

Company Registration No. 12500702 (England and Wales)

**TRUELAYER GROUP HOLDINGS LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# TRUELAYER GROUP HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	F Simoneschi L Martinetti J Zink
<b>Company number</b>	12500702
<b>Registered office</b>	3rd Floor 1 Hardwick Street London EC1R 4RB
<b>Auditor</b>	Mercer & Hole LLP 21 Lombard Street London EC3V 9AH

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# TRUELAYER GROUP HOLDINGS LIMITED

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# TRUELAYER GROUP HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present the strategic report for the year ended 31 December 2022.

#### Principal activities

TrueLayer is Europe's leading open banking payments network. We power smarter, safer and faster online payments by combining real-time bank payments with financial and identity data. Businesses big and small use our products to onboard new users, accept money and make payouts in seconds, and at scale. We're live across 21 countries, work with industry leaders including Revolut, Coinbase and Cazoo and are trusted by over 10 million users with their transactions. Though we're not stopping here. We're on a mission to change the way the world pays. And we won't stop until we've unlocked the full potential of payments.

#### Regulatory

The business, through its subsidiary entities TrueLayer Limited and TrueLayer (Ireland) Limited, holds an Electronic Money Institution ("EMI") licence in the UK, and a Payment Institution ("PI") licence in Europe from the Central Bank of Ireland ("CBI").

#### Business review

TrueLayer is the largest independent open banking (OB) player in Europe. TrueLayer's platform has the largest market share in OB payments in the UK, Ireland, Spain and France, with significant market share in key European markets such as Germany and The Netherlands. 2022 was a year of significant growth for the business as it continued to fuel European expansion, and improve and accelerate the development of premium open banking-based services, which will continue to drive innovation, revenue growth and cost savings for TrueLayer clients.

As at the end of the 2022 financial year, the business's annualised Total Payment Volume ("TPV") increased 2.8x from the previous financial year. Revenue also increased 56% to £4.1m. At present the business is live in 16 markets internationally.

#### Product development

In keeping with the group's commitment to innovation, 2022 was a bumper year for product development with the business launching two new products. In April 2022, TrueLayer became the first open banking provider in the UK market to support different recurring payment types through a single API, with the launch of the VRP (Variable Recurring Payments). VRP offers an alternative to Direct Debit and Card-on-File, which enables faster settlement speed to support businesses in managing their cash flow, as well as greater transparency and control for consumers.

Additionally, the business launched Signup+ in the UK, a product that simplifies customer onboarding by combining account creation with making a payment. Using bank-sourced identity data through open banking for verification, onboarding new customers now takes seconds rather than days. There are no manual forms to fill out, no document scanning and no waiting days for verification checks.

#### Financial review

The business continued to expand during 2022, with revenue increasing 56% to £4,138,147 (2021: £2,649,115). Cost of sales increased to £2,026,844 (2021: £1,276,367) resulting in a Gross Profit margin of 51% (2021: 52%). In line with the group's strategy and commitment to growth, administration expenses increased £32,000,660 to £63,430,196 (2021: £31,429,536), with this increase largely due to increased headcount and their associated costs.

#### Future Economic Outlook

During 2022 and early 2023 the group closely monitored the ongoing volatility in financial markets. The group continues to consider the macro environment and is adequately resourced to adapt as required.

The Directors continue to monitor the current and potential future impact of macro-economic factors as part of future business planning and will continue to adapt and pivot to ensure TrueLayer is positioned for long-term success.

# TRUELAYER GROUP HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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### **Principal risks and uncertainties**

The process of risk identification and management is addressed through a framework of policies and internal controls. All policies are subject to continued review and iteration by management. Compliance with regulation, and legal and ethical standards is a high priority for the group and an appropriate governance structure is in place to monitor this.

The Directors consider that the principal risks and uncertainties faced by the group are in the following categories.

#### **Regulatory risk:**

TrueLayer operates in a highly regulated industry. The group and its subsidiaries are currently regulated by the FCA (UK), and the CBI (Europe). Dedicated resources are in place to ensure continued and ongoing compliance with regulatory requirements in the jurisdictions in which the group operates. These include, but are not limited to, governance requirements, capital and liquidity requirements, consumer protection and anti-financial crime requirements.

