

**Matillion Limited**

**Annual Report and Financial  
Statements**

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For the period ended  
31 January 2022

Company Number 07474948



## Matillion Limited

### Company Information

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**Directors**

Matthew Scullion  
Peter McCord  
Brian Gentile  
Andrew Vitus  
David Hall  
Dharmesh Thakker  
Rytis Vitkauskas (resigned 12 July 2022)  
William Kohler (appointed 12 July 2022)  
Christopher Caulkin  
Annalise Dragic (appointed 26 January 2022)  
~~Andreas Weiskam (resigned 26 January 2022)~~  
Joseph Quinlan (appointed 26 April 2022)

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**Registered number** 07474948

**Registered office**

Station House  
Stamford New Road  
Altrincham  
England  
WA14 1EP

**Independent auditor**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Hardman Street  
Manchester  
M3 3EB  
United Kingdom

**Matillion Limited**  
**Strategic Report**  
**For the Period Ended 31 January 2022**

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**Matillion Limited**  
**Strategic Report**  
**For the Period Ended 31 January 2022**

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The directors present the strategic report of Matillion Limited ("the Company") and its subsidiaries ("the Group") for the thirteen-month period ended 31 January 2022.

**Fair review of the business**

The principal activity of the Group is of the supply of computer software and related services to its customers across a wide range of industries.

The directors are delighted that the Group has enjoyed another very successful period of strong growth. Key financial metrics to note include:

- Total turnover for the period ended 31 January 2022 was \$57.3m (year ended 31 December 2020: \$30m) and Gross Margin for the period ended 31 January 2022 was \$46.1m (year ended 31 December 2020: \$23.8m), a growth of 91% and 94% respectively;
- Loss before tax for the period ended 31 January 2022 was (\$31.6m) (year ended 31 December 2020: (\$11.9m), a growth of 165%);
- Cash as at the period ended 31 January 2022 was \$214.5m (as at the 31 December 2020: \$20.8m) grew by 931% mostly due to the successful closing of Series D and Series E funding rounds during the period ended 31 January 2022;
- Number of customers spending in excess of \$100,000 increased from 47 to 120 in the period ended 31 January 2022 (year ended 31 December 2020: 17 to 47);
- Average spend of the top 10 customers increased from \$623,095 to \$1,001,289 in the period ended 31 January 2022 (year ended 31 December 2020: \$256,600 to \$623,095).

The growing number of customers spending more than \$100,000 and the increasing average spend of the Group's largest customers show that the company is making progress with enterprises who represent the largest and most lucrative segment of the addressable market.

The Group continues to invest heavily in its internal product development in support of its strategy. New releases every 6-8 weeks increase the functionality of the software, and new product releases supporting either existing cloud data platform partners on new cloud infrastructure, or new cloud data platform partners expand the addressable market and increase the choice for potential customers. Research and development expense in the period ended 31 January 2022 was \$22.1m (year ended 31 December 2020: \$10.4m).

**Principal risks and uncertainties**

**People Risk**

The Group needs to maintain high levels of technical expertise within its team. This risk is mitigated by a culture with a high focus on staff well-being, ensuring low staff turnover, and investment in training its staff. Further, its recruitment policies ensure that new members of staff have the required level of technical ability. Strong relationships with local universities ensure the possibility of attracting the best students on placements, who in turn have a high inclination to return post-graduation.

**Technological risk**

Like any technology company, the Group needs to remain at the forefront of the industry with its product offerings. This risk is mitigated by the continued investment in research and development.

**Financing risk**

As a rapidly expanding but still loss-making business, continued timely access to debt and capital markets will be essential to the business. This risk is mitigated by remaining a leader in a rapidly growing sector, and by maintaining strong relationships with both current and potential future investors. The company considers that its cash reserves are sufficient to meet its short- and long-term obligations. Cashflow is monitored closely by

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**For the Period Ended 31 January 2022**

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management, detailed cash projections are performed and reviewed on an ongoing basis. Series D fundraising round to the amount of \$80m has been completed in February 2021, and Series E fundraising round to the amount of \$150m has been completed in October 2021.

#### **Financial Instruments**

##### ***Credit Risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Group to concentrations of credit risk primarily consist of cash, cash equivalents and accounts receivable. The Group maintains its cash and cash equivalents with high-quality financial institutions with investment grade ratings. For accounts receivable, the Group is exposed to credit risk in the event of non-payment by customers up to the amounts recorded on the consolidated balance sheet. The Group manages its accounts receivable credit risk through ongoing credit evaluation of its customers' financial conditions. The Group has no significant concentration of risk, with exposure spread over a large number of customers.

##### ***Liquidity Risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's use of financial instruments is confined to bank accounts and leases. Management ensures that the Group has sufficient cash at bank to allow it to settle all obligation as they fall due.

##### ***Foreign Currency Risk***

The functional currency of the Group is the United States dollar (USD). The majority of customers are invoiced, and a portion of the Group's expenses are paid in the functional currency of the Group; however, some customers are invoiced in currencies other than the functional currency and the Group has a significant portion of costs in non-USD currencies due to employee bases in the United Kingdom and Ireland, which, due to potential fluctuations in exchange rates, may impact the results of the Group. The Group bears all foreign exchange risk arising from trading.

##### ***Interest Rate Risk***

Interest rate risk is the risk of fluctuating interest rates. The Group's cash and cash equivalents consist of cash and certificates of deposit. The Group's primary investment policy and strategies are focused on the preservation of capital and supporting its liquidity requirements. Due to the short-term nature of the financial instruments, the Group has not been exposed to, nor does it anticipate being exposed to, material risks due to changes in interest rates. Management regularly monitors interest rate movements and considers any material impact on the financial statements from unfavourable interest rate movements in the foreseeable future.

#### **Performance and position of the business**

During the thirteen months to 31 January 2022, the company continued to experience strong growth for its *Matillion ETL (Extract, Transform, Load) for Snowflake* product, which remains the largest product both in terms of revenue and number of customers. Performance remained strong for *Matillion ETL for Redshift*, which retained its number two position.

The company launched the *Matillion Hub* during 2021 which provides a platform for customers to contract directly with the company. Customers can purchase 'Matillion credits' via the *Matillion Hub* to use for both *Matillion ETL* and *Matillion Data Loader* products.

