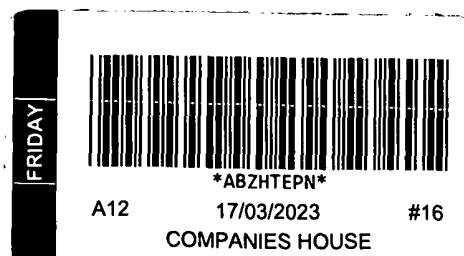


Registered number: 05640420

FEATURESPACE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



FEATURESPACE LIMITED

COMPANY INFORMATION

Directors	D A Excell Dr G Garrard L Garrett G Hurst IP2IPO Services Limited L A Jaffe M King E Lockhart R Sansom
Company secretary	D A Excell
Registered number	05640420
Registered office	140 Cambridge Science Park Milton Road Cambridge CB4 0GF
Independent auditors	Lakin Rose Limited Chartered Accountants & Statutory Auditors Pioneer House Vision Park Histon Cambridge CB24 9NL

FEATURESPACE LIMITED

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FEATURESPACE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors of Featurespace Limited ("the Company") are pleased to present the strategic report of the Featurespace Limited group ("the Group") for the year ended 31 December 2021.

Business review and Key Performance Indicators

In 2021, the Group increased revenue by 27% to £26.8m (2020: £21.0m) through successful deployment of software to direct and indirect customers via transactional and licence deals. International expansion underpinned the strong revenue growth.

The Group continued to invest in future growth, primarily in the form of product development to sustain and extend the performance lead of the ARIC Risk Hub (see further commentary in the Directors' Report). The Group also increased investment in sales and marketing activities in order to accelerate customer adoption of its market-leading technology. As a result the loss for the year was £16.3m (2020: £11.8m).

The funding position of the Group remains strong. Cash at bank and in hand at 31 December 2021 was £16.6m (2020: £29.4m). Post year-end, the Group received a further £32.2m of cash funding from the issuance of new G Preferred Ordinary Shares.

The directors are of the opinion that disclosure of additional key performance indicators is not necessary to understand the development, performance and position of the business.

Demand for Featurespace's solutions from existing and new customers continues to grow strongly. The Group is therefore confident in the future outlook.

Principal risks and uncertainties

The board has overall responsibility for risk management and internal controls. The principal risks and uncertainties faced by the Group are:

Information Security: The Group is often required and authorised by its customers to work with confidential information in the deployment of its software and services. The Group employs appropriate security and testing measures for the software it deploys. However, these may not protect against all possible security breaches that could harm the Group's or its customers' business both financially and reputationally. The Group employs security and testing measures for the software it deploys and on internal systems to mitigate this risk.

Regulatory Compliance: The Group's work with confidential information means that it is imperative to ensure compliance with the regulatory framework including GDPR. The enhancement and expansion of the requirements that were made to data protection legislation under GDPR added to the complexity of handling customer data and increased the Group's responsibilities. Failure to protect data in accordance with these regulations could result in financial penalties and reputational risk for the Group. The Group employs measures to mitigate against this risk including workforce training, physical and cybersecurity measures.

Business Continuity: Given the Group's customer base in the financial services industry, it is critical to ensure that the business is well positioned to maintain continuity in the event of an unforeseen incident. The Group's software forms part of the real-time decisioning within its customers' payment authorisation processes to detect and prevent fraud and financial crime; so any failure could lead to financial losses for customers and lead to the Group missing contractual service level agreements. The Group has put in place measures to ensure that any disruptions to the business can be mitigated and these plans are reviewed and improved on an ongoing basis.

Intellectual Property rights: As a high growth, technology business, the Group recognises the need to address the risks associated with the legal costs of protecting and enforcing its intellectual property rights. Failure to do so could lead to significant financial loss. The Group is mitigating this risk through appropriate measures to record and protect its intellectual property.

FEATURESPACE LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' statement of compliance with duty to promote the success of the Group

The Board has acted in in good faith to promote the success of the Group having regard to the matters and stakeholders outlined in points (a) to (f) of Section 172(1) of the Companies Act 2006.

