

Company Registration No. 07042994 (England and Wales)

PALANTIR TECHNOLOGIES UK, LTD.
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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PALANTIR TECHNOLOGIES UK, LTD

COMPANY INFORMATION

Directors	A C Karp D L Bethlehem
Secretary	F&L Cosec Limited
Company number	07042994
Registered office	8 Lincoln's Inn Fields London United Kingdom WC2A 3BP
Independent auditors	Ernst & Young LLP Barony House Stoneyfield Business Park Inverness IV2 7PA

PALANTIR TECHNOLOGIES UK, LTD

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PALANTIR TECHNOLOGIES UK, LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Business Review

The principal activity of Palantir Technologies UK, Ltd ("the Company") during the year was that of a technology consultancy firm.

The compensation received by the Company for the provision of the marketing and sales services is calculated as attributable costs plus a mark-up percentage of service fee that is being periodically reviewed and adjusted as deemed appropriate to maintain an arm's-length rate of compensation. For the year 2014 the service fee percentage amounted to 7% (2013: 7%).

In the year, the Company achieved turnover of £25,349,925 (2013 restated: £17,701,945), an increase of 43% over the previous year and administrative expenses for the year amounted to £22,881,920 (2013 restated: £14,764,669), an increase of 55% over the previous year. Profit on ordinary activities before taxation amounted to £1,341,823 (2013 restated: £1,254,231), an increase of 7% caused by the higher compensation received by the Company due to the increased administrative expenses for the year.

During the year the Company no longer qualified as a small company and no longer prepares its accounts under the Financial Reporting Standard for Smaller Entities. This change requires a restatement of 2013 as a result of adopting FRS 20, details of which are given in note [8].

Key Performance indicators ("KPI's")

Given the straight forward nature of the business in that all turnover arises from a cost plus arrangement with the parent company, the Company's directors are of the opinion that analysis using KPI's is not necessary for an undertaking of the development, performance or position of the business.

Principal risks and uncertainties

The management of the business and the execution of Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the intense competition the Company faces in the market and the availability of sufficient financial or other resources to maintain or improve the Company's competitive position.

PALANTIR TECHNOLOGIES UK, LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Financial risk management

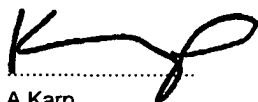
The Company's operations expose it to a variety of financial risks that primarily include foreign currency exchange risk. A portion of the Company's administrative expenses are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency rates, particularly changes in the following:

- o Euro
- o US Dollar

Additionally, fluctuations in foreign currency exchange rates may cause the Company to recognize transaction gains and losses in the Profit and Loss Account. To date, foreign currency transaction gains and losses and exchange rate fluctuations have not been material to the Company's financial statements and the Company has not engaged in any foreign currency hedging transactions.

As the Company operations grow, the Company risk associated with fluctuation in currency rates will become greater and the Company will continue to reassess the approach to managing this risk.

Approved by the Board of Directors and signed on behalf of the Board



A Karp
Director

Date: November 10, 2015

PALANTIR TECHNOLOGIES UK, LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and Dividends

The Company's trading profit for the year, after taxation was £990,400 (2013 restated: £783,592).

The directors do not recommend payment of an ordinary dividend.

Directors

The directors who served during the year were:

A C Karp

D L Bethlehem

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PALANTIR TECHNOLOGIES UK, LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the current directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force.

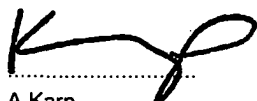
Strategic report

The directors have chosen in accordance with section 414C (ii) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the Company.

Future developments

The Company is expected to continue with the provision of consultancy services in the near future.

On behalf of the board,



A Karp
Director

Date: November 10, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PALANTIR TECHNOLOGIES UK, LTD.