#### **Directors' Section 172 statement**

Section 172 of the Companies Act 2006 requires directors to promote the success of the company for the benefit of the members as a whole and in doing so have regard to the interests of stakeholders including customers, shareholders, employees, suppliers, and the wider community in which it operates. The Board is focused on its

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**For the Period Ended 31 January 2022**

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responsibilities under section 172, and the impact of the business on key stakeholder groups in its decision making. The following identifies where information on factors the Board believe demonstrate its compliance with section 172(1)(a)-(f) are contained in this report:

*Risk management*

The company has a long-term strategic plan that effectively identifies, evaluates and mitigates the risks the company faces, ensuring they are sufficiently considered and, if applicable, hedged against for the future. The directors will invariably delegate day-to-day management and decision making to executive management but will ensure that management is acting in accordance with the strategy and plans agreed by the Board.

*Relationships with suppliers, customers and others*

The directors appreciate the importance of fostering relationships with key stakeholders, including customers and suppliers, and focus on the maintenance and growth of these relationships in decision making and strategic planning. The company employs dedicated resources to manage these relationships and ensures that the Board has a high degree of visibility to take stakeholder considerations into account.

*The interest of the company's employees*

The Board recognises that employees are central to the long-term success of the company. The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in maintaining its prosperity. All employees are entitled to participate in the company's share option schemes.

The company encourages the involvement of employees by means of regular meetings to keep them informed of the company's progress. To that end, the company's CEO hosts a company-wide meeting every six weeks and provides employees with the opportunity to ask questions or raise concerns.

The company carries out annual employee satisfaction surveys which are measured against company targets as well as industry and peer standards, as well as periodic topic-specific surveys when required. The most recent annual survey results showed a 83% satisfaction rating.

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability, or sexual orientation. All company's employees are covered by these policies, and it applies to all areas of employment including recruitment, selection, training, deployment, career development, and promotion. These areas are reviewed, and policies and practices are amended, if necessary, to ensure that no unfair or unlawful discrimination, intentional, unintentional, direct, or indirect, overt or latent exists. The company gives full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Selection for employment, promotion, training, or any other benefit is performed on the basis of aptitude, ability and behaviour. The company provides any reasonable adjustments to ensure disabled people have access to its services and employment opportunities and is determined to challenge discriminatory assumptions about disabled people. The company makes the health and physical and mental wellbeing of its employees a top priority, making both internal and external resources available to all employees.

*Community and environment*

The company's approach is to use its position to ensure it is an asset to the communities and people with which it interacts. The Board ensures significant consideration is given to the impact of the company's operations on the community and environment in their decision making. The company strives to create positive change in reducing the environmental impact of the company and to meet the highest level of health, safety and environmental standards while maintaining effective and continuing business practices, as well as to streamline energy and carbon reporting.

*Shareholders*

The Board recognises the importance of regular and open dialogue with shareholders and the need to ensure the strategy and goals of the company are effectively communicated to them. Feedback is welcomed by the

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**For the Period Ended 31 January 2022**

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directors and business decisions are made closely and with the approval of shareholders. Financial information packs are issued to the Board and shareholders on a monthly and quarterly basis, and Board meetings are held at least four times a year.

**Change of financial year end**

The financial year end of the company was changed from 31 December to 31 January. Accordingly, the current financial statements are prepared for the thirteen months from 31 December 2020 to 31 January 2022. As a result, the comparative figures stated in the income statement, statement of changes in equity, cash flow statement and the related notes are not comparable.

**Future developments**

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In May 2022, the company launched its new product, Matillion Data Loader, that provides a no code/low code user experience to extract data from the most commercially used source databases, such as Microsoft SQL, PostgreSQL, and Oracle.

This report was approved by the Board on and signed on its behalf.

DocuSigned by:

*Matthew Sullion*

Matthew Sullion

Director

Date: 31 October 2022

**Matillion Limited**  
**Directors' Report**  
**For the Period Ended 31 January 2022**

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The directors present their report and the financial statements for the thirteen-month period ended 31 January 2022.

**Principal activity**

The principal activity of the parent company was that of providing software and services to allow customers to exploit their data using the cloud.

**Going concern**

The Group and Company is in a net current assets and net assets position as at the year-end. The wide application of the Company's product(s) and the consequent diverse spread of industries in which our customers operate, together with an acceleration of digitalisation in many businesses, has supported growth in the period ended 31 January 2022. ~~The company has produced cash flow analysis sensitising a range of scenarios as part of the Directors' review of the going concern basis of preparation.~~

The Group made a loss before taxation the period ended 31 January 2022 of \$31,602,344 (year ended 31 December 2020: \$11,894,443) and is generating cash outflows in the period ended 31 January 2022. The Group has net current assets of \$225,288,665 and net assets of \$226,962,663 as at 31 January 2022 respectively (31 December 2020: net current assets \$26,443,524 and net assets of \$22,894,635). The Group has cash at bank of \$214,469,170 as at 31 January 2022 (2020: \$20,811,126) and currently has no internal or external borrowings as at 31 January 2022.

The directors of Matillion have prepared cash flow forecasts for at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, Matillion will have sufficient funds to meet its liabilities as they fall due for that year.

The directors are confident that Matillion will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. Financial risk management measures are described in the Financial Instruments section of the Strategic Report above.

**Results and dividends**

The consolidated statement of comprehensive income is set out in the financial statements section and shows a loss of \$31,423,488 for the period ended 31 January 2022 (year ended 31 December 2020: loss of \$12,046,263).

The directors do not recommend the payment of a dividend for the period ended 31 January 2022 (year ended 31 December 2020: \$nil).

**Directors**

The directors who served during the year were:

Matthew Scullion  
Peter McCord  
Brian Gentile  
Andrew Vitus  
David Hall  
Dharmesh Thakker  
Rytis Vitkauskas (resigned 12 July 2022)  
William Kohler (appointed 12 July 2022)  
Christopher Caulkin (appointed 7 October 2021)  
Annalise Dragic (appointed 26 January 2022)  
Andreas Weiskam (resigned 26 January 2022)

**Matillion Limited**  
**Directors' Report**  
**For the Period Ended 31 January 2022**

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**Qualifying third party indemnity provisions**

Matillion Limited put in place qualifying third party indemnity provisions for all of the directors of the company.

**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'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's auditor is aware of that information.
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**Post balance sheet events**

Since 31 January 2022, the company has received additional investment under the terms of the Series E.

