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# 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A P Jenkins J C Larsen S D Somani (appointed 12 May 2021) W Abecassis (appointed 12 May 2021, resigned 25 March 2022) C J Hess (appointed 28 June 2021) T Holmes (resigned 28 June 2021) V Gambale (appointed 7 February 2022)
<b>Company secretary</b>	R A Given
<b>Registered number</b>	10411015 (England and Wales)
<b>Registered office</b>	1st Floor 5 Howick Place London SW1P 1WG
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG
<b>Bankers</b>	Silicon Valley Bank Alphabeta 14-18 Finsbury Square London EC2A 1BR
<b>Solicitors</b>	DLA Piper UK LLP 160 Aldersgate Street London EC1A 4HT

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**

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## 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Principal activities

The principal activities of the Company are unchanged from last year. 10x Banking Technology Holdings Limited (the "Company") is the holding company of a number of wholly owned subsidiaries (the "Group");

- 10x Banking Technology Services Limited - provision of operating services to the rest of the Group;
- 10X Banking Technology IP Holding Limited - provision of services to the financial services industry;
- 10x Banking Technology Limited - accumulation of intellectual property and provision of services to the financial services industry;
- 10x Banking Technology UK Limited - representing a holding company for 10x Future Technologies Pty Limited and 10x Future Technologies LLC;
- 10x Future Technologies Pty Limited - provision of services to the financial services industry in Australia, offering the Group's services to clients in that location; and
- 10x Future Technologies LLC Limited – provision of services to the financial services industry in the US.

In August 2021, 10x Future Technologies (London) Limited, which was a wholly owned subsidiary in 2020, was dissolved.

In the year, 10x Group underwent a rebranding exercise, renaming all UK entities with "Banking Technology" from "Future Technologies".

#### Review of business

2021 was a pivotal year for 10x Group as we successfully brought our two foundational clients into live service, in two continents. In the last quarter of the year, the Chase UK Bank launched, with JP Morgan Chase officially announcing their partnership with 10x. Followed by the launch of Westpac's banking as a service utilizing the 10x platform with Afterpay as the first partner. The Group also onboarded a new client in a new geography.

In July 2021, 10x Group successfully completed an oversubscribed Series C fundraise, raising £132.5m and bringing onboard two new investors: Blackrock and CPPIB. The successful fundraise demonstrates a confidence in the Group's ability to become a successful global banking software provider.

10x Group is utilising the fundraise as an opportunity to further invest in the expansion of the Supercore product offering. Concurrently, with the move into live service, the Group has begun to rationalise its operations. Accordingly, operating costs were £87.6m (2020: £100.0 m). Similarly, total income for the year was £38.4m (2020: £73.2m), reflecting the transition from fees received for development into recurring revenue from solid growth in our clients' customers on the 10x platform. Overall, the loss for the year was £43.7m (2020: £21.3m).

The Group continued to promote a remote-first model of working in the context of the global COVID-19 pandemic. In line with last year, the Group continued to leverage digital tools to assist this and found minimal impact on productivity overall. 10x did not take any government grants or support during the pandemic, and continues to keep in close contact with suppliers, clients and employees to ensure that the Group is able to focus on business priorities.

At the close of the year, net assets were £104.4m (2020: £19.3m) mainly consisting of £104.4m of cash in bank and in hand (2020 £18.4m). 10x monitors revenue, operating costs, cash and net assets as key performance indicators.

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## 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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#### Future developments

The 10x mission statement is for the Group to be the global bank operating system of choice; enabling banks to deliver products to market 10x faster at a 10x lower cost to serve and reliably underpinning the service of a billion banking customers.

10x is looking forward to building on the momentum of our two successful initial public launches this year. Looking into 2022 and beyond, the Group expects to see an increase in recurring revenue as more customers are onboarded onto the 10x SuperCore by Chase and Westpac and as well as other future clients. The Group will continue to prioritise long-term recurring revenue over in-year revenue growth. In order to ensure we achieve our mission statement, the Group will use our Series C fundraising to further invest in our SuperCore product roadmap, and to ensure that our platform remains stable and efficient with the ability for significant scale. Accordingly, 10x expects that costs will largely remain in line with 2021.

With a clear and defined pipeline of activity, and the challenges of the COVID-19 pandemic highlighting the need for organisations to invest heavily in digital tools, the Directors are confident that 10x will continue as a going concern for the foreseeable future being at least beyond 12 months from the date of this report.

#### Governance structure

The Board of Directors is responsible for the strategic direction of the business, and through 2021 was comprised of:

Executive Chair – Antony Jenkins; and  
Non-Executive Director – Jonathan Larsen.

10x appointed Chief Operating Officer Curt Hess as a director on 28 June 2021. Chief Business Development Officer, Tam Holmes, also resigned as a Director on this date. Following the Group's successful Series C fundraise, 10x welcomed two new non-executive directors on 12 May 2021, Sanjiv Somani and William Abecassis. Following the 2021 year-end, 10x welcomed Virginia Gambale as non-executive director on 7 February 2022. William Abecassis resigned as a director on 25 March 2022.

