

Company Registration No. 06080277 (England and Wales)

**MARKLOGIC (UK) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JANUARY 2022**



# MARKLOGIC (UK) LIMITED

## COMPANY INFORMATION

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|--------------------------|--|
| <b>Directors</b>         | D L Burrows<br>J L Theler Jr<br>J D Kizziah Jr   |
| <b>Company number</b>    | 06080277   |
| <b>Registered office</b> | 1st Floor West Wing<br>Davidson House<br>Forbury Square<br>Reading<br>Berkshire<br>RG1 3EU             |
| <b>Auditor</b>           | James Cowper Kreston Audit<br>Reading Bridge House<br>George Street<br>Reading<br>Berkshire<br>RG1 8LS |
| <b>Business address</b>  | 41 Lothbury<br>London<br>EC2R 7HF  |

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# MARKLOGIC (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JANUARY 2022

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

#### Fair review of the business

MarkLogic® is the world's best database for integrating data from silos. MarkLogic is an operational and transactional Enterprise NoSQL database platform, and organizations around the world rely on it to integrate their most critical data and build innovative applications on a 360-degree view of that data. MarkLogic makes it easy to get data in and easy to get data out, and it is 100 percent trusted to run critical business operations.

MarkLogic is designed to integrate data from silos better, faster, and with less cost. With MarkLogic, you can integrate data and build your 360-degree view up to four times faster than if using a traditional database. And, you do not have to sacrifice any of the enterprise features required for storing and managing mission-critical data.

- **Easy to Get Data In** – Ingest structured and unstructured data as is with a flexible data model that adapts to changing data. MarkLogic natively stores JSON, XML, text, geospatial, and semantic triples
- **Easy to Get Data Out** – With an "Ask Anything" universal index, you can run lightning fast searches across all of your data. MarkLogic also provides APIs and other tools to enable fast application development and deployment
- **100% Trusted** – MarkLogic is enterprise ready, having ACID transactions, scalability and elasticity, certified security, high availability and disaster recovery, and other enterprise features required to run large businesses.

MarkLogic (UK) Limited ("the Company") is a subsidiary of MarkLogic Corporation, a company incorporated and duly organised under the laws of the state of Delaware, United States. MarkLogic (UK) Limited was incorporated in 2007 and acts as a holding company to various established global entities located in Australia, Canada, France, Germany, Japan, Netherlands, Philippines, and Singapore. MarkLogic (UK) Limited and subsidiaries ("the Group") provides sales, marketing and technical service support exclusively to MarkLogic Corporation in the United States.

The Group is compensated by MarkLogic Corporation through cost plus arrangements. The Group's business strategy is to increase sales of MarkLogic's product and services to its customers as well as service customers locally in the respective local markets.

Average employee headcount of the Group in the year 31 January 2022 has decreased to 44 as compared to the prior year headcount of 102.

Turnover has decreased by 49.9% to £9,722,557 (£19,390,233 FY2021) and profit before tax has decreased by £346,189 to £593,292 (£939,481 FY2021). This is primarily due to the full year impact of reduced headcount impact on the cost plus model.

The balance sheet of the Group has remained in line with the expectation of management. Net assets have remained relatively flat at £5,043,851 FY22 versus £5,021,760 FY21.

#### Key performance indicators

Given the straightforward nature of the business, being cost plus subsidiaries of MarkLogic Corporation, the directors are of the opinion that analysis using KPIs other than turnover and operating profit is not necessary for an understanding of the development, performance or position of the business.

#### Principal risks and uncertainties

The Group is subject to a number of risks and uncertainties common to groups in similar industries, and stages of development, including, but not limited to, the uncertainty of economic, political and market conditions, management of growth, dependence on key individuals, management of international operations, intellectual property protection and other litigation risks, competition from substitute products and services of larger companies and product development risk. Management ensures that risks and uncertainties are monitored and appropriate actions are taken if any new risks arise.

#### Financial risk management objectives and policies

The directors review and agree to policies for managing each of these risks and they are summarised below.

## MARKLOGIC (UK) LIMITED

### STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

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#### Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group has sufficient reserves of cash and additional funding will be provided by MarkLogic Corporation if required to maintain liquidity of the Group.

#### Interest rate risk

The Group finances its operations through retained profits and cash resources. The Group's cash assets are held in operating accounts. They do not attract interest and are therefore not subject to interest rate risk.

#### Exchange rate risk

Each subsidiary of the Group are held in functional local currency. The conversion rate is subject to exchange rate risk against the pound sterling.

#### Credit risk

The Group's principal financial asset is cash. The credit risk associated with cash balances are limited. The directors continue to closely monitor bank credit worthiness.

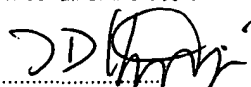
#### Future developments

The Group continues to be focused on growing market share across our international territories focused on enterprise customers by providing diverse solutions that support operational and transactional Enterprise NoSQL database solutions across these areas.

#### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. The directors have assessed the availability of support from Marklogic (UK) Limited's parent company, MarkLogic Corporation, and determined that the Company and Group have sufficient working capital for its need for at least the next 12 months from the date of approval of these financial statements. In view of this, the directors consider it appropriate to prepare the financial statements on the going concern basis.

On behalf of the board



J D Kizziah Jr  
Director

Date: 26-Jan-2023

# MARKLOGIC (UK) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JANUARY 2022

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

#### Principal activities

The principal activity of the Company and Group continued to be that of the provision of sales, marketing and technical support functions to MarkLogic Corporation.

#### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### Directors

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

|                |   |
|----------------|---|
| D Jung         | (Resigned 8 August 2022)                              |
| C R Carsen     | (Appointed 13 March 2021 and resigned 20 August 2022) |
| D Fletcher     | (Resigned 5 April 2022)                               |
| D L Burrows    | (Appointed 8 August 2022)                             |
| J L Theler Jr  | (Appointed 5 April 2022)                              |
| J D Kizziah Jr | (Appointed 6 September 2022)                          |

#### Post reporting date events

On January 3, 2023, Progress (NASDAQ: PRGS) announced its intention to acquire MarkLogic. Progress is a publicly traded company headquartered just outside of Boston, MA. Progress has annual revenues of over USD \$600M, a market cap of over \$2B and has a worldwide presence with more than 2,000 employees in 20+ countries. Progress' mission is to be the trusted provider of the best products to develop, deploy and manage high-impact applications. The acquisition is slated to finalize on February 7, 2023.

#### Auditor

The auditor, James Cowper Kreston Audit, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

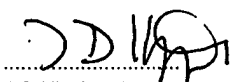
#### Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of business activities, risk and future developments.

#### Statement of disclosure to auditor

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

On behalf of the board



J D Kizziah Jr  
Director

Date: 26-JAN-2023

## **MARKLOGIC (UK) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JANUARY 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKLOGIC (UK) LIMITED**

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### **Opinion**

We have audited the financial statements of MarkLogic (UK) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 January 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheet, 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 January 2022 and of its profit 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.

### **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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKLOGIC (UK) LIMITED (CONTINUED)**

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### **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 Directors' Report.

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

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

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKLOGIC (UK) LIMITED (CONTINUED)**

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### **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.

*James Cowper Kreston Audit*

Alan Poole BA(Hons) ACA (Senior Statutory Auditor)  
For and on behalf of James Cowper Kreston Audit  
Chartered Accountants and Statutory Auditor  
Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS  
27 January 2023

## MARKLOGIC (UK) LIMITED

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2022

|  | Notes | 2022<br>£        | 2021<br>£         |
|--|-------|------------------|-------------------|
| Turnover                                       | 3     | 9,722,557        | 19,390,233        |
| Cost of sales                                  |       | (56,160)         | (63,753)          |
| <b>Gross profit</b>                            |       | <b>9,666,397</b> | <b>19,326,480</b> |
| Administrative expenses                        |       | (9,085,716)      | (18,735,451)      |
| Other operating income                         |       | 13,371           | 356,875           |
| <b>Operating profit</b>                        | 7     | <b>594,052</b>   | <b>947,904</b>    |
| Interest receivable and similar income         | 9     | 130              | 897               |
| Interest payable and similar expenses          | 10    | (890)            | (9,320)           |
| <b>Profit before taxation</b>                  |       | <b>593,292</b>   | <b>939,481</b>    |
| Tax on profit                                  | 11    | (170,126)        | (355,419)         |
| <b>Profit for the financial year</b>           |       | <b>423,166</b>   | <b>584,062</b>    |
| <b>Other comprehensive income</b>              |       |                  |                   |
| Currency translation differences               |       | (169,736)        | 90,993            |
| <b>Total comprehensive income for the year</b> |       | <b>253,430</b>   | <b>675,055</b>    |

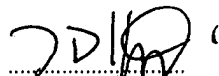
Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

**MARKLOGIC (UK) LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 JANUARY 2022**

|   | Notes | 2022<br>£   | £         | 2021<br>£   | £         |
|---|-------|-------------|-----------|-------------|-----------|
| <b>Fixed assets</b>                                   |       |             |           |             |           |
| Tangible assets                                       | 12    |             | 33,019    |             | 73,638    |
| <b>Current assets</b>                                 |       |             |           |             |           |
| Debtors   | 15    | 1,954,924   |           | 2,624,516   |           |
| Cash at bank and in hand                              |       | 6,442,710   |           | 6,688,749   |           |
|   |       | 8,397,634   |           | 9,313,265   |           |
| <b>Creditors: amounts falling due within one year</b> | 16    | (3,151,595) |           | (4,361,630) |           |
| <b>Net current assets</b>                             |       |             | 5,246,039 |             | 4,951,635 |
| <b>Total assets less current liabilities</b>          |       |             | 5,279,058 |             | 5,025,273 |
| <b>Provisions for liabilities</b>                     | 17    |             | (3,868)   |             | (3,513)   |
| <b>Net assets</b>                                     |       |             | 5,275,190 |             | 5,021,760 |
| <b>Capital and reserves</b>                           |       |             |           |             |           |
| Called up share capital                               | 19    |             | 1         |             | 1         |
| Profit and loss reserves                              | 20    |             | 5,275,189 |             | 5,021,759 |
| <b>Total equity</b>                                   |       |             | 5,275,190 |             | 5,021,760 |

The financial statements were approved by the board of directors and authorised for issue on 26 Jan - 2023 and are signed on its behalf by:



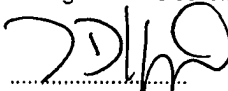
J D Kizziah Jr  
Director

**MARKLOGIC (UK) LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 JANUARY 2022**

|   | Notes | 2022<br>£          | £                       | 2021<br>£          | £                       |
|---|-------|--------------------|-------------------------|--------------------|-------------------------|
| <b>Fixed assets</b>                                   |       |                    |                         |                    |                         |
| Tangible assets                                       | 12    |                    | 20,029                  |                    | 41,695                  |
| Investments   | 13    |                    | 283,911                 |                    | 283,911                 |
|   |       |                    | <u>303,940</u>          |                    | <u>325,606</u>          |
| <b>Current assets</b>                                 |       |                    |                         |                    |                         |
| Debtors   | 15    | 810,644            |                         | 720,304            |                         |
| Cash at bank and in hand                              |       | 2,775,695          |                         | 3,138,399          |                         |
|   |       | <u>3,586,339</u>   |                         | <u>3,858,703</u>   |                         |
| <b>Creditors: amounts falling due within one year</b> | 16    | <u>(1,722,956)</u> |                         | <u>(2,159,359)</u> |                         |
| <b>Net current assets</b>                             |       |                    | <u>1,863,383</u>        |                    | <u>1,699,344</u>        |
| <b>Total assets less current liabilities</b>          |       |                    | <u>2,167,323</u>        |                    | <u>2,024,950</u>        |
| <b>Provisions for liabilities</b>                     | 17    |                    | <u>(250)</u>            |                    | <u>(3,513)</u>          |
| <b>Net assets</b>                                     |       |                    | <u><u>2,167,073</u></u> |                    | <u><u>2,021,437</u></u> |
| <b>Capital and reserves</b>                           |       |                    |                         |                    |                         |
| Called up share capital                               | 19    |                    | 1                       |                    | 1                       |
| Profit and loss reserves                              | 20    |                    | 2,167,072               |                    | 2,021,436               |
| <b>Total equity</b>                                   |       |                    | <u><u>2,167,073</u></u> |                    | <u><u>2,021,437</u></u> |

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes as it prepares group financial statements. The Company's profit for the year was £145,636 (2021 - £31,747 loss).

The financial statements were approved by the board of directors and authorised for issue on 26-Jan-2023 and are signed on its behalf by:

  
J D Kizziah Jr  
Director

**MARKLOGIC (UK) LIMITED****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2022**

|   | Share<br>capital<br>£ | Profit and<br>loss<br>reserves<br>£ | Total<br>£ |
|---|-----------------------|-------------------------------------|------------|
| <b>Balance at 1 February 2020</b>       | 1                     | 4,346,704                           | 4,346,705  |
| <b>Year ended 31 January 2021:</b>      |                       |                                     |            |
| Profit for the year                     | -                     | 584,062                             | 584,062    |
| Other comprehensive income:             |                       |                                     |            |
| Currency translation differences        | -                     | 90,993                              | 90,993     |
| Total comprehensive income for the year | -                     | 675,055                             | 675,055    |
| <b>Balance at 31 January 2021</b>       | 1                     | 5,021,759                           | 5,021,760  |
| <b>Year ended 31 January 2022:</b>      |                       |                                     |            |
| Profit for the year                     | -                     | 423,166                             | 423,166    |
| Other comprehensive income:             |                       |                                     |            |
| Currency translation differences        | -                     | (169,736)                           | (169,736)  |
| Total comprehensive income for the year | -                     | 253,430                             | 253,430    |
| <b>Balance at 31 January 2022</b>       | 1                     | 5,275,189                           | 5,275,190  |

## MARKLOGIC (UK) LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2022

|   | Share<br>capital<br>£ | Profit and<br>loss<br>reserves<br>£ | Total<br>£ |
|---|-----------------------|-------------------------------------|------------|
| Balance at 1 February 2020  | 1                     | 2,053,183                           | 2,053,184  |
| Year ended 31 January 2021:<br>Loss and total comprehensive income for the year   | -                     | (31,747)                            | (31,747)   |
| Balance at 31 January 2021  | 1                     | 2,021,436                           | 2,021,437  |
| Year ended 31 January 2022:<br>Profit and total comprehensive income for the year | -                     | 145,636                             | 145,636    |
| Balance at 31 January 2022  | 1                     | 2,167,072                           | 2,167,073  |

# MARKLOGIC (UK) LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2022

|   | Notes | 2022<br>£ | £         | 2021<br>£ | £         |
|---|-------|-----------|-----------|-----------|-----------|
| <b>Cash flows from operating activities</b>                 |       |           |           |           |           |
| Cash (absorbed by)/generated from operations                | 21    |           | (77,195)  |           | 1,742,162 |
| Interest paid   |       |           | (890)     |           | (9,320)   |
| Income taxes refunded/(paid)                                |       |           | 48,424    |           | (464,545) |
| <b>Net cash (outflow)/inflow from operating activities</b>  |       |           | (29,661)  |           | 1,268,297 |
| <b>Investing activities</b>                                 |       |           |           |           |           |
| Purchase of tangible fixed assets                           |       | (18,842)  |           | (6,828)   |           |
| Proceeds on disposal of tangible fixed assets               |       | -         |           | 2,739     |           |
| Interest received   |       | 130       |           | 897       |           |
| <b>Net cash used in investing activities</b>                |       |           | (18,712)  |           | (3,192)   |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |       |           | (48,373)  |           | 1,265,105 |
| Cash and cash equivalents at beginning of year              |       |           | 6,688,749 |           | 5,291,503 |
| Effect of changes in foreign exchange rates                 |       |           | (197,666) |           | 132,141   |
| <b>Cash and cash equivalents at end of year</b>             |       |           | 6,442,710 |           | 6,688,749 |

# MARKLOGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

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### 1 Accounting policies

#### Company information

MarkLogic (UK) Limited ("the Company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is 1st Floor West Wing, Davidson House, Forbury Square, Reading, Berkshire, RG1 3EU.

The Group consists of MarkLogic (UK) Limited and all of its subsidiaries.

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

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £1.

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

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 Statement of Cash Flows Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The consolidated financial statements including the Company can be found on pages 8 to 27.

#### Basis of consolidation

The consolidated financial statements incorporate those of MarkLogic (UK) Limited and all of its subsidiaries (i.e. entities that the Company controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 January 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.



# MARKLOGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2022

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#### 1 Accounting policies (Continued)

##### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. The directors have assessed the availability of support from MarkLogic (UK) Limited's parent company, MarkLogic Corporation, and determined that the Company and group have sufficient working capital for its need for at least the next 12 months from the date of approval of these financial statements. In view of this, the directors consider it appropriate to prepare the financial statements on the going concern basis.

##### Turnover

The majority of turnover shown in the statement of comprehensive income, represents amounts receivable from MarkLogic Corporation, primarily for the provision of sales, marketing and technical support functions, exclusive of Value Added Tax. There is also an element of third party sales as indicated below.

Turnover in respect of sales, marketing and technical services provided to MarkLogic Corporation is calculated as attributable costs plus a mark up in accordance with separate intercompany agreements between MarkLogic (UK) Limited and its subsidiary companies and MarkLogic Corporation.

MarkLogic (Germany) GmbH is the only group entity which makes direct sales to customers. The Company derives revenue from license fees for software and fees for services which are complimentary to its products, including support, consulting and training. All revenue amounts are presented net of Value Added tax.

Software license revenue is recognised when: (1) persuasive evidence of an arrangement exists; (2) delivery of the products has occurred; (3) the fee is fixed or determinable; and (4) collection is probable. The Company generally licenses its software on a perpetual basis and generally recognizes license fees upon delivery of the products. Software license sales to resellers or distributors are generally recognized when the licenses are sold through to an end user. Revenue on arrangements with acceptance criteria is deferred until acceptance is obtained from the customer or until the acceptance periods lapse.

##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

|                        |                         |
|------------------------|-------------------------|
| Leasehold improvements | 20% - 25% straight line |
| Fixtures and fittings  | 33.33% straight line    |
| Equipment              | 33.33% straight line    |

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

##### Fixed asset investments

In the separate financial statements of the Company, interests in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

## MARKLOGIC (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

#### 1 Accounting policies (Continued)

**Cash and cash equivalents**  
Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

**Financial instruments**  
The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.  
Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

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

**Basic financial assets**  
Basic financial assets, which include other debtors, amounts due to fellow group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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

**Basic financial liabilities**  
Basic financial liabilities, including trade and other creditors and amounts due from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.  
**Equity instruments**  
Equity instruments issued by the Group are recorded at the fair value of the proceeds received, net of direct issue costs.

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

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

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

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

# MARKLOGIC (UK) LIMITED

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

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### 1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

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

#### Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Share-based payments

The Company participates in a group share-based payment arrangement granted by MarkLogic Corporation to its employees and employees of its subsidiaries. The Group has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the Group recognised in the financial statements of MarkLogic Corporation. The directors consider the number of unvested options granted to the Group's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense. The expense for the MarkLogic (UK) Limited Group is recognised in the Consolidated Statement of Comprehensive Income.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### Foreign exchange

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

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

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

## MARKLOGIC (UK) LIMITED

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

#### 2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The directors do not consider there to be any key judgements or estimates.

#### 3 Turnover and other revenue

An analysis of the Group's turnover is as follows:

|   | 2022<br>£         | 2021<br>£         |
|---|-------------------|-------------------|
| <b>Turnover analysed by class of business</b>   |                   |                   |
| Provision of services                           | 9,722,557         | 19,390,233        |
|   | <u>          </u> | <u>          </u> |
|   | 2022<br>£         | 2021<br>£         |
| <b>Other revenue</b>                            |                   |                   |
| Interest income                                 | 130               | 897               |
|   | <u>          </u> | <u>          </u> |
|   | 2022<br>£         | 2021<br>£         |
| <b>Turnover analysed by geographical market</b> |                   |                   |
| United States of America                        | 9,664,957         | 19,324,847        |
| Europe  | 57,600            | 65,386            |
|   | <u>          </u> | <u>          </u> |
|   | 9,722,557         | 19,390,233        |
|   | <u>          </u> | <u>          </u> |

## MARKLOGIC (UK) LIMITED

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

#### 4 Employees

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

|                         | Group<br>2022<br>Number | 2021<br>Number | Company<br>2022<br>Number | 2021<br>Number |
|-------------------------|-------------------------|----------------|---------------------------|----------------|
| Sales                   | 18                      | 50             | 7                         | 16             |
| Professional services   | 12                      | 28             | 2                         | 5              |
| Training & support      | 6                       | 8              | 4                         | 4              |
| Marketing & development | 5                       | 11             | 3                         | 6              |
| Administration          | 3                       | 5              | 2                         | 2              |
| Total                   | 44                      | 102            | 18                        | 33             |

Their aggregate remuneration comprised:

|                       | Group<br>2022<br>£ | 2021<br>£  | Company<br>2022<br>£ | 2021<br>£ |
|-----------------------|--------------------|------------|----------------------|-----------|
| Wages and salaries    | 5,988,483          | 12,126,308 | 2,035,608            | 4,092,451 |
| Social security costs | 834,550            | 1,605,141  | 263,399              | 494,537   |
| Pension costs         | 313,477            | 590,579    | 65,136               | 98,489    |
|                       | 7,136,510          | 14,322,028 | 2,364,143            | 4,685,477 |

#### 5 Directors' remuneration

During both the current and prior years, the directors were remunerated by MarkLogic Corporation. The directors do not receive any fees or emoluments from the Group as their duties are incidental to their main duties to MarkLogic Corporation.

## MARKLOGIC (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 JANUARY 2022

#### 6 Share-based payment transactions

##### Group

Under the terms of the group stock plan operated by MarkLogic Corporation, the fair value of each option award is estimated using the Black-Scholes option valuation model using weighted-average assumptions for volatility, expected term, and risk-free interest rate. The expected volatility rate is based on the historical volatility of public traded companies within the same or similar line of business in comparable industries. The expected term of options granted is derived from historical data on employee exercises and post-vesting employment termination behaviour. The risk-free rate is based on the U.S. Treasury rates in effect during the corresponding period of grant. Forfeitures are estimated at the time of grant and revised if necessary in subsequent periods if actual forfeitures differ from those estimates. Changes in estimated forfeitures will be recognised through a cumulative catch-up adjustment in the period of change and will also impact the amount of compensation expenses to be recognised in future periods.

On 20 October 2020, the existing scheme was cancelled, and all share options forfeited. The new owners replaced the old scheme with a Non-qualifying option plan for a limited pool of employees. This plan is held at the corporate level, and although there are UK entity participants, the financial aspects are considered immaterial and not pushed down to an entity level.

|  | Group<br>2022<br>£ | 2021<br>£ |
|--|--------------------|-----------|
| <b>Expenses recognised in the year</b>                       |                    |           |
| Arising from equity settled share based payment transactions | -                  | 744,092   |

#### 7 Operating profit

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting):  |           |           |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | (6,744)   | 14,447    |
| Depreciation of owned tangible fixed assets  | 57,656    | 137,421   |
| Loss on disposal of tangible fixed assets  | 333       | 11,280    |
| Share-based payments   | -         | 744,092   |
| Operating lease charges  | 247,454   | 786,887   |

#### 8 Auditor's remuneration

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Fees payable to the Company's auditor and its associates:  |           |           |
| <b>For audit services</b>                                  |           |           |
| Audit of the financial statements of the Group and Company | 18,500    | 16,000    |

#### 9 Interest receivable and similar income

|                           | 2022<br>£ | 2021<br>£ |
|---------------------------|-----------|-----------|
| <b>Interest income</b>    |           |           |
| Interest on bank deposits | 130       | 897       |

# MARKLOGIC (UK) LIMITED

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

### 10 Interest payable and similar expenses

| 2022 | 2021 |
|------|------|
| £    | £    |

|   |     |       |
|---|-----|-------|
| Other interest on financial liabilities | 890 | 9,320 |
|---|-----|-------|

### 11 Taxation

| 2022 | 2021 |
|------|------|
| £    | £    |

#### Current tax

|  |        |         |
|--|--------|---------|
| UK corporation tax on profits for the current period | 39,428 | 104,913 |
| Adjustments in respect of prior periods              | 6,751  | 32,678  |

|                      |        |         |
|----------------------|--------|---------|
| Total UK current tax | 46,179 | 137,591 |
|----------------------|--------|---------|

|  |        |          |
|--|--------|----------|
| Foreign current tax on profits for the current period  | 98,707 | 235,807  |
| Adjustments in foreign tax in respect of prior periods | 3,071  | (19,932) |

|                   |         |         |
|-------------------|---------|---------|
| Total current tax | 147,957 | 353,466 |
|-------------------|---------|---------|

#### Deferred tax

|   |        |          |
|---|--------|----------|
| Origination and reversal of timing differences                    | 17,959 | 40,275   |
| Changes in tax rates  | 37     | -        |
| Previously unrecognised tax loss, tax credit or timing difference | 222    | -        |
| Adjustment in respect of prior periods                            | -      | (33,117) |
| Foreign exchange differences                                      | 3,951  | (5,205)  |

|                    |        |       |
|--------------------|--------|-------|
| Total deferred tax | 22,169 | 1,953 |
|--------------------|--------|-------|

|                  |         |         |
|------------------|---------|---------|
| Total tax charge | 170,126 | 355,419 |
|------------------|---------|---------|

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax assets and liabilities at 31 January 2022 have been measured using these newly enacted tax rates.

# MARKLOGIC (UK) LIMITED

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

### 11 Taxation (Continued)

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

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Profit before taxation   | 593,292   | 939,481   |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 112,725   | 178,501   |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 10,734    | (5,792)   |
| Change in unrecognised deferred tax assets   | -         | (30)      |
| Adjustments in respect of prior years  | 9,822     | 12,746    |
| Effect of change in corporation tax rate   | 11,775    | 3,464     |
| Share based payment charge   | -         | 141,377   |
| Deferred tax adjustments in respect of prior years   | -         | (33,117)  |
| Fixed asset differences  | -         | 8,477     |
| Additional foreign tax suffered  | 26,307    | 71,047    |
| Other adjustments  | (1,237)   | (21,254)  |
| Taxation charge  | 170,126   | 355,419   |

### 12 Tangible fixed assets

| Group                              | Leasehold<br>improvements<br>£ | Fixtures and<br>fittings<br>£ | Equipment<br>£ | Total<br>£ |
|------------------------------------|--------------------------------|-------------------------------|----------------|------------|
| <b>Cost</b>                        |                                |                               |                |            |
| At 1 February 2021                 | 11,640                         | 3,544                         | 427,134        | 442,318    |
| Additions                          | 5,524                          | -                             | 13,318         | 18,842     |
| Disposals                          | -                              | -                             | (56,317)       | (56,317)   |
| Exchange adjustments               | (758)                          | (208)                         | (11,715)       | (12,681)   |
| At 31 January 2022                 | 16,406                         | 3,336                         | 372,420        | 392,162    |
| <b>Depreciation and impairment</b> |                                |                               |                |            |
| At 1 February 2021                 | 11,640                         | 3,544                         | 353,496        | 368,680    |
| Depreciation charged in the year   | 368                            | -                             | 57,288         | 57,656     |
| Eliminated in respect of disposals | -                              | -                             | (55,984)       | (55,984)   |
| Exchange adjustments               | (688)                          | (208)                         | (10,313)       | (11,209)   |
| At 31 January 2022                 | 11,320                         | 3,336                         | 344,487        | 359,143    |
| <b>Carrying amount</b>             |                                |                               |                |            |
| At 31 January 2022                 | 5,086                          | -                             | 27,933         | 33,019     |
| At 31 January 2021                 | -                              | -                             | 73,638         | 73,638     |



# MARKLOGIC (UK) LIMITED

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

### 12 Tangible fixed assets (Continued)

| Company                            | Equipment<br>£ |
|------------------------------------|----------------|
| <b>Cost</b>                        |                |
| At 1 February 2021                 | 235,341        |
| Additions                          | 10,094         |
| Disposals                          | (22,591)       |
| At 31 January 2022                 | 222,844        |
| <b>Depreciation and impairment</b> |                |
| At 1 February 2021                 | 193,646        |
| Depreciation charged in the year   | 31,691         |
| Eliminated in respect of disposals | (22,522)       |
| At 31 January 2022                 | 202,815        |
| <b>Carrying amount</b>             |                |
| At 31 January 2022                 | 20,029         |
| At 31 January 2021                 | 41,695         |

### 13 Fixed asset investments

|                             | Notes | Group<br>2022<br>£ | 2021<br>£ | Company<br>2022<br>£ | 2021<br>£ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 14    | -                  | -         | 283,911              | 283,911   |

#### Movements in fixed asset investments Company

|  | Shares in<br>group<br>undertakings<br>£ |
|--|---|
| <b>Cost or valuation</b>               |   |
| At 1 February 2021 and 31 January 2022 | 283,911                                 |
| <b>Carrying amount</b>                 |   |
| At 31 January 2022                     | 283,911                                 |
| At 31 January 2021                     | 283,911                                 |

# MARKLOGIC (UK) LIMITED

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

### 14 Subsidiaries

Details of the company's subsidiaries at 31 January 2022 are as follows:

| Name of undertaking           | Registered office | Nature of business          | Class of shares held | % Held |          |
|-------------------------------|-------------------|-----------------------------|----------------------|--------|----------|
|                               |                   |                             |                      | Direct | Indirect |
| MarkLogic (Germany) GmbH      | a)                | Sales marketing and support | Ordinary             | 100.00 | -        |
| MarkLogic (Netherlands) B.V.  | b)                | Sales marketing and support | Ordinary             | 100.00 | -        |
| MarkLogic Australia Pty. Ltd. | c)                | Sales marketing and support | Ordinary             | 100.00 | -        |
| MarkLogic Canada Ltd.         | d)                | Support                     | Ordinary             | 100.00 | -        |
| MarkLogic France SAS          | e)                | Sales marketing and support | Ordinary             | 100.00 | -        |
| MarkLogic K.K.                | f)                | Sales marketing and support | Ordinary             | 100.00 | -        |
| MarkLogic Philippines Corp.   | g)                | Sales marketing and support | Ordinary             | 100.00 | -        |
| MarkLogic Singapore Pte. Ltd. | h)                | Sales marketing and support | Ordinary             | 100.00 | -        |

The investments in subsidiaries are all stated at cost.

- a) Neue Mainzer Straße 66, 60311 Frankfurt am Main, Germany
- b) Amstelveenseweg 500, Amsterdam, 1081 KL, Netherlands
- c) 58 Gipps Street, Collingwood, Victoria 3066, Australia
- e) 12-14 Rond-Point des Champs Elysées Marcel Dassault, 5e étage, 75008 Paris, France
- f) Jingumae Tower Building, 13F, 1-5-8 Jingumae, Shibuya-ku, Tokyo 150-0001, Japan
- g) 7/F Glorietta 4, Ayala Center, Makati City 1224, Philippines
- h) 4 Robinson Road, #05-01, The House of Eden, Singapore 048543

### 15 Debtors

|  | Group<br>2022    | 2021             | Company<br>2022 | 2021           |
|--|------------------|------------------|-----------------|----------------|
|  | £                | £                | £               | £              |
| <b>Amounts falling due within one year:</b>          |                  |                  |                 |                |
| Corporation tax recoverable                          | 82,314           | 304,113          | 7,562           | -              |
| Amounts owed by group undertakings                   | 100,770          | -                | 104,171         | 104            |
| Other debtors  | 194,980          | 363,630          | 16,153          | 24,414         |
| Prepayments and accrued income                       | 1,531,733        | 1,473,674        | 681,020         | 580,326        |
|  | <u>1,909,797</u> | <u>2,141,417</u> | <u>808,906</u>  | <u>604,844</u> |
| Deferred tax asset (note 17)                         | 45,127           | 66,941           | 1,738           | 3,397          |
|  | <u>1,954,924</u> | <u>2,208,358</u> | <u>810,644</u>  | <u>608,241</u> |
| <b>Amounts falling due after more than one year:</b> |                  |                  |                 |                |
| Other debtors  | -                | 416,158          | -               | 112,063        |
|  | <u>-</u>         | <u>416,158</u>   | <u>-</u>        | <u>112,063</u> |
| <b>Total debtors</b>                                 | <u>1,954,924</u> | <u>2,624,516</u> | <u>810,644</u>  | <u>720,304</u> |

# MARKLOGIC (UK) LIMITED

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

### 16 Creditors: amounts falling due within one year

|                                    | Group<br>2022<br>£ | 2021<br>£        | Company<br>2022<br>£ | 2021<br>£        |
|------------------------------------|--------------------|------------------|----------------------|------------------|
| Trade creditors                    | 63,174             | 20,165           | 40,512               | 2,709            |
| Amounts due to group undertakings  | 1,649,604          | 2,312,060        | 1,361,193            | 1,475,540        |
| Corporation tax payable            | 101,251            | 144,173          | -                    | 44,320           |
| Other taxation and social security | 347,435            | 455,459          | 67,081               | 148,298          |
| Deferred income                    | 10,326             | 10,841           | -                    | -                |
| Other creditors                    | 837                | 280,998          | -                    | 636              |
| Accruals                           | 978,968            | 1,137,934        | 254,170              | 487,856          |
|                                    | <u>3,151,595</u>   | <u>4,361,630</u> | <u>1,722,956</u>     | <u>2,159,359</u> |

### 17 Deferred taxation

The major deferred tax liabilities and assets recognised by the Group and Company are:

| Group                                | Liabilities<br>2022<br>£ | Liabilities<br>2021<br>£ | Assets<br>2022<br>£ | Assets<br>2021<br>£  |
|--------------------------------------|--------------------------|--------------------------|---------------------|----------------------|
| Accelerated capital allowances       | 250                      | 3,513                    | 5,293               | 1,893                |
| Short term timing differences        | 3,618                    | -                        | 39,834              | 65,048               |
|                                      | <u>3,868</u>             | <u>3,513</u>             | <u>45,127</u>       | <u>66,941</u>        |
| Company                              | Liabilities<br>2022<br>£ | Liabilities<br>2021<br>£ | Assets<br>2022<br>£ | Assets<br>2021<br>£  |
| Accelerated capital allowances       | 250                      | 3,513                    | -                   | -                    |
| Short term timing differences        | -                        | -                        | 1,738               | 3,397                |
|                                      | <u>250</u>               | <u>3,513</u>             | <u>1,738</u>        | <u>3,397</u>         |
|                                      |                          |                          | Group<br>2022<br>£  | Company<br>2022<br>£ |
| Movements in the year:               |                          |                          |                     |                      |
| Liability/(Asset) at 1 February 2021 |                          |                          | (63,428)            | 116                  |
| Charge/(credit) to profit or loss    |                          |                          | 22,169              | (1,604)              |
| Asset at 31 January 2022             |                          |                          | <u>(41,259)</u>     | <u>(1,488)</u>       |

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

# MARKLOGIC (UK) LIMITED

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

### 18 Retirement benefit schemes

|   | 2022    | 2021    |
|---|---------|---------|
|   | £       | £       |
| <b>Defined contribution schemes</b>                                 |         |         |
| Charge to profit or loss in respect of defined contribution schemes | 313,477 | 590,579 |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. At the year end there was an amount of £6,951 (2021: £17,881) outstanding and included within accruals.

### 19 Share capital

|                               | Group and Company |        |      |      |
|-------------------------------|-------------------|--------|------|------|
|                               | 2022              | 2021   | 2022 | 2021 |
|                               | Number            | Number | £    | £    |
| <b>Ordinary share capital</b> |                   |        |      |      |
| <b>Issued and fully paid</b>  |                   |        |      |      |
| Ordinary share of £1 each     | 1                 | 1      | 1    | 1    |

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

### 20 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 21 Cash (absorbed by)/generated from group operations

|  | 2022            | 2021             |
|--|-----------------|------------------|
|  | £               | £                |
| Profit for the year after tax                        | 423,166         | 584,062          |
| <b>Adjustments for:</b>                              |                 |                  |
| Taxation charged                                     | 170,126         | 355,419          |
| Finance costs  | 890             | 9,320            |
| Investment income                                    | (130)           | (897)            |
| Loss on disposal of tangible fixed assets            | 333             | 11,280           |
| Depreciation and impairment of tangible fixed assets | 57,656          | 137,421          |
| Foreign exchange gains                               | (50)            | (550)            |
| <b>Movements in working capital:</b>                 |                 |                  |
| Decrease in debtors                                  | 99,496          | 831,023          |
| Decrease in creditors                                | (828,167)       | (180,732)        |
| Decrease in deferred income                          | (515)           | (4,184)          |
| <b>Cash (absorbed by)/generated from operations</b>  | <b>(77,195)</b> | <b>1,742,162</b> |

# MARKLOGIC (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2022

#### 22 Analysis of changes in net funds - group

|                          | 1 February<br>2021<br>£ | Cash flows<br>£ | Exchange rate<br>movements<br>£ | 31 January<br>2022<br>£ |
|--------------------------|-------------------------|-----------------|---------------------------------|-------------------------|
| Cash at bank and in hand | 6,688,749               | (48,373)        | (197,666)                       | 6,442,710               |

#### 23 Operating lease commitments

##### Lessee

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

|                 | Group<br>2022<br>£ | 2021<br>£ | Company<br>2022<br>£ | 2021<br>£ |
|-----------------|--------------------|-----------|----------------------|-----------|
| Within one year | -                  | 5,383     | -                    | -         |

#### 24 Events after the reporting date

On January 3, 2023, Progress (NASDAQ: PRGS) announced its intention to acquire MarkLogic. Progress is a publicly traded company headquartered just outside of Boston, MA. Progress has annual revenues of over USD \$600M, a market cap of over \$2B and has a worldwide presence with more than 2,000 employees in 20+ countries. Progress' mission is to be the trusted provider of the best products to develop, deploy and manage high-impact applications. The acquisition is slated to finalize on February 7, 2023.

#### 25 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel of the group is as follows:

|                        | 2022<br>£ | 2021<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 530,369   | 976,884   |

#### 26 Controlling party

The directors regard Vector Maven Holdings, Inc., a company incorporated in the United States of America and duly organised under the laws of the state of Delaware, to be the ultimate parent undertaking.

The directors regard MarkLogic Corporation, a company incorporated in the United States of America and duly organised under the laws of the state of Delaware, to be the immediate parent undertaking and the largest group for which consolidated financial statements are prepared. The registered address of MarkLogic Corporation is 999 Skyway Road, Suite 200, San Carlos, California, CA 94070, USA.

The smallest group for which consolidated financial statements are prepared is that of MarkLogic (UK) Limited and can be found on pages 8 to 27.

The directors consider there to be no ultimate controlling party.