#### **Cyber risk:**

The group is exposed to the risk of operational disruption, customer detriment, financial loss and/or reputational damage arising from cyber attacks that may result in unauthorised access, or denial of access to TrueLayer systems and information. Taking into consideration the very recent and public cyber attacks happening elsewhere, the group continues to actively manage this risk through a range of controls including, but not limited to, system monitoring and alerts, staff awareness training, customer support, and incident management guidelines.

#### **Financial management & treasury risk:**

Financial management risks are monitored by the preparation of regular cash flow forecasts which review liquidity, credit and other financial requirements. The group has prepared detailed plans covering the next 12 months of trading. The plan is updated on a regular basis as and when new information becomes available.

The group manages treasury and counterparty risk by employing detailed policies and procedures which include, but are not limited to, the diversification of cash on hand and on deposit across a number of top tier corporate banking partners.

#### **Macroeconomic risk:**

The group's business is sensitive to global macroeconomic conditions such as growing inflation and fluctuations in consumer sentiment which may impact TrueLayer's customers and their user base. The group manages this risk through strategic reviews to ensure any potential or future impacts to operations are minimised.

On behalf of the board

F Simoneschi  
**Director**

3 March 2023

# TRUELAYER GROUP HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Branches**

The group has a branch established in Italy.

#### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

F Simoneschi  
L Martinetti  
J Zink

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Financial instruments**

##### ***Liquidity risk***

The group has funded growth by raising funds from external investors including convertible loan notes. Liquidity risk has been managed through careful monitoring to ensure the group has sufficient liquidity available to meet forecast cash flows.

##### ***Interest rate risk***

Interest rate risk is the risk that changes in interest rates will affect the group's ability to service its borrowings. The group is exposed to interest rate risk through the convertible loan notes in issue. However, the exposure has been managed by obtaining fixed rate facilities to provide certainty on the cost of group's borrowings. The group does not hedge against interest rate risk.

##### ***Foreign currency risk***

The group has exposure to exchange rate fluctuations mainly in US Dollars but also Euros. Whilst the group does have a natural hedge in its receivables and payables this remains a risk that is constantly monitored by the directors.

##### ***Credit risk***

The primary risk arises from the recovery of trade debtors. Management of this risk is on-going. Steps include credit checks of potential clients.

##### **Research and development**

The group continues to invest in the development of its platform and has significantly increased the size of its research and development teams.

# TRUELAYER GROUP HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

The group's policy is to consult and discuss with employees, through meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through company wide meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

### **Post reporting date events**

In March 2023, the UK arm of the group's corporate bankers, Silicon Valley Bank (SVB), was purchased by HSBC following the collapse of its US parent. All cash deposits held at SVB were secured and the group continues to trade as normal.

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

### **Auditor**

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

F Simoneschi  
**Director**

3 March 2023

## **TRUELAYER GROUP HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the 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 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 Act 2006. They are also 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.



# TRUELAYER GROUP HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TRUELAYER GROUP HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of TrueLayer Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

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

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

# TRUELAYER GROUP HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF TRUELAYER GROUP HOLDINGS LIMITED

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches under the group's Financial Conduct Authority registration and General Data Protection Regulations, and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principle risks were related to posting inappropriate entries including journals to understate revenue or overstate expenditure, and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries.

## **TRUELAYER GROUP HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF TRUELAYER GROUP HOLDINGS LIMITED**

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Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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

**Ross Lane (Senior Statutory Auditor)**  
**For and on behalf of Mercer & Hole LLP**

3 March 2023

**Chartered Accountants**  
**Statutory Auditor**

21 Lombard Street  
London  
EC3V 9AH

# TRUELAYER GROUP HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	4,138,147	2,649,115
Cost of sales		(2,026,844)	(1,276,367)
<b>Gross profit</b>		<u>2,111,303</u>	<u>1,372,748</u>
Administrative expenses		(63,430,196)	(31,429,536)
<b>Operating loss</b>	<b>4</b>	<u>(61,318,893)</u>	<u>(30,056,788)</u>
Interest receivable and similar income	<b>8</b>	485,732	7
Fair value gain/(loss) on financial instruments	<b>9</b>	20,492,634	(48,105,970)
<b>Loss before taxation</b>		<u>(40,340,527)</u>	<u>(78,162,751)</u>
Tax on loss	<b>10</b>	941,042	3,481,057
<b>Loss for the financial year</b>	<b>21</b>	<u>(39,399,485)</u>	<u>(74,681,694)</u>
<b>Other comprehensive income</b>			
Currency translation loss arising in the year		(144,387)	(28,855)
<b>Total comprehensive loss for the year</b>		<u><u>(39,543,872)</u></u>	<u><u>(74,710,549)</u></u>

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive loss for the year is all attributable to the owners of the parent company.

