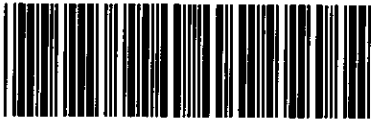


Registered number: 10411015

10X BANKING TECHNOLOGY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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10X BANKING TECHNOLOGY HOLDINGS LIMITED

Company Information

Directors	A P Jenkins C J Hess J C Larsen S D Somani (resigned 6 August 2023) V Gambale (appointed 7 February 2022) W Abecassis (resigned 25 March 2022)
Company secretary	R A Given (resigned 29 July 2022)
Registered number	10411015 (England and Wales)
Registered office	Suite A, 5th Floor, 33 Holborn London EC1N 2HT
Independent auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Bankers	HSBC 8 Canada Square London E15 5HQ
Solicitors	DLA Piper UK LLP 160 Aldersgate Street London EC1A 4HT

10X BANKING TECHNOLOGY HOLDINGS LIMITED

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10X BANKING TECHNOLOGY HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities

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

- 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 – intermediary holding company
- 10x FS Technology Pty Ltd - provision of services to the financial services industry in Australia, offering the Group's services to clients in that location; and
- 10x Future Technologies US LLC – provision of services to the financial services industry in the US.

Review of business

Founded in 2016, 10x empowers banks to move from monolithic to next-generation core banking solutions delivered through the world's most comprehensive and powerful cloud native SaaS bank operating system.

With its secure, reliable, scalable, and modular core banking platform SuperCore®, 10x supports highly customizable product behaviours and accounting rules, integrates with banks' wider technology estates, and harmonizes with local and regional compliance and regulatory requirements. SuperCore is trusted by the world's leading banks to deliver products, services, and customer experiences faster and more cost-effectively than previously possible, enabling them to transform their operations, move into new markets, and unlock new revenue opportunities.

Through the course of 2022, 10x has continued its intensive platform build and development program which will continue through 2023 bringing the final major features and functionality of the platform to completion. Moreover, our financial performance demonstrates the tangible progress we have made in our platform build journey.

Following the successful launch of their banking product in late 2021, one of our foundational clients has achieved rapid growth exceeding 1 million customers as it marked its first anniversary in September 2022, and holding over £10bn in customer deposits. This achievement has served as a resounding testament to our platform's ability to adapt and grow seamlessly with our clients. We have also continued our onboarding of new clients with exciting launches planned for 2023. The confidence this success has provided in our platform sets the stage for the next phase of growth and continued innovation at 10x.

Total income for the year was £25.6m (2021: £38.4m) reflecting the continued transition from fees received for development into recurring revenue from continued growth in our client's customers on the 10x platform. The Group's operating costs were £85.9m (2021: £87.6m) and after an R&D tax credit of £5.9m (2021: £5.5m), the net loss was £53.7m (2021: £43.7m).

10X BANKING TECHNOLOGY HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Following the Group's success with a remote first model of working during the global COVID-19 pandemic, the group has continued to pursue a remote first model and moved into premises designed for collaboration, co-working, and meeting with colleagues. In line with last year, the Group continued to leverage digital tools to assist this and found minimal impact on productivity overall.

At the close of the year, net assets were £51.7m (2021: £104.4m) mainly consisting of £45.9m of cash in bank and in hand (2021 £104.4m). 10x monitors revenue, operating costs, cash and net assets as key performance indicators.

Future developments

The 10x mission is 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 underpin the service of a billion banking customers.

As 10x embarks on the next phase of its strategic journey, the focus is on expansion of the customer base in new markets underpinned by our best in class SuperCore platform, and our flexible, modular approach to product, partner and extensibility solutions enabling more banks in more markets to embark on core modernisation with 10x. This and our past successes, particularly our proven ability to scale seamlessly with customers, serve as the foundation upon which we will build our global presence.

Simultaneously, as we bring our platform build program to completion through 2023 and efficiently maintain our core platform, we are well positioned to scale appropriately and turn to profitability with growth.