During 2021, operational running of the business was supported by an Executive Committee which comprises:

- Executive Chair
- Chief Operating Officer;
- Chief Client Officer;
- Chief Product and Engineering Officer;
- Chief Information Security Officer;
- Director of Product and Engineering;
- Director of Engineering;
- Chief Financial Officer;
- Chief People Officer;
- Chief Marketing Officer; and
- General Counsel/ Company Secretary.

In order to support our growth plans going into 2022 the Group also set up a Board Audit and Risk Committee and Compensation Committee in November 2021.

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## 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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#### Risk management framework

The Group has an enterprise-wide approach to risk management, based on a "three lines of defence" model; which establishes the standards, objectives and responsibilities for all material sources of risk to which 10x may be exposed. The risks are systematically identified, recorded, assessed and managed under the following key risk areas:

- Business and Strategic – risk of failure of business model;
- Client – risk of failure to achieve growth targets, failure to comply with obligations as set out in client contracts or not pricing our products competitively;
- Marketing – risks that arise from unclear / inaccurate marketing or communications to our customers and stakeholders;
- Platform – risks from software development not meeting the functional requirements (market or existing clients), delivery to timeline and budget, to software release potentially introducing defects / vulnerabilities;
- Engineering – risk of platform stability and reliability, risk of inability to scale platform to support the requirements of existing or new clients;
- Information Security – risk of client and / or customer information may be compromised or lost due to a security breach;
- Data – risk that 10x fails to comply with its obligation under privacy legislation;
- People – risk to not being able to attract and retain people with the right skills, capability, experience, including market salary inflation;
- Operational – risks that our organisational structure or governance is not optimal, and risks arising from third-parties;
- Legal and compliance – contractual and compliance risks with our suppliers and customers;
- Financial – relating to liquidity and capital risks, as well as the risks of non-compliance with laws and regulations or inaccurate forecasting or reporting; and

From a financial instrument perspective, we have considered the following risks as required under Companies Act Sch 7.6 (1):

- Credit Risk – Considered to be low for 10x due to the global strength and size of the Group's client base;
- Price Risk – Managed through continual review exercises, and a pricing working group to ensure control and effectiveness of pricing models; and
- Liquidity and Cash-Flow Risk – Robust cash-flow monitoring allows the group to maximise resources, ensuring it is always able to meet operational commitments. The Group have raised significant funds to date from our Series C fundraise, which further reduces this risk.

The Board of Directors defines the risk appetite for 10x and delegates management of the risk profile and the risk management framework to the Risk Management Committee.

The Risk Management Committee (RMC), supports the Board Risk & Audit Committee and acts as the steering group for enterprise risk management. The RMC is responsible for:

- setting the absolute commitment of 10x to effective risk management;
- ensuring that key risks are properly assessed and managed;
- providing direction and receiving assurance on the effectiveness of risk management;
- assigns an Executive Owner to take charge of monitoring and managing each risk category through regular detailed reviews.

10x is independently certified as compliant with ISO 27001:2013 and the AICPA, Trust Services Criteria: 2017 for Security and Availability (SOC2 Type 2).

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**


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


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**Human resources**

Central to 10x's being as an organisation is a belief in doing things in the right manner, and acting with integrity. We want to attract, develop and retain the brightest minds in our sector – but we try to do this in the right way – and make a meaningful impact on society more broadly. Our Human Resources & Impact teams work in partnership to ensure this.

At the core of our Impact agenda are the following three pillars: People, Community and Planet. From a People perspective, 10x were keen to promote discussion on societal issues with an inquisitive and open mindset, which included a deep dive on areas such as Black History Month and Mental Health awareness.

Our Equality, Diversity and Inclusion Committee has endeavoured to create an inclusive environment for all 10xers, and in year we continued to support and promote internal groups including our Pride Network, Black Professionals Group and 10x Women and Friends. Our commitment has been evidenced in 10x being nominated for an award in Diversity in Technology at the European Diversity Awards in 2021. In January 2022, it was also announced that 10x were nominated for two awards at the 2022 British Diversity Awards: Diversity Team of the Year and Diversity in Technology. 10x were delighted to go on to win the Diversity in Technology award.

10x operates an Employee Matching Scheme to encourage both fundraising and time supporting charities. Charity events 10xers donated to last year spanned events and organisations such as Macmillan, Movember, Children's Book Project and Save the Children.

Of crucial importance to 10x is the desire to create partnerships within the community in order to share valuable skills and knowledge. Our support includes, but is not limited to, Women on the Wharf, Women in Finance, Heart of the City and She Can Code. In the young careers space, 10x provides opportunities to all in the community, including supporting work experience programmes, internships and apprenticeships.

**Gender Diversity as at 31 December 2021**

Employee Type	Men	Women
Directors	3	0
Executive Committee*	8	3
Other Employees	298	91
Total	309	94

\*Note that two Directors also sit on the Executive Committee but have been excluded from these numbers as presented under the Directors line.