# TRUELAYER GROUP HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		1,119,060		1,333,134
Investments	12		385,923		188,278
			<u>1,504,983</u>		<u>1,521,412</u>
<b>Current assets</b>					
Debtors	14	6,303,225		4,723,823	
Cash at bank and in hand		95,952,443		133,819,418	
		<u>102,255,668</u>		<u>138,543,241</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(3,794,979)</u>		<u>(3,598,934)</u>	
<b>Net current assets</b>			<u>98,460,689</u>		<u>134,944,307</u>
<b>Total assets less current liabilities</b>			<u>99,965,672</u>		<u>136,465,719</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(7,092,204)		(60,720,535)
<b>Provisions for liabilities</b>					
Provisions	17	38,175		38,175	
		<u>(38,175)</u>		<u>(38,175)</u>	
<b>Net assets</b>			<u>92,835,293</u>		<u>75,707,009</u>
<b>Capital and reserves</b>					
Called up share capital	20		4		4
Share premium account	21		221,331,338		172,879,721
Share based payment reserve	21		14,296,896		6,076,357
Currency translation reserve	21		(173,242)		(28,855)
Profit and loss reserves	21		(142,619,703)		(103,220,218)
<b>Total equity</b>			<u>92,835,293</u>		<u>75,707,009</u>

The financial statements were approved by the board of directors and authorised for issue on 3 March 2023 and are signed on its behalf by:

F Simoneschi  
Director

Company registration number 12500702 (England and Wales)

# TRUELAYER GROUP HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Investments	12	199,000,401		164,177,829	
<b>Current assets</b>					
Debtors	14	8,945		22,550,984	
<b>Creditors: amounts falling due within one year</b>	15	-		(783,012)	
<b>Net current assets</b>			8,945		21,767,972
<b>Total assets less current liabilities</b>			199,009,346		185,945,801
<b>Creditors: amounts falling due after more than one year</b>	16		(7,092,204)		(60,720,535)
<b>Net assets</b>			191,917,142		125,225,266
<b>Capital and reserves</b>					
Called up share capital	20		4		4
Share premium account	21		221,331,338		172,879,721
Profit and loss reserves	21		(29,414,200)		(47,654,459)
<b>Total equity</b>			191,917,142		125,225,266

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £18,240,260.

The financial statements were approved by the board of directors and authorised for issue on 3 March 2023 and are signed on its behalf by:

F Simoneschi  
**Director**

Company registration number 12500702 (England and Wales)

# TRUELAYER GROUP HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Capital contribution	Currency translation reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 January 2021</b>	1	36,840,704	2,958,311	-	(28,538,524)	11,260,492
<b>Year ended 31 December 2021:</b>						
Loss for the year	-	-	-	-	(74,681,694)	(74,681,694)
Other comprehensive income:						
Currency translation differences	-	-	-	(28,855)	-	(28,855)
Total comprehensive income for the year	-	-	-	(28,855)	(74,681,694)	(74,710,549)
Issue of share capital	20	3	130,137,236	-	-	130,137,239
Conversion of loan to shares	20	-	5,901,781	-	-	5,901,781
Credit to equity for equity settled share-based payments	19	-	-	3,118,046	-	3,118,046
<b>Balance at 31 December 2021</b>	4	172,879,721	6,076,357	(28,855)	(103,220,216)	75,707,009
<b>Year ended 31 December 2022:</b>						
Loss for the year	-	-	-	-	(39,399,485)	(39,399,485)
Other comprehensive income:						
Currency translation differences	-	-	-	(144,387)	-	(144,387)
Total comprehensive income for the year	-	-	-	(144,387)	(39,399,485)	(39,543,872)
Issue of share capital	20	-	13,063,514	-	-	13,063,514
Conversion of loan to shares	20	-	35,388,103	-	-	35,388,103
Credit to equity for equity settled share-based payments	19	-	-	8,220,539	-	8,220,539
<b>Balance at 31 December 2022</b>	4	221,331,338	14,296,896	(173,242)	(142,619,703)	92,835,293