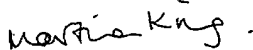
The board met eight times during 2021 to discuss business performance and strategic direction. Key areas of discussion in the year included commercial progress, with the board discussing strategic industry direction and market opportunities arising from changing industry dynamics.

The board recognised that one effect of the COVID-19 pandemic had been to accelerate migration of software systems from on-premise deployments to cloud hosted. As a result, the board supported ongoing investment in the Group's cloud strategy to support the needs of the financial services customer base. This decision also required consideration of the overall technology stack deployed by the Group, including the underlying technologies and third party suppliers required to support both on-premise and cloud hosted deployments. The board discussed cloud supplier relationships given the importance of building long term infrastructure capabilities to meet customer needs.

The board also approved investment in enhanced support to the Group's larger customers in order to strengthen senior relationships between the Group and those customers. This is a recognition of the importance of fraud prevention and Anti-Money Laundering strategy within financial institutions and the growing need for coordination across both areas.

Please also refer to the Directors' Report for further information relevant to Section 172(1).

This report was approved by the board on 16 March 2023 and signed on its behalf.



M King
Director

FEATURESPACE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The loss for the year, after taxation, amounted to £16,320,754 (2020 - loss £11,786,365).

No dividends were paid in the year. No dividend payable is recommended.

Directors

The directors who served during the year were:

D A Excell
Dr G Garrard
L Garrett
G Hurst
IP2IPO Services Limited
L A Jaffe
M King
E Lockhart
P M Pearson (resigned 17 May 2021)
R Sansom

FEATURESPACE LIMITED

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

Future developments

The Company expects strong growth to continue in 2022 with growth driven by expansion of the team in the Americas and continued uptake of the Group's fraud prevention and detection software in Europe.

Research and development activities

During 2021, the Group continued to develop its principal product, the ARIC Risk Hub. The ARIC Risk Hub for enterprise fraud and financial crime monitors real-time customer data, using our proprietary machine learning inventions, Adaptive Behavioral Analytics and Automated Deep Behavioral Networks.

The ARIC Risk Hub offers multiple solutions for fraud and Anti-Money Laundering analysts to spot suspicious activity and prioritise alerts with explainable anomaly detection. At the same time, the ARIC Risk Hub recognises genuine customers without blocking their activity, reducing friction.

Working as a technology partner to the financial services industry, the ARIC Risk Hub is deployed in some of the world's largest banks, payments processors and merchant acquirers.

The Group's Research & Development teams work to enhance all areas of the platform including the real time engine, technology stack and suite of machine learning models and tools. The teams are critical to the evolution of Featurespace's product with continuing development of the architecture and solutions.

Engagement with employees

The Group introduced weekly All Hands meetings during the COVID-19 pandemic in 2020; these continued into early 2021 before moving to a monthly cadence. The All Hands meeting provides a forum to report to the employees on business progress, team member updates and departmental news across the month. The monthly session is chaired by the CEO or other members of the senior management team. The format is live in the offices or via Zoom for remote and international team members.

The meeting includes an opportunity for team members to ask anonymous questions, and this has proved to be a popular feature. The Group also participates in the Best Companies survey. The results of the November 2021 survey identified outstanding levels of engagement across all areas of the business. The Group continues to work with all managers to empower them through training. Since participating in the Best Companies survey, the Group has implemented a benefits review; flexible working, a wellbeing initiative e.g. in-house therapy and healthcare provision. The qualitative feedback reflects the Group's strong culture.

The Group offers all employees who pass their probation participation in the Growth Share Scheme. Employees who have passed their probation are also eligible for quarterly pay and bonus review. Salaries are reviewed on a quarterly basis to ensure they are in line with benchmarking data.

Diversity and Inclusion

The Group understands the value that diversity brings to the business, and strives for an inclusive workplace where everyone can be themselves. As the business grows, the team continues to focus on attracting diverse talent across all departments. The team has targeted early career hiring schemes at universities and colleges with a more diverse intake and in particular those with a high proportion of females or underrepresented groups, as well as a focus on socioeconomic backgrounds. The Group is committed to growing the percentage of females at senior level and across the whole business. The Group reviews its gender pay gap annually.