Further information on the split of employees by department can be found in Note 9 to the accounts.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**

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

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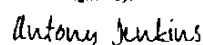
**Section 172(1) Statement - Directors' statement of compliance with duty to promote the success of the Company**

The Directors of 10x are committed to operating the Group in a way that promotes the success of the Group for the shareholders as a whole. The Directors work closely with the 10x Executive Committee to shape both long-term and short-term strategies, recognising that there is a need to balance the continual investment in future growth with a necessity to remain liquid and operational. 10x has continued to invest in research and development and its people to leverage growth in future years and to deliver high-quality services to our clients.

The 10x Executive Committee is committed to showing and demonstrating the culture valued by the Group, acknowledging the importance of communicating purpose and integrity throughout the entire organisation. 10x engages with its employees through regular open forums which allow the company to come together and discuss recent milestones, opportunities and challenges. During the period, the Group's leadership team strived to create an environment responsive to different cultures, groups and in all interactions with its people, partners, customers, visitors, suppliers and contractors across the communities 10x operates in. 10x recognises the importance of retaining staff members and has worked throughout 2021 to ensure that all employees feel that they are rewarded appropriately for their roles.

The Directors also work closely with the investors and clients, to keep them informed on performance and developments. Transparency is key for 10x and recognising the needs of our various stakeholders is a crucial factor that shapes our communications. Delivery is enhanced by individual client teams who are dedicated to promoting quality in our service. Similarly, 10x have a dedicated supplier management team that ensure high standards are maintained and industry best practices followed, recognising their importance in the delivery of our service and platform.

This report was approved by the board on 4 May 2022 and signed on its behalf.

DocuSigned by:  
  
AF77C567839D417  
**A P Jenkins**  
Director

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## 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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

#### Review of the business

Details of the review of business have been disclosed within the Strategic report on pages 1-5 and are included in this report by cross reference.

#### Results and dividends

The Group had a loss for the financial year of £43,709,032 (2020: £21,340,054). The net assets at the end of the financial year were £104,413,518 (2020: £19,254,251). No dividends were paid during the financial year (2020: £Nil).

The Company's profit for the financial year was £8,386 (2020: £165,510). The net assets at the end of the financial year were £201.5m (2020: £72.6m). No dividends were paid during the financial year (2020: £Nil).

#### Donations

No donations for political purposes were made during the year, including EU political donations (2020: £Nil).

#### Research and development

The Group's research and development activities are primarily concentrated on the provision of creative design and technological services to the finance industry. The receipt of a £5.5m tax credit for research and development allowed 10x to expand the capabilities offered through the 10x Supercore platform and evidenced the progress made towards providing an innovative core banking solution. For the year-ended 31 December 2021, research and development costs of £16.5m (2020: £16.6m) have been incurred by the group with the principal projects undertaken continuing to be the development of a banking platform ecosystem facilitating the interoperability of all financial services.

#### Directors' responsibilities statement

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

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

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

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

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## 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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

#### Directors

The Directors who served during the year were:

A P Jenkins  
J C Larsen  
S D Somani (appointed 12 May 2021)  
W Abecassis (appointed 12 May 2021)  
C J Hess (appointed 28 June 2021)  
T Holmes (resigned 28 June 2021)

#### Employees

It is core to 10x as an organisation that we treat our employees equitably, support them as far as possible, and aid their professional growth – rewarding them for great performance. Ensuring fairness begins during the hiring process, and we monitor various metrics and have various sense checks in place to ensure this is fairly & consistently applied.

Once employees join 10x, various resources are at the disposal of all employees to ensure that they have the appropriate career development and promotion opportunities. During 2021, 10x moved forward with development of an all-company career & capability framework to demonstrate progression opportunities, alongside continued investment in multiple best in class online learning systems to aid growth. 10x also introduced a structured and formal bi-annual performance and salary review process via the 15 Five platform.

The communication flow with employees has always been key for 10x to ensure that everyone is informed and has a full understanding of the 10x business. 10x has an all company Town Hall session on a weekly basis, and this is normally replicated on a smaller basis among the 3 main departments within the business; Product & Engineering, Client, Operations.

The Group runs bi-annual employee engagement surveys to gauge engagement on a deeper level, and will then communicate a list of actions to employees as follow ups. We will also ascertain engagement themes on a much more regular basis via our network of employee led action groups including our Equality, Diversity and Inclusion Committee, Black Professionals Group, Pride Network and 10x Women and Friends.

#### Engagement with employees

The communication flow with employees has always been key for 10x to ensure that everyone is informed and has a full understanding of the 10x business. 10x endeavours to use technology to leverage regular updates to employees, including weekly virtual Town Hall.

The priority for the Group in 2021 has been to consider employee wellbeing, particularly in the remote working environment. In order to ensure there has been a connection to employees, Directors and the Executive Committee have conducted weekly virtual town halls. This can be used to engage employees with all areas of the business, including discussions on strategy and objectives and key results (OKRs). 10x has also conducted anonymous employee culture and engagement surveys in the year in order to provide the forum for employees to raise concerns and identify areas for improvements. The learning points from these surveys have been evaluated by the newly formed Culture Action Team (CAT) who are committed to promoting an open and honest culture within the business and actions have been embedded into our OKRs.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**


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


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**Environment**

These disclosures have been made in accordance with the Streamlined Energy & Carbon Reporting guidelines. The data included covers the year ended 31 December 2021.