**Review of business**

In accordance with Section 414C(11) of the Companies Act 2006, the following information has been included in the Strategic Report which would otherwise be required by Schedule 7 of 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the Directors' Report:

- the financial risk management objectives and policies of the company and exposure of the company to risk in relation to use of financial instruments;
- activities in the field of research and development; and
- future developments of the company.

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and Financial Statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies

**Matillion Limited**  
**Directors' Report**  
**For the Period Ended 31 January 2022**

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Act 2006.

**Directors' confirmations**

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 they 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.

**Auditor**

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The auditor, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board on and signed on its behalf.

DocuSigned by:  
  
73B5197C43E746A  
**Matthew Scullion**

Director

Date: 31 October 2022

# Independent auditors' report to the members of Matillion Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Matillion Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 January 2022 and of the group's loss and the group's cash flows for the period from 1 January 2021 to 31 January 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Consolidated Statement of Financial Position and the Company Statement of Financial Position as at 31 January 2022; Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 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 members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

*In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 31 January 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.*

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the members for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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 members are responsible for assessing the group's and the 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 members either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in the selection and application of significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. We also performed unpredictable audit procedures.

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There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Dev Solanki (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
31 October 2022

**Matillion Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the Period Ended 31 January 2022**

		Period ended 31 January 2022	Year Ended 31 December 2020
	Note	\$	\$
Turnover	4	57,263,064	29,979,605
Cost of sales		(11,134,608)	(6,163,474)
<b>Gross profit</b>		<b>46,128,456</b>	<b>23,816,131</b>
Administrative expenses		(77,473,062)	(35,387,542)
<b>Operating loss</b>	5	<b>(31,344,606)</b>	<b>(11,571,411)</b>
Interest receivable and similar income		9,978	174,473
Interest payable and similar charges	18	(358,932)	(201,869)
Foreign exchange		91,216	(295,636)
<b>Loss before tax</b>		<b>(31,602,344)</b>	<b>(11,894,443)</b>
Tax on loss on ordinary activities	8	178,856	(151,820)
<b>Loss for the financial year</b>		<b>(31,423,488)</b>	<b>(12,046,263)</b>

The accompanying notes form an integral part of this consolidated statement of comprehensive income. All activities arose from continuing operations.

**Matillion Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 January 2022**

	Note	As at 31 January 2022	As at 31 December 2020
<b>Fixed assets</b>		<b>\$</b>	<b>\$</b>
Tangible assets	9	1,428,203	1,083,611
Intangible assets	10	248,427	-
Debtors: amounts falling due after one year	12	4,313,918	367,500
		<u>5,990,548</u>	<u>1,451,111</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	24,384,816	11,052,364
Cash and cash equivalents		<u>214,469,170</u>	<u>20,811,126</u>
		238,853,985	31,863,490
Creditors: amounts falling due within one year	13	(13,565,320)	(5,419,967)
<b>Net current assets</b>		<u>225,288,665</u>	<u>26,443,524</u>
<b>Total assets less current liabilities</b>		<u>231,279,213</u>	<u>27,894,635</u>
Creditors: amounts falling due after one year	13	(4,316,550)	(5,000,000)
<b>Net assets</b>		<u>226,962,663</u>	<u>22,894,635</u>
<b>Capital and reserves</b>			
Called up share capital	14	32,902	5,636
Share premium account	14	288,791,480	58,421,078
Share option reserve	15	7,604,345	2,510,498
Foreign currency reserve		(1,165,113)	(1,165,113)
Profit and loss account		<u>(68,300,952)</u>	<u>(36,877,464)</u>
<b>Shareholders' funds</b>		<u>226,962,663</u>	<u>22,894,635</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf. The notes on pages 21-38 form part of these financial statements.

DocuSigned by:  
  
7385197C43E748A  
**Matthew Scullion**  
Director

**Matillion Limited**  
**Consolidated Statement of Changes in Equity**  
**For the Period Ended 31 January 2022**

	Called up Share Capital	Share Premium Account	Share Option Reserve	Foreign Currency Reserve	Profit and Loss Account	Total Equity
	\$	\$	\$	\$	\$	\$
<b>At 1 January 2021</b>	5,636	58,421,078	2,510,498	(1,165,113)	(36,877,464)	22,894,635
Share based payments	-	-	5,093,847	-	-	5,093,847
Issue of shares	27,267	230,370,402	-	-	-	230,397,668
Loss for the year	-	-	-	-	(31,423,488)	(31,423,488)
<b>At 31 January 2022</b>	<b>32,903</b>	<b>288,791,480</b>	<b>7,604,345</b>	<b>(1,165,113)</b>	<b>(68,300,952)</b>	<b>226,962,663</b>

**Consolidated Statement of Changes in Equity**  
**For the Year Ended 31 December 2020**

	Called up Share Capital	Share Premium Account	Share Option Reserve	Foreign Currency Reserve	Profit and Loss Account	Total Equity
	\$	\$	\$	\$	\$	\$
<b>At 1 January 2020</b>	5,622	58,353,174	818,622	(1,165,113)	(24,831,201)	33,181,104
Share based payments	-	-	1,691,876	-	-	1,691,876
Issue of shares	14	67,904	-	-	-	67,918
Loss for the year	-	-	-	-	(12,046,263)	(12,046,263)
<b>At 31 December 2020</b>	<b>5,636</b>	<b>58,421,078</b>	<b>2,510,498</b>	<b>(1,165,113)</b>	<b>(36,877,464)</b>	<b>22,894,635</b>

**Matillion Limited**  
**Consolidated Statement of Cash Flows**  
**For the Period Ended 31 January 2022**

	Period ended 31 January 2022	Year Ended 31 December 2020
	\$	\$
<b>Cash flow from operating activities</b>		
<b>Loss for the financial year</b>	<b>(31,423,488)</b>	<b>(12,046,263)</b>
Adjustments for:		
Depreciation of tangible assets	793,329	492,311
Interest paid	348,954	27,396
Taxation expense	178,856	151,820
Unrealized foreign exchange	17,428	41,450
Share based payment charges	5,093,847	1,691,876
<b>Increase in trade and other debtors</b>	<b>(17,278,870)</b>	<b>(5,925,164)</b>
<b>Increase in trade and other creditors</b>	<b>12,444,476</b>	<b>2,275,511</b>
Taxation paid	(178,856)	(293,230)
Interest paid	(358,932)	(187,917)
<b>Net cash from operating activities</b>	<b>(30,363,256)</b>	<b>(13,772,210)</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(1,186,442)	(479,788)
Disposal of tangible fixed assets	48,521	-
Purchase of intangible fixed assets	(248,427)	-
<b>Net cash from investing activities</b>	<b>(1,386,348)</b>	<b>(479,788)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	-	5,000,000
Repayment of borrowings	(5,000,000)	-
Proceeds from issue of ordinary share capital (net of costs of issue)	230,397,669	67,904
Interest received	9,979	174,473
<b>Net cash from financing activities</b>	<b>225,407,648</b>	<b>5,242,377</b>
<b>Net increase in cash and cash equivalents</b>	<b>193,658,044</b>	<b>(9,009,607)</b>
Cash and cash equivalents at the beginning of the year	20,811,126	29,820,733
<b>Cash and cash equivalents at the end of the year</b>	<b>214,469,170</b>	<b>20,811,126</b>