We have audited the financial statements of Palantir Technologies UK, Ltd. for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PALANTIR TECHNOLOGIES UK, LTD.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Eunice McAdam (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Inverness

Date: November 10th, 2015

PALANTIR TECHNOLOGIES UK, LTD.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

Profit and Loss Account For Year Ended 31 December 2014

		Year ended 31 December 2014	Year ended 31 December 2013 as restated
	Notes	£	£
Turnover	3	25,349,925	17,701,945
Cost of sales		1,126,182	1,683,051
Gross profit		24,223,743	16,018,894
Administrative expenses		22,881,920	14,764,669
Interest receivable and similar income		-	6
Profit on ordinary activities before taxation	4	1,341,823	1,254,231
Tax on profit on ordinary activities	7	351,423	470,639
Profit for the year	16	990,400	783,592

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

PALANTIR TECHNOLOGIES UK, LTD.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of Total Recognised Gains and Losses

For Year Ended 31 December 2014

		Year ended 31 December 2014	Year ended 31 December 2013 as restated
	Notes	£	£
Profit for the financial year		990,400	783,592
Prior year adjustment	8	19,933	-
Total gains and losses recognised since last annual report		1,010,333	783,592

PALANTIR TECHNOLOGIES UK, LTD.

BALANCE SHEET

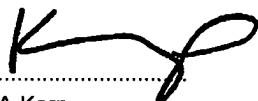
AS AT 31 DECEMBER 2014

Balance Sheet

As At 31 December 2014

		As at 31 December 2014 £	As at 31 December 2013 as restated £
Fixed assets	Notes		
Tangible assets	9	1,884,346	2,306,574
Security deposits		1,999,672	1,823,200
		<u>3,884,018</u>	<u>4,129,774</u>
Current assets			
Debtors	10	5,702,634	17,638,566
Cash at bank and in hand		7,928,778	3,670,797
		<u>13,631,412</u>	<u>21,309,363</u>
Creditors: amounts falling due within one year	11	14,282,868	23,687,218
Net current liabilities		(651,456)	(2,377,855)
Total assets less current liabilities		3,232,562	1,751,919
Creditors: amounts falling due after more than one year	12	1,086,256	596,013
Total assets less total liabilities		<u>2,416,306</u>	<u>1,155,906</u>
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account	16	2,416,306	1,155,906
Shareholders' funds		<u>2,416,306</u>	<u>1,155,906</u>

Approved by the Board for issue on November 10, 2015



A Karp
Director

Company Registration No. 07042994

PALANTIR TECHNOLOGIES UK, LTD.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

Cash flow statement

For Year Ended 31 December 2014

		Year ended 31 December 2014	Year ended 31 December 2013 as restated
	Notes	£	£
Cash flow from operating activities			
Cash flow from operating activities	17	4,787,551	4,444,720
Taxation		(351,423)	(470,639)
Net cash flow from operating activities		4,436,128	3,974,081
Cash flow from investing activities			
Returns on investments and servicing of finance	18	-	6
Capital expenditure and financial investment	18	(178,147)	(2,184,039)
Net cash flow from investing activities		(178,147)	(2,184,033)
Net increase in cash and cash equivalents		4,257,981	1,790,048
Cash and bank balances at beginning of the year		3,670,797	1,880,749
Cash and bank balances at the end of the year		7,928,778	3,670,797

PALANTIR TECHNOLOGIES UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis as the Company's parent company has indicated their continued financial support of the Company. Should this support be withdrawn, then all the Company's assets would have to be restated at their net realisable values and its liabilities would have to be treated as falling due on demand.

1.2 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the applicable United Kingdom Accounting Standards.

1.3 Changes in accounting policies

In preparing the financial statements for the current year the Company has adopted FRS 20 'Share-based payment' (IFRS 2).

FRS 20 'Share-based payment' (IFRS 2) requires the recognition of expenses for equity-settled share-based payments based on the estimated fair value on the grant date for awards to employees. Prior to the adoption of FRS 20, the Company did not recognise the financial effect of share-based payments until such payments were settled.

In accordance with the transitional provisions of FRS 20, the Standard has been applied retrospectively to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006.

1.4 Turnover

Turnover represents commission income earned in the year from the parent company for providing sales and marketing services. Turnover is recognised on a cost plus 7% basis. Turnover from external sales is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Turnover from software license fees and post-contract technical support is recognised over the relevant license or service period.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions payable for the period are charged in the Profit and Loss Account.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

PALANTIR TECHNOLOGIES UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Profit and Loss Account.