The data covers the energy usage in the UK for 10x Banking Technologies Limited only. All other entities are deemed outside the scope of the reporting requirements and are excluded from the figures provided.

UK Energy Consumption	Kg CO2e		Energy Usage (KwH)		Energy Usage (KwH) per employee (Annual Average)	
	2021	2020	2021	2020	2021	2020
Electricity (Scope 2)	19,532	17,913	91,989	76,833	256	293

*Methodology*

We have followed the guidance to the SECR in making these disclosures.

During the year, 10x Banking Technology Limited occupied two offices: one based in London and another in Leeds which opened during the year. Both locations are managed service offices where the facilities are managed by the leasing companies. The managed service teams have a dedicated energy consultant who were able to provide the electricity consumption figures using the current DEFRA factors.

*Energy efficient action taken*

10x continued to promote a remote-first approach to flexible working in the year. Accordingly, both UK offices were open for a limited amount of team collaboration, cognisant of COVID-19 requirements throughout the year.

While energy efficiency is centrally managed in both locations by the managed services team, the Group has focused heavily on promoting awareness within the offices on printing sustainability, recycling opportunities and other ways to reduce our environmental impact. In light of this, 10x set up a Sustainability Working Group during the year with the aim of measuring our full carbon footprint, taking into account working from home measures. During 2022, the Group will aim to further spread awareness on sustainability in the office with the view of ultimately creating a robust strategy for ESG.

**Engagement with suppliers, customers and others in a business relationship with the company and future developments**

Details of the Group's engagement with suppliers, customers and others in a business relationship with the company and future developments have been disclosed in the Strategic Report on pages 1-5 are included in this report by cross reference.

**Qualifying third party indemnity provisions**

No qualifying third party indemnity provisions for directors were in force during the financial year.

**Disclosure of information to auditor**

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

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

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**

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

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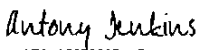
**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 4 May 2022 and signed on its behalf.

DocuSigned by:  
  
AF71C557638D417

**A P Jenkins**  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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### Opinion

We have audited the financial statements of 10x Banking Technology Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X BANKING TECHNOLOGY HOLDINGS LIMITED (CONTINUED)**

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**Conclusions relating to going concern (continued)**

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 and of 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.

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.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X BANKING TECHNOLOGY HOLDINGS LIMITED (CONTINUED)

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### Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

### Matters on which we are required to report by exception

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

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

### Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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 financial statements.

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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X BANKING TECHNOLOGY HOLDINGS LIMITED (CONTINUED)**

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**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates. We determined that the following laws and regulations were most significant in relation to these financial statements: FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006.
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to the management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes and audit procedures relevant to the ensuring compliance with these frameworks.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the client operates
  - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
    - the provisions of the applicable legislation
    - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
    - the applicable statutory provisions
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - obtaining an understanding of the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - challenging assumptions and judgments made by management in its significant accounting estimates;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 10X BANKING TECHNOLOGY HOLDINGS LIMITED (CONTINUED)

- held discussions with those outside the finance team including the entity's in-house legal representatives.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. None were noted.

### Use of our report

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

DocuSigned by:

A handwritten signature in blue ink, appearing to read 'Nicholas Watson'.

FDD6B3BEECCE428...

Nicholas Watson BSc ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London Finsbury

4 May 2022

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10X BANKING TECHNOLOGY HOLDINGS LIMITED

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CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2021

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	Note	2021 £	2020 £
Turnover	5	34,905,898	66,426,640
<b>Gross profit</b>		<b>34,905,898</b>	<b>66,426,640</b>
Administrative expenses		(87,596,558)	(100,007,327)
Other operating income	6	3,489,003	6,785,633
<b>Operating loss</b>	7	<b>(49,201,657)</b>	<b>(26,795,054)</b>
Interest receivable and similar income	10	8,630	1,763
<b>Loss before tax</b>		<b>(49,193,027)</b>	<b>(26,793,291)</b>
Tax on loss	11	5,483,995	5,453,237
<b>Loss for the financial year</b>		<b>(43,709,032)</b>	<b>(21,340,054)</b>
<b>Loss for the year attributable to:</b>			
Owners of the parent		(43,709,032)	(21,340,054)
		<b>(43,709,032)</b>	<b>(21,340,054)</b>

The notes on pages 22 to 37 form part of these financial statements.

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10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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	2021 £	2020 £
Loss for the financial year	(43,709,032)	(21,340,054)
<b>Total comprehensive income for the year</b>	<b>(43,709,032)</b>	<b>(21,340,054)</b>
<b>(Loss) for the year attributable to:</b>		
Owners of the parent Company	(43,709,032)	(21,340,054)
	<b>(43,709,032)</b>	<b>(21,340,054)</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated profit and loss account.

The notes on pages 22 to 37 form part of these financial statements.