FEATURESPACE LIMITED

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

Engagement with suppliers, customers and others

Customer Engagement

The Group works closely with customers to monitor the performance of the software and ensure they achieve maximum value from it. The Customer Success team hold quarterly business reviews with customers to discuss engagement between the organisations and to plan for future evolution of the system and enhancements.

The Group conducts Net Promoter Score surveys, with results above industry norms.

Supplier Engagement

To continue the growth of the business, the Group requires engagement with, and the use of, a variety of different suppliers for the procurement of their respective products and services. These supplier relationships are important to the Group's overall success as a business. The Group recognises the need for a process to ensure effective, fair, equal procurement, management, and measurement of its suppliers and services. The Group must also be able to demonstrate compliance with laws and regulations and other requirements applicable to the locations in which it operates. The Group has developed a procurement process which it deems to be appropriate and proportionate to the nature of the business and the associated supplier risks. The Group has a dedicated team which is responsible for delivering its commitment to responsible and sustainable procurement processes. This helps the Group maximise the value of its supplier relationships and ensure that it is following its supplier diversity programme. The approach takes regulatory, statutory, ethical, and sustainable factors into consideration when making decisions on the purchase of goods and the commissioning of services. The procurement approach also aims to develop positive relationships with our suppliers.

Disabled employees

The Group ensures that disabled persons are given full and fair consideration when applying for employment by the Company. When an interview is confirmed with a candidate, they are asked if they require any reasonable adjustments to the process to ensure that the interviewers can see them at their best. In addition, the business works with employees with disabilities to accommodate their needs in the work environment to support them in performing their roles.

Greenhouse gas emissions, energy consumption and energy efficiency action

In the reporting period ending 31 December 2021 the Company used 1.34m kWh. The carbon intensity of electricity in the UK 2021 was 265 grams CO₂ per kWh; this equates to 354,947 kilograms of CO₂. The Group uses energy efficient light bulbs with motion sensors within its offices. The majority of energy usage relates to the servers, which due to the nature of the business is essential.

Disclosure of information to auditors

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

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

Post balance sheet events

The Company raised £32,188,637 through the issuance of G Preferred Ordinary Shares between 15th July and 7th October 2022.

FEATURESPACE LIMITED

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

This report was approved by the board on 16 March 2023 and signed on its behalf.

M King

M King
Director

FEATURESPACE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE LIMITED

Opinion

We have audited the financial statements of Featurespace Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group statement of comprehensive income, the Group and Company balance sheets, the Group statement of cash flows, the Group and Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

FEATURESPACE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

FEATURESPACE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team and involving relevant internal specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

FEATURESPACE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE LIMITED (CONTINUED)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. We identified no such laws and regulations applicable to the Group.

Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit risk related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

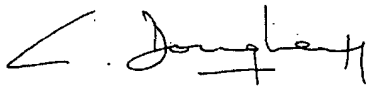
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

FEATURESPACE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEATURESPACE 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Dougherty (senior statutory auditor)

for and on behalf of
Lakin Rose Limited

Chartered Accountants
Statutory Auditors

Pioneer House
Vision Park
Histon
Cambridge
CB24 9NL

16 March 2023

FEATURESPACE LIMITED

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

	2021 £	2020 £
Turnover	26,771,006	21,033,149
Cost of sales	(1,382,437)	(413,021)
Gross profit	25,388,569	20,620,128
Administrative expenses	(45,174,015)	(35,582,663)
Other operating income	363,702	373,047
Operating loss	(19,421,744)	(14,589,488)
Interest receivable and similar income	5,165	4,897
Loss before taxation	(19,416,579)	(14,584,591)
Tax on loss	3,095,825	2,798,226
Loss for the financial year	(16,320,754)	(11,786,365)
Currency translation differences on consolidation	(240,960)	408,513
Other comprehensive income for the year	(240,960)	408,513
Total comprehensive income for the year	(16,561,714)	(11,377,852)
Loss for the year attributable to:		
Owners of the parent Company	(16,320,754)	(11,786,365)
	(16,320,754)	(11,786,365)
Total comprehensive income for the year attributable to:		
Owners of the parent Company	(16,561,714)	(11,377,852)
	(16,561,714)	(11,377,852)

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 34 form part of these financial statements.

