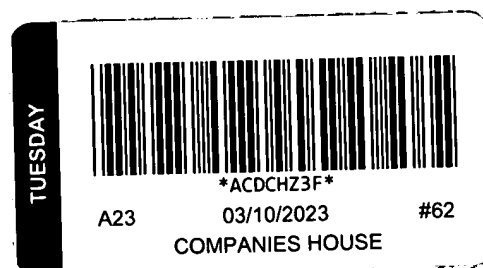


Registered number:
10611715

SNOWFLAKE COMPUTING U.K. LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023



SNOWFLAKE COMPUTING U.K. LIMITED

COMPANY INFORMATION

Directors	Michael P. Scarpelli Derk Nicolaas Lupinek Leslie Topham
Company secretary	Fieldfisher Secretaries Limited
Registered number	10611715
Trading Address	5th Floor, One Crown Place 3 Crown Place London EC2A 4EF
Registered office	C/O Fieldfisher Riverbank House 2 Swan Lane London United Kingdom EC4R 3TT
Independent auditors	Byrd Link Audit and Accountancy Services Limited Honeybourne Place Jessop Avenue Cheltenham Gloucestershire GL50 3SH United Kingdom

SNOWFLAKE COMPUTING U.K. LIMITED

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SNOWFLAKE COMPUTING U.K. LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2023**

Introduction

Snowflake Computing U.K. Limited (the "Company") presents their Strategic Report together with the audited accounts for the fiscal year ended 31 January 2023. The Company has chosen to present the financial statements in accordance with the FRS 101 'Reduced Disclosure Framework', a framework for the entities who apply the presentation, recognition, measurement and disclosure requirements of the International Financial reporting standards (IFRS) in conformity with the requirements of the Companies Act 2006, but also ensures compliance with any relevant legal requirements applicable to it.

The principal activity of the Company is to provide sales, marketing and customer support services that support the sale of the Group's products in the United Kingdom until November 27, 2022. With effect from November 28, 2022 the Company has entered into a sub-distribution agreement with Snowflake Computing Netherlands B.V. (referred to as "Fellow Subsidiary" hereinafter) where it is functioning as a non-exclusive sub-distributor of the Snowflake offerings in the United Kingdom. We are a private limited liability company and a wholly-owned subsidiary of Snowflake Inc. (the "Ultimate Parent Company") headquartered at Suite 3A, 106 East Babcock Street, Bozeman, Montana 59715, United States of America.

Business review

The Company has continued to grow during the year, the average headcount increased during the year from 163 to 266. The Company is positioned to continue to expand in the future. The Company's future growth depends on the ability of the Ultimate Parent Company and the Fellow Subsidiary, to introduce new products and services on a timely basis and achieve market acceptance of these new products and services.

The net result for the year 2023 was a profit after tax of £7,457,645 (2022: profit after tax of £24,793,515)

The directors are pleased with the overall performance of the Company, the directors believe that the Company is in good financial health and will continue to prosper. We ended the 2023 year with £7,339,013 in cash. We expect to continue to generate sufficient cash flows to meet the operating needs for 2024 as the nature of the intercompany agreement with the Fellow Subsidiary maintains liquidity under a sub-distributor arrangement.

Financial key performance indicators

The results for the financial period are set out in the Statement of Comprehensive Income and Statement of Financial position on pages 10 and 11 respectively. Revenue is a key financial indicator focused on by the management. Revenues were £82,523,053 and £55,106,744 for the years 2023 and 2022 respectively.

Principal risks and uncertainties

The Company's principal activities are to perform sales, marketing and customer support services for the Ultimate Parent Company until November 27, 2022. From November 28, 2022 the Company entered into a sub-distribution agreement with the Fellow Subsidiary to act as a non-exclusive distributor of the Snowflake offerings in the United Kingdom. Under these agreements, the Company earns an arm's length return for its activities. Therefore, the Company has limited exposure for operational and financial risk.

Some of our more significant challenges include foreign currency risk, operational risk, credit risk, data security risk, market risk and liquidity risk due to the Company's inability to meet its obligations on time.

The Company has limited foreign currency risk, as most of the Company's transactions are in the functional currency of the Company.

SNOWFLAKE COMPUTING U.K. LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

Principal risks and uncertainties (continued)

The Company faces operational risks as the market for our products is competitive. If we fail to innovate in response to changing customer needs and new technologies and other market requirements, our business, financial condition, and results of the operations could be harmed. Additionally, failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase our Group customer base and achieve broader market acceptance of our products and platform. The Ultimate Parent Company continues to innovate its products and sales strategies to ensure that we remain competitive and monitor developments in the market to manage this risk.

Credit risk mainly arises from the possibility of counterparties failing to comply with contractual obligations to the Company which is also mitigated as most of this risk remains with the Ultimate Parent Company and the Fellow Subsidiary.

Data security breaches could also present risk to the Company. If we or our third-party service providers experience a security breach or unauthorized parties otherwise obtain access to our customers' data, our data, or our platform may be perceived as not being secure, our reputation may be harmed, demand for our platform may be reduced or there could be significant penalties. This risk is mitigated as most of this risk remains with the Ultimate Parent Company.

The Company also faces market risk as changes in the macro-economic situations on account of the COVID-19 pandemic and the Russia-Ukraine war had adversely impacted the interest rates and the inflation all around the globe which in turn could have an adverse impact on our business, operations, markets and the communities in which we, our partners, and customers operate. We have not seen significant adverse effects on our business from these events, and our directors continue to monitor these closely in case changes to our business or strategy is needed to mitigate.

Liquidity risk is mitigated as management ensures that the Company maintains adequate levels of cash and cash equivalents needed to finance the Company's operations. The nature of the intercompany agreements with the Ultimate Parent Company and the Fellow Subsidiary respectively mitigates this risk as explained above.