**10X BANKING TECHNOLOGY HOLDINGS LIMITED**  
**REGISTERED NUMBER: 10411015**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	268,614	469,011
		<u>268,614</u>	<u>469,011</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	7,269,083	8,143,940
Cash at bank and in hand	17	104,409,567	18,357,845
		<u>111,678,650</u>	<u>26,501,785</u>
Creditors: amounts falling due within one year	18	(7,533,746)	(7,716,545)
<b>Net current assets</b>		<u>104,144,904</u>	<u>18,785,240</u>
<b>Total assets less current liabilities</b>		<u>104,413,518</u>	<u>19,254,251</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,942,647	1,418,497
Share premium account	21	194,539,192	67,388,750
Profit and loss account	21	(92,068,321)	(49,552,996)
		<u>104,413,518</u>	<u>19,254,251</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 May 2022.

DocuSigned by:

*Antony Jenkins*  
 AF77C557839D417  
**A P Jenkins**

Director

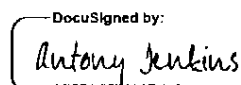
The notes on pages 22 to 37 form part of these financial statements.

**10X BANKING TECHNOLOGY HOLDINGS LIMITED**  
**REGISTERED NUMBER: 10411015**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Fixed asset investments	14	10,985,070	9,798,041
		<u>10,985,070</u>	<u>9,798,041</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	107,996,277	62,320,644
Cash at bank and in hand	17	82,510,311	496,288
		<u>190,506,588</u>	<u>62,816,932</u>
Creditors: amounts falling due within one year	18	(3)	(2)
<b>Net current assets</b>		<u>190,506,585</u>	<u>62,816,930</u>
<b>Total assets less current liabilities</b>		<u>201,491,655</u>	<u>72,614,971</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,942,647	1,418,497
Share premium account	21	194,539,192	67,388,750
Profit and loss account brought forward		3,807,724	3,384,802
Profit for the year		8,386	165,510
Other changes in the profit and loss account		1,193,706	257,412
		<u>5,009,816</u>	<u>3,807,724</u>
<b>Profit and loss account carried forward</b>		<u>201,491,655</u>	<u>72,614,971</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 May 2022.

DocuSigned by:  
  
 AF77C557839D417...  
**A P Jenkins**  
 Director

The notes on pages 22 to 37 form part of these financial statements.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**


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


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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	1,418,497	67,388,750	(49,552,996)	19,254,251
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(43,709,032)	(43,709,032)
<b>Total comprehensive income for the year</b>	-	-	(43,709,032)	(43,709,032)
Shares issued during the year	524,150	127,150,442	-	127,674,592
Share based payment charge	-	-	1,193,705	1,193,705
<b>At 31 December 2021</b>	<b>1,942,647</b>	<b>194,539,192</b>	<b>(92,068,321)</b>	<b>104,413,518</b>

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1,418,497	67,388,750	(28,470,354)	40,336,893
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(21,340,054)	(21,340,054)
<b>Total comprehensive income for the year</b>	-	-	(21,340,054)	(21,340,054)
Share based payment charge	-	-	257,412	257,412
<b>At 31 December 2020</b>	<b>1,418,497</b>	<b>67,388,750</b>	<b>(49,552,996)</b>	<b>19,254,251</b>

The notes on pages 22 to 37 form part of these financial statements.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**


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


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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	1,418,497	67,388,750	3,807,724	72,614,971
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	8,386	8,386
<b>Total comprehensive income for the year</b>	-	-	8,386	8,386
Shares issued during the year	524,150	127,150,442	-	127,674,592
Share based payment charge	-	-	1,193,706	1,193,706
<b>At 31 December 2021</b>	<b>1,942,647</b>	<b>194,539,192</b>	<b>5,009,816</b>	<b>201,491,655</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1,418,497	67,388,750	3,384,802	72,192,049
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	165,510	165,510
<b>Total comprehensive income for the year</b>	-	-	165,510	165,510
Share based payment charge	-	-	257,412	257,412
<b>At 31 December 2020</b>	<b>1,418,497</b>	<b>67,388,750</b>	<b>3,807,724</b>	<b>72,614,971</b>

The notes on pages 22 to 37 form part of these financial statements.

## 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(43,709,032)	(21,340,054)
<b>Adjustments for:</b>		
Depreciation of tangible assets	467,678	465,808
Loss on disposal of tangible assets	43,683	12,205
Corporation tax received	5,534,636	7,022,323
Share based payments	1,193,705	257,412
Interest received	(8,630)	(1,763)
Taxation charge	(5,534,636)	(5,453,237)
Decrease in debtors	874,857	18,449,232
Decrease in creditors	(182,797)	(8,886,181)
<b>Net cash generated from operating activities</b>	<b>(41,320,536)</b>	<b>(9,474,255)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(330,104)	(494,707)
Sale of tangible fixed assets	19,140	-
Interest received	8,630	1,763
<b>Net cash used in investing activities</b>	<b>(302,334)</b>	<b>(492,944)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	132,456,539	-
Expenses paid in connection with share issue	(4,781,947)	-
<b>Net cash from financing activities</b>	<b>127,674,592</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>86,051,722</b>	<b>(9,967,199)</b>
Cash and cash equivalents at beginning of year	18,357,845	28,325,044
<b>Cash and cash equivalents at the end of year</b>	<b>104,409,567</b>	<b>18,357,845</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	104,409,567	18,357,845
	<b>104,409,567</b>	<b>18,357,845</b>

The notes on pages 22 to 37 form part of these financial statements.