## Matillion Limited

Registered number 07474948  
Company Statement of Financial Position  
As at 31 January 2022

			Period ended 31 January 2022	Year Ended 31 December 2020
<b>Fixed assets</b>	<b>Note</b>		<b>\$</b>	<b>\$</b>
Tangible assets	9		1,004,570	487,268
Intangible assets	10		248,427	-
Debtors: amounts falling due after one year			4,313,918	367,500
Investments	11		86	86
			<u>5,567,001</u>	<u>854,853</u>
<b>Current assets</b>				
Debtors: amounts falling due within one year	12	23,982,191	10,892,062	
Cash and cash equivalents		211,956,961	20,511,124	
		<u>235,939,152</u>	<u>31,403,186</u>	
Creditors: amounts falling due within one year	13	(13,225,221)	(6,188,245)	
<b>Net current assets</b>			<u>222,713,931</u>	<u>25,582,441</u>
<b>Total assets less current liabilities</b>			<u>228,280,932</u>	<u>26,437,295</u>
Creditors: amounts falling due after one year	13		(4,316,550)	(5,000,000)
<b>Net assets</b>			<u>223,964,382</u>	<u>21,437,295</u>
<b>Capital and reserves</b>				
Called up share capital	14		32,902	5,636
Share premium account	14		288,791,480	58,421,078
Share option reserve	15		7,604,345	2,510,498
Foreign currency reserve			(1,198,475)	(1,198,475)
Profit and loss account			(71,265,871)	(38,301,442)
<b>Shareholders' funds</b>			<u>223,964,382</u>	<u>21,437,295</u>

## Matillion Limited

### Company Statement of Changes in Equity For the Period Ended 31 January 2022

	Called up Share Capital \$	Share Premium Account \$	Share Option Reserve \$	Foreign Currency Reserve \$	Profit and Loss Account \$	Total Equity \$
At 1 January 2021	5,636	58,421,078	2,510,498	(1,198,475)	(38,301,442)	21,437,295
Share based payments	-	-	5,093,847	-	-	5,093,847
Issue of shares	27,267	230,370,402	-	-	-	230,397,668
Loss for the year	-	-	-	-	(32,964,429)	(32,964,429)
At 31 January 2022	<u>32,903</u>	<u>288,791,480</u>	<u>7,604,345</u>	<u>(1,198,475)</u>	<u>(71,265,871)</u>	<u>223,964,382</u>

### Company Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up Share Capital \$	Share Premium Account \$	Share Option Reserve \$	Foreign Currency Reserve \$	Profit and Loss Account \$	Total Equity \$
At 1 January 2020	5,622	58,353,174	818,622	(1,198,475)	(25,550,601)	32,428,342
Share based payments	-	-	1,691,876	-	-	1,691,876
Issue of shares	14	67,904	-	-	-	67,918
Loss for the year	-	-	-	-	(12,750,841)	(12,750,841)
At 31 December 2020	<u>5,636</u>	<u>58,421,078</u>	<u>2,510,498</u>	<u>(1,198,475)</u>	<u>(38,301,442)</u>	<u>21,437,295</u>

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

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**1. General information**

Matillion Limited ("the Company"), together with its subsidiaries are referred to as "the Group". The Company is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations, and its principal activities are disclosed in the director's report.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The Consolidated and the Company financial statements have been prepared under the historical cost convention. ~~The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and in conformity with the requirements of the Companies Act 2006.~~

The financial statements have been prepared on the historical cost basis, except where the individual accounting policies state otherwise. The principal accounting policies adopted are set out below. These policies have been consistently applied to both years presented unless otherwise stated.

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

The accounting policies detailed below apply to both the Consolidated and the Company financial statements. The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss of the Company for the period ended 31 January 2022 was \$32,964,429 (year ended 31 December 2020: loss of \$12,750,841). The Company has taken advantage of the following exemptions in its individual 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 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.

The Company has taken advantage of the exemption available in section 33.1A of FRS 102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the Group.

These financial statements are presented in US Dollar as the functional currency of the primary economic environment in which Matillion operates.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The Group and Company is in a net current assets and net assets position as at the year-end. The wide application of the Company's product(s) and the consequent diverse spread of industries in which our customers operate, together with an acceleration of digitalisation in many businesses, has supported significant year on year growth in 2022.

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

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The Group made a loss before taxation the period ended 31 January 2022 of \$31,602,344 (year ended 31 December 2020: \$11,894,443) and are generating cash outflows in the period ended 31 January 2022. The Group has net current assets of \$225,288,665 and net assets of \$226,962,663 as at 31 January 2022 (31 December 2020: net current assets \$26,443,524 and net assets of \$22,894,635). The Group has cash at bank of \$214,469,170 as at 31 January 2022 (2020: \$20,811,126) and currently has no internal or external borrowings as at 31 January 2022.

### **2.3 Basis of consolidation**

The consolidated financial statements include the results of Matillion Limited and its subsidiary undertaking as at 31 January 2022. The operating results of the Group and its entities are included in the consolidation from the effective date of acquisition to the effective date of disposal. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

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### **Change of financial year end date**

The Board approved the change in financial year end date from 31 December to 31 January commencing from the financial period ended 31 January 2022. Accordingly, the accompanying consolidated financial statements for the current financial period cover a period of thirteen months from 1 January 2021 to 31 January 2022. The comparative figures, however, are for the twelve months from 1 January 2020 to 31 December 2020 and hence are not directly comparable.