Governance structure

The Board of Directors is responsible for the strategic direction of the business, and through 2022 was comprised of:

- Executive Chair – Antony Jenkins
- Executive Director – Curt Hess
- Non-Executive Director – Jonathan Larsen
- Non-Executive Director – Sanjiv Somani (Resigned 6 August 2023)
- Non-Executive Director – Virginia Gambale (Appointed 7 February 2022)
- Non-Executive Director – William Abecassis (Resigned 25 March 2022)

During 2022, operational running of the business was supported by an Executive Committee which comprises:

- Executive Chair and Chief Executive Officer;
- Chief Operating Officer;
- Chief Client Officer;
- Chief Product and Engineering Officer;
- Chief Impact Officer;
- Chief Information Security Officer;
- Chief People Officer;
- Chief Risk Officer; and
- General Counsel / Company Secretary.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Risk management framework

The Group has an enterprise-wide approach to risk management, based on a "three lines of defense" 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 and subsequently, the convertible loan note issued during 2023, 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; and
- 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).

10X BANKING TECHNOLOGY HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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.

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 Movember and Children's Book Project.

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 2022

	Men	Women
Directors	4	1
<i>Employees:</i>		
Executive Committee*	6	3
Other Employees	278	103
Total Employees	284	106

*This includes 2 of the Directors who are employees of the Group.

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

10X BANKING TECHNOLOGY HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

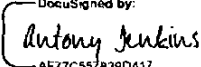
Section 172(1) Statement - Directors' statement of compliance with duty to promote the success of the Company

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 2022 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 21 December 2023 and signed on its behalf.

DocuSigned by:

AF77C557839D417
A P Jenkins
Director

10X BANKING TECHNOLOGY HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited financial statements of the group and the company for the year ended 31 December 2022.

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 £53.7m (2021: £43.7m). The net assets at the end of the financial year were £51.7m (2020: £104.4m). No dividends were paid during the financial year (2021: £Nil).

The Company's profit for the financial year was £0.7m (2021: £8k). The net assets at the end of the financial year were £203.2m (2021: £202.0m). No dividends were paid during the financial year (2021: £Nil).

Post balance sheet events

Subsequent to the year-end, on 19 December 2023, the Group secured funding of up to £35 million by way of a convertible loan note ("CLN") to fund its operations up to and beyond the point of projected break even in 2025, with a maturity date of two and a half years. On 20 December 2023, £15 million of the CLN was drawn down. The company has the right to draw down the remainder subject to meeting the conditions of the CLN for further draw downs.

Going Concern

These financial statements have been prepared on a going concern basis. The Directors have reviewed the Group's financial position, funding drawn down and available but undrawn, projections and cash flows for the foreseeable future, comprising a period of no less than 12 months from the approval of the financial statements.

The Directors have assessed the critical assumptions underpinning the Group's projections and the financing made available through the convertible loan note, including undrawn amounts available. The Directors have also conducted stress testing and downside scenarios, including the benefit of mitigating cost savings, in their determination of the appropriateness of the Going concern basis of preparation.

The Directors are satisfied that the Group and Company 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.

Donations

No donations for political purposes were made during the year, including EU political donations (2021: £Nil).

10X BANKING TECHNOLOGY HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 receivable of £5.9m for Research and Development tax credits will allow 10x to continue to expand capabilities offered through the 10x Supercore platform. For the year-ended 31 December 2022, research and development costs of £17.2m (2021: £16.5m) 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

The Directors who served during the year were:

A P Jenkins
C J Hess
J C Larsen
S D Somani
V Gambale (Appointed 7 February 2022)
W Abecassis (Resigned 25 March 2022)

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.

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 Halls.

The priority for the Group in 2022 has been to continue to focus upon employee engagement, wellbeing and consequently productivity. 10x has invested in improving its offering on employee benefits, career development and manager development during 2022 – and this resulted in new high scores in internal employee engagement surveys. 10x will continue to focus on these areas to ensure we have a highly engaged, motivated and productive team – capable of delivering our ambitious mission.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Environment

These disclosures have been made in accordance with the Streamlined Energy & Carbon Reporting guidelines. The data included covers the year ended 31 December 2022.