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## 10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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#### 1. General information

10x Banking Technology Holdings Limited ("the company") is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information Page.

#### 2. Statement of compliance

The group and individual financial statements of 10x Banking Technologies Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

#### 3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### a. Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The financial statements are presented in Sterling, which is the functional currency of the company.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The company has taken advantage of the exemption in Section 408 of the Companies Act from presenting its individual profit and loss account.

##### b. Going concern

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Review of Business and Future Developments paragraphs on pages 2-3.

The nature of the Group's external engagements relies on delivery against long term contracts for its clients. The operation of the Group to-date and in the near term is funded by revenue receivable under sub-contracts as well as from capital investment raised in the context of the Group's fundraising to-date.

The Directors remain committed to allocating the Group's available funds to support the future direction of the Company, taking into consideration the timing and size of any potential future capital and fund-raising transactions. The Directors are confident in the Group's ability to continue attracting additional capital and funds as and when appropriate in the Group's operations going forward.

The Group's ongoing revenue and cost expectations are set against the global backdrop of the COVID-19 pandemic. Revenue has continued to meet expectations since the onset of the pandemic. Additionally, there has been no significant reductions in productivity as a result of remote working. 10x continue to stay abreast of developments and government guidelines, keeping in close contact with both suppliers and clients.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**

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

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Further, financial forecasts have been prepared covering a range of near and longer term scenarios, with and without future client acquisitions. The Directors are satisfied that the Company and the Group can meet their day-to-day cash flow requirements over the 12 month period from approval of this report and beyond. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Group has closed its Series C fundraise. At the date of the accounts signing, significant funds have been raised to allow the Group to continue as going concern into the foreseeable future.

**c. Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The company has taken advantage of the following exemptions in its financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing related party transactions and balances with wholly owned group companies (FRS 102 paragraph 33.1 A);
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

**d. Revenue recognition**

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the group's revenue stream have been met, as described below.

Revenue represents the value of work performed for customers and is measured net of value added tax, other sales taxes and trade discounts.

Platform income from the sale of services, consists of both build and run revenue, which are recognized over a period to the extent of which the services have been performed.

Operating income include third-party disbursements to our clients, which are recognized as revenue over the supplier contract terms.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**

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

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**e. Employee benefits**

The Group provides a range of benefits to employees, including a defined contribution pension plan and an employee share option scheme. Benefits which give rise to contractual payments are expensed in the period in which they are incurred in accordance with the provisions of the contract.

**i. Defined contribution pension plan**

The group operates two of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

**ii. Share-based payments**

The group provides share-based payment arrangements to certain employees.

Equity settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period with a corresponding credit to equity.

The group has no cash-settled arrangements.

**f. Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

**i. Current Taxation**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

**ii. Deferred Tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**

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

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**g. Tangible fixed assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer and IT equipment	– 2 years
Furniture, fixtures & equipment	– 2-3 years
Leasehold improvements	– 1-3 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

**h. Leases**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payment under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

**i. Investments in subsidiaries - Company**

Investment in a subsidiary company is held at cost less accumulated impairment losses.

**j. Related party transactions**

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

**k. Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**

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

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**k. Financial instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

**l. Called up share capital and share premium**

Ordinary and preferred shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Details of the composition of each component of equity is shown within note 19.

**m. Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**n. Foreign Currency – Transactions and Balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

**4. Critical accounting judgements and estimation uncertainty**

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

**a. Critical judgements in applying the Group's accounting policies**

No critical judgements have been made in applying the Group's accounting policies.

**b. Critical accounting estimates and assumptions**

No critical accounting estimates and assumptions have been made that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**


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


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**5. Turnover**

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

	2021 £	2020 £
Platform income	34,905,898	66,426,640
	<u>34,905,898</u>	<u>66,426,640</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	2,287,179	6,558,249
Rest of the world	32,618,719	59,868,391
	<u>34,905,898</u>	<u>66,426,640</u>

**6. Other operating income**

	2021 £	2020 £
Other operating income	3,489,003	6,785,633

Other operating income relates to contracted expenses recharged directly to customers.

**7. Operating loss**

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of owned assets	467,678	465,808
Foreign exchange differences	155,366	12,173
Consultants & contractors	16,509,246	41,979,898
Operating lease charges	2,025,872	2,962,603
Share based payments	1,193,706	257,412

Included within the above operating loss are research and development costs of £16.5m (2020: £16.6m).