1.9 Share-based payments

The ultimate parent company, Palantir Technologies Inc. issues equity settled share based payments to certain Palantir Technologies UK, Ltd. employees. In accordance with FRS 20 'Share-based payment' (IFRS 2), the Company reflects the economic cost of rewarding stock options to employees by recording an expense in respect of the services received from employees in the Profit and Loss Account at an amount equal to the fair value of the awarded stock option. Stock option awards granted under the plan are determined by the Black-Scholes option pricing model. Fair value measured using the Black-Scholes option pricing model takes into account the following inputs:

- the exercise price of the option;
- the fair value of the underlying common stock;
- the expected life of the option;
- the expected volatility of the share price;
- the expected dividend yield;
- the risk free interest rate

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural conditions.

The expense is recognized on an accelerated basis over the period in which the services are received by the Company ("the vesting period"). An assessment of the number of stock option awards which are expected to vest is made at the end of each reporting period and any adjustments to the expected charge relating to those stock option awards are made in the current period.

2 Fixed assets

Property and equipment are stated at cost less accumulated depreciation and amortisation. Depreciation is provided using the straight-line method over estimated useful lives of the respective assets, generally three years. Leasehold improvements are amortised over the shorter of the estimated useful lives of the leased assets or the lease term. Construction in progress is not depreciated. Maintenance and repairs are charged to expense as incurred, and improvements are capitalised. When assets are retired or otherwise disposed of, the cost and accumulated depreciation and amortisation are removed from the accounts, and any resulting gain or loss is reflected in the Profit and Loss Account for the period realised.

3 Turnover

	2014	2013 as restated
United States of America	98%	99%

98% of the Company's turnover (2013 restated – 99%) is attributable to geographical markets outside of the United Kingdom.

4 Operating profit

	2014	2013 as restated
Operating profit is stated after charging/ (crediting):	£	£
Foreign exchange	316,581	(199,095)
Auditors' remuneration	21,000	19,000
Depreciation	603,249	315,233

PALANTIR TECHNOLOGIES UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

5 Directors Remuneration	2014	2013 as restated
	£	£
Aggregate Remuneration	38,784	6,000

During the year, retirement benefits were accruing to one director (2013 - £6,000) in respect of defined contribution pension schemes.

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2014	2013 as restated
	Number	Number
Cost of revenue	1	-
Sales and marketing	81	51
General and administrative	15	6
	<u>97</u>	<u>57</u>

Employment costs	2014	2013 as restated
	£	£
Wages and salaries	8,173,466	4,687,965
Social security costs	1,067,313	622,981
Other pension costs	460,242	283,365
Stock compensation	3,338,748	1,800,749
	<u>13,039,769</u>	<u>7,395,060</u>

None of the directors were employed by the Company.

7 Taxation	2014	2013 as restated
	£	£
Domestic current year tax		
U.K. corporation tax	977,076	721,625
Adjustment for prior years	5,576	38,120
Foreign tax (relief)	(13,328)	(27,568)
	<u>969,324</u>	<u>732,177</u>
Foreign tax suffered	43,831	56,720
Total current tax	<u>1,013,155</u>	<u>788,897</u>
Deferred tax		
Origination and reversal of timing differences	(557,026)	(362,308)
Adjustment in respect of previous periods	(143,403)	(7,843)
Effect of changes in tax rate	38,697	51,893
Total deferred tax	<u>(661,732)</u>	<u>(318,258)</u>
Taxation on profit on ordinary activities	<u>351,423</u>	<u>470,639</u>

PALANTIR TECHNOLOGIES UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

7 Taxation (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax 21.49%. The differences are explained below:

	2014	2013 as restated
	£	£
Profit/(loss) on ordinary activities before tax	1,341,823	1,254,231
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013: 23.25%)	288,400	291,564
Effects of:		
Expenses not deductible for tax purposes	52,755	50,433
Capital allowances for period in excess of depreciation	(1,634)	(29,342)
Movement in short term timing differences	-	(5,628)
Higher tax rates on overseas earnings	30,503	29,152
Adjustments to tax charge in respect of previous periods	5,576	38,120
Share option timing differences	637,555	414,598
Current tax charge for the year	1,013,155	788,897

The provision for deferred taxation provided in the financial statements is as follows:

	2014	2013 as restated
	£	£
Accelerated capital allowances	(115,370)	27,582
STTDs - trading	(905,390)	(347,913)
Effect of changes in tax rate	38,697	-
	(982,063)	(320,331)

As at 31 December 2014, the Company had a deferred tax asset of £982,063 (2013 restated: asset of £320,331).