Other key performance indicators

The directors of the Group manage the group's operations at the Ultimate Parent Company level. For this reason, the Company's directors believe that an analysis using key performance indicators for the Company is not necessary or appropriate for understanding the development, performance or position of the business.

Directors' statement of compliance with duty to promote the success of the Company

The paragraphs below provide an explanation for how the directors have had regard for the matters set out in section 172(1)(a) to (f) of the Act when performing their duties, including how directors have engaged with and considered the interests of stakeholders including UK employees, suppliers, customer and those in a principal business relationship with the Company.

The Company is a wholly-owned subsidiary of the Ultimate Parent Company which is the parent company of the Snowflake Group ("the Group"). As part of the Group, the Board is conscious of the Group's purpose, namely, to generate value for its shareholder and to ensure the sound and prudent management of the Company, with due regard for the interests of the Company's other stakeholders, including clients, employees, suppliers and the wider community.

SNOWFLAKE COMPUTING U.K. LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

Directors' statement of compliance with duty to promote the success of the Company (continued)

Shareholder

As a wholly-owned subsidiary, the Board duly considers the views of its Ultimate Parent Company and the interests of the Group as part of any major decisions and transactions undertaken by the Company.

Distributions to the Company's shareholder are only considered after a full assessment of capital adequacy. The Global Code of Conduct and Ethics ("the Code"), applies to all Directors and employees of the Company and it embodies the Group's commitment to maintaining the highest level of ethical conduct and professional standards. These non-negotiable standards are outlined in the Code, which emphasizes the importance of building trust with the colleagues, clients and the wider community.

Clients

The Company's principal activities are to perform sales, marketing and customer support services to support the sales of the Group's products in the United Kingdom to its Ultimate Parent Company until November 27, 2022. With effect from November 28, 2022, the Company is functioning as a non-exclusive sub-distributor of the Snowflake offerings in the United Kingdom in pursuance to the agreement entered with the Fellow Subsidiary.

Employees

The Board recognises that, employees are key to the Company's strength and success. Throughout 2023, the average headcount has increased from 163 to 266 during the year.

Suppliers

The Company reports on its supplier payment practices on a regular basis.

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

DocuSigned by:
Michael P. Scarpelli
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Michael P. Scarpelli
Director

Date: September 28, 2023

SNOWFLAKE COMPUTING U.K. LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2023**

The directors present their report and the financial statements for the year ended 31 January 2023.

Principal activity

The principal activity of the Company is to provide sales, marketing and customer support services that support the sale of the Group's products in the United Kingdom until November 27, 2022. With effect from November 28, 2022 the Company has entered into a sub-distribution agreement with the Fellow Subsidiary where it is functioning as a non-exclusive sub-distributor of the Snowflake offerings in the United Kingdom. We are a private limited liability company and wholly-owned subsidiary of Snowflake Inc. (the "Ultimate Parent Company") headquartered in Suite 3A, 106 East Babcock Street, Bozeman, Montana 59715, United States of America.

Results and dividends

The profit for the year, after taxation, amounted to £7,457,645 (2022 - £24,793,515).

The directors do not recommend that a dividend be paid, and no dividends were paid or proposed during the year (2022: Nil).

Directors

The directors who served during the year were:

Derk Nicolaas Lupinek
Michael P. Scarpelli
Leslie Topham

Qualifying third party indemnity provisions

Each of the Company's directors are indemnified for certain events or occurrences, subject to certain limits, while the director is or was serving at the Company's request in such capacity.

Future developments

The activities of the Company are expected to continue for the foreseeable future.

Political donations

The Company does not make any donations to Political parties and none were made during the year.

Principal risks and uncertainties

Our board of directors as well as the Ultimate Parent Company's board of directors and management meet regularly to address the risks previously mentioned, as well as to discuss the additional risks that might arise.

The Group implements global and local policies and procedures to mitigate these risks as needed, and have developed an internal control framework to identify and address areas of risk. See "Principal Risks and Uncertainties" section of the Strategic report for additional details on our risk management.

Matters covered in the Strategic report

Matters concerning engagement with the supplier, customers, financial risk management and exposure to risk have been covered in the Strategic report as permitted under Section 414C(11) of Companies Act, 2006.

SNOWFLAKE COMPUTING U.K. LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

Greenhouse gas emissions and energy consumption

Snowflake is focused on minimizing our environmental footprint. We aspire to be responsible in environmental sustainability. We are mindful that the companies and the individuals need to do their part and take action to mitigate climate change and protect our planet.

The amount of gas and electricity CO₂ emissions for the year relating to activities undertaken at Snowflake Computing UK Limited's UK offices included in this report was 67.53 tones of CO₂e using a location-based approach and 38.95 tones of CO₂e using a market-based approach. The total energy consumption for these activities is 345,817.19 kWh and is the equivalent of 0.08 tones per £100k of revenue using a location-based approach.

Greenhouse gas emissions have been reported in line with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Data has been compiled based on the mileage reports from business travel mileage recorded by the Company and utility bills data provided by our landlord, based on business travel mileage recorded by the Company. Greenhouse gas emission figures have been calculated using the UK Government emission conversion factors for company reporting.

