	72,487
Finance costs	6	(13,274)	(59,222)
Loss before tax		<u>(63,885)</u>	<u>(8,867)</u>
Tax (expense)/credit	8	(425,958)	281,364
Income/(Loss) and Total comprehensive income/(expense) for the year		<u>(489,843)</u>	<u>272,497</u>

WAYRA UK LIMITED
REGISTERED NUMBER: 08083534

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Assets			
Non-current assets			
Property, plant and equipment	9	3,920	1,606
Investments in start-ups	10	15,419,410	14,929,393
Investments in subsidiary companies	11	2	2
Long term receivables (deposits)	12	189,998	-
Total Non-current assets		15,613,330	14,931,001
Current assets			
Trade and other receivables	13	386,610	540,516
Cash and cash equivalents	20	2,938,230	3,132,861
Total current assets		3,324,840	3,673,377
Total assets		18,938,170	18,604,378
Liabilities			
Trade and other liabilities	14	2,254,572	1,430,937
Total current liabilities		2,254,572	1,430,937
Total liabilities		2,254,572	1,430,937
Net assets		16,683,598	17,173,441
Issued capital and reserves			
Share capital	15	10	10
Share premium reserve	15	21,923,176	21,923,176
Accumulated losses	16	(5,239,588)	(4,749,745)
TOTAL EQUITY		16,683,598	17,173,441

The financial statements on pages 10 to 41 were approved and authorised for issue by the board of directors on 28 July 2022 and were signed on its behalf by:

DocuSigned by:

Bruno Vidal Sa de Moraes
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Bruno Vidal Sa de Moraes
 Director

WAYRA UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £	Share premium £	Accumulated Losses £	Total equity £
At 1 January 2020	8	17,633,959	(5,022,242)	12,611,725
Comprehensive income for the year				
Profit for the financial year	-	-	272,497	272,497
Total comprehensive income for the year	-	-	272,497	272,497
Issue of share capital/premium	2	4,289,217	-	4,289,219
Total contributions by and distributions to owners	2	4,289,217	-	4,289,219
At 31 December 2020	10	21,923,176	(4,749,745)	17,173,441
At 1 January 2021	10	21,923,176	(4,749,745)	17,173,441
Comprehensive expense for the year				
Profit for the financial year	-	-	(489,843)	(489,843)
Total comprehensive expense for the year	-	-	(489,843)	(489,843)
At 31 December 2021	10	21,923,176	(5,239,588)	16,683,598

The notes on pages 14 to 42 form part of these financial statements.

WAYRA UK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the year before tax		(63,885)	(8,867)
Adjustments for			
Depreciation of property, plant and equipment	9	828	294
Finance income		(3,352)	(72,487)
Finance costs		13,274	59,222
Investments fair value changes	10	1,324,870	(1,476,324)
		<u>1,271,735</u>	<u>(1,498,162)</u>
Movements in working capital:			
(Increase)/decrease in trade and other receivables	13	(268,699)	791,383
Increase/(decrease) in trade and other payables	14	810,360	(491,318)
		<u>1,813,396</u>	<u>(1,198,097)</u>
Cash used in operations		1,813,396	(1,198,097)
Net cash from/(used in) operating activities		1,813,396	(1,198,097)
Cash flows from investing activities			
Purchases of property, plant and equipment	9	(3,142)	(1,504)
Long Term Receivables (Deposit)	12	(189,998)	-
Investments in start-ups	10	(3,152,817)	(1,454,403)
Proceeds from disposal of investment	10	1,337,930	-
		<u>(2,008,027)</u>	<u>(1,455,907)</u>
Net cash used in investing activities		(2,008,027)	(1,455,907)
Cash flows from financing activities			
Issue of ordinary shares	15	-	2
Premium on issue of ordinary shares	15	-	4,289,217
		<u>-</u>	<u>4,289,219</u>
Net cash generated from financing activities		-	4,289,219
Net cash (decrease)/increase in cash and cash equivalents		(194,631)	1,635,215
Cash and cash equivalents at the beginning of year	20	3,132,861	1,497,646
Cash and cash equivalents at the end of the year	20	<u>2,938,230</u>	<u>3,132,861</u>

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Wayra UK Limited (the "Company") is a limited company incorporated in UK. The Company's registered office is at Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH. The Company's principal activity is acting as an incubator for new digital start-up businesses and accelerates the best digital business ideas.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared using historical cost principles.

The principal accounting policies of the Company applied in the preparation of these financial statements are set out below. The IFRS accounting policies have been applied consistently to all periods presented.

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 June 2020 and 1 January 2021

	Effective date:
New Standards and amendments	annual periods beginning
	on or after
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	01-Jun-20
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	01-Jan-21

The standards and interpretations were effective in 2021, but have not had a material impact on the Company

2.3 Consolidated financial statements

Under the provisions of section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements by virtue of the fact that the Company is a subsidiary of Telefónica S.A. Group which prepares group financial statements.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Going Concern

The financial position of the Company is described above. In addition, notes 1 and 17 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk. Consequently, the Directors believe that the Company is well placed to manage its business risk successfully.

The Company has received a letter of parental support from Telefónica S.A, the ultimate parent company, which confirms that Telefónica S.A., will continue to provide financial support to the Company for a period of twelve months from the date of signing of the Auditors' Report in the financial statements. Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.5 Functional and presentation currency

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Investments

2.6.1 Investments

The Company classifies all of its equity investments and loan note investments as financial assets at fair value through the profit and loss in accordance with IFRS9. Revaluations are reflected directly into the profit and loss account.