FEATURESPACE LIMITED
REGISTERED NUMBER: 05640420

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	1,616,037	2,094,774
		<u>1,616,037</u>	<u>2,094,774</u>
Current assets			
Debtors: amounts falling due within one year	12	17,445,010	18,490,626
Cash at bank and in hand		16,662,489	29,381,034
		<u>34,107,499</u>	<u>47,871,660</u>
Creditors: amounts falling due within one year	13	(12,141,111)	(10,109,425)
Net current assets		<u>21,966,388</u>	<u>37,762,235</u>
Net assets		<u>23,582,425</u>	<u>39,857,009</u>
Capital and reserves			
Called up share capital	15	4,141	4,003
Share premium account	16	83,930,589	83,850,465
Foreign exchange reserve	16	148,526	389,486
Profit and loss account	16	(60,500,831)	(44,386,945)
Equity attributable to owners of the parent Company		<u>23,582,425</u>	<u>39,857,009</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 March 2023.

M King

M King
Director

The notes on pages 18 to 34 form part of these financial statements.

FEATURESPACE LIMITED
REGISTERED NUMBER: 05640420

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	1,498,769	1,934,978
Investments	11	128	128
		<u>1,498,897</u>	<u>1,935,106</u>
Current assets			
Debtors: amounts falling due within one year	12	31,633,717	27,888,981
Cash at bank and in hand		16,150,108	29,110,025
		<u>47,783,825</u>	<u>56,999,006</u>
Creditors: amounts falling due within one year	13	(10,128,983)	(9,538,928)
Net current assets		37,654,842	47,460,078
Net assets		<u>39,153,739</u>	<u>49,395,184</u>
Capital and reserves			
Called up share capital	15	4,141	4,003
Share premium account	16	83,930,589	83,850,465
Profit and loss account	16	(44,780,991)	(34,459,284)
		<u>39,153,739</u>	<u>49,395,184</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 March 2023.

M King

M King
 Director

The notes on pages 18 to 34 form part of these financial statements.

FEATURESPACE LIMITED

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

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Share based payment reserve £	Profit and loss account £	Total equity £
At 1 January 2020	3,462	53,909,635	(19,027)	-	(32,772,194)	21,121,876
Loss for the year	-	-	-	-	(11,786,365)	(11,786,365)
Currency translation differences	-	-	408,513	-	-	408,513
Shares issued during the year	541	29,940,830	-	-	-	29,941,371
Transfer to/from profit and loss account	-	-	-	(171,614)	171,614	-
Share based payments	-	-	-	171,614	-	171,614
At 1 January 2021	4,003	83,850,465	389,486	-	(44,386,945)	39,857,009
Loss for the year	-	-	-	-	(16,320,754)	(16,320,754)
Currency translation differences	-	-	(240,960)	-	-	(240,960)
Shares issued during the year	138	80,124	-	-	-	80,262
Transfer to/from profit and loss account	-	-	-	(206,868)	206,868	-
Share based payments	-	-	-	206,868	-	206,868
At 31 December 2021	4,141	83,930,589	148,526	-	(60,500,831)	23,582,425

The notes on pages 18 to 34 form part of these financial statements.

FEATURESPACE LIMITED

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

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020	3,462	53,909,635	-	(27,595,032)	26,318,065
Loss for the year	-	-	-	(7,035,866)	(7,035,866)
Shares issued during the year	541	29,940,830	-	-	29,941,371
Transfer to/from profit and loss account	-	-	(171,614)	171,614	-
Share based payments	-	-	171,614	-	171,614
At 1 January 2021	4,003	83,850,465	-	(34,459,284)	49,395,184
Loss for the year	-	-	-	(10,528,575)	(10,528,575)
Shares issued during the year	138	80,124	-	-	80,262
Transfer to/from profit and loss account	-	-	(206,868)	206,868	-
Share based payments	-	-	206,868	-	206,868
At 31 December 2021	4,141	83,930,589	-	(44,780,991)	39,153,739

The notes on pages 18 to 34 form part of these financial statements.