# TRUELAYER GROUP HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2021</b>		1	36,840,704	-	36,840,705
<b>Year ended 31 December 2021:</b>					
Loss and total comprehensive income for the year		-	-	(47,654,459)	(47,654,459)
Issue of share capital	20	3	130,137,236	-	130,137,239
Conversion of loan to shares	20	-	5,901,781	-	5,901,781
<b>Balance at 31 December 2021</b>		4	172,879,721	(47,654,459)	125,225,266
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income for the year		-	-	18,240,259	18,240,259
Issue of share capital	20	-	13,063,514	-	13,063,514
Conversion of loan to shares	20	-	35,388,103	-	35,388,103
<b>Balance at 31 December 2022</b>		4	221,331,338	(29,414,200)	191,917,142



# TRUELAYER GROUP HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26	(50,553,144)		(26,629,640)	
Income taxes (paid)/refunded		(3,308)		2,280,469	
<b>Net cash outflow from operating activities</b>		<b>(50,556,452)</b>		<b>(24,349,171)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(538,823)		(560,556)	
Proceeds on disposal of tangible fixed assets		22,836		3,153	
Purchase of investments		(197,645)		(188,278)	
Interest received		485,732		7	
<b>Net cash used in investing activities</b>		<b>(227,900)</b>		<b>(745,674)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		13,063,514		130,137,239	
<b>Net cash generated from financing activities</b>		<b>13,063,514</b>		<b>130,137,239</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(37,720,838)</b>		<b>105,042,394</b>	
Cash and cash equivalents at beginning of year		133,819,418		28,807,095	
Effect of foreign exchange rates		(146,137)		(30,071)	
<b>Cash and cash equivalents at end of year</b>		<b>95,952,443</b>		<b>133,819,418</b>	

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Company information

TrueLayer Group Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 3rd Floor, 1 Hardwick Street, London EC1R 4RB .

The group consists of TrueLayer Group Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company TrueLayer Group Holdings Limited together with all entities controlled by the parent company (its subsidiaries). Subsidiaries acquired during the year are consolidated using the merger accounting method. Their results are presented as if the group had always existed.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

#### 1.3 Going concern

Notwithstanding the loss for the year of £39,399,485, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The group has prepared detailed forecasts of its future working capital requirements which indicate that the group will have sufficient cash resources. Consequently, the directors are confident that the group 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 have therefore prepared the financial statements on a going concern basis.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from subscriptions are recognised monthly based on the contracted agreed fee.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the relevant lease
Fixtures and fittings	20% straight line
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.11 Taxation

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

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Share-based payments

The company operates equity-settled share-based scheme for some of its employees. The company awards share options to employees to acquire shares of the company.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using either the fair value of the services received or the Black-Scholes model if that fair value cannot be estimated reliably. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Bad debt provision**

In determining whether there are any circumstances regarding a customer's inability to meet its financial obligation and whether a provision is required against the debt, the directors consider factors such as potential prevailing economic conditions in the industry and their potential impact on customers.

#### **Fair value of convertible loan notes**

The fair value of compound financial instruments is measured using valuation techniques including discounted cash flow models. The inputs into these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the report fair value of financial instruments.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Measurement of share based payment expense

Estimation and judgement is required in determining the fair value of shares at the date of award. The fair value is estimated using valuation techniques which take into account the award's terms, the risk-free interest rate and the expected volatility of the market price of the shares in the company.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Revenue	4,138,147	2,649,115
	<u>4,138,147</u>	<u>2,649,115</u>

The group's revenue is generated solely from its principal activity.

The group has chosen not to disclose revenue by geographical market as they believe this to be seriously prejudicial to the group's business interests.