8 Prior period adjustments

The prior year adjustment relates to the adoption of FRS 20 'Share-based payment' (IFRS 2) in the year. The Company had not previously adopted this Financial Reporting Standard. This was as a result of the Company no longer being eligible to prepare its financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

For the year ended 31 December 2013, the change in accounting policy has increased the turnover by £1,926,802; increased the share based payments expense by £1,800,749; increased the tax charge by £106,120; increased the intercompany debtor by £126,053; increased net deferred tax asset/liability by £341,795; and increased the corporation tax creditor by £479,922. This resulted in a net credit to the Profit and Loss Account of £19,933. The prior year adjustment has been made in accordance with the transitional provisions of FRS 20.

PALANTIR TECHNOLOGIES UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed assets

	Computers and Equipment	Software	Furniture and Fixtures	Leasehold Improve- ments	Construc- tion in Progress	Total
	£	£	£	£	£	£
Cost						
At 1 January 2014	181,946	619	246,337	2,075,400	143,115	2,647,417
Additions	-	618	-	177,929	-	178,547
Transfers between classes	-	-	-	94,097	(94,097)	-
FX Translation	(178)	-	(222)	-	-	(400)
At 31 December 2014	<u>181,768</u>	<u>1,237</u>	<u>246,115</u>	<u>2,347,426</u>	<u>49,018</u>	<u>2,825,564</u>
Depreciation						
At 1 January 2014	74,370	237	79,034	187,202	-	340,843
Charge for the period	22,195	350	91,139	486,945	-	600,629
FX Translation	(113)	-	(141)	-	-	(254)
At 31 December 2014	<u>96,452</u>	<u>587</u>	<u>170,032</u>	<u>674,147</u>	<u>-</u>	<u>941,218</u>
Net book value						
At 31 December 2014	<u>85,316</u>	<u>650</u>	<u>76,083</u>	<u>1,673,279</u>	<u>49,018</u>	<u>1,884,346</u>
At 1 January 2014	<u>107,576</u>	<u>382</u>	<u>167,303</u>	<u>1,888,198</u>	<u>143,115</u>	<u>2,306,574</u>

10 Debtors

	2014	2013 as restated
	£	£
Trade debtors	-	371,700
Amounts owed by group undertakings	2,620,853	16,115,424
Other debtors	369,686	319,737
Prepayments and accrued income	1,730,032	511,374
Deferred tax asset	982,063	320,331
Total Debtors	<u>5,702,634</u>	<u>17,638,566</u>

PALANTIR TECHNOLOGIES UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

11 Creditors: amounts falling due within one year	2014	2013 as restated
	£	£
Trade creditors	460,856	358,566
Amounts owed to group undertakings	9,439,849	20,899,627
Corporation tax	1,216,557	715,201
Accruals and deferred income	3,165,606	1,713,824
	<u>14,282,868</u>	<u>23,687,218</u>

12 Creditors: amounts falling due after more than one year	2014	2013 as restated
	£	£
Accrued rent	1,086,256	596,013

13 Pension costs

Contributions totaling £47,533 (2013: £29,559) were payable to pension funds at the balance sheet date and are included in the accruals and deferred income line item in Note 11.

14 Share-based payments

The ultimate parent company, Palantir Technologies Inc. issues equity settled share based payments to certain Palantir Technologies UK, Ltd. employees. In accordance with FRS 20 'Share-based payment' (IFRS 2), the Company reflects the economic cost of rewarding stock options to employees by recording an expense in respect of the services received from employees in the Profit and Loss Account at an amount equal to the fair value of the awarded stock option.