### **2.4 Turnover**

Revenue primarily represents amounts derived from the sale of the company's Extract Transform Load (ETL) solution and professional services in support. There are two types of arrangements offered to the customer being either a fixed term licence contract or access to the software on a usage basis.

Revenue in relation to the fixed term licence contract is recognised once a legal arrangement is in place (which identifies the rights of both parties, has commercial substance, and confirms commercial terms, including payments terms), the risks and rewards have been transferred and the customer can commence use of the software. There is no ongoing requirements for the company to support the licence once it has been transferred to the customer and therefore this is deemed to be a right of use licence.

Customers can enter into either 'Pay As You Go' (PAYG) or fixed term contracts for ETL.

i. PAYG customers are invoiced monthly in arrears based on consumption volume (typically measured in hours) to which an agreed consumption price (typically per hour) is applied. Revenue is recognised in the period in which consumption occurs;

ii. Fixed term contracts are invoiced per the terms of the contract. Revenue is recognized as follows:

- i. 90% of the total contract value is recognized on delivery, and
- ii. 10% is recognised over the remaining term of the contract being post customer support.

Professional services revenue is recognized in the period in which the services are rendered.

Customers can purchase a premium support service as part of a licence contract or as a separate contract and this revenue is recognised evenly over the term of the contract based on the contract value.

### **2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Recurring billing occurs throughout the lifetime of the company's fixed-term contracts which gives rise to the differences between the amount billed and the portion of revenue recognized over the contract period resulting in accrued revenue.

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

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**2.6 Intangible assets**

*Computer Software*

Acquired computer software products are capitalised along with the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of three years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

**2.7 Tangible assets**

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

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

Depreciation is provided on the following basis:

Leasehold improvements	over minimum lease period
Fixtures, fittings & equipment	3 years
Computer equipment	3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The Company considers all highly liquid investments with original or remaining maturities of three months or less when purchased to be cash equivalents.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

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**2.12 Research and Development Costs**

Research and development costs are expensed as incurred. Research and development expenses consist primarily of personnel-related expenses associated with the company's research and development staff, including salaries, benefits, bonuses, and stock-based compensation. Research and development expenses also include contractor or professional services fees, third-party cloud infrastructure expenses incurred in developing the company's platform, expenses associated with computer equipment, software and subscription services dedicated for use by the company's research and development organization and allocated overhead.

**2.13 Share Capital**

Ordinary 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.

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**2.14 Financial Instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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.

**2.15 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

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**2.16 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

**2.17 Foreign currency**

**(a) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') which is deemed to be United States dollar (USD). The consolidated financial statements are also presented in USD.

**(b) Transactions and balances**

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**2.18 Share based payments**

The group operates share schemes under which it grants equity-settled over ordinary shares in the company to certain of its employees. The company recognises a compensation expense that is based on the fair value of the awards measured using OPM Backsolve approach. Where share options are awarded to employees, the fair value of the underlying stock at the date of grant is charged to profit or loss over the vesting period using ratable straight line amortization method. Service vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

**2.19 Government grants**

Government grants in relation to tangible fixed assets are recognised in deferred income and credited to profit and loss over the useful lives of the related assets, whereas those in relation to expenditure are credited when the expenditure is charged to profit and loss.

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

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**2.20 Pension costs**

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

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

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

*Fixed term licence revenue*

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The company enters into revenue arrangements with customers to provide its ETL solution either on a stand-alone basis or as part of an integrated offering which includes premium support service.

The Group recognises revenue when, or as, it transfers the risks and rewards of the software licence to the customer. The judgement of when to recognise revenue is intrinsically linked to when the risks and rewards have been fully transferred because revenue can only be recognised when this has occurred. The judgement to determine that the licence is considered a right to use is significant as it could cause a significant change in the timing of revenue recognition.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key areas of estimation included in the Group's annual financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

*Fixed term licence revenue*

There is an estimation in relation to the revenue allocated to the licence and to the post customer support element of the contract. In judging that 90% of a contract's value is recognized upfront, the company has estimated that the ongoing obligation of the company to provide basic support and maintenance, including period product upgrades, is, typically, 10% of a contract's value which is a significant estimate which influences the timing and amount of revenue recognition.

*Share-based payments*

The company operates share schemes under which it grants equity-settled over ordinary shares in the company to its employees. The company recognises a compensation expense that is based on the fair value of the awards measured using OPM Backsolve approach.

Stock-based compensation is recognized ratably on a straight-line basis over the requisite service period. Forfeitures are accounted for in the period in which they occur.

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

**4. Turnover**

Turnover is wholly attributable to the principal activity of the Group. Turnover by destination is as follows:

	Period ended 31 January 2022 \$	Year Ended 31 December 2020 \$
United Kingdom	5,507,353	2,481,374
Europe	9,801,615	4,838,910
United States of America	36,571,676	19,868,227
Rest of World	5,382,421	2,791,093
	<u>57,263,064</u>	<u>29,979,605</u>

	Period ended 31 January 2022 \$	Year Ended 31 December 2020 \$
Software	56,261,306	29,966,847
Premium Support Service	1,001,759	12,758
	<u>57,263,064</u>	<u>29,979,605</u>

**5. Operating Loss**

The operating loss is stated after charging/(crediting):

	Period ended 31 January 2022 \$	Year Ended 31 December 2020 \$
Depreciation of tangible fixed assets	793,329	492,311
Share based payment expense	5,093,847	1,691,876
Foreign exchange	(91,216)	(295,636)
Fees payable to the Group's auditor and its associates for:		
- the audit of the Group's annual financial statements	190,526	65,000
- non audit services	-	54,768
Operating lease rentals - land and buildings	<u>747,700</u>	<u>665,592</u>

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

**6. Employees**

**Group**

	Period ended 31 January 2022	Year Ended 31 December 2020
	\$	\$
Staff costs (including directors) consist of:		
Wages and salaries	46,039,327	20,854,454
Social security costs	3,399,289	1,336,470
Other pension costs	304,626	181,548
Share based payments expense	5,093,847	1,691,876
	<u>64,837,089</u>	<u>24,064,348</u>

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

	Period ended 31 January 2022	Year Ended 31 December 2020
Support and development	229	120
Sales, Marketing and Delivery	161	65
Administration	59	28
	<u>449</u>	<u>213</u>