Disclosure of information to auditors

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

- so far as each of the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the relevant steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

The auditors, Byrd Link Audit and Accountancy Services Limited, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

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

DocuSigned by:
Michael P. Scarpelli
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Michael P. Scarpelli
Director

Date: September 28, 2023

SNOWFLAKE COMPUTING U.K. LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2023**

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

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with IFRS as specified under Companies Act, 2006 complying with FRS 101 "Reduced Disclosure Framework" and applicable laws.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with adopted IFRS comprising FRS 101 have been followed in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

SNOWFLAKE COMPUTING U.K. LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNOWFLAKE COMPUTING U.K. LIMITED

Opinion

We have audited the financial statements of Snowflake Computing U.K. Limited for the year ended 31 January 2023, which comprise the Statement of profit or loss and other comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies set out on pages 15-23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs in conformity with requirements of the Companies Act, 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- a. A review of budgets and forecasts which includes the need to understand all future income streams and associated costs of the Company;
- b. Collation of evidence from communications and representation made by those charged with management throughout the audit process, in particular from discussions surrounding the viability of future performance of the business as it contains on its strategic growth path beyond 2023;
- c. Undertaking a review of the liquid reserves at the balance sheet date and assessing this with future profitability and cash inflows generated from profits or indeed support from the parent company; and
- d. Consideration of the ongoing support from the parent company itself.

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 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.

SNOWFLAKE COMPUTING U.K. LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNOWFLAKE COMPUTING U.K. LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

SNOWFLAKE COMPUTING U.K. LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNOWFLAKE COMPUTING U.K. LIMITED
(CONTINUED)**

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.

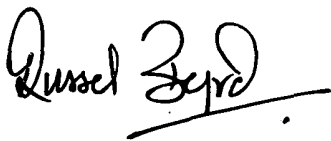
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

Based on our understanding of the company and its financial operations we have considered the initial risks of non-compliance with the UK regulators, predominantly HM Revenue and Customs and Companies Act 2006. We have assessed the impact of any breaches in such laws and regulations and considered whether any such findings would have a material impact on these financial statements. We have considered the risk of those charged with management overriding internal controls and the opportunity for financial manipulation. We have considered the effect of any accounting estimates included within these accounts and the effect this may have on our audit opinion.

Our audit procedures together with our assessment of risks identified at planning were transparent to the company and we have communicated with the client throughout the audit as well as the audit engagement team, and this includes such matters as fraud and irregularity.

The above procedures do however have their limitations as we can only work on a sample of financial transactions. Ultimately it is the responsibility of those charged with management for the prevention and detection of fraud and other irregularities.

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 auditors' report.



Russel Byrd FCA (Senior statutory auditor)

for and on behalf of
Byrd Link Audit and Accountancy Services Limited

Honeybourne Place
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH
United Kingdom
Date: September 28, 2023

SNOWFLAKE COMPUTING U.K. LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2023**

	Note	2023 £	2022 £
Revenue	6	82,523,053	55,106,744
Gross profit		82,523,053	55,106,744
Administrative expenses		(78,052,880)	(52,018,894)
Operating profit		4,470,173	3,087,850
Finance Income	10	15,896	—
Finance Expense	10	(297,000)	(70,976)
Profit before tax		4,189,069	3,016,874
Current tax expense	11	(24,396)	(20,334)
Deferred Tax credit recognised	11	3,013,863	21,796,975
Adjustment of current tax related to earlier years	11	279,109	—
Profit for the financial year		7,457,645	24,793,515
Other comprehensive Income		—	—
Total comprehensive income		7,457,645	24,793,515

The notes on pages 15 to 40 form part of these financial statements.

All activities derive from continuing operations.

SNOWFLAKE COMPUTING U.K. LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2023**

	Note	2023 £	2022 £
Assets			
Non-current assets			
Property, plant and equipment	12	8,882,249	2,318,492
Capital work in progress		3,600,350	6,722
Trade and other receivables	14	3,866,755	898,482
Deferred tax assets	11	29,057,819	26,043,956
Other non-current assets	13	1,193,541	372
		46,600,714	29,268,024
Current assets			
Trade and other receivables	14	33,698,935	15,444,526
Cash at bank and in hand	25	7,339,013	7,222,768
Other current assets	15	206,959	—
		41,244,907	22,667,294
Total assets		87,845,621	51,935,318
Liabilities			
Non-current liabilities			
Provisions	18	520,010	—
Loans and borrowings	19	8,156,819	1,313,710
		8,676,829	1,313,710
Current liabilities			
Provisions	18	86,222	—
Loans and borrowings	19	693,787	671,870
Trade and other payables	16	9,931,315	5,735,271
Contract Liabilities	17	10,197,484	—
		20,908,808	6,407,141
Total liabilities		29,585,637	7,720,851
Net Assets		58,259,984	44,214,467

SNOWFLAKE COMPUTING U.K. LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JANUARY 2023

	Note	2023 £	2022 £
Issued capital and reserves			
Share Capital	20	2,000	2,000
Share premium account	21	5,416,002	5,416,002
Foreign exchange reserve	21	—	—
Capital contribution	23	11,712,567	5,124,695
Retained earnings	21	41,129,415	33,671,770
Total Equity		58,259,984	44,214,467

The financial statements on pages 10 to 40 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

DocuSigned by:

Michael P. Scarpelli

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Michael P. Scarpelli

Director

Date: September 28, 2023

The notes on pages 15 to 40 form part of these financial statements.

SNOWFLAKE COMPUTING U.K. LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2023

	Share Capital £	Share premium £	Foreign exchange reserve £	Capital Contribution £	Retained earnings £	Total equity £
At 31 January 2022	2,000	5,416,002	—	5,124,695	33,671,770	44,214,467
Comprehensive income for the year						
Profit for the year	—	—	—	—	7,457,645	7,457,645
Total comprehensive income for the year	—	—	—	—	7,457,645	7,457,645
Contributions by and distributions to owners						
Compensation cost related to employees share based payment (SBP) plan	—	—	—	23,127,490	—	23,127,490
Cross charge from Ultimate Parent Company for employee SBP plan	—	—	—	(16,539,618)	—	(16,539,618)
Total contributions by and distributions to owners	—	—	—	6,587,872	—	6,587,872
At 31 January 2023	2,000	5,416,002	—	11,712,567	41,129,415	58,259,984

The notes on pages 15 to 40 form part of these financial statements.