### 4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(3,310,980)	(2,162,674)
Depreciation of owned tangible fixed assets	693,518	345,281
Loss on disposal of tangible fixed assets	38,323	-
Share-based payments	8,220,539	3,120,466
Operating lease charges	746,082	600,764
	<u>6,397,462</u>	<u>2,004,137</u>

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5,000	4,000
Audit of the financial statements of the company's subsidiaries	35,500	26,000
	<u>40,500</u>	<u>30,000</u>
<b>For other services</b>		
Other taxation services	3,250	7,975
All other non-audit services	8,650	17,912
	<u>11,900</u>	<u>25,887</u>



# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	<b>Group 2022 Number</b>	<b>2021 Number</b>	<b>Company 2022 Number</b>	<b>2021 Number</b>
Engineering & Product	218	127	-	-
Commercial & Marketing	142	61	-	-
Executive & Admin	74	43	3	3
<b>Total</b>	<b>434</b>	<b>231</b>	<b>3</b>	<b>3</b>

Their aggregate remuneration comprised:

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Wages and salaries	32,055,401	17,119,926	-	-
Social security costs	4,574,826	2,233,191	-	-
Pension costs	1,147,044	619,826	-	-
Share-based payment expense	8,220,539	3,120,466	-	-
	<b>45,997,810</b>	<b>23,093,409</b>	<b>-</b>	<b>-</b>

### 7 Directors' remuneration

	<b>2022 £</b>	<b>2021 £</b>
Remuneration for qualifying services	334,532	318,941
Group pension contributions to defined contribution schemes	13,600	11,933
	<b>348,132</b>	<b>330,874</b>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2022 £</b>	<b>2021 £</b>
Remuneration for qualifying services	166,513	158,218
Group pension contributions to defined contribution schemes	6,800	5,967

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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<b>8</b>	<b>Interest receivable and similar income</b>		
		<b>2022</b>	<b>2021</b>
		£	£
	<b>Interest income</b>		
	Interest on bank deposits	485,732	7
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Fair value adjustment on financial instruments</b>		
		<b>2022</b>	<b>2021</b>
		£	£
	<b>Fair value losses on financial instruments</b>		
	Gain/(loss) on convertible loan notes held at fair value through profit and loss	20,492,634	(48,105,970)
		<u>          </u>	<u>          </u>
<b>10</b>	<b>Taxation</b>		
		<b>2022</b>	<b>2021</b>
		£	£
	<b>Current tax</b>		
	UK corporation tax credit for the current period	(1,486,030)	(2,028,685)
	Adjustments in respect of prior periods	542,656	(1,453,348)
		<u>          </u>	<u>          </u>
	Total UK current tax	(943,374)	(3,482,033)
	Foreign current tax on profits for the current period	2,332	976
		<u>          </u>	<u>          </u>
	Total current tax	(941,042)	(3,481,057)
		<u>          </u>	<u>          </u>

In March 2021, the 2021 budget announced an increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 for taxable profits above £50,000.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(40,340,527)	(78,162,751)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(7,664,700)	(14,850,923)
Tax effect of expenses that are not deductible in determining taxable profit	1,324,677	687,309
Tax effect of income not taxable in determining taxable profit	-	(6,071)
Unutilised tax losses carried forward	9,052,409	3,286,319
Change in unrecognised deferred tax assets	155,326	55,859
Adjustments in respect of prior years	542,655	(1,453,348)
Depreciation on assets not qualifying for tax allowances	(30,549)	(17,584)
Other permanent differences	1,560	2,499
Tax relief on share options	(542,359)	(325,251)
Fair value (gains)/losses not (taxable)/deductible	(3,780,061)	9,140,134
Taxation credit	(941,042)	(3,481,057)

The group has estimated tax losses of £106m (2021: £47m) to use against future trading profits. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the group. A deferred tax asset on these losses has not been recognised as there is currently insufficient evidence that the subsidiaries will generate sufficient profits in the near future to utilise them.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 11 Tangible fixed assets