**Company**

	Period ended 31 January 2022	Year Ended 31 December 2020
	\$	\$
Staff costs (including directors) consist of:		
Wages and salaries	26,297,610	11,783,374
Social security costs	3,399,289	1,336,470
Other pension costs	304,626	181,548
Share based payments expense	4,399,769	1,691,876
	<u>34,401,294</u>	<u>14,993,268</u>

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

	Period ended 31 January 2022	Year Ended 31 December 2020
Support and development	133	111
Sales, Marketing and Delivery	49	19
Administration	38	24
	<u>220</u>	<u>154</u>

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

**7. Directors' Remuneration**

**Directors' Remuneration**

	Period ended 31 January 2022	Year Ended 31 December 2020
	\$	\$
Directors' remuneration consists of:		
Emoluments	823,839	488,292
Payments to defined contribution pension scheme	5,229	1,796
Share based payment expense	22,792	24,340
Amounts paid to third parties in respect of director's services	-	53,000
	<u>851,859</u>	<u>567,428</u>

Post-employment benefits are accruing for two directors under the company's defined contribution pension scheme (2020 : 2) during the year. No directors (2020: none) were members of defined benefit schemes.

None of the directors (2020: none) exercised share options in the parent's shares during the year.

Emoluments of the highest paid director were \$473,255 (2020 : \$270,706). Company pension contributions of \$5,229 (2020 : \$1,796) were made to a pension scheme on their behalf.

During the year the highest paid director did not receive any shares under any long term incentive schemes (2020 : \$nil).

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

**8. Taxation**

The Finance Act 2020, which provides that the UK corporation tax rate be maintained at 19% from 1 April 2020, was substantively enacted on 17 March 2020.

	Period ended 31 January 2022	Year Ended 31 December 2020
	\$	\$
<b>Current tax</b>		
UK corporation tax at 19.00% (PY: 19.00%)	-	-
Adjustments in respect of prior periods	(332,214)	-
Adjustment in respect of current period	(468,051)	-
Foreign taxation	621,409	151,820
<b>Total current tax charge/(credit)</b>	<b>(178,856)</b>	<b>151,820</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior periods	-	-
Effect of tax rate change on opening balance	-	-
<b>Total deferred tax charge/(credit)</b>	<b>-</b>	<b>-</b>
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

**Matillion Limited**  
**Notes to the Financial Statements**  
**For the Period Ended 31 January 2022**

*Factors affecting the tax charge for the year:*

The tax assessed for the year is more (2020 : more) than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	<b>Period ended 31 January 2022 \$</b>	<b>Year Ended 31 December 2020 \$</b>
Loss on ordinary activities before taxation	<u>(31,602,344)</u>	<u>(11,894,443)</u>
Loss on ordinary activities before taxation multiplied at the standard rate of corporation tax in the UK of 19.00% (2019 : 19.00%)	<b>(6,004,445)</b>	<b>(2,259,944)</b>
Effects of:		
Fixed asset differences	<b>(40,238)</b>	5,821
Expenses not deductible for tax purposes	<b>834,221</b>	326,985
Other permanent differences	<b>(834,927)</b>	-
Adjustment to tax charge in respect of prior periods - deferred ta:	-	188,838
Adjustment to tax charge in respect of prior periods	<b>(329,853)</b>	<b>(318,223)</b>
Foreign taxation	<b>(229,202)</b>	247,572
Movement in deferred tax not recognised	<b>10,545,147</b>	2,445,487
Remeasurement of deferred tax for changes in tax rate	<b>(4,115,957)</b>	<b>(472,669)</b>
Current tax (prior period) exchange difference arising on movement between opening and closing spot rates	<b>(3,602)</b>	<b>(12,047)</b>
Total tax charge for the year	<u><b>(178,856)</b></u>	<u><b>151,820</b></u>

At 31 January 2022, there was a deferred tax asset of \$17,149,821 (2020: \$6,652,010) relating to losses carried forward, which has not been recognised in the financial statements.

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**9. Tangible fixed assets**

Group	Leasehold Improvement	Fixtures, Fittings & Equipment	Computer Equipment	Total
	\$	\$	\$	\$
<b>Cost</b>				
At 1 January 2021	611,653	687,864	912,518	2,212,035
Additions	20,231	13,390	1,152,821	1,186,442
Disposals	(48,521)	-	-	(48,521)
At 31 January 2022	<u>583,363</u>	<u>701,254</u>	<u>2,065,339</u>	<u>3,349,956</u>
<b>Depreciation</b>				
At 1 January 2021	(345,871)	(375,746)	(406,807)	(1,128,424)
Charge for the period	(145,447)	(196,531)	(451,351)	(793,329)
At 31 January 2022	<u>(491,318)</u>	<u>(572,276)</u>	<u>(858,158)</u>	<u>(1,921,752)</u>
<b>Net Book Value</b>				
At 31 January 2022	<u>92,045</u>	<u>128,977</u>	<u>1,207,181</u>	<u>1,428,203</u>
At 31 December 2020	<u>265,782</u>	<u>312,118</u>	<u>505,711</u>	<u>1,083,611</u>
<b>Company</b>				
Company	Leasehold Improvement	Fixtures, Fittings & Equipment	Computer Equipment	Total
	\$	\$	\$	\$
<b>Cost</b>				
At 1 January 2021	534,278	597,852	732,359	1,864,489
Additions	13,768	13,390	748,782	775,940
Correction to opening balance	-	-	1,534	1,534
At 31 January 2022	<u>548,046</u>	<u>611,242</u>	<u>1,482,675</u>	<u>2,641,963</u>
<b>Depreciation</b>				
At 1 January 2021	(345,927)	(327,929)	(335,865)	(1,009,721)
Charge for the period	(145,503)	(165,802)	(316,366)	(627,671)
At 31 January 2022	<u>(491,430)</u>	<u>(493,731)</u>	<u>(652,231)</u>	<u>(1,637,392)</u>
<b>Net Book Value</b>				
At 31 January 2022	<u>56,616</u>	<u>117,511</u>	<u>830,444</u>	<u>1,004,571</u>
At 31 December 2020	<u>188,351</u>	<u>269,923</u>	<u>396,494</u>	<u>854,768</u>

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**10. Intangible fixed assets**

Intangible fixed assets are represented by computer software products purchased by the Group which were not put in use as of 31 January 2022, hence no amortization was accrued.