SNOWFLAKE COMPUTING U.K. LIMITED

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

	Share Capital £	Share premium £	Foreign exchange reserve £	Capital Contribution £	Retained earnings £	Total equity £
At 31 January 2021	2,000	5,416,002	727	9,235,814	8,877,528	23,532,071
Comprehensive income for the year						—
Profit for the year	—	—	—	—	24,793,515	24,793,515
Total comprehensive income for the year	—	—	—	—	24,793,515	24,793,515
Contributions by and distributions to owners						
Foreign exchange reserve transfer	—	—	(727)	—	727	—
Compensation cost related to employees share based payment (SBP) plan	—	—	—	15,263,474	—	15,263,474
Adjustment	—	—	—	(11,686,104)	—	(11,686,104)
Capital contribution for equity settled shares based payments	—	—	—	(7,688,489)	—	(7,688,489)
Total contributions by and distributions to owners	—	—	(727)	(4,111,119)	727	(4,111,119)
At 31 January 2022	2,000	5,416,002	—	5,124,695	33,671,770	44,214,467

The notes on pages 15 to 40 form part of these financial statements.

SNOWFLAKE COMPUTING U.K. LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023****1. Accounting policies****1.1 Going concern**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate. The directors have paid particular attention to the trend of the global economic slowdown and the impact of increasing interest rates. Based on its assessment of cash position at Group level, it has come to the conclusion that there is a reasonable expectation that the Company will be able to continue the operational existence for a period of at least twelve months from the date when the financial statements are authorised for issue.

1.2 Investments in subsidiaries, associates and joint ventures

The Company owns 100% shareholding in Cloudlet Information Technology (Beijing) Co., Ltd. (Snowflake China) which is its subsidiary and a 0.06% shareholding in Snowflake Computing India LLP which is one of the Group companies. Given that the Company have made strategic investment and will be holding it for long term, investments in subsidiary and associates are carried at cost less any impairment losses. The cost is adjusted for any changes in value due to impairments or adjustments arising from changes in the investment's fair value.

1.3 Revenue from contracts with customers***Third party revenue (Distribution, professional and educational services revenue)***

The Company delivers its platform over the internet as a service. Customers choose to consume the platform under capacity arrangements in which the customer commit to certain amount of consumption at specific prices. The Company typically bills its customers in advance of their consumption. The Company recognises revenue as customers consume storage and data transfer resources under either of these arrangements.

Customer contracts for capacity typically have a term of one to four years. To the extent customers enter into such contracts and either consume the platform in excess of their capacity commitments or continue to use the platform after expiration of the contract term, they are charged for their incremental consumption. In many cases, customer contracts permit customers to roll over any unused capacity to a subsequent order, generally on the purchase of additional capacity. Customer contracts are generally non-cancellable during the contract term, although customers can terminate for breach if the Company materially fails to perform. For those customers who do not have a capacity arrangement, the Company's on-demand arrangements generally have a monthly stated contract term and can be terminated at any time by either the customer or the Company.

The Company's revenue also includes professional services and other revenue, which consists primarily of consulting, on-site technical solution services, and training related to the platform. Professional services revenue is recognised over time based on input measures, including time and materials costs incurred relative to total costs, with consideration given to output measures, such as contract deliverables, when applicable. Other revenue consists primarily of fees from customer training delivered on-site or through publicly available classes.

Revenue is recognised when promised services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services by following a five-step process, (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognise revenue when or as the Company satisfies a performance obligation, as further described below.

SNOWFLAKE COMPUTING U.K. LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023****1. Accounting policies (continued)****1.3 Revenue from contracts with customers (continued)**

Identify the contract with a customer: The Company generally considers a sales contract or agreement as a customer contract provided that collection is considered probable, which is assessed based on the creditworthiness of the customer as determined by credit checks, payment histories, and/or other circumstances. The Company combines contracts with a customer if contracts are negotiated with a single commercial substance or contain price dependencies.

Identify the performance obligations in the contract: Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the services is separately identifiable from other promises in the contract. The Company treats consumption of its platform for compute, storage, and data transfer resources as one single performance obligation because they are consumed by customers as a single integrated offering. The Company does not make any one of these resources available for consumption without the others. Instead, each of compute, storage and the data transfer work together to drive consumption on the Company's platform. The Company treats its virtual private deployments for customers, professional services, on-site technical solution services and training each as a separate and distinct performance obligation.

Determine the transaction price: The transaction price for the Company's contracts with its customers consists of fixed consideration. Customer invoices are generally due within 30-60 days after issuance. The Company's contracts with customers typically do not include significant financing components as the period between the transfer of performance obligations and timing of payment are generally within one year.

Allocate the transaction price to the performance obligations in the contract: For contracts that contain multiple performance obligations, the Company allocates the transaction price to the performance obligations on a relative standalone selling price basis. Standalone selling prices are based on multiple factors including, but not limited to historical discounting trends for products and services, pricing practices in different geographies and through different sales channels, gross margin objectives, internal costs, competitor pricing strategies, and industry technology lifecycles.

Recognise revenue when or as the Company satisfies a performance obligation: Revenue is recognised at the time the related performance obligation is satisfied by transferring the promised service to a customer. Revenue is recognised when control of the services is transferred to the customers, in an amount that reflects the consideration that the Company expects to receive in exchange for those services.

Intercompany revenue (Professional and Distributor fee)

The Company's principal activities are to perform sales, marketing and customer support services for the Ultimate Parent Company until November 27, 2022. From November 28, 2022 the Company entered into a sub-distribution agreement with the Fellow Subsidiary to act as a non-exclusive distributor of the Snowflake offerings in the United Kingdom. Under these agreements, the Company earns an arm's length return for its activities.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

1. Accounting policies (continued)

1.3 Revenue from contracts with customers (continued)

Unbilled revenue

Unbilled revenue, which is a contract asset, represents revenues from third party customers for services already rendered as at the year end and from the Ultimate Parent Company and the Fellow Subsidiary pursuant to the provisions of the intercompany agreements, prior to being invoiced.