The data covers the energy usage in the UK for 10x Banking Technology 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 CO ₂ e		Energy Usage (Kwh)		Energy Usage (Kwh) per employee (Annual Average)	
	2022	2021	2022	2021	2022	2021
Electricity (Scope 2)	29,817	19,532	127,893	91,989	319	256

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

During the year, the Group moved office location in London, and closed its Leeds office. All three locations are managed service offices where the facilities are managed by the lessor. The managed service teams have a dedicated energy consultant who were able to provide the electricity consumption figures using the current DEFRA factors. The Group has moved into is of a similar size office to the old London premises, however, is part of a larger building. In calculating the energy usage above, common areas have been captured which has led to an increase energy consumption.

The Group also operates from an office in Sydney, Australia. The Australian emissions have not been included in the above figures, as inline with the Streamlined Energy & Carbon Reporting guidelines, overseas emissions should not be included.

Energy efficient action taken

10x continued to promote a remote-first approach to flexible working in the year. Accordingly, the 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 review our environmental impact. Throughout 2022, the Sustainability Working Group has continued to measure our carbon footprint considering working from home measures with a view to set up targets and reductions for the business to achieve as part of the Group's objectives.

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

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report 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 and profit and loss of the Company and 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.

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.

Disclosure of information to auditor

In the case of each director in office at the date the directors' report is approved:

- So far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

Independent Auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board on 21 December 2023 and signed on its behalf.

DocuSigned by:

AF77C5578390417
A P Jenkins
Director

10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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 2022, which comprise Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Equity, Group Statement of Cashflows, Company Balance sheet, Company Statement of Changes in Equity, 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 2022 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 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 or 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 the parent company's business model including effects arising from macro-economic uncertainties such as including inflationary pressures. 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 the parent company's financial resources or ability to continue operations over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the

10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 their environment obtained in the course of the audit, we have not identified material misstatements in the 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

As explained more fully in the directors' responsibilities statement set out on page 8 and 9, 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

10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 group and the industry in which it operates. We determined that the following laws and regulators were most significant in relation to these financial statements: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006;
- We understood how the group 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;
- We enquired of management and the board of directors whether they were aware of any instances of non-compliance with laws and regulations and whether they had any knowledge of actual, suspected or alleged fraud;
- We assessed the susceptibility of the group's and parent company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team in relation to this included:
 - Inquiring of management and those charged with governance about the risks of fraud at the group and parent company level, and the controls implemented to address those risks.
 - Assessing the design and implementation of controls relevant to the audit that management has in place to prevent and detect fraud, including updating our understanding of the internal controls over journal entries, including those related to the posting of non-standard entries used to record non-recurring, unusual transactions or other non-routine adjustments;
 - Identifying and testing journal entries selected based on risk profiling;
 - Undertaking specific keyword searches (including to related parties) over the journal entry population to identify descriptions that could indicate fraudulent activity or management override of controls;
- 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

10X BANKING TECHNOLOGY HOLDINGS LIMITED

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

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;


- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations through understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation and knowledge of the industry in which the client operates;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- 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.

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

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:



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Nicholas J Watson

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

21/12/2023

10X BANKING TECHNOLOGY HOLDINGS LIMITED

**GROUP INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000's	2021 £000's
Turnover	5	21,967	34,906
Gross profit		21,967	34,906
Administrative expenses		(85,940)	(87,597)
Other operating income	6	3,620	3,489
Operating loss	7	(60,353)	(49,202)
Interest receivable and similar income	10	707	9
Loss before tax		(59,646)	(49,193)
Tax on loss	11	5,923	5,484
Loss for the financial year		(53,723)	(43,709)
Loss for the year attributable to:			
Owners of the parent		(53,723)	(43,709)
		(53,723)	(43,709)

The notes on pages 21 to 37 form part of these financial statements.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£000's	£000's
Loss for the financial year	(53,723)	(43,709)
Total comprehensive income for the year	(53,723)	(43,709)
Loss for the year attributable to:		
Owners of the parent Company	(53,723)	(43,709)
	(53,723)	(43,709)

There were no other recognised gains and losses other than those presented within the Group profit and loss account for the 2021 and 2022 income years.