Group	Acquired software \$	Total \$
<b>Cost</b>		
At 1 January 2021	-	-
Additions	<u>248,427</u>	<u>248,427</u>
At 31 January 2022	<u>248,427</u>	<u>248,427</u>
<b>Amortisation</b>		
At 1 January 2021	-	-
Charge for the period	<u>-</u>	<u>-</u>
At 31 January 2022	<u>-</u>	<u>-</u>
<b>Net Book Value</b>		
At 31 January 2022	<u>248,427</u>	<u>248,427</u>
At 31 December 2020	<u>-</u>	<u>-</u>
<b>Company</b>		
<b>Cost</b>		
At 1 January 2021	-	-
Additions	<u>248,427</u>	<u>248,427</u>
At 31 January 2022	<u>248,427</u>	<u>248,427</u>
<b>Company</b>		
At 1 January 2021	-	-
Charge for the period	<u>-</u>	<u>-</u>
At 31 January 2022	<u>-</u>	<u>0</u>
<b>Net Book Value</b>		
At 31 January 2022	<u>248,427</u>	<u>248,427</u>
At 31 December 2020	<u>-</u>	<u>-</u>

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**11. Investments****Company**

	Investment in Subsidiaries \$
<b>Cost</b>	
At 1 January 2021 and 31 January 2022	86

The following were the subsidiary undertakings at the end of the year, all of which were 100% owned:

Name	Country of incorporation and registered address	Description of shares held	Holding
Matillion (USA) Inc.	3442 Old Capitol Trail, Suite 700, Wilmington DE 19803, U.S.A.	Ordinary	100%

**12. Debtors**

	Group As at 31 January 2022 \$	As at 31 December 2020 \$	Company As at 31 January 2022 \$	As at 31 December 2020 \$
Amounts receivable within one year:				
Trade debtors	11,376,243	5,326,439	11,376,243	5,326,439
Other debtors	1,621,332	95,808	1,485,671	13,273
Prepayments	4,470,358	1,465,940	4,203,394	1,383,393
Accrued income	6,916,882	4,164,177	6,916,882	4,168,957
	<b>24,384,816</b>	<b>11,052,364</b>	<b>23,982,191</b>	<b>10,892,062</b>

	Group Period ended 31 January 2022 \$	As at 31 December 2020 \$	Company Period ended 31 January 2022 \$	As at 31 December 2020 \$
Amounts falling due in more than one year				
Accrued income	870,310	367,500	870,310	367,500
Other tax receivable	3,443,608	-	3,443,608	-
	<b>4,313,918</b>	<b>367,500</b>	<b>4,313,918</b>	<b>367,500</b>

The impairment loss recognised in profit or loss for the period in respect of bad and doubtful trade debtors was \$0 (2020: \$126,924). The bad and doubtful debt provision as at 31 January 2022 was \$453,997 (2020: \$453,997).

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**13. Creditors**

	Group As at 31 January 2022 \$	Group As at 31 December 2020 \$	Company As at 31 January 2022 \$	Company As at 31 December 2020 \$
Amounts falling due within one year:				
Trade creditors	4,992,364	1,062,609	4,834,454	997,911
Other taxation and social security	1,324,087	242,902	1,324,087	242,902
Amounts owed to Group undertakings	-	-	1,205,526	1,619,174
Other creditors	421,761	381,980	247,774	91,557
Accruals	4,762,765	2,841,222	3,547,742	2,345,446
Deferred income	2,064,343	891,254	2,065,638	891,254
<b>Total</b>	<b>13,565,320</b>	<b>5,419,967</b>	<b>13,225,221</b>	<b>6,188,245</b>

At 31 January 2022, \$6,037 of government grants (2020 : \$10,357) was recognised in deferred income of which \$3,988 is due within a year (2020 : \$7,311). \$4,320 has been recognised in profit or loss for the period (2020 : \$9,274). Amounts owed to group undertakings are unsecured, recoverable on demand and are non-interest bearing.

Group and Company	Group As at 31 January 2022 \$	Group As at 31 December 2020 \$	Company As at 31 January 2022 \$	Company As at 31 December 2020 \$
Amounts falling due after one year:				
Bank loans	-	5,000,000	-	5,000,000
Deferred income	872,942	-	872,942	-
Other tax payable	3,443,608	-	3,443,608	-
	<b>4,316,550</b>	<b>5,000,000</b>	<b>4,316,550</b>	<b>5,000,000</b>

In November 2021, the group repaid in full a loan secured in May 2020 through its bankers, Silicon Valley Bank, under which it borrowed \$5,000,000. An early payment fee of \$80,555 and the balance remaining on the arrangement fee of \$166,666 (2020: \$33,333) were recognized in profit or loss for the period.

**14. Share Capital**

Shares classified as equity	As at 31 January 2022 \$	As at 31 December 2020 \$
<b>Allotted, called up and fully paid</b>	<b>\$</b>	<b>\$</b>
"A" Ordinary shares of £0.0001 each	705	657
"B" Ordinary shares of £0.0001 each	803	803
"C" Ordinary shares of £0.0001 each	491	491
"A" Preference shares of £0.0001 each	39	39
"B1" Preference shares of £0.0001 each	1,659	1,659
"B2" Preference shares of £0.0001 each	105	105
"C" Preference shares of £0.0001 each	1,579	1,579
"D" Ordinary shares of £0.0001 each	14,150	-
"E" Ordinary shares of £0.0001 each	13,069	-
Deferred shares of £0.0001 each	303	303
	<b>32,903</b>	<b>5,636</b>

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	As at 31 January 2022	As at 31 December 2020
<b>Share Premium</b>	<b>\$</b>	<b>\$</b>
Share Premium Series A Ordinary Shares	1,019,794	156,603
"B" Ordinary Shares Premium	119,403	119,403
"Series A Ordinary Shares Premium	4,376,964	4,376,964
"Series B1" Ordinary Shares Premium	16,699,430	16,699,430
"Series B2" Ordinary Shares Premium	1,238,323	1,238,323
"Series C" Ordinary Shares Premium	35,830,356	35,830,356
"Series D" Ordinary Shares Premium	79,846,959	-
"Series E" Ordinary Shares Premium	<u>149,660,251</u>	<u>-</u>
	<u><b>288,791,480</b></u>	<u><b>58,421,078</b></u>

During thirteen months ended 31 January 2022, the company issued 4,614,380 shares to employees under the company's share option scheme at a weighted average grant price \$7.02.