(i) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received a consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Deferred commissions

Sales commissions earned by the Company's sales force are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and then amortized over a period over which benefit is expected to be received. The Company determines the period of benefit by taking into consideration the length of term in its customer contract, life of technology and other factors. Amortization of these expense is included in employee benefit expenses.

(iii) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

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SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

1. Accounting policies (continued)

1.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR to be 1.70% using observable inputs (such as market interest rates).

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in the 'Loans and borrowings' line in the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

1. Accounting policies (continued)

1.4 Leasing (continued)

The Company as a lessee (continued)

The right-of-use assets are included in the 'Property, Plant and Equipment' and 'Investment Property' lines, as applicable, in the Statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

1.5 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks and
- exchange differences on monetary items receivable from or payable to foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these financial statements, the assets and liabilities of the Company's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

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SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

1. Accounting policies (continued)

1.6 Employee benefits

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.7 Share-based payments

Share-based payment transactions of the Company

The Company measures and recognises compensation expense for all stock based awards, including share options and restricted stock units ("RSU") granted to the employees under 2012 and 2020 plan, and stock purchase rights granted under the 2020 Employee Stock Purchase Plan Rights ("ESPP Right") to the Company employees, based on estimated fair value of the award on the date of grant. The fair value of each share option and ESPP Right granted is estimated using the Black Scholes option pricing model. The fair value of each RSU is based on the estimated fair value of the Ultimate Parent Company's common stock on the date of grant. The determination of the grant fair value using an option pricing model is affected by the estimated fair value of our common stock as well as assumption regarding a number of complex and subjective variables. These variables include expected stock price volatility over an expected term, actual and projected employee share option exercise behaviours, the risk free interest rate for an expected term and expected dividend. The assumption used in the option pricing model represent the best estimates.

Equity-settled transactions

The cost of equity-settled transaction is recognised together with a corresponding increase in the other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transaction at each reporting date until the vesting dates reflects the extent to which vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period and is recognised in employee benefit expenses.

1.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured on the current value based on a pre-tax rate of the future cashflows required to settle present obligations.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

1. Accounting policies (continued)

1.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.10 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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SNOWFLAKE COMPUTING U.K. LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023****1. Accounting policies (continued)****1.11 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Leasehold improvements	- 5 years
Fixtures and fittings	- 7 years
Office equipment	- 3 years
Computer equipment	- 3 years

1.12 Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent measurement at amortised costs. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Provisions are made based on the Company's assessment of the collectability of customer accounts. The Company regularly reviews its receivables that remain outstanding past their applicable payment terms and establishes an allowance by considering factors such as historical experience, credit quality, age of the accounts receivable balances and current economic conditions that may affect a customer's ability to pay.

1.13 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs). ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

1. Accounting policies (continued)

1.13 Financial instruments (continued)

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.14 Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the statement of comprehensive income in the year to which they relate.

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SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

2. Reporting entity

Snowflake Computing U.K. Limited (the "Company") is a private company, limited by shares incorporated and domiciled in England under Companies Act 2006 on 9 February 2017. The Company's registered office is at C/O Fieldfisher Riverbank House, 2 Swan Lane, London, United Kingdom, EC4R 3TT. The principal activity of the Company is to provide sales, marketing and customer support services that support the sale of the Group's products in the United Kingdom until November 27, 2022. With effect from November 28, 2022 the Company has entered into a sub-distribution agreement with the Fellow subsidiary to act as a non-exclusive sub-distributor of Snowflake offerings in the United Kingdom.

3. Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced disclosure framework'.

The following relevant exemptions from requirements of IFRS have been applied in preparation of these financial statements in accordance with FRS 101:

- (i) IFRS 7 Financial Instruments: Disclosures;
- (ii) paragraphs 91 to 99 of IFRS 13 'Fair value measurement' in relation to the disclosure of valuation techniques and inputs used for fair value measurements of assets and liabilities;
- (iii) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- (iv) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- (v) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of certain assets (including intangible assets and property, plant and equipment);
- (vi) IAS 7 Statement of Cash Flows;
- (vii) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (viii) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- (ix) The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly-owned by such a member; and
- (x) paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment.

The company has taken exemption provided in section 401 of the Companies Act 2006 for presenting consolidated financial statement. The financial statement of the Company gets consolidated in the financial statement of Snowflake Inc. (Ultimate Parent Company which is listed in United states of America). These consolidated financial statements are available from <https://investors.snowflake.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=16524487>.

Details of the Company's accounting policies, are included in Note 1. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The areas where judgements and estimates have been made in preparing the financial statements and their effects are disclosed in Note 5. The financial statements have been prepared on the historical cost basis with no exceptions on any items.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

4. Functional and presentation currency

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

5. Accounting estimates and judgements

5.1. Judgements

In applying the accounting policies, the directors may at times be required to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the directors consider are relevant.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are stated below.

5.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using a Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period.

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

5. Accounting estimates and judgements (continued)

5.2. Estimates and assumptions (continued)

Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancelable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Useful life of assets considered for depreciation of Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. The lives are based on prior asset usage experience and the risk of technological obsolescence.

Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

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SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

6. Revenue

The Company derives revenue from sales and marketing support services provided to its Ultimate Parent Company and distribution service provided to its Fellow Subsidiary.