The notes on pages 21 to 37 form part of these financial statements.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

GROUP BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	£000's	2022 £000's	£000's	2021 £000's
Fixed assets					
Tangible assets	13		1,175		268
			<u>1,175</u>		<u>268</u>
Current assets					
Debtors: amounts falling due within one year	16	16,692		7,270	
Cash at bank and in hand	17	45,868		104,410	
			<u>62,560</u>	<u>111,680</u>	
Creditors: amounts falling due within one year	18	(12,044)		(7,534)	
			<u></u>	<u></u>	
Net current assets			50,516		104,146
			<u></u>		<u></u>
Total assets less current liabilities			51,691		104,414
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	20		1,943		1,943
Share premium account	21		194,539		194,539
Accumulated Losses	21		(144,791)		(92,068)
			<u>51,691</u>		<u>104,414</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2023.

DocuSigned by:

Antony Jenkins

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A P Jenkins

Director

The notes on pages 21 to 37 form part of these financial statements.

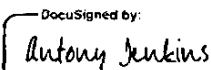
10X BANKING TECHNOLOGY HOLDINGS LIMITED

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

			2022		2021
	Note	£000's	£000's	£000's	£000's
Fixed assets					
Fixed asset investment	14		11,985		10,985
			<u>11,985</u>		<u>10,985</u>
Current assets					
Debtors: amounts falling due within one year	16	150,928		107,996	
Cash at bank and in hand	17	40,285		82,510	
		<u>191,213</u>		<u>190,506</u>	
Creditors: amounts falling due within one year	18	-		-	
Net current assets			<u>191,213</u>		<u>190,506</u>
Total assets less current liabilities			<u>203,198</u>		<u>201,491</u>
Capital and reserves					
Called up share capital	20		1,943		1,943
Share premium account	21		194,539		194,539
Accumulated Losses			<u>6,716</u>		<u>5,009</u>
			<u>203,198</u>		<u>201,491</u>

The Company made a net profit for the financial year of £706,645.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2023.

DocuSigned by:

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A P Jenkins
 Director

The notes on pages 21 to 37 form part of these financial statements.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Accumulated Losses	Total equity
	£000's	£000's	£000's	£000's
At 1 January 2022	1,943	194,539	(92,068)	104,414
Comprehensive income for the year				
Loss for the year	-	-	(53,723)	(53,723)
Total comprehensive income for the year	-		(53,723)	(53,723)
Share based payment charge	-	-	1,000	1,000
At 31 December 2022	1,943	194,539	(144,791)	51,691

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

	Called up share capital	Share premium account	Accumulated Losses	Total equity
	£000's	£000's	£000's	£000's
At 1 January 2021	1,419	67,389	(49,553)	19,255
Comprehensive income for the year				
Loss for the year	-	-	(43,709)	(43,709)
Total comprehensive income for the year			(43,709)	(43,709)
Shares issued during the year	524	127,150	-	127,674
Share based payment charge	-	-	1,194	1,194
At 31 December 2021	1,943	194,539	(92,068)	104,414

The notes on pages 21 to 37 form part of these financial statements.

10X BANKING TECHNOLOGY HOLDINGS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Retained Earnings	Total equity
	£000's	£000's	£000's	£000's
At 1 January 2022	1,943	194,539	5,009	201,491
Comprehensive income for the year				
Profit for the year			707	707
Total comprehensive income for the year	-	-	707	707
Share based payment charge	-	-	1,000	1,000
At 31 December 2022	1,943	194,539	6,716	203,198

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

	Called up share capital	Share premium account	Retained Earnings	Total equity
	£000's	£000's	£000's	£000's
At 1 January 2021	1,419	67,389	3,807	72,615
Comprehensive income for the year				
Profit for the year	-	-	8	8
Total comprehensive income for the year	-	-	8	8
Shares issued during the year	524	127,150	-	127,675
Share based payment charge	-	-	1,194	1,194
At 31 December 2021	1,943	194,539	5,009	201,491