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**


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


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**8. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>97,990</b>	<b>111,315</b>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	<b>100,243</b>	<b>30,980</b>
Other services relating to taxation	<b>41,040</b>	<b>165,098</b>
Financial statement preparation	<b>-</b>	<b>13,000</b>

**9. Employees and Directors Remuneration**

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>41,243,422</b>	<b>28,378,086</b>	<b>-</b>	<b>-</b>
Social security costs	<b>4,823,244</b>	<b>3,393,158</b>	<b>-</b>	<b>-</b>
Other pension costs	<b>1,947,441</b>	<b>1,004,278</b>	<b>-</b>	<b>-</b>
	<b>48,014,107</b>	<b>32,775,522</b>	<b>-</b>	<b>-</b>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Central	<b>56</b>	<b>48</b>
Client	<b>22</b>	<b>17</b>
Product & Engineering	<b>306</b>	<b>197</b>
	<b>384</b>	<b>262</b>

The Company has no employees other than the Directors, who did not receive any remuneration (2020 - £NIL)

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**


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	2021 £	2020 £
Directors' emoluments	734,933	566,609
Company contributions to defined contribution pension schemes	6,676	15,221
	<u>741,609</u>	<u>581,830</u>

During the year retirement benefits were accruing to 1 Director (2020 – 2) in respect of defined contribution pension schemes

The highest paid Director received remuneration of £386,142 (2020 - £300,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2020 - £11,070).

**10. Interest receivable**

	2021 £	2020 £
Interest receivable and similar income	<u>8,630</u>	<u>1,763</u>

**11. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Adjustments to tax charge in respect of previous periods	(5,534,636)	(5,453,237)
Foreign tax suffered	50,641	-
	<u>(5,483,995)</u>	<u>(5,453,237)</u>
<b>Total current tax</b>	<u>(5,483,995)</u>	<u>(5,453,237)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(5,483,995)</u>	<u>(5,453,237)</u>

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**10X BANKING TECHNOLOGY HOLDINGS LIMITED**


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**11. Taxation (continued)****Factors affecting tax charge for the year**

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

	2021 £	2020 £
Loss on ordinary activities before tax	(49,193,027)	(49,193,027)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(9,346,675)	(9,346,675)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,271,489	312,700
Capital allowances for year in excess of depreciation	(12,918)	522
Difference in tax rates on foreign tax on expenses	(700,216)	(74,909)
Adjustments to tax charge in respect of previous periods	(5,546,188)	(5,453,237)
Remeasurement of deferred tax for changes in tax rates	(78,729)	(460,007)
Movement on unrecognised deferred tax asset	6,929,242	5,312,419
<b>Total tax credit for the year</b>	<b>(5,483,995)</b>	<b>(9,709,187)</b>

**Factors that may affect future tax charges**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 23% (rather than remaining reducing at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**12. Individual profit and loss account**

As permitted by Section 408 of the Companies Act 2006, the profit and loss Account of the parent company is not presented as part of these financial statements.

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10X BANKING TECHNOLOGY HOLDINGS LIMITED

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## 13. Tangible fixed assets

## Group

	Long-term leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	52,533	31,132	1,194,693	1,278,358
Additions	-	654	329,451	330,104
Disposals	-	(2,933)	(154,728)	(157,661)
At 31 December 2021	52,533	28,853	1,369,416	1,450,802
<b>Accumulated Depreciation</b>				
At 1 January 2021	24,650	18,383	766,314	809,347
Charge for the year	19,409	7,952	440,317	467,678
Disposals	-	(1,771)	(93,066)	(94,837)
At 31 December 2021	44,059	24,564	1,113,566	1,183,188
<b>Net book value</b>				
At 31 December 2021	8,474	4,289	255,851	268,614
At 31 December 2020	27,884	12,749	428,378	469,011

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## 14. Fixed asset investments

## Company

	Shares in group undertakings
<b>Cost</b>	
At 1 January 2021	9,798,041
Additions	1,187,029
At 31 December 2021	<u>10,985,070</u>
<b>Net book value</b>	
At 31 December 2021	<u>10,985,070</u>
At 31 December 2020	<u>9,798,041</u>

The addition is the Share Based Payment Charge for the year.

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**15. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
10x Banking Technology Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Accumulation of intellectual property and provision of services to the financial services industry	Ordinary	100%
10x Banking Technology IP Holding Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Provision of services to the financial services industry	Ordinary	100%
10x Banking Technology Services Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Provision of services to the rest of the Group	Ordinary	100%
10x Banking Technology UK Limited	1st Floor, 5 Howick Place, London, SW1P 1WG	Holding company	Ordinary	100%
10x Future Technologies Pty Limited*	C/O DLA Piper Australia, Level 22, No. 1 Martin Place, Sydney, NSW, 200, Australia	Provision of services to the financial services industry in Australia	Ordinary	100%
10x Future Technologies LLC	66 Woodedge Road, Manhasset, New York, 11030, Nassau County, New York, United States	Provision of services to the financial services industry in the US	Ordinary	100%

\* 100% of the share capital of 10x Future Technologies Pty Limited and 100% of the share capital of 10x Future Technologies LLC is owned by 10x Banking Technology UK Limited.

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

<b>Name</b>	<b>Aggregate of share capital and reserves</b>	<b>Profit/(Loss)</b>
	<b>£</b>	<b>£</b>
10x Banking Technology Limited	(86,436,503)	(40,014,012)
10x Banking Technology IP Holding Limited	(100,164)	(20,048)
10x Banking Technology Services Limited	8,294,725	3,055,143
10x Banking Technology UK Limited	1	-
10x Future Technologies Pty Limited*	(7,851,126)	(6,738,499)
10x Future Technologies LLC*	7	-

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The following Group entities are exempt from audit by virtue of Section 479A of the Companies Act 2006. 10x Banking Technology Holdings Limited has provided statutory guarantees to the following entities in accordance with Section 479C of the Companies Act 2006:

10x Banking Technology UK Limited;  
10x Banking Technology IP Holdings Limited;  
10x Banking Technology Services Limited; and  
10x Banking Technology Limited.