The following is an analysis of the Company's revenue for the year from continuing operations:

	2023	2022
	£	£
Revenue from contracts with third party customers	422,997	—
Intercompany revenue	82,100,056	55,106,744
	82,523,053	55,106,744

(A) Disaggregation of revenue

Set out below is the disaggregation of the company's revenue from contract with customers.

(a) Type of customers and nature of service

	2023	2022
	£	£
Direct services to third party customers	422,997	—
Distribution fee from Fellow Subsidiary	14,240,121	—
Service fee from Ultimate Parent Company	67,859,935	55,106,744
	82,523,053	55,106,744

(b) Timing of revenue recognition

	2023	2022
	£	£
Services transferred at a period of time	82,523,053	55,106,744
	82,523,053	55,106,744

(B) Contract balances

	2023	2022
	£	£
Trade receivables (Refer Note 14)	10,441,686	—
Contract liabilities (Refer Note 17)	10,197,484	—
	20,639,170	—

(C) Performance obligation

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring promised service to its customers. The service is considered as transferred when the customers gains control over the service. Payment is generally made within 30 to 60 days from the date of billing and are non-interest bearing.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

7. Expenses by nature

Where the Company has chosen to classify its expenses by function, it has disclosed additional information set out below on the nature of some of its expenses.

	2023	2022
	£	£
Employee costs (Note 9)	60,814,540	37,907,035
Foreign exchange gain	(625,784)	(309,351)
Operation lease expenses - property	499,457	24,932
Legal and professional fees	488,732	151,378
Auditors remuneration (Note 8)	17,800	12,000
Travel expenses	2,052,495	169,780
Depreciation of property, plant and equipment (Note 12)	<u>1,898,653</u>	<u>836,802</u>

Amortisation and depreciation charges are recognised in the administrative expenses line item in the statement of profit or loss and other comprehensive income.

8. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2023	2022
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>17,800</u>	<u>12,000</u>

The Company has not incurred or paid for any non-audited related services to the Company's auditors and their associates (2022: Nil).

9. Employee benefit expenses

Employee costs were as follows:

	2023	2022
	£	£
Wages and salaries	29,987,491	17,181,349
Social security cost	5,779,802	3,851,279
Defined contribution pension cost	1,919,756	1,610,932
Share based payment expenses	<u>23,127,491</u>	<u>15,263,475</u>
	<u>60,814,540</u>	<u>37,907,035</u>

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

9. Employee benefit expenses (continued)**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company listed on page 4.

During the year the directors were remunerated by the Ultimate Parent Company Snowflake Inc. and no remuneration was paid from the Company.

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

	2023 No.	2022 No.
UK	262	153
Italy	2	5
Denmark	2	5
	266	163

10. Finance income and expense**Recognised in profit or loss**

	2023 £	2022 £
Finance income		
Interest on Deposits	8,780	
Interest on Income tax refund	7,116	—
Total finance income	15,896	—
Finance expense		
Interest on lease liabilities	260,656	42,917
Bank interest and charges	36,344	28,059
Total finance expense	297,000	70,976
Net finance expense recognised in profit or loss	(281,104)	(70,976)

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

11. Tax expense**11.1. Income tax recognised in profit or loss**

	2023	2022
	£	£
Current tax		
Current tax on profits for the year	24,396	20,334
Adjustment of tax related to earlier years	(279,109)	—
Total current tax	(254,713)	20,334
Deferred tax expense		
Origination and reversal of timing differences	(3,013,863)	(23,340,283)
Adjustments in respect of prior years	—	1,543,308
Total deferred tax	(3,013,863)	(21,796,975)
Total tax expense	(3,268,576)	(21,776,641)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2023	2022
	£	£
Profit for the year	7,457,645	24,793,515
Income tax credit	(3,268,576)	(21,776,641)
Profit before Income taxes	4,189,069	3,016,874
Tax using the Company's domestic tax rate of 19% (2022:19%)	795,923	573,206
Fixed asset differences	(45,259)	(5,943)
Expenses not deductible for tax purposes	32,474	16,662
Adjustments in respect of prior years	(279,109)	—
Adjustments to current tax charge in respect of other countries	24,396	20,334
Adjustments to deferred tax charge in respect of prior periods	—	1,543,308
Permanent difference on share based compensation	(3,073,674)	(17,673,658)
Remeasurement of deferred tax for changes in tax rates	(723,327)	(6,250,550)
Total Tax expense	(3,268,576)	(21,776,641)

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

11. Tax expense (continued)

11.1. Income tax recognised in profit or loss (continued)

Changes in tax rates and factors affecting the future tax charges

Main tax changes:

Tax rate

In the Spring Budget 2021, the Government announced that from 1st April 2023 the corporation tax rate would increase to 25% from 19%. A small profits rate of 19% was also announced for companies with profits of £50,000 or less. However, updated tax rate of 25% has been reflected in the deferred tax balances as at the year end.

Trading losses

There is a temporary extension to carry back trading losses from one year to three years, with the carry back being against later years first. The extension applies to losses which arose in the accounting periods ending between 1 April 2020 and 31 March 2021, and 1 April 2021 and 31 March 2022. There is no restriction on the carry back that can be made to the immediately preceding tax year, although carry back to the two earlier years is subject to a maximum carry back claim of £2 million. Each of the above two periods has a separate £2 million carry back limit. There are apportionment rules to this limit for groups.

Capital allowances - super deduction

From 1 April 2021 - 31 March 2023, a super deduction is available which provides allowance of 130% on most of the new plant and machinery expenditure, that would ordinarily qualify for 18% main rate. Some plant and machinery will not qualify, including second hand assets, assets held for leasing and assets purchased from connected parties.

Furthermore, a first year allowance of 50% will be available for most new plant and machinery investments that would ordinarily qualify for 6% special rate writing down allowances. Similar to the super deduction, some plant and machinery will not qualify, including second hand assets, assets held for leasing and assets purchased from connected parties.