FEATURESPACE LIMITED

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

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(16,320,754)	(11,786,365)
Adjustments for:		
Depreciation of tangible assets	1,092,829	944,599
Loss on disposal of tangible assets	63,591	-
Interest received	(5,165)	(4,897)
Taxation charge	(3,095,825)	(3,171,273)
Decrease/(increase) in debtors	1,494,435	(2,730,922)
Increase in creditors	2,031,686	516,878
Corporation tax received	2,647,007	1,725,236
Net cash absorbed by operating activities	<u>(12,092,196)</u>	<u>(14,506,744)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(677,684)	(1,610,443)
Interest received	5,165	4,897
Net cash from investing activities	<u>(672,519)</u>	<u>(1,605,546)</u>
Cash flows from financing activities		
Issue of ordinary shares	80,262	29,941,371
Share based payments	206,868	171,614
Net cash used in financing activities	<u>287,130</u>	<u>30,112,985</u>
Net (decrease)/increase in cash and cash equivalents	<u>(12,477,585)</u>	<u>14,000,695</u>
Cash and cash equivalents at beginning of year	29,381,034	14,971,826
Foreign exchange gains and losses	(240,960)	408,513
Cash and cash equivalents at the end of year	<u><u>16,662,489</u></u>	<u><u>29,381,034</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	16,662,489	29,381,034
	<u><u>16,662,489</u></u>	<u><u>29,381,034</u></u>

The notes on pages 18 to 34 form part of these financial statements.

FEATURESPACE LIMITED

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

1. General information

Featurespace Limited ("the company") is the parent company of a trading group. Its activities relate to the development and provision of fraud prevention software.

The Company is incorporated in England and Wales as a members limited liability company. The registered office is located at 140 Cambridge Science Park, Milton Road, Cambridge, CB4 0GF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

2.3 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue as a going concern for the foreseeable future.

The Company investors have continued to financially support the Company, committing to a further funding round of £32million in exchange for shares which completed in 2022. The directors have prepared cash flow forecasts which confirm that the cash balance along with sales revenues will enable the Company to remain a going concern for at least the next 12 months.

FEATURESPACE LIMITED

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.5 Revenue recognition

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

Rendering of services

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

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

Revenue derived from term licence and support agreements is recognised over the period of the agreements.

Revenue derived from perpetual licences is recognised immediately on issue.

FEATURESPACE LIMITED

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

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Pensions

Defined contribution pension plan

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

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

2.8 Share-based payments

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

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

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

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

FEATURESPACE LIMITED

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

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.10 Research and development

Research and development expenditure is written off to the statement of comprehensive income in the period in which it is incurred.

2.11 Tangible fixed assets

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

FEATURESPACE LIMITED

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

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line
Other fixed assets	- over 1 year

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

FEATURESPACE LIMITED

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

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually.

(ii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience.

(iii) Revenue recognition

The amount of accrued and deferred income relies on the correct estimation of the level of completion of each relevant assignment. These estimations are reviewed on a monthly basis to ensure they remain in line with expectations.

FEATURESPACE LIMITED

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

4. Turnover

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

	2021 £	2020 £
Fraud prevention	26,771,006	21,033,149
	<u>26,771,006</u>	<u>21,033,149</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	9,135,913	6,084,795
Rest of Europe	3,664,061	3,941,267
Rest of the world	13,971,032	11,007,088
	<u>26,771,006</u>	<u>21,033,150</u>

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	22,000	20,250
Exchange differences	148,372	556,871
Other operating lease rentals	1,927,318	1,595,122
Depreciation	1,092,828	944,600
	<u>1,092,828</u>	<u>944,600</u>