Investment financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These financial assets are included in non-current assets until management intends to dispose of it within 12 months of the end of the reporting period.

The Company holds investments in convertible loan notes and equity shares in its investees.

Convertible loan notes can be converted to equity shares of the investee company at the Company's discretion and are automatically converted into equity shares of the debtor company in a number of circumstances indicated in each investment agreement, which typically include:

- if the debtor company secures equity investment from third parties above a certain threshold;
- if the debtor company undergoes a change of control; or
- on maturity date, which is two years from the issue date of the convertible loan note.

2.6.2 Valuation of investments

The fair values of investments are established using International Private Equity and Venture Capital Valuation Guidelines (IPEVCVG). The valuation methodology used by the Company is the 'price of the most recent investment' made by market participants approach. Given the nature of the Company's investments in start-up and early-stage companies, where there are often no current and no short-term future earnings or positive cash flows, it can be difficult to gauge the probability and financial impact of the success or failure of development and to make reliable cash flow forecasts. Consequently, the most appropriate approach to determine fair value is a methodology that is based on market data, that being the price of a recent investment. The Company considers that fair value estimates that are based entirely on observable market data will be of greater reliability than those based on assumptions and accordingly where there has been any recent investment by third parties, the price of that investment will generally provide a basis of the valuation.

Where the Company considers that the price of recent investment is no longer relevant and there are limited or no comparable companies or transactions from which to infer value, the Company carries out an enhanced assessment on the investee company's performance based on 8 business metrics: market opportunity, competitive environment, product/services status, commercial status, third-party financing, revenues, liquidity/solvency, and team. The following considerations are used when calculating the fair value:

- for investments in companies that have stopped operations: nil; or, if this is not applicable,
- for investments in companies within the first 8 months of being invested in by the Company: at cost; or if this is not applicable,
- for investments in companies with a low probability of sale for at least the carrying amount: nil; or, if nil; or, if this is not applicable,
- for investments in companies with a high probability of sale for at least the valuation in the last equity investment round in the investee company: mark-to-market as per the valuation used in the latest equity investment round in the investee company; or, if this is not applicable any other investment: previous carrying amount if earlier than 20 months after being invested in by Company, or 60.0% of the previous carrying amount if later than 20 months after being invested in by the Company.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

The fair value adjustments in the investments is recognised in the statement of comprehensive income

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Deferred income tax and current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax relating to items recognised directly in other comprehensive income is also recognised directly in other comprehensive income.

2.8 Fixed Assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Fixtures and fittings	4 years
Computer equipment	4 years

2.9 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Critical accounting estimates, judgements and errors

3.1 Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. A significant change in the facts and circumstances on which these estimates are based could have a material impact on the Company's financial statements. The Directors have made the following judgements and estimates that have the most significant effect on the carrying amounts of the assets and liabilities in the financial statements.

Judgement

Valuation of Unquoted Equity Investments

The judgements required to determine the appropriate valuation methodology of unquoted equity investments means there is a risk of material adjustment to the carrying amounts of assets and liabilities. These judgements include a decision whether or not to increase or decrease investment valuations.

Key sources of estimation uncertainty

Valuation of Unquoted Equity Investments

Given the nature of the Company's investments in start-up and early-stage companies, where there are often no current and no short-term future earnings or positive cash flows, it can be difficult to gauge the probability and financial impact of the success or failure of development and to make reliable cash flow forecasts. Consequently, the most appropriate approach to determine fair value is a methodology that is based on market data, that being the price of a recent investment. The Company considers that fair value estimates that are based entirely on observable market data will be of greater reliability than those based on assumptions and accordingly where there has been any recent investment by third parties, the price of that investment will generally provide a basis of the valuation.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Revenue

Revenue is recognised in the course of activities which include the rendering of services. The rendering of services is defined as involving the performance by the entity of a contractually agreed task over an agreed period of time. One of the Company's principal activities is to provide acceleration services to the start-up business participating in its acceleration programme; therefore, the economic benefit which arises during the year comes from ordinary activities.

These services include:

- Office space to work in;
- On-site staff to offer advice and guidance to the start-ups and their projects;
- Appointment of mentors, usually from outside of Wayra, to offer advice and guidance to the start-ups and their projects;
- Providing access to the Wayra network of potential investors and/or purchasers and other entrepreneurs and practitioners from the seed capital industry; and
- Providing or arranging training sessions and presentations to the Company.

The total amount that Wayra charges to the start-ups for its services is recognised as revenue. The recognition of revenue occurs on the later date of the Wayra Academy start date and the signing of the Investment Agreement.

Other revenue relates to the sale of investments in start-ups and dividends received.

	2021 £	2020 £
Other services billed to partners	1,740,718	1,498,426
Revenue from investments sale	4,370,972	57,462
Other revenue	740	-
	<u>6,112,430</u>	<u>1,555,888</u>

5. Operating expenses

	2021 £	2020 £
Cost of personnel provided by other companies	1,399,298	1,196,676
Rent	807,000	821,773
Other operating expense	1,296,467	1,035,601
	<u>3,502,765</u>	<u>3,054,050</u>

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Finance income and costs**Recognised in profit or loss**

	2021 £	2020 £
Finance income		
Interest receivable from group companies	3,352	72,487
Total finance income	3,352	72,487
Finance expense		
Foreign exchange losses	13,111	59,222
Group interest payable	163	-
Total finance expense	13,274	59,222
Net finance (expense)/income recognised in profit or loss	(9,922)	13,265

7. Directors' emoluments and employees

The Company had no contractual employees in the year ended 31 December 2021 (2020: nil). All employees are Telefonica Digital Ltd employees delivering services to Wayra UK Limited. All employee costs are recharged to the Company on a quarterly basis.