**16. Debtors**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Due within one year</b>				
Trade debtors	1,114,299	1,352,431	-	-
Amounts owed by group undertakings	-	-	107,996,277	62,320,644
Other debtors	585,803	794,319	-	-
Prepayments	3,807,631	2,956,863	-	-
Accrued income	433,356	859,792	-	-
Tax receivable	1,378,635	2,180,535	-	-
	<b>7,319,724</b>	<b>8,143,940</b>	<b>107,996,277</b>	<b>62,320,644</b>

The Amounts owed by group undertakings relates to intra-group agreements. These are unsecured with a fixed date of repayment.

**17. Cash and cash equivalents**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Cash at bank and in hand	104,409,567	18,357,845	82,510,311	496,288

**18. Creditors: Amounts falling due within one year**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Trade creditors	1,469,800	3,500,666	-	-
Amounts owed to group undertakings	-	-	1	2
Other taxation and social security	1,767,141	1,347,910	-	-
Pension liability	604	204,877	-	-
Deferred income	1,239,014	214,426	-	-
Accruals	3,057,187	2,448,666	2	-
	<b>7,533,746</b>	<b>7,716,545</b>	<b>3</b>	<b>2</b>

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**19. Leasing agreements**

Minimum lease payments relate to office leases and fall due as follows:

**Group**

	2021 £	2020 £
<b>Non-cancellable operating leases</b>		
Within one year	843,917	1,197,984
Within two to five years	-	642,725
	<u>843,917</u>	<u>1,840,709</u>

**20. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
8,500,001 (2020: 8,500,001) Ordinary shares of £0.10 each	850,000	850,000
2,177,424 (2020: 2,177,424) Series A Preference shares of £0.10 each	217,743	217,743
3,507,544 (2020: 3,507,544) Series B Preference shares of £0.10 each	350,754	350,754
5,241,499 (2020: -) Series C Preference shares of £0.10 each	524,150	-
	<u>1,942,647</u>	<u>1,418,497</u>

Shares have the following rights:

- Under a liquidation scenario, surplus assets should be applied first to Series C, then Series B, then Series A and then Ordinary Shareholders
- All shareholders have a vote for every share held (of all classes)

**Warrant instruments**

At year end there were 200,000 (2020: 707,830) warrant options in issue. The closing balance of options held in 2020 were exercised as part of the Series C fundraise, and new warrants issued with a weighted average exercise price of £23.10 (2020: £14.52). The warrants are exercisable on the next share sale, asset sale, IPO or fundraising but require the cumulative revenue from date of issue to have exceeded £15m for Tranche 1 and £60m for Tranche 2.

Shares issued in the year relate to the Series C fundraise.

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**21. Reserves****Share premium account**

Amount subscribed for share capital in excess of nominal value

**Profit and loss account**

Includes all current and prior periods retained profit & losses and the share based payment charge.

**22. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,947,441 (2020: £1,004,278). Contributions totalling £604 (2020: £204,877) were payable to the fund at the reporting date and are included in creditors.

**23. Share based payment transactions**

During the year options were granted by 10x Banking Technology Holdings Limited to certain employees / directors of 10x Banking Technology Services Limited and 10x Future Technologies Pty Limited in respect of ordinary shares in the holding company.

The options outstanding at the end of the year are made up of 829,725 granted during the Enterprise Management Incentive ("EMI") scheme and 918,549 non-EMI share options.

There are a number of vesting conditions principally relating to the achievement of various financial targets by the Company and contingent on the respective employees' / directors' position at the various vesting dates.

No options granted can be transferred, assigned, mortgaged or charged and some of the options can only be exercised by option holders if they are still employees' / directors' of the Company. In that regard, a number of options were forfeited during the year.

	<b>Weighted average exercise price (pence) 2021</b>	<b>Number 2021</b>	<b>Weighted average exercise price (pence) 2020</b>	<b>Number 2020</b>
Outstanding at the beginning of the year	4.59	1,471,000	3.10	1,313,000
Granted during the year	26.95	274,532	15.89	173,000
Forfeited / lapsed during period	(12.70)	(28,500)	(10.00)	(15,000)
Outstanding at end of period	16.07	1,748,274	4.59	1,471,000
Exercisable at end of period	16.07	1,329,814	1.62	996,200

Shares have been valued using the Black Scholes Model. As the shares are not readily available on the open market, a discount has been applied to reflect lack of marketability. The total charge of the year is £1,193,705 (2020: £257,412).

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**24. Related party transactions**

**Group**

During the year, there were no transactions with directors or key management personnel outside the transactions disclosed in note 9 relating to directors' remuneration compensation.

**Company**

The company has taken advantage of the exemption under paragraph 33.2 of Section 33.1A of FRS 102 from disclosing transactions between the wholly owned members of the same group.

**25. Ultimate controlling party**

The controlling party is A P Jenkins by virtue of his controlling interest in the parent company.