Group	Leasehold improvements £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2022	710,348	143,495	384,456	897,351	2,135,650
Additions	77,132	61,829	44,883	354,979	538,823
Disposals	-	-	(8,653)	(134,293)	(142,946)
Transfers	-	(143,495)	143,495	-	-
Exchange adjustments	-	-	-	1,780	1,780
At 31 December 2022	787,480	61,829	564,181	1,119,817	2,533,307
<b>Depreciation</b>					
At 1 January 2022	367,468	-	197,806	237,242	802,516
Depreciation charged in the year	152,241	-	97,088	444,189	693,518
Eliminated in respect of disposals	-	-	-	(81,787)	(81,787)
At 31 December 2022	519,709	-	294,894	599,644	1,414,247
<b>Carrying amount</b>					
At 31 December 2022	267,771	61,829	269,287	520,173	1,119,060
At 31 December 2021	342,880	143,495	186,650	660,109	1,333,134

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

### 12 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	13	-	-	199,000,401	164,177,829
Unlisted investments		385,923	188,278	-	-
		385,923	188,278	199,000,401	164,177,829

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

<b>12</b>	<b>Fixed asset investments</b>	<b>(Continued)</b>
	<b>Movements in fixed asset investments</b>	
	<b>Group</b>	<b>Investments</b>
		<b>£</b>
	<b>Cost or valuation</b>	
	At 1 January 2022	188,278
	Additions	197,645
		<hr/>
	At 31 December 2022	385,923
		<hr/>
	<b>Carrying amount</b>	
	At 31 December 2022	385,923
		<hr/> <hr/>
	At 31 December 2021	188,278
		<hr/> <hr/>
	<b>Movements in fixed asset investments</b>	
	<b>Company</b>	<b>Shares in</b>
		<b>subsidiaries</b>
		<b>£</b>
	<b>Cost or valuation</b>	
	At 1 January 2022	164,177,829
	Additions	34,822,572
		<hr/>
	At 31 December 2022	199,000,401
		<hr/>
	<b>Carrying amount</b>	
	At 31 December 2022	199,000,401
		<hr/> <hr/>
	At 31 December 2021	164,177,829
		<hr/> <hr/>

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
TrueLayer (Jersey) Limited	22 Grenville Street, St Helier, Jersey JE4 8PX	Ordinary	100.00	-
TrueLayer Limited	3rd Floor, 1 Hardwick Street, London EC1R 4RB	Ordinary	-	100.00
TrueLayer (Europe) Limited	25-28 North Wall Quay, Dublin 1, Ireland	Ordinary	-	100.00
TrueLayer (Ireland) Limited	25-28 North Wall Quay, Dublin 1, Ireland	Ordinary	-	100.00
TrueLayer (Australia) Pty Limited	Level 13, 333 George Street, Sydney, NSW 2000	Ordinary	-	100.00

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	849,614	434,313	-	-
Corporation tax recoverable	2,972,059	2,028,685	-	-
Amounts owed by group undertakings	-	-	8,945	22,550,984
Other debtors	600,614	462,826	-	-
VAT recoverable	314,420	430,531	-	-
Prepayments and accrued income	1,566,518	1,367,468	-	-
	<u>6,303,225</u>	<u>4,723,823</u>	<u>8,945</u>	<u>22,550,984</u>

### 15 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Trade creditors	889,362	1,151,604	-	-
Corporation tax payable	-	976	-	-
Other taxation and social security	1,213,623	932,710	-	-
Other creditors	194,013	949,263	-	783,012
Accruals and deferred income	1,497,981	564,381	-	-
	<u>3,794,979</u>	<u>3,598,934</u>	<u>-</u>	<u>783,012</u>

### 16 Creditors: amounts falling due after more than one year

	Group 2022	2021	Company 2022	2021
Notes	£	£	£	£
Convertible loans	7,092,204	60,720,535	7,092,204	60,720,535
	<u>7,092,204</u>	<u>60,720,535</u>	<u>7,092,204</u>	<u>60,720,535</u>

During 2020, the group issued convertible loan notes amounting to \$25m in exchange for cash. The conditions attached to the loan notes are such that they do not meet the criteria to account for them as compound instruments and instead are required to be carried at fair value with movements accounted for through profit and loss account.

In accordance with the requirements to carry out a fair value assessment based on the assessed market value of shares, management undertook a review of the fair value of loan notes held during the year and as at year end, the results of which determined that a fair value gain of \$24.8m (£20.5m) be accounted for in the profit and loss account as at year end.