Full voting and dividend rights apply to all classes of Ordinary shares, save in respect of a preferred dividend pursuant to article 4.2 of the Company's articles of association and except that shareholders of exclusively A Ordinary shares holding less than 1% of the total share capital do not have voting rights. The shares do not confer any rights of redemption.

The B1 and C Preference shares have full voting and dividend rights, with a right to receive a preferred dividend pursuant to article 4.2 of the Company's articles of association together with such rights on a distribution of assets on a liquidation or a return of capital and on an exit as set out in articles 5 and 6 of the Company's articles of association. The B1 and C Preference shares are not redeemable.

The B2 Preference shares have full voting and dividend rights, excluding any right to receive a preferred dividend pursuant to article 4.2 of the Company's articles of association together with such rights on a distribution of assets on a liquidation or a return of capital and on an exit as set out in articles 5 and 6 of the Company's articles of association. The B2 Preference shares are not redeemable.

The deferred shares have no voting or dividend rights together with such rights on a distribution of assets on a liquidation or a return of capital and on an exit as set out in articles 5 and 6 of the Company's articles of association. The deferred shares are redeemable.

In February 2021, the Company closed a Series D funding round of \$80m led by Lightspeed Venture Partners. The funding will be used to expand Sales, Marketing, Partnerships and Research and Development (R&D) to meet increasing demand and further accelerate development of its products.

In October 2021, the Company closed a Series E funding round of \$150m led by General Atlantic. The funding will be used to expand Sales, Marketing, Partnerships and Research and Development (R&D) to meet increasing demand and further accelerate development of its products.

## 15. Reserves

The company's reserves are as follows:

### Share Premium account

The share premium account represents the difference between the funds raised through the issue of new shares (less costs directly associated with such issue) and the nominal value of the shares issued.

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**Share Option reserve**

The share option reserve represents the cumulative charge to the income statement for employee stock option awards.

**Foreign currency reserve**

The foreign currency reserve represents the foreign exchange arising upon change in functional currency from GBP to USD in 2020.

**Profit and loss account**

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

**16. Commitments under operating leases**

At 31 January 2022 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Period ended 31 January 2022	31 December 2020
	\$	\$
<b>Land and Buildings</b>		
Not later than 1 year	304,538	377,338
Later than 1 year but not later than 5 years	-	95,565
	<u>304,538</u>	<u>472,903</u>

**17. Share-based payments**

The table below summarises the movements on options during the period.

	31 January 2022	31 January 2022	31 December 2020	31 December 2020
	Weighted Average Exercise Price (\$)	Number	Weighted Average Exercise Price (\$)	Number
Outstanding at the start of the year	0.76	8,008,717	0.61	5,551,818
Exercised during the year	0.99	(916,351)	0.69	(100,184)
Lapsed during the year	1.36	(778,526)	1.34	(365,538)
Granted during the year	7.02	4,642,699	1.83	2,922,621
Outstanding at the end of the period	<u>3.35</u>	<u>10,966,539</u>	0.76	8,008,717

The total grants include 583,112 grants which are expected to be made in the coming year but for which performance conditions have commenced during the year as communicated to the employees.

The group operates share-based payment schemes (EMI, ISO, CSOP, Unapproved) for its employees, as follows: all employees are granted share options in the company as part of the all-employee share scheme. The

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options are granted with a fixed exercise price, vest over a four-year period, are exercisable once vested and expire ten years after the date of grant.

Employees are required to remain in employment with the group for at least one year after the grant date at which point ¼ of the options granted vest; otherwise the awards lapse. On exercise of the options by the employees, the company issues new shares.

The exercise price of options outstanding at the end of the year was \$36,735,515.34 (2020 : \$6,084,262 ) and their weighted average contractual life was 2 years (2020 : 3 years).

Of the total number of options outstanding at the period end, 6,844,408 (2020 : 3,896,586) had not yet fully vested and 1,894,033 (2020 : 4,007,097 ) had vested but 1,784,533 (2020 : 1,974,000) and 109,500 unapproved options were capable of exercise (2020 : 109,500).

The fair values for the EMI grants are based on a 409A valuation performed by an external consultant. The external consultant utilized the OPM Backsolve approach to estimate the implied total equity value of the Group. This method allows for the allocation of a company's equity value among the various equity capital owners (preferred and common shareholder). The OPM uses the preferred shareholders' liquidation preferences, participation rights, dividend policy, and conversion rights to determine how proceeds from a liquidity event shall be distributed among the various ownership classes at a future date. Under this method, an OPM allocation model was built based on the Company's capital structure and reasonable option model inputs (term, volatility, etc.). The following inputs were considered:

- Risk-free rate: 0.19%-0.30% based on U.S. Treasury rates for a duration matching the expected term
- Volatility: 57.1%-60.0%
- Dividend Yield: 0.0%
- Time to Liquidity (Years): 2.5-3.0

The abovementioned inputs were the following in the year ended 31 December 2020:

- Risk-free rate: 0.19% based on U.S. Treasury rates for a duration matching the expected term
- Volatility: 57.3%
- Dividend Yield: 0.0%
- Time to Liquidity (Years): 3.0

The group is unable to directly measure the fair value of employee services received.

The share-based remuneration expense comprises:

	<b>Period ended 31 January 2022</b>	<b>Year Ended 31 December 2020</b>
	\$	\$
Equity-settled schemes	5,093,847	1,691,876

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**18. Interest payable and similar charges**

	<b>Period ended 31 January 2022</b>	<b>Year Ended 31 December 2020</b>
Interest expense on senior bank loans and revolving facility	358,932	201,869
	358,932	201,869

**19. Related party transactions**

The directors did not receive any dividends during per period to 31 January 2022 (2020 : \$nil).

At 31 January 2022, the company owed \$nil to directors of the company (2020 : \$nil).

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During the period, the company received directorial services from a company controlled by a director, Brian Gentile, which totalled \$57,000 (2020 : \$53,000).

YFM Equity Partners earned a monitoring fee, on behalf of Series A investors, of \$59,218 (2020 : \$61,143) for the period.

**20. Post balance sheet events**

Since 31 January 2022, the company has received additional investment under the terms of the Series E.

**21. Controlling party**

**Group and company**

Matillion Limited is owned by a number of private shareholders and investment funds, none of whom own more than 20% of the issued share capital of the company. Accordingly, there is no parent entity nor ultimate controlling party. Matillion Limited is the parent company of Matillion (USA) Inc. Matillion Limited produces consolidated financial statements for public use.