The monthly average number of employees (including executive Directors) were:

	2021	2020
Number for full time employee equivalents (including executive Directors)		
Technology	5	5
Administration	1	1
Total Employees	6	6

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors' emoluments and employees (continued)

	2021 £	2020 £
The expense incurred in respect of these employees was:		
Wages and salaries	552,558	511,898
Social security costs	61,052	59,742
Other pension costs	3,179	29,805
Expensés	470	7,671
Total employee benefits expense	617,259	609,116
Other costs	31,246	25,348
Total recharged to Wayra UK Limited	648,505	634,464

The Directors are employees of other companies in the Telefónica Group and are remunerated for their services to the Telefónica Group as a whole. The emoluments and benefits paid to one of the Directors was borne by the Company. The services provided to the company by the rest of the Directors are minor compared to services provided to other group companies.

Amounts being recharged to the Company because of the services provided by one of the Directors in 2021 was €Nil (2020, €49,917).

	2021 £	2020 £
Remuneration in respect of qualifying services	182,622	145,859
Contribution to pensions schemes	15,124	12,021
Total net transactions	197,746	157,880

WAYRA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Tax credit

8.1 Income tax recognised in profit or loss

	2021 £	2020 £
Current tax		
Current tax on loss for the year	425,957	(308,956)
Adjustments in respect of prior years	1	27,592
Total current tax	<u>425,958</u>	<u>(281,364)</u>
Total tax credit		
Tax credit	425,958	(281,364)
	<u>425,958</u>	<u>(281,364)</u>

The reasons for the difference between the actual tax credit for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2021 £	2020 £
Profit/(loss) for the year	(489,843)	272,497
Income tax expense/(credit)	425,958	(281,364)
Loss before income taxes	<u>(63,885)</u>	<u>(8,867)</u>
Tax using the Company's domestic tax rate of 19.0% (2020:19.0%)	(12,138)	(1,685)
Expenses not deductible for tax purposes	1,014,948	19,548
Prior year adjustment	-	27,592
Movement in deferred tax asset not recognised	(440)	(541)
Income not taxable	(576,412)	(326,278)
Total tax credit	<u>425,958</u>	<u>(281,364)</u>

8.2 Deferred Tax balances

The following is an analysis of the deferred tax assets/liabilities presented in the statement of financial position:

The movement on the deferred tax asset/(liability) is as shown below:

At 1 January 2020 and 31 December 2020	£ Nil
At 31 December 2021	Nil

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Deferred tax assets totaling £2,599 (2020: £2,425) have not been recognised as it is not considered probable that future taxable profit will be available against which the assets can be utilised. All unrecognised deferred tax assets relate to fixed asset temporary differences.

The statutory tax rate is the U.K. rate of 19.0%. In March 2021, legislation was introduced to increase the U.K. corporate income tax rate from 19.0% to 25.0% from 1 April 2023. This rate change was substantively enacted on 24 May 2021 (Finance Bill 2021). The effect of the increased tax rate is reflected in our disclosure of unrecognised deferred tax at 31 December 2021.

9. Property, plant and equipment

	Computer Equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2020	1,606	-	1,606
Additions	-	1,504	1,504
At 31 December 2020	1,606	1,504	3,110
Additions	3,142	-	3,142
At 31 December 2021	4,748	1,504	6,252
Accumulated depreciation and impairment			
At 1 January 2020	1,210	-	1,210
Charge owned for the year	219	75	294
At 31 December 2020	1,429	75	1,504
Charge owned for the year	678	150	828
At 31 December 2021	2,107	225	2,332
Net book value			
At 31 December 2019	396	-	396
At 31 December 2020	177	1,429	1,606
At 31 December 2021	2,641	1,279	3,920

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Investments in start-ups

	2021 £	2020 £
Fair value		
At 1 January 2021	14,929,393	11,998,666
Additions	3,152,817	1,454,403
Disposals	(1,337,930)	-
Fair value changes	(1,324,870)	1,476,324
At 31 December 2021	15,419,410	14,929,393

Investments

The breakdown of investments at FVTPL (fair value through profit or loss) investments held by the Company at 31 December is as follows:

	2021 £	2020 £
Equity shares	13,909,466	13,636,127
Loan notes	1,509,944	1,293,266
	15,419,410	14,929,393

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Investments

As at 31 December, the Company holds equity shares in the following companies:

Company	Fair value 2020 £	Holding % 2020	Additions 2021 £	Fair value adjustment 2021 £	Conversion 2021 £	Disposal 2021 £	Fair value 2021 £	Holding % 2021
Action.ai	-	2.9%	-	-	-	-	-	2.9%
AirGSM Holdings Inc.	220,155	1.9%	-	2,052	-	-	222,207	1.9%
Airtime Rewards	309,148	5.3%	37,500	-	-	-	346,648	5.3%
Ascension Ventures	29,952	1.5%	-	-	-	-	29,952	1.5%
A2OM International	-	0.0%	135	-	-	-	135	0.0%
Audioboom	-	0.5%	-	-	-	-	-	0.5%
Benikki Ltd	18,148	7.5%	-	122,765	-	-	140,913	7.5%
Baby2Body	598,089	6.3%	-	-	-	-	598,089	6.3%
Baobab Circle Ltd	48,000	1.8%	-	(48,000)	-	-	-	1.8%
Rap Tech Studios Ltd	460,912	4.4%	-	-	-	-	460,912	4.4%
Blue Ronin Ltd	-	3.7%	-	-	-	-	-	3.7%
Century Tech Ltd	-	0.0%	783,174	-	-	-	783,174	0.0%
Citystasher Ltd	122,348	2.0%	-	81,566	-	-	203,914	2.0%
Cloud66 Inc	34,956	9.4%	-	(17,009)	-	-	17,947	9.4%
Cloudwear Inc	-	2.0%	-	-	-	-	-	2.0%
CognitionX Ltd	216,400	1.8%	4,319	(220,719)	-	-	-	1.8%
Crowdreactive Ltd	-	4.0%	-	-	-	-	-	4.0%
Weave.Tech Ltd	150,000	6.2%	75,000	-	-	-	225,000	6.2%
Munch Delishery Ltd	-	4.6%	-	-	-	-	-	4.6%
HelloDone Ltd	219,744	3.0%	-	(87,897)	-	-	131,847	3.0%
DevicePilot Ltd	12,869	2.2%	-	(12,869)	-	-	-	2.2%
Digital Therapeutics Ltd	1,337,930	3.5%	-	-	-	(1,337,930)	-	0.0%
The DoNation Enterprise L	-	0.0%	10	-	-	-	10	0.0%
Green Park Content Ltd	224,819	2.2%	-	-	-	-	224,819	2.2%
28 Labs	40,800	3.1%	-	(19,720)	-	-	21,080	3.1%
C/F	4,044,270		900,138	(199,831)	-	(1,337,930)	3,406,647	

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Investments in equity shares (continued)

Company	Fair value 2020 £	Holding % 2020	Additions 2021 £	Fair value adjustment 2021 £	Conversion 2021 £	Disposal 2021 £	Fair value 2021 £	Holding % 2021
B/F	4,044,270		900,138	(199,831)	-	(1,337,930)	3,406,647	
Ensygnia Ltd	-	3.5%	-	-	-	-	-	3.5%
Sync.Money UK Ltd	40,800	1.5%	-	(40,800)	-	-	-	1.5%
Fabbed Ltd	-	3.6%	-	-	-	-	-	3.6%
Vision Technologies Ltd	-	0.0%	1	-	-	-	1	0.0%
Gordon Games Ltd	-	5.0%	-	-	-	-	-	5.0%
GUURU AG	75,600	1.5%	30	95,775	-	-	171,405	1.5%
Hey Inc	-	0.0%	-	-	-	-	-	0.0%
Hospify	40,800	2.4%	-	(40,800)	-	-	-	2.4%
Incuto	95,186	3.4%	-	(65,678)	-	-	29,508	3.4%
Inkpact Marketing Ltd	8,840	6.6%	-	(8,840)	-	-	-	6.6%
Visionable Ltd	1,044,750	1.3%	-	865,650	-	-	1,910,400	1.3%
Joinhighbrow	30,225	5.1%	-	(9,165)	-	-	21,060	5.1%
JustYoyo Ltd	199,269	0.5%	-	-	-	-	199,269	0.5%
Launch Cloud LLC	24,000	5.3%	-	(24,000)	-	-	-	5.3%
Lobster IT Ltd	-	7.0%	-	-	-	-	-	7.0%
Localistico Ltd	163,875	1.8%	-	(65,550)	-	-	98,325	1.8%
MakeLight Interactive Ltd	-	0.0%	-	-	-	-	-	0.0%
Medwise	-	0.0%	-	(4,445)	102,000	-	97,555	0.0%
Minicabit Ltd	41,597	4.5%	-	(41,597)	-	-	-	4.5%
C/F	5,809,212		900,169	460,719	102,000	(1,337,930)	5,934,170	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Investments in equity shares (continued)

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2020	2020	2021	2021	2021	2021	2021	2021
	£		£	£	£	£	£	
B/F	5,809,212		900,169	460,719	102,000	(1,337,930)	5,934,170	
MINGLCAST	-	8.5%	-	-	-	-	-	8.5%
Mobilus Labs Ltd	164,611	2.5%	-	-	-	-	164,611	2.5%
Ocyan Cloud Ltd	134,000	6.0%	-	(134,000)	-	-	-	6.0%
Ohalo Ltd	-	0.0%	-	117,250	234,000	-	351,250	0.0%
Omniflow SA	-	0.0%	174,492	(4,684)	-	-	169,808	0.0%
Ori Industries Ltd	442,479	2.3%	-	-	-	-	442,479	2.3%
Second Nature Healt Ltd	462,107	1.5%	-	-	-	-	462,107	10.0%
Playrcart Ltd	-	10.0%	-	-	-	-	-	4.8%
PixelPin	-	4.8%	-	-	-	-	-	1.3%
Picsoneye Segmentation I	58,742	1.3%	-	-	-	-	58,742	0.0%
Project Provenance Ltd	-	0.0%	6	-	-	-	6	5.0%
Pzizz	127,006	5.0%	-	-	-	-	127,006	5.6%
Qudini Ltd	1,185,296	5.6%	-	-	-	-	1,185,296	1.5%
RotaGeek Ltd	332,840	1.5%	-	-	-	-	332,840	1.2%
Red Sift Ltd	331,004	1.2%	-	-	-	-	331,004	0.0%
Repositive Ltd	-	0.0%	1	-	-	-	1	0.5%
SafeToNet	103,305	0.5%	-	(31,325)	-	-	71,980	0.0%
Skim.it Ltd	-	0.0%	-	-	-	-	-	8.5%
SECURIUM Ltd	40,800	8.5%	-	(40,800)	-	-	-	6.1%
Sensing Feeling Ltd	79,540	6.1%	-	-	-	-	79,540	0.0%
SKIMIT LOAN LIMITED	-	0.0%	-	-	-	-	-	4.5%
SHOPWAVE	-	4.5%	-	-	-	-	-	0.0%
Sonr News Ltd	-	0.0%	-	-	-	-	-	1.4%
SPLENTO Ltd	20,400	1.4%	-	(9,860)	-	-	10,540	4.7%
Sponsorcraft Ltd	-	4.7%	-	-	-	-	-	4.4%
Spore London Limited d.b.	808,015	4.4%	-	-	-	-	808,015	0.0%
C/F	10,099,357		1,074,668	357,300	336,000	(1,337,930)	10,529,395	