The notes on pages 21 to 37 form part of these financial statements.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

GROUP STATEMENT OF CASHFLOWS
FOR YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£000's	£000's
Cash flows from operating activities		
Loss for the financial year	(53,723)	(43,709)
Adjustments for:		
Depreciation of tangible assets	413	468
Loss on disposal of tangible assets	8	44
Corporation tax received	(9)	5,534
Share based payment charge	1,000	1,194
Interest receivable	(707)	(9)
Taxation credit	(5,923)	(5,535)
(Increase)/decrease in debtors	(3,491)	875
Increase/(decrease) in creditors	4,511	(183)
Net cash used in operating activities	(57,921)	(41,321)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,338)	(331)
Process from disposal of tangible fixed assets	10	19
Interest received	707	9
Net cash used in investing activities	(621)	(303)
Cash flows from financing activities		
Proceeds from issue of share capital	-	132,458
Expenses paid in connection with share issue	-	(4,782)
Net cash from financing activities	-	127,676
Net (Decrease)/increase in cash and cash equivalents	(58,542)	86,052
Cash and cash equivalents at beginning of year	104,410	18,358
Cash and cash equivalents at the end of year	45,868	104,410
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	45,868	104,410
	45,868	104,410

The notes on pages 21 to 37 form part of these financial statements.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

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 company financial statements of 10x Banking Technology 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

These financial statements have been prepared on a going concern basis. The Directors have reviewed the Group's financial position, funding drawn down and available but undrawn, projections and cash flows for the foreseeable future, comprising a period of no less than 12 months from the approval of the financial statements.

The Directors have assessed the critical assumptions underpinning the Group's projections and the financing made available through the convertible loan note, including undrawn amounts available. The Directors have also conducted stress testing and downside scenarios, including the benefit of mitigating cost savings, in their determination of the appropriateness of the Going concern basis of preparation.

The Directors are satisfied that the Group and Company 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.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

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. Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the group control is accounted for as a business combination. Thereafter where the group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

Where the group has established employee benefit trusts ('EBT') or employee share ownership plans ('ESOP') and is the sponsoring entity, notwithstanding the legal duties of the trustees, the group considers that it has 'de facto' control of such entities. Such arrangements are accounted for as assets and liabilities of the sponsoring company and included in the consolidated financial statements as appropriate. The company's equity instruments held by the EBT or ESOP are accounted for as if they were the company's own equity and are treated as treasury shares. No gain or loss is recognised in profit or loss or other comprehensive income on the purchase, sale or cancellation of the company's own equity held by either the EBT or ESOP.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

E. 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 term.

F. 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.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement. The group has no cash-settled arrangement.

G. 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.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

G. Taxation Continued

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.

H. Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and any 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 on assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- Leasehold Improvements – over the period of the lease
- Furniture, Fixtures and Equipment – 3–5 years
- Computer and IT Equipment – 1–3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

I. 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.

J. Investments in subsidiaries - Company

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

K. 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.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

L. Financial instruments

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

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.

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.

M. 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 20.

N. 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.

O. 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.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

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.

5. Turnover

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

	2022	2021
	£000's	£000's
Platform income	21,967	34,906
	<u>21,967</u>	<u>34,906</u>

Analysis of turnover by country of destination:

	2022	2021
	£000's	£000's
United Kingdom	13,184	2,287
Rest of the world	8,783	32,619
	<u>21,967</u>	<u>34,906</u>

6. Other operating income

	2022	2021
	£000's	£000's
Other operating income	<u>3,620</u>	<u>3,489</u>

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

10X BANKING TECHNOLOGY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022**

7. Operating loss

The operating loss is stated after charging:

	2022	2021
	£000's	£000's
Depreciation of owned assets	413	468
Foreign exchange losses	74	155
(Profit)/loss on disposal of tangible assets	(8)	43
Operating lease charges	1,924	2,026
Share based payment charge	1,000	1,194

Included within the operating loss are research and development costs of £17.2m (2021: £16.5m)