For businesses established in Freeport zones they will also be entitled to claim enhanced capital allowances of 100% for qualifying plant and machinery spend up to 30 September 2026. However, with the 'super deduction' of 130% available for all businesses on qualifying plant & machinery in the short term, the benefit of this relief will only be felt for qualifying expenditure after March 2023.

Annual investment allowance

The Annual Investment Allowance (AIA) will remain at £1 million until 31 March 2023, when it will revert back £200,000.

11.2. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

	2023	2022
	£	£
Deferred tax assets	<u>29,057,819</u>	<u>26,043,956</u>
	<u>29,057,819</u>	<u>26,043,956</u>

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

11. Tax expense (continued)**11.2. Deferred tax balances (continued)**

The deferred tax assets set out above relate to fixed asset timing differences and unrealised benefit of future tax deductions in relation to share based awards.

2023

	Opening balance £	Recognised in profit or loss £	Closing balance £
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(33,957)	27,443	(6,514)
Employee benefits	148,483	(70,658)	77,825
Losses and other deductions	25,929,430	3,057,078	28,986,508
	26,043,956	3,013,863	29,057,819

2022

	Opening balance £	Recognised in profit or loss £	Closing balance £
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	(14,075)	(19,882)	(33,957)
Equity settled share based payments and other short term timing differences	1,568,781	(1,568,781)	—
Employee benefits	8,136	140,347	148,483
Losses and other deductions	2,684,139	23,245,291	25,929,430
	4,246,981	21,796,975	26,043,956

SNOWFLAKE COMPUTING U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

12. Property, plant and equipment

	Leasehold improvements	Fixtures and fittings	Office Equipment	Computer equipment	Right of use assets	Total
	£	£	£	£	£	£
Cost as at 31 January 2022	245,115	24,334	79,480	79,711	3,696,137	4,124,777
Additions	—	77,962	—	31,342	8,353,110	8,462,414
Cost as at 31 January 2023	245,115	102,296	79,480	111,053	12,049,247	12,587,191
Depreciation as on 31 January 2022	89,194	5,600	58,051	51,781	1,601,659	1,806,285
Charge for the year	151,789	19,680	21,429	42,053	1,663,706	1,898,657
Depreciation as at 31 January 2023	240,983	25,280	79,480	93,834	3,265,365	3,704,942
Net book value						
At 31 January 2023	4,132	77,016	—	17,219	8,783,882	8,882,249
<i>At 31 January 2022</i>	<i>155,921</i>	<i>18,734</i>	<i>21,429</i>	<i>27,930</i>	<i>2,094,478</i>	<i>2,318,492</i>

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

12. Property, plant and equipment (continued)**12.1. Assets held analysis**

The net book value of owned and leased assets included as "Property, plant and equipment" in the Statement of financial position is as follows:

	31 January 2023	<i>31 January 2022</i>
	£	£
Property, plant and equipment owned	98,367	224,014
Right-of-use assets, excluding investment property	<u>8,783,882</u>	<u>2,094,478</u>
	<u><u>8,882,249</u></u>	<u><u>2,318,492</u></u>

Information about right-of-use assets is summarised below:

Net book value

	31 January 2023	<i>31 January 2022</i>
	£	£
Leased office premises	<u>8,783,882</u>	<u>2,094,478</u>
	<u><u>8,783,882</u></u>	<u><u>2,094,478</u></u>

12.2. Assets pledged as security

There are no tangible assets whose titles are restricted or pledged as security for liabilities.

13. Other non-current assets

	2023	2022
	£	£
Deferred commission	746,802	—
Investments	446,367	—
Other fixed asset investments	<u>372</u>	<u>372</u>
	<u><u>1,193,541</u></u>	<u><u>372</u></u>

Investments

The Company owns 100% shareholding in Cloudlet Information Technology (Beijing) Co., Ltd. ("Snowflake China"). The investment was made on November 11, 2022 and Snowflake China is a Subsidiary of the Company.

Other fixed asset investments

The Company owns a 0.06% shareholding in Snowflake Computing India LLP which is a body corporate within the Group of which it is a member. The Company does not either hold the shareholding required to constitute as an associate of the Company, nor does the Company have significant influence over the financial and operating policy decisions of Snowflake India.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

14. Trade and other receivables

	Non-current 2023 £	Non-current 2022 £	Current 2023 £	Current 2022 £
Trade receivables				
Receivable from third-party customers	—	—	10,453,047	—
Provision for doubtful debt	—	—	(11,361)	—
	—	—	10,441,686	—
Receivable from related parties	—	—	20,430,473	14,322,384
Total financial assets other than cash and cash equivalents classified as loans and receivables	—	—	30,872,159	14,322,384
Prepayments	—	—	1,002,033	391,305
Rental deposits	3,866,755	898,482	918,361	16,925
Other receivables	—	—	906,382	713,912
	3,866,755	898,482	33,698,935	15,444,526

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

The Company does not hold any collateral as security.

15. Other current assets

	2023 £	2022 £
Deferred commission	206,959	—
	206,959	—

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SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

16. Trade and other payables

	2023	2022
	£	£
Trade payables	796,117	55,661
Balances payable to related parties	152,331	63,732
Other payables	912,835	96,285
Accruals	7,506,002	4,930,510
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	9,367,285	5,146,188
Other payables - tax and social security payments	564,030	589,083
	<u>9,931,315</u>	<u>5,735,271</u>

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

There were no trade and other payables classified as non-current.