WAYRA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Investments in equity shares (continued)

Company	Fair value 2020 £	Holding % 2020	Additions 2021 £	Fair value adjustment 2021 £	Conversion 2021 £	Disposal 2021 £	Fair value 2021 £	Holding % 2021
B/F	10,099,357		1,074,668	357,300	336,000	(1,337,930)	10,529,395	
Squirrel Financial Wellbei	-	0.0%	1	-	-	-	1	0.0%
Switchee Ltd	361,793	2.2%	-	-	-	-	361,793	2.2%
SWIPIILABS	111,818	3.0%	-	(111,818)	-	-	-	3.0%
Trueview Ltd	-	8.0%	-	-	-	-	-	8.0%
Teammatch Ltd	-	7.0%	-	-	-	-	-	7.0%
We Are Percent Ltd	667,977	5.6%	-	(110,738)	-	-	557,239	5.6%
TestCard Ltd	94,270	0.4%	-	43,230	-	-	137,500	0.4%
Innerstrength Ltd. T/A Tick	-	0.0%	-	-	-	-	-	0.0%
Trilio Inc	216,396	0.7%	-	4,793	-	-	221,189	0.7%
USHERU	-	10.0%	-	-	-	-	-	10.0%
Wonky Star Ltd	233,166	3.9%	-	-	-	-	233,166	3.9%
Ovni Ltd	1,708,826	4.6%	-	(1,294,766)	-	-	414,060	4.6%
Valerann	70,765	1.2%	-	-	-	-	70,765	1.2%
Zamna Technologies Ltd	43,699	0.5%	-	(21,121)	-	-	22,578	0.5%
Vinehealth Ltd	-	0.0%	-	16,029	68,000	-	84,029	0.0%
Virtual Class Ltd	-	0.0%	72,300	-	-	-	72,300	0.0%
Thrive Therapeutic Softwa	-	0.0%	464,257	-	-	-	464,257	0.0%
We Are Digital	28,060	1.2%	-	27,247	-	-	55,307	1.2%
WeFarm Ltd	-	0.0%	685,887	-	-	-	685,887	0.0%
WINERIST	-	0.0%	-	-	-	-	-	0.0%
Tether Technology Ltd	-	6.3%	-	-	-	-	-	6.3%
Total	13,636,127		2,297,113	(1,089,844)	404,000	(1,337,930)	13,909,466	

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Investments in equity shares (continued)

As at 31 December, the Company holds equity shares in the following companies

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2019	2019	2020	2020	2020	2020	2020	2020
	£		£	£	£	£	£	
Action.ai	50,087	2.9%	-	(50,087)	-	-	-	2.9%
AirGSM Holdings Inc.	-	0.0%	220,155	-	-	-	220,155	1.9%
Airtime Rewards	309,148	5.3%	-	-	-	-	309,148	5.3%
Ascension Ventures	49,920	1.5%	-	(19,968)	-	-	29,952	1.5%
Audioboom	-	0.5%	-	-	-	-	-	0.5%
Benikki Ltd	140,913	7.5%	-	(122,765)	-	-	18,148	7.5%
Baby2Body	252,699	5.1%	-	345,390	-	-	598,089	6.3%
Baobab Circle Ltd	80,000	1.8%	-	(32,000)	-	-	48,000	1.8%
Rap Tech Studios Ltd	153,196	5.0%	25,000	282,716	-	-	460,912	4.4%
Blue Ronin Ltd	-	3.7%	-	-	-	-	-	3.7%
Citystasher Ltd	134,000	2.5%	-	(11,652)	-	-	122,348	2.0%
Cloud66 Inc	34,956	9.4%	-	-	-	-	34,956	9.4%
Cloudwear Inc	-	2.0%	-	-	-	-	-	2.0%
CognitionX Ltd	72,166	1.6%	-	144,234	-	-	216,400	1.8%
Crowdreactive Ltd	221,631	4.0%	-	(221,631)	-	-	-	4.0%
CTech Group Ltd	-	0.0%	150,000	-	-	-	150,000	6.2%
Munch Delishery Ltd	-	4.6%	-	-	-	-	-	4.6%
HelloDone Ltd	134,000	3.4%	-	85,744	-	-	219,744	3.0%
DevicePilot Ltd	141,055	3.4%	-	(128,186)	-	-	12,869	2.2%
Digital Therapeutics Ltd	131,071	6.0%	-	1,206,859	-	-	1,337,930	3.5%
Green Park Content Ltd	224,819	2.2%	-	-	-	-	224,819	2.2%
28 Labs	40,800	3.1%	-	-	-	-	40,800	3.1%
C/F	2,170,461		395,155	1,478,654	-	-	4,044,270	

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Investments in equity shares (continued)