8. Auditor's remuneration

	2022	2021
	£000's	£000's
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	102	98
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	-	100
Other services relating to taxation	-	41

9. Employees and Directors Remuneration

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

	Group	Group	Company	Company
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Wages and salaries	40,158	41,244	-	-
Social security costs	5,290	4,823	-	-
Share based payment charge	1,000	1,194	-	-
Other pension costs	2,375	1,947	-	-
	48,823	49,207	-	-

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

10X BANKING TECHNOLOGY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	No.	No
Central	55	56
Client	36	22
Product & Engineering	310	306
	401	384

The Company has no employees, other than the Directors, who did not receive any remuneration (2021 - £NIL)

	2022	2021
	£000's	£000's
Directors' emoluments	986	735
Company contributions to defined contribution pension schemes	-	7
	986	742

During the year retirement benefits were accruing to no Directors (2021 – 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £500,000 (2021 - £386,142).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2021 - £Nil).

10. Interest Receivable	2022	2021
	£000's	£000's
Interest Receivable and similar income	707	9

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022

11. Taxation	2022	2021
	£000's	£000's
Corporation Tax		
Adjustments to tax charge in respect of previous periods	(5,932)	(5,535)
Foreign tax suffered	9	51
	<u>(5,923)</u>	<u>(5,484)</u>
Total Current Tax	<u>(5,923)</u>	<u>(5,484)</u>
Deferred Tax	-	-
Total Deferred Tax	-	-
	<u>(5,923)</u>	<u>(5,484)</u>
Taxation on loss on ordinary activities	<u>(5,923)</u>	<u>(5,484)</u>

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 – lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000's	2021 £000's
Loss on ordinary activities before tax	(59,646)	(49,193)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(11,333)	(9,347)
Effects of:		
Expenses not deductible for tax purposes	20	3,271
Capital allowances for year in excess of depreciation	(43)	(13)
Difference in tax rates on foreign tax on expenses	(938)	(700)
Adjustments to tax charge in respect of previous periods	(6,260)	(5,546)
Remeasurement of deferred tax for changes in tax rates	(49)	(79)
Movement on unrecognised deferred tax asset	12,680	6,930
Total tax credit for the year	(5,923)	(5,484)

Factors that may affect future tax charges

The UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (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.

The Group has unrealised tax losses in respect of trading losses totalling £121.1m (2021: £62.1m) that are available for offset against future taxable profits. The Group has not recognised a deferred tax asset in respect of these losses.

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.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

Group	Leasehold Improvements £000's	Furniture, Fixtures and Equipment £000's	Computer and IT Equipment £000's	Total £000's
Cost				
At 1 January 2022	53	29	1,369	1,451
Additions	570	192	576	1,338
Disposals	-	-	(35)	(35)
At 31 December 2022	623	221	1,910	2,754
Accumulated Depreciation				
At 1 January 2022	44	25	1,114	1,183
Charge for the year	38	20	355	413
Disposals	-	-	(17)	(17)
At 31 December 2022	82	45	1,452	1,579
Net book value				
At 31 December 2022	541	176	458	1,175
At 31 December 2021	9	4	255	268

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022

14. Fixed Asset Investments

Company	Shares in group undertakings
	000's
At 1 January 2022	10,985
Additions	1,000
At 31 December 2022	11,985
Net Book Value	
At 31 December 2022	11,985
At 31 December 2021	10,985

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

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered Office	Principal Activity	Class of Shares	Holding
10x Banking Technology Limited	Suite A, 5th Floor 33 Holborn London EC1N 2HT	Accumulation of intellectual property and provision of services to the financial services industry	Ordinary	100%
10x Banking Technology IP Holding Limited	Suite A, 5th Floor 33 Holborn London EC1N 2HT	Provision of services to the financial services industry	Ordinary	100%
10x Banking Technology Services Limited	Suite A, 5th Floor 33 Holborn London EC1N 2HT	Provision of services to the rest of the group	Ordinary	100%
10x Banking Technology UK Limited	Suite A, 5th Floor 33 Holborn London EC1N 2HT	Holding company	Ordinary	100%
10x FS Technology Pty Ltd*	Level 29, 20 Bond Street Sydney NSW 2000 Australia	Provision of services to the financial services industry in Australia	Ordinary	100%
10x Future Technologies LLC	66 Woodedge Road, 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 FS Technology Pty Ltd 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 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(loss)
	£000's	£000's
10x Banking Technology Limited	(134,764)	(48,327)
10x Banking Technology IP Holding Limited	(84)	16
10x Banking Technology Services Limited	11,766	2,471
10x Banking Technology UK Limited	-	-
10x FS Technology Pty Ltd	(16,441)	(8,590)
10x Future Technologies LLC	-	-