17. Contract Liabilities

	2023	2022
	£	£
Deferred revenue	10,197,484	—
	<u>10,197,484</u>	<u>—</u>

18. Provisions

	2023	2022
	£	£
Non-current		
Asset retirement obligation	520,010	—
	<u>520,010</u>	<u>—</u>
Current		
Asset retirement obligation	86,222	—
	<u>86,222</u>	<u>—</u>
Total Provisions	<u>606,232</u>	<u>—</u>

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

19. Loans and borrowings

	2023	2022
	£	£
Non-current		
Lease liabilities	<u>8,156,819</u>	<u>1,313,710</u>
	8,156,819	1,313,710
Current		
Lease liabilities	<u>693,787</u>	<u>671,870</u>
	693,787	671,870
 Total loans and borrowings	 <u>8,850,606</u>	 <u>1,985,580</u>

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

20. Share capital**Authorised, issued and fully paid**

	2023	2023	2022	2022
	Number	£	Number	£
Shares treated as equity				
Ordinary shares of £1.00 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

The share capital of the Company consists of fully paid ordinary shares with a par value of £ 1 per share.

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

21. Reserves**Share premium**

Represents the amounts paid for shares in excess of the nominal amount.

Foreign exchange reserve

Represents the accumulated foreign exchange difference on translation of the foreign currency denominated branch ledger.

Capital contribution

Represents the accumulated share-based payments reserve

Retained earnings

Represents the accumulated profits and losses.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

22. Leases**Leases as a lessee**

The following amounts in respect of leases have been recognised in profit or loss:

	2023	2022
	£	£
Amortisation of right of use asset (Refer Note 12)	1,663,706	862,432
Interest expense on lease liabilities (Refer Note 10)	260,657	39,634
Expenses relating to short term leases	107,538	24,932

Lease liabilities are due as follows:

	2023	2022
	£	£
Contractual undiscounted cash flows due		
Not later than one year	1,245,664	699,062
Between one year and five years	9,071,524	1,331,547
	10,317,188	2,030,609

23. Share based payments**23.1. Employee share option plan****Details of the employee share options**

The Company's Ultimate Parent Company, Snowflake Inc. operates a share based payment scheme for all the employees of the Company.

Pursuant to the Snowflake Inc. Equity Incentive Plan, the ultimate and immediate holding corporation granted share options to the Company employees who are in service at the date of grant.

The vesting schedule for the share options is as follows:

25% on the first anniversary of the vesting commencement date; and

1/36th will vest in monthly instalments from the first anniversary of the vesting commencement date.

The options are exercisable in the following period:

25% on the first anniversary of the grant date; and

75% on maturity of the vesting period, which is four years from grant date.

Fair value

The fair value of the share-based awards were determined using the Black-Scholes model, which incorporated subjective assumptions including expected volatility, expected term and interest rates.

The expected volatility was based on the historical volatility and trading history of the shares of comparable companies in similar industry over the most recent years that commensurate with the estimated expected term of the share options. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by persons who receive equity awards.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

23. Share based payments (continued)

23.1. Employee share option plan (continued)

Expected terms for the above options were determined by the simplified method.

The assumptions used for the estimation of fair value of the share-based awards at grant date are as follows:

	2023	2022
<u>Stock Options</u>		
Weighted average exercise price of Option exercised	USD 7.36	USD 6.61
Weighted average exercise price of Option outstanding	USD 4.81	USD 8.95
Expected term (in years)	<u>6</u>	<u>6</u>

23.2. Restricted Stock Units

Pursuant to the Snowflake Inc. Equity Incentive Plan, employees may be awarded shares of restricted stock units, which generally vest over a four-year period.

The vesting schedule for restricted stock units are as follows:

25% on the First anniversary of the Vesting Commencement Date;
and 1/16th will vest in quarterly instalments from the first anniversary of the Vesting Commencement date.

23.3. Employee stock purchase plan

Under Snowflake Inc.'s employee share purchase plan, Snowflake Employee Stock Purchase Plan ("ESPP"), eligible employees will be able to purchase Snowflake Inc. stock through payroll deductions. Employees can elect to have up to 15% of their salaries withheld to purchase the stock. The provisions of the ESPP allow shares to be purchased at a price that is no less than the lower of 85% of the closing price at the beginning or end of each semi-annual stock purchase period.

Compensation expense relating to the ESPP was £654,285 (2022: £1,118,079).

23.4. Share option reserve

	2023	2022
	£	£
Beginning of financial year	5,124,695	9,235,814
Compensation cost related to employees SBP plan	23,127,490	15,263,474
Cross charge from Ultimate Parent Company for employee SBP plan	(16,539,618)	(11,686,104)
Adjustment (Refer Note below)	—	(7,688,489)
End of financial year	<u>11,712,567</u>	<u>5,124,695</u>

Adjustment amounting to GBP 7,688,489 pertains to cross charge from the Ultimate Parent Company (Snowflake Inc.) for Employee Share Based Payment for prior years which was not reduced from share option reserve. The corresponding effect for the same is routed through trade receivables in the year ended January 31, 2022.

SNOWFLAKE COMPUTING U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

24. Controlling party

The Company is a wholly owned subsidiary of Snowflake Inc. a company incorporated in the United States of America.

Snowflake Inc. is also the Ultimate Parent Company.

There is no ultimate controlling party.

The smallest and largest group in which the results of the company are consolidated is that headed by Snowflake Inc.

25 Note on cash and bank

	2023	2022
	£	£
Cash at bank available on demand	<u>7,339,013</u>	<u>7,222,768</u>
Cash and cash equivalent in the statement of financial position	<u>7,339,013</u>	<u>7,222,768</u>

26 Events after the reporting date

Subsequent to the year ended 31 January 2023, the immediate and ultimate holding company, Snowflake Inc., transferred its equity interest in the Company pursuant to an interest contribution agreement, effective 21 September 2023 to Snowflake International Holdings Inc. Snowflake International Holdings Inc. is a wholly owned subsidiary of Snowflake Inc. The board of directors have approved the same via resolutions dated 21 September 2023.