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2019	2019	2020	2020	2020	2020	2020	2020
	£		£	£	£	£	£	
B/F	2,170,461		395,155	1,478,654	-	-	4,044,270	
Ensygnia Ltd	-	3.5%	-	-	-	-	-	3.5%
Sync.Money UK Ltd	40,800	1.5%	-	-	-	-	40,800	1.5%
Fabbed Ltd	170,739	3.6%	-	(170,739)	-	-	-	3.6%
Gordon Games Ltd	-	5.0%	-	-	-	-	-	5.0%
GUURU AG	126,000		-	(50,400)	-	-	75,600	1.5%
Hey Inc	-	10.0%	-	-	-	-	-	10.0%
Hospify	40,800	2.8%	-	-	-	-	40,800	2.4%
Incuto	95,106	3.5%	-	80	-	-	95,186	3.4%
Inkpact Marketing Ltd	14,688	6.6%	-	(5,848)	-	-	8,840	6.6%
Visionable Ltd	671,625	2.0%	-	373,125	-	-	1,044,750	1.3%
Joinhighbrow	58,500	5.1%	-	(28,275)	-	-	30,225	5.1%
JustYoyo Ltd	256,041	1.2%	-	(56,772)	-	-	199,269	0.5%
Launch Cloud LLC	-	0.0%	-	(16,000)	40,000	-	24,000	5.3%
Lobster IT Ltd	-	7.0%	-	-	-	-	-	7.0%
Localistico Ltd	163,875	1.8%	-	-	-	-	163,875	1.8%
MakeLight Interactive Ltd	-	10.3%	-	-	-	-	-	0.0%
Minicabit Ltd	69,115	4.5%	-	(27,518)	-	-	41,597	4.5%
MINGLCAST	-	8.5%	-	-	-	-	-	8.5%
NOTO Technologies Ltd	179,989	2.5%	-	(15,378)	-	-	164,611	2.5%
C/F	4,057,739		395,155	1,480,929	40,000	-	5,973,823	

WAYRA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Investments in equity shares (continued)

Company	Fair value	Holding %	Additions	Fair value adjustment	Conversion	Disposal	Fair value	Holding %
	2019	2019	2020	2020	2020	2020	2020	2020
	£		£	£	£	£	£	
B/F	4,057,739		395,155	1,480,929	40,000	-	5,973,823	
Ocyan	100,000		34,000	-	-	-	134,000	6.0%
Ori Industries Ltd	168,141	2.0%	75,000	199,338	-	-	442,479	2.3%
Our Path	462,107	1.5%	-	-	-	-	462,107	1.5%
Playcart Ltd	-	10.0%	-	-	-	-	-	10.0%
PixelPin	-	4.8%	-	-	-	-	-	4.8%
Picsoneye Segmentation I	350,732	2.8%	-	(391,990)	100,000	-	58,742	1.3%
Pzizz	27,434	5.0%	-	99,572	-	-	127,006	5.0%
Qudini Ltd	1,058,300	5.6%	-	126,996	-	-	1,185,296	5.6%
Removal Stars Ltd	-	0.0%	-	-	-	-	-	0.0%
RotaGeek Ltd	252,307	2.0%	-	80,533	-	-	332,840	1.5%
Red Sift Ltd	331,004	1.2%	-	-	-	-	331,004	1.2%
SafeToNet	192,959	0.6%	-	(89,654)	-	-	103,305	0.5%
Six3 Ltd	-	0.0%	-	-	-	-	-	0.0%
Skim.it Ltd	6,253	0.0%	-	(6,253)	-	-	-	0.0%
SECURIUM Ltd	-	0.0%	-	-	40,800	-	40,800	8.5%
Sensing Feeling Ltd	132,567	6.1%	-	(53,027)	-	-	79,540	6.1%
SKIMIT LOAN LIMITED	-	0.0%	-	-	-	-	-	0.0%
SHOPWAVE	-	4.5%	-	-	-	-	-	4.5%
Sonr News Ltd	-	0.7%	-	-	-	-	-	0.7%
SPLENTO Ltd	84,664	1.4%	-	(64,264)	-	-	20,400	1.4%
Sponsorcraft Ltd	-	4.7%	-	-	-	-	-	4.7%
Spore London Limited d.b.	808,015	4.4%	-	-	-	-	808,015	4.4%
Sustanation Ltd	-	7.7%	-	-	-	-	-	7.7%
Switchee Ltd	258,095	2.8%	-	103,698	-	-	361,793	2.2%
SWIPIILABS	111,818	4.3%	-	-	-	-	111,818	3.0%
C/F	8,402,135		504,155	1,485,878	180,800	-	10,572,968	

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Investments in equity shares (continued)

Company	Fair value 2019 £	Holding % 2019	Additions 2020 £	Fair value adjustment 2020 £	Conversion 2020 £	Disposal 2020 £	Fair value 2020 £	Holding % 2020
B/F	8,402,135		504,155	1,485,878	180,800	-	10,572,968	
Trueview Ltd	-	8.0%	-	-	-	-	-	8.0%
Teammatch Ltd	-	7.0%	-	-	-	-	-	7.0%
We Are Percent Ltd	667,977	5.6%	-	-	-	-	667,977	5.6%
TestCard Ltd	67,650	0.5%	-	26,620	-	-	94,270	0.4%
Innerstrength Ltd. T/A Tick	-	7.0%	-	-	-	-	-	0.0%
Trilio Inc	-	0.0%	216,396	-	-	-	216,396	0.7%
USHERU	-	10.0%	-	-	-	-	-	10.0%
Wonky Star Ltd	-	3.9%	-	233,166	-	-	233,166	3.9%
WI-5 Technologies	1,708,826	4.6%	-	-	-	-	1,708,826	4.6%
Valerann	117,942	1.2%	-	(47,177)	-	-	70,765	1.2%
Vchain Technologies	72,830	0.5%	-	(29,131)	-	-	43,699	0.5%
We Are Digital	28,060	3.5%	-	-	-	-	28,060	1.2%
WINERIST	9,568	4.9%	-	(9,568)	-	-	-	0.0%
Xanview	-	6.3%	-	-	-	-	-	6.3%
Total	11,074,988		720,551	1,659,788	180,800	-	13,636,127	