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

15. Fixed asset investments (continued)

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	Group	Group	Company	Company
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Due within one year				
Trade debtors	776	1,114	-	-
Amounts owed by group undertakings	-	-	150,928	107,996
Other debtors	345	586	-	-
Prepayments	4,217	3,808	-	-
Accrued Income	3,844	433	-	-
Tax receivable	7,510	1,379	-	-
	16,692	7,320	150,928	107,966

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

	Group	Group	Company	Company
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Cash at bank and in hand	45,868	104,410	40,285	82,510

18. Creditors	Group	Group	Company	Company
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Due within one year				
Trade Creditors	3,686	1,470	-	-
Other taxation and social security	3,194	1,767	-	-
Pension Liability	267	1	-	-
Deferred Income	1,249	1,239	-	-
Accruals	3,648	3,057	-	-
	12,044	7,534	-	-

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022

19. Leasing Arrangements	Group	Group
	2022	2021
	£000's	£000's
Non-Cancellable operating leases		
Within one year	1,062	844
Within two to five years	3,212	-
	<u>4,226</u>	<u>844</u>
20. Share capital	2022	2021
	£000's	£000's
Allotted, called up and fully paid		
8,500,001 (2021: 8,500,001) Ordinary shares of £0.10 each	850	850
2,177,424 (2021: 2,177,424) Series A Preference shares of £0.10 each	218	218
3,507,544 (2021: 3,507,544) Series B Preference shares of £0.10 each	351	351
5,241,499 (2021: 5,241,499) Series C Preference shares of £0.10 each	524	524
	<u>1,943</u>	<u>1,943</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 (2021: 200,000) warrant options in issue. 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.

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 £2,375,239 (2021: £1,947,441). Contributions totaling £267,413 (2021: £604) were payable to the fund at the reporting date and are included in creditors.

10X BANKING TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

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 FS Technology Pty Ltd 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 971,755 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.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	16.07	1,739,274	4.59	1,469,500
Granted during the year	25.66	83,500	26.95	274,532
Forfeited / lapsed during period	(26.04)	(21,294)	(12.70)	(28,500)
Outstanding at end of period	8.61	1,801,480	16.07	1,739,274
Exercisable at end of period	3.61	829,725	16.07	1,329,814

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 £1,000,460 (2021: £1,193,705).

10X BANKING TECHNOLOGY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022**

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. Events after reporting period

Subsequent to the year-end, on 19 December 2023, the Group secured funding of up to £35 million by way of a CLN to fund its operations up to and beyond the point of projected break even in 2025, with a maturity date of two and a half years. The Company drew down £15 million of the CLN unconditionally on 20 December 2023. The company has the right to draw down the remainder subject to meeting the conditions of the CLN for further draw downs.

26. Ultimate controlling party

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

27. Parent company guarantee – exemption from audit for subsidiary companies

The Company has given a guarantee to the following subsidiary companies in respect of the year ending 31 December 2022. In accordance with Section 479A of the UK Companies Act 2006 (the "Act"), they are exempt from the requirements of the Act relating to the audit of individual company accounts. The guarantee effectively means that the Company will discharge all outstanding liabilities of the subsidiary companies at 31 December 2022 should the subsidiary be unable to satisfy them.

Company

10x Banking Technology Limited
10x Banking Technology IP Holding Limited
10x Banking Technology Services Limited

Registration Number

10146101
10735407
11262659