Furthermore, certain noteholders exercised their option to convert loans held to C preference shares during the financial year. This resulted in convertible loan notes with a fair value of \$48.5m (£35.4m) converting to C preference share equity as at the end of the financial year.

The value of the loan included within creditors due greater than one year represents the loan principal of the remaining notes in issuance and the movement in fair value as calculated in accordance with the accounting policy of the company per Note 1.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 17 Provisions for liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Dilapidations	38,175	38,175	-	-

The group is required to vacate buildings occupied under operating leases in good repair at the end of the lease. Provision has been made for the estimated cost of this.

### 18 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	1,147,044	619,826

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 19 Share-based payment transactions

Group	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 January 2022	337,614	230,412	0.13	0.13
Granted	121,525	188,553	0.13	0.13
Cancelled	(78,205)	(52,703)	0.13	0.13
Exercised	(78,809)	(28,648)	0.13	0.13
Outstanding at 31 December 2022	302,125	337,614	0.13	0.13
Exercisable at 31 December 2022	194,798	179,048	0.13	0.13

The options outstanding at 31 December 2022 had an exercise price of \$0.13, and a remaining contractual life of between 6 and 10 years.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 19 Share-based payment transactions

(Continued)

#### Group

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method.

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

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

Inputs were as follows:

	2022	2021
Weighted average share price	\$106.47	\$70.97
Weighted average exercise price	\$0.13	\$0.13
Expected volatility	33.00	20.00
Expected life	10.00	10.00
Risk free rate	0.20	0.01

	Group 2022	2021	Company 2022	2021
	£	£	£	£
<b>Expenses recognised in the year</b>				
Arising from equity settled share based payment transactions	8,220,539	3,120,466	-	-

#### Share warrants

In October 2021, the company issued warrants to subscribe for up to 491,793 E Preference Shares to certain existing shareholders. The warrants can be exercised in tranches subject to certain milestones being met and expire on 31 December 2028.

During August 2022, the company issued warrants to subscribe for up to 474,378 ordinary shares. The warrants can be exercised in certain tranches subject to certain milestones being met and expire on 04 August 2032.

The warrants have not been revalued at the year end as first and any subsequent milestones have not yet been met and in the opinion of the directors there is no discernible difference between exercise price and current fair value of the warrants and therefore no expense has been recognised.

### 20 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
<b>Issued and fully paid</b>				
Ordinary shares of \$0.000001 each	1,062,371	983,849	2	2
Ordinary A shares of \$0.000001 each	6,956	6,956	-	-



# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 20 Share capital

(Continued)

	2022	2021	2022	2021
	Number	Number	£	£
<b>Preference share capital</b>				
<b>Issued and fully paid</b>				
Preference A Shares of \$0.000001 each	364,269	364,269	-	-
Preference B Shares of \$0.000001 each	531,765	531,765	-	-
Preference C Shares of \$0.000001 each	1,308,786	1,010,448	-	-
Preference D Shares of \$0.000001 each	1,053,566	741,874	1	1
Preference E Shares of \$0.000001 each	983,903	982,382	1	1
Seed Preference Shares of \$0.000001 each	212,223	212,223	-	-
	<u>4,454,512</u>	<u>3,842,961</u>	<u>2</u>	<u>2</u>
Preference shares classified as equity			<u>2</u>	<u>2</u>
<b>Total equity share capital</b>			<u>4</u>	<u>4</u>

All share classes rank pari passu in all respects but shall constitute separate classes of shares save that:

- holders of A, B, C, D and E Preference Shares and Series Seed Shares may at any time convert all, or any part of, their preference share holding into an equal number of Ordinary shares;
- holders of B, C, D and E Preference Shares are entitled to an annual non-cumulative dividend rate of 5% out of available profits in preferential order starting with E Preference shares
- holders of A Ordinary Shares are not entitled to receive any preference dividend or distribution from any available profits.

During the year, loan notes with a face value of \$11,850,000 were converted to 298,338 C Preference Shares of \$0.000001 each at a fair value price of \$162.67 per share.

During the year the company also issued the following shares:

- 78,522 Ordinary shares at \$0.13 per share
- 311,692 D Preference shares at \$63.53 per share
- 1,521 E Preference shares at par

### 21 Reserves

#### Share based payment reserve

Share based payment reserve relates to cumulative