FEATURESPACE LIMITED

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

6. Auditors' remuneration

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

	2021 £	2020 £
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	22,000	20,250
Fees payable to the Company's auditors and their associates in respect of: All non-audit services not included above	<u>16,160</u>	<u>21,680</u>

7. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	28,333,980	21,901,892	22,455,733	17,295,963
Social security costs	2,962,729	2,465,505	2,411,069	2,135,509
Cost of defined contribution scheme	2,478,108	1,937,538	1,841,634	1,534,301
	<u>33,774,817</u>	<u>26,304,935</u>	<u>26,708,436</u>	<u>20,965,773</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
All employees	<u>343</u>	<u>294</u>	<u>283</u>	<u>250</u>

FEATURESPACE LIMITED

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

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	364,085	351,055
Company contributions to defined contribution pension schemes	20,544	9,866
	<u>384,629</u>	<u>360,921</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £307,804 (2020 - £300,769).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,544 (2020 - £9,866).

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on loss for the year	(3,095,825)	(2,798,226)
Taxation on loss on ordinary activities	<u>(3,095,825)</u>	<u>(2,798,226)</u>

FEATURESPACE LIMITED

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

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(19,416,579)	(14,584,591)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(3,689,150)	(2,771,072)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	99,734	46,194
Capital allowances for year in excess of depreciation	47,824	(67,220)
Adjustments to tax charge in respect of prior periods	(5,038)	-
Short term timing difference leading to an increase (decrease) in taxation	95,265	3,275
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(1,290,014)	(1,163,654)
Tax deduction arising from exercise of employee options	(62,730)	(2,867)
Unrelieved tax losses carried forward	1,708,284	1,157,118
Total tax charge for the year	(3,095,825)	(2,798,226)

FEATURESPACE LIMITED

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

9. Taxation (continued)

Factors that may affect future tax charges

Trading losses which are eligible for relief against future trading profits have not been recognised as a deferred tax asset because their recovery is not yet probable.

The Group expects to continue to be eligible and make claims for future research and development enhanced allowances and tax credits.

10. Tangible fixed assets

Group

	Plant and machinery £
Cost or valuation	
At 1 January 2021	4,062,305
Additions	677,684
Disposals	(1,374,676)
At 31 December 2021	<u>3,365,313</u>
Depreciation	
At 1 January 2021	1,967,532
Charge for the year on owned assets	1,092,829
Disposals	(1,311,085)
At 31 December 2021	<u>1,749,276</u>
Net book value	
At 31 December 2021	<u>1,616,037</u>
At 31 December 2020	<u>2,094,774</u>

FEATURESPACE LIMITED

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

10. Tangible fixed assets (continued)

Company

	Plant and machinery £
Cost or valuation	
At 1 January 2021	3,755,370
Additions	642,688
Disposals	(1,317,338)
At 31 December 2021	<u>3,080,720</u>
Depreciation	
At 1 January 2021	1,820,392
Charge for the year on owned assets	1,015,370
Disposals	(1,253,811)
At 31 December 2021	<u>1,581,951</u>
Net book value	
At 31 December 2021	<u>1,498,769</u>
At 31 December 2020	<u>1,934,978</u>

FEATURESPACE LIMITED

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

11. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	128
At 31 December 2021	<u>128</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Featurespace Inc	Ordinary	100%
Featurespace Australia PTY Limited	Ordinary	100%
Featurespace PTE Ltd	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Featurespace Inc	(15,615,444)	(5,834,706)
Featurespace Australia PTY Limited	32,534	42,527
Featurespace PTE Ltd	1	-

FEATURESPACE LIMITED

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

12. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade debtors	5,212,984	5,598,498	4,822,740	5,316,009
Amounts owed by group undertakings	-	-	15,881,731	10,300,098
Other debtors	404,360	475,381	388,607	451,282
Prepayments and accrued income	5,196,472	6,234,372	3,909,445	5,639,217
Corporation tax recoverable	6,631,194	6,182,375	6,631,194	6,182,375
	<u>17,445,010</u>	<u>18,490,626</u>	<u>31,633,717</u>	<u>27,888,981</u>

13. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade creditors	1,125,058	635,094	1,115,160	625,705
Amounts owed to group undertakings	-	-	54	54
Other taxation and social security	702,717	1,176,099	702,717	1,176,099
Other creditors	681,675	191,062	681,306	185,979
Accruals and deferred income	9,631,661	8,107,170	7,629,746	7,551,091
	<u>12,141,111</u>	<u>10,109,425</u>	<u>10,128,983</u>	<u>9,538,928</u>

FEATURESPACE LIMITED

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

14. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	16,662,489	29,381,034	16,150,108	29,110,025
Financial assets that are debt instruments measured at amortised cost	9,177,693	10,568,131	23,559,156	20,148,442
	<u>25,840,182</u>	<u>39,949,165</u>	<u>39,709,264</u>	<u>49,258,467</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(4,185,239)</u>	<u>(2,002,058)</u>	<u>(3,879,370)</u>	<u>(1,774,264)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, amounts due from group undertakings and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts due to group undertakings and accruals.

15. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
8,960,562 (2020 - 8,548,555) Ordinary shares of £0.0001 each	896	855
1,428,540 (2020 - 1,428,540) A Preferred Ordinary shares of £0.0001 each	143	143
2,142,610 (2020 - 2,142,610) B Preferred Ordinary shares of £0.0001 each	214	214
3,473,989 (2020 - 3,473,989) C Preferred Ordinary shares of £0.0001 each	347	347
539,584 (2020 - 539,584) X Ordinary shares of £0.0001 each	54	54
4,818,903 (2020 - 4,818,903) D Preferred Ordinary shares of £0.0001 each	482	482
7,402,754 (2020 - 7,402,754) E Preferred Ordinary shares of £0.0001 each	740	740
6,393,862 (2020 - 6,393,862) F Preferred Ordinary shares of £0.0001 each	639	639
5,281,689 (2020 - 5,281,689) G Preferred Ordinary shares of £0.0001 each	529	529
972,011 (2020 - NIL) Growth shares of £0.0001 each	97	-
	<u>4,141</u>	<u>4,003</u>

During the year, employees exercised share options resulting in 416,489 ordinary shares being issued for proceeds of £80,262.

FEATURESPACE LIMITED

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

16. Reserves

Share premium account

This includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

This account includes all current and prior period retained profits and losses.

17. Share-based payments

The company issues approved and unapproved share options to directors and employees. One quarter of the total options granted become exercisable on or after the first anniversary of the vesting start date, then one-sixteenth of the total options granted become exercisable at the end of the first quarter after the vesting start date and a further one-sixteenth on each subsequent quarter day. All options lapse if not exercised within a ten year period of being granted.

In accordance with the company's Share Option Plan, these options can be exercised on a trigger event which is the reconstruction of the company, notice of a voluntary winding-up, or a takeover. There are no performance conditions attached to any options.

A share option pool comprised 1,436,031 options in issue at the year end, with 216,900 being issued, 416,489 being exercised and 16,876 lapsing during 2021.

Options in issue at the year end had an exercise price of either £0.01, £0.10, £0.13, £0.15, £0.23, £0.31, £1.00, \$1.26 or \$1.59 per share.

18. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £2,478,108 (2020 - £1,937,538). Contributions totaling £647,613 (2020 - £188,498) were payable to the fund at the balance sheet date and are included in creditors.

19. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	1,709,465	1,169,105	1,521,725	1,063,783
Later than 1 year and not later than 5 years	3,353,244	2,913,637	2,702,631	2,913,637
	<u>5,062,709</u>	<u>4,082,742</u>	<u>4,224,356</u>	<u>3,977,420</u>

FEATURESPACE LIMITED

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

20. Transactions with directors

Included within other debtors is a loan to a director amounting to £NIL (2020 - £147,596). The loan was repaid in full during the year.

21. Post balance sheet events

The Company raised £32,188,637 through the issuance of G Preferred Ordinary Shares between 15th July and 7th October 2022.