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Investments in convertible loan notes

As at 31 December the Company holds investments in convertible loan notes in the following companies

Company	Book Amount 2020 £	Additions 2021 £	Fair value adjustment 2021 £	Conversion 2021 £	Disposal 2021 £	Book value 2021 £
Aura Vision Inc	-	217,400	-	-	-	217,400
Studio Novitas Ltd	68,000	-	-	-	-	68,000
Innovate Energy Solutions	152,500	-	-	-	-	152,500
Cloud66 Inc	30,214	-	(14,489)	-	-	15,725
CloudNC	225,352	-	-	-	-	225,352
Fraud.com International Ltd	50,000	34,000	-	-	-	84,000
HIYA Inc	-	213,253	7,863	-	-	221,116
Karisma Kidz Ltd	-	1	-	-	-	1
Kudobuzz Ltd	40,800	-	(40,800)	-	-	-
NOTO Technologies Ltd	-	-	-	-	-	-
Matsuko Interactive a.s.	-	210,348	-	-	-	210,348
Medwise Ltd	102,000	-	-	(102,000)	-	-
Mumo Ltd	-	1	-	-	-	1
Ohalo Ltd	234,000	-	-	(234,000)	-	-
POBUCA Ltd	20,400	-	13,600	-	-	34,000
State of Ambition Ltd	-	1	-	-	-	1
Strawberry Energy Ltd	100,000	-	(40,000)	-	-	60,000
Vinehealth Ltd	68,000	-	-	(68,000)	-	-
Virtue Health Inc	68,000	-	(27,200)	-	-	40,800
WITSY Ltd	134,000	-	(134,000)	-	-	-
YAC Inc	-	180,700	-	-	-	180,700
Total	1,293,266	855,704	(235,026)	(404,000)	-	1,509,944

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Investments in convertible loan notes (continued)

As at 31 December the Company holds investments in convertible loan notes in the following companies

Company	Book Amount 2019 £	Additions 2020 £	Fair value adjustment 2020 £	Conversion 2020 £	Disposal 2020 £	Book value 2020 £
Studio Novitas Ltd	-	68,000	-	-	-	68,000
Innovate Energy Solutions	100,000	52,500	-	-	-	152,500
Cloud66 Inc	30,214	-	-	-	-	30,214
CloudNC	-	225,352	-	-	-	225,352
Fcase Ltd	-	50,000	-	-	-	50,000
Jobskilla Ltd	21,002	-	(21,002)	-	-	-
Kudobuzz Ltd	68,000	-	(27,200)	-	-	40,800
Launch Cloud LLC	40,000	-	-	(40,000)	-	-
Medwise Ltd	-	102,000	-	-	-	102,000
Popertee Ltd	79,464	-	(79,464)	-	-	-
Ohalo Ltd	200,000	34,000	-	-	-	234,000
Picsoneye Segmentation Innovations Ltd	100,000	-	-	(100,000)	-	-
POBUCA Ltd	20,400	-	-	-	-	20,400
SECURIUM Ltd	40,800	-	-	(40,800)	-	-
Strawberry Energy Ltd	-	100,000	-	-	-	100,000
Vensy Ltd	55,800	-	(55,800)	-	-	-
Vinehealth Ltd	-	68,000	-	-	-	68,000
Virtue Health Inc	68,000	-	-	-	-	68,000
WITSY Ltd	100,000	34,000	-	-	-	134,000
Total	923,680	733,852	(183,466)	(180,800)	-	1,293,266

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Investments in subsidiary companies

	2021 £	2020 £
Investments in subsidiary companies	2	2
	<u>2</u>	<u>2</u>

Details of the Company's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company (%)	
			2021	2020
1) Wayra Social Ventures Limited	Investment	England and Wales	1	100

12. Long term receivables

	2021 £	2020 £
Long term deposit	189,998	-
	<u>189,998</u>	<u>-</u>

13. Trade and other receivables

	2021 £	2020 £
Trade Receivables	243,462	144,031
Amounts owed by group companies	131,321	385,444
Other receivables	11,827	11,041
Total trade and other receivables	<u>386,610</u>	<u>540,516</u>

Amounts owed by other group companies relate to regular activities are unsecured, interest-free, repayable on demand and include balances due for tax losses claimed by way of group relief.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Trade and other liabilities

	2021 £	2020 £
Trade payables	912,817	594,245
Amounts owed to group companies	934,900	716,831
Accruals	14,837	5,290
Other payables	89,709	16,724
Deferred income	302,309	97,847
Total trade and other payables	2,254,572	1,430,937

Amounts owed to other group companies relate to regular activities are unsecured, interest-free, and repayable on demand.

15. Share capital

	2021 Number	2021 £	2020 Number	2020 £
Shares treated as equity				
Ordinary shares of £1.00 each	10	10	10	10
	10	10	10	10

Issued and fully paid

	2021 Number	2021 £	2020 Number	2020 £
Ordinary shares of £1.00 each				
At 1 January and 31 December	10	10	10	10
	10	10	10	10

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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The Company has a single class of share capital, comprising ordinary shares of £1 each. Subject to the Company's Articles of Association, and applicable law, the Company's ordinary shares confer on the holder, the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding up of the Company and an entitlement to receive any dividend declared on ordinary shares but not the right of redemption of shares. The number of shares issued by the Company is ten.

In January 2020 the Company issued one £1 ordinary share to Wayra Investigacion y Desarrollo S.L.U (now Telefónica Open Innovation S.L.) for a consideration of £984,219 which includes a share premium of £984,218. Cash generated has been used to finance the Company's operations.

In September 2020 the Company issued one £1 ordinary share to Wayra Investigacion y Desarrollo S.L.U (now Telefónica Open Innovation S.L.) for a consideration of £3,305,000 which includes a share premium of £3,304,999. Cash generated has been used to finance the Company's operations.

16. Accumulated losses

Accumulated losses represents cumulative profits and losses generated in prior years.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Financial instruments - fair values and risk management

17.1 Financial risk management objectives

The Company's operations expose it to a variety of financial risks including credit risk, liquidity risk and foreign currency risk.

The main financial risks of the Company and how the Company manages these risks are discussed below.

17.2 Foreign currency risk management

The Company operates in the United Kingdom and therefore there is low exposure to transactional foreign currency risk.

17.3 Credit risk management

The Company is exposed to credit risk from its operating and financing activities. The maximum exposure to credit risk is partly represented by the carrying amount of the financial assets that are carried in the statement of financial position.

17.4 Liquidity Risk

Management of the Company's liquidity risk is achieved mostly through being a part of the larger Telefónica Group, which operates group wide policies in this area.

17.5 Capital management

The Company's capital comprises share capital and retained earnings.

The Company's objectives when managing capital are to safeguard the Company's ability to continue to operate as a going concern, to maintain optimal capital structure commensurate with risk and return and to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may pay dividends to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce debt or draw down more debt.

18. Parent company and controlling party

At 31 December 2021 the immediate parent company was Telefónica Open Innovation S.L.U. (previously Wayra Investigación y Desarrollo, S.L.U.), a company incorporated in Spain with their registered office at Ronda de la Comunicacion, s/n 28050 Madrid. Telefónica Open Innovation S.L.U. is a wholly owned subsidiary of Telefónica Digital Holdings, S.L.U., a company incorporated in Spain, which is itself a wholly owned subsidiary of Telefónica S.A., a company incorporated in Spain.

Telefónica S.A. is the ultimate parent company and controlling party of the largest group in which the Company was included as at 31 December 2021, a company incorporated in Spain. Copies of the financial statements of Telefónica S.A. may be obtained from Gran Vía 28, Madrid, Spain, 28013.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Related party transactions

Related party transactions are as follows:

2021

	Sales to related parties £	Purchases from related parties £	<i>Amounts owed by related parties £</i>	<i>Amounts owed to related parties £</i>
Telefonica UK Limited	-	-	94,213	41,735
Pleyade Peninsular	-	295	-	-
Telefonica Germany Holdings Ltd	-	425,957	-	425,957
Telfisa Global BV	192	-	-	-
Telefonica Germany GmbH COOHG	-	-	-	-
Wayra Social Ventures Limited	-	-	25,108	-
Telefonica Open Innovation S.L.	-	7,643	-	123,561
Telefonica Digital Limited	-	1,658,794	-	343,647
Telefonica Digital España S.L.	-	-	12,000	-
TELEFÓNICA S.A.	-	1,440	-	-
	192	2,094,129	131,321	934,900

As at 31 December 2021, the Company also hold a cash and cash equivalent balance with Telfisa Global BV amounting to £2,938,320 (2020: £3,132,861) classified as "Cash and cash equivalents" in the statement of financial position.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2020

	Sales to related parties £	Purchases from related parties £	Amounts owed by related parties £	Amounts owed to related parties £
Telefonica UK Limited	255,029	-	319,361	41,735
Pleyade Peninsular	2	615	-	-
Telfisa Global BV	2,923	-	-	-
Telfin Ireland Ltd	533	45,082	-	-
Wayra Social Ventures Limited	23,807	-	54,083	-
Telefonica Open Innovation S.L.U.	-	220	-	115,918
Telefonica Digital Limited	-	1,568,858	-	559,178
Telefonica Digital España S.L.	-	-	12,000	-
	282,294	1,614,775	385,444	716,831

20. Cash and cash equivalents

	2021 £	2020 £
Cash at bank available on demand	2,938,230	3,132,861
Cash and cash equivalents in the statement of financial position	2,938,230	3,132,861
Cash and cash equivalents in the statement of cash flows	2,938,230	3,132,861

21. Commitments

a) Operating lease commitments

The Company has a lease agreement in place with Telefonica Digital Limited for the office space located in 20 Air street, London for an annual rental expense of £807,000 (2020: £821,773). The Company has signed a new lease agreement from January 2022 with a third party.

In 2021, the Company has not recognised a right-of-use asset for this lease as they have taken the exemption for the short-term leases.

22. Auditors' remuneration

The Company has been charged £13,497 (2020: £9,307) in relation to audit fees.

WAYRA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Post balance sheet events

The Company has made 4 new investments in the following portfolio companies for a total of £1,209,399:

Raylo.Pay
Redsift
Cloud.NC
Trilio Inc.

There are no other material subsequent events after the balance sheet date.