The expense is recognized on an accelerated basis over the period in which the services are received by the Company ("the vesting period"). An assessment of the number of stock option awards which are expected to vest is made at the end of each reporting period and any adjustments to the expected charge relating to those stock option awards are made in the current period.

During the year ended 31 December 2014, the Company employees participated in the parent company share based payment arrangement, which is described below:

	2014	2013 as restated
Plan(s)	2006 & 2010 Stock Option Plan	2006 & 2010 Stock Option Plan
Dates granted	17 March 2014, 24 June 2014, 5 May 2014, 1 October 2014 and 19 December 2014	11 February 2013, 3 April 2013 and 17 October 2013
Number granted	4,464,750	2,062,500
Contractual life	10 years	10 years
Number of employees in scheme	106	41
Vesting conditions	20% after 1 year then 1/60th per month thereafter	20% after 1 year then 1/60th per month thereafter

PALANTIR TECHNOLOGIES UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

14	Share-based payments (continued)	2014	2013 as restated
		Number of Options 2006 & 2010 Stock Option Plan	Number of Options 2006 & 2010 Stock Option Plan
	Outstanding at start of year	7,073,055	3,579,950
	Granted	4,464,750	2,062,500
	Forfeited/ cancelled	(503,780)	(157,168)
	Exercised	(189,274)	(50,400)
	Transfers in/out	1,470,379	1,638,173
	Outstanding at end of year	12,315,130	7,073,055
	Exercisable at end of year	10,244,415	6,164,568

Share option expense for the year ending 31 December 2014 was £3,338,748 (2013: £1,800,749). Share options outstanding as at 31 December 2014 have a weighted average exercise price of \$3.28 (2013 restated: \$2.88).

15	Share capital	2014	2013 as restated
		£	£
	Allotted, called up and fully paid		
	1 Ordinary share of \$0.01	-	-

16 Statement of movements on the Profit and Loss Account and shareholders' funds

	Profit and Loss Account	Shareholders' Funds
	£	£
Balance at 31 December 2013 as previously reported	1,135,973	1,135,973
Prior year adjustment	19,933	19,933
Balance at 31 December 2013 as restated	1,155,906	1,155,906
Profit for the year	990,400	990,400
Balance at 31 December 2014	2,146,306	2,146,306

17 Cash flow from operating activities

	2014	2013 as restated
	£	£
Operating profit	1,341,823	1,254,231
Depreciation of tangible fixed assets	600,375	313,409
Decrease/(increase) in security deposits	(176,471)	(1,326,426)
Decrease/(increase) in debtors	11,935,932	(10,641,252)
Increase/(decrease) in creditors	(8,914,108)	14,844,758
Net cash inflow from operating activities	4,787,551	4,444,720

PALANTIR TECHNOLOGIES UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

18 Cash flow from investing activities

	2014	2013
	£	as restated £
Returns on investments and servicing of finance		
Interest received	-	6
Net cash outflow from returns on investments and servicing of finance	<u>-</u>	<u>6</u>
 Capital expenditure and financials investment		
Purchase of tangible fixed assets	(178,147)	(2,184,039)
Net cash outflow from capital expenditure	<u>(178,147)</u>	<u>(2,184,039)</u>

19 Operating lease commitments

At 31 December 2014 the Company was committed to making the following payments under non-cancellable operating leases:

Operating leases which expire:

	2014	2013
	£	as restated £
Within one year	273,821	183,181
Between two and five years	<u>2,284,675</u>	<u>1,744,660</u>

20 Control

The directors consider Palantir International, Inc., a company registered in the USA, to be the immediate parent company by virtue of its shareholding in the Company.

The directors consider Palantir Technologies, Inc., a company registered in the USA, as the ultimate parent company and controlling party by virtue of its shareholding in the parent company.

21 Related party relationships and transactions

During the year the company entered into transactions with its parent company, Palantir Technologies Inc, and other entities within that group as follows:

	2014	2013
	£	as restated £
Intercompany Receivable	2,620,853	16,115,424
Intercompany Payable	9,439,849	20,899,627
Intercompany Commission	24,886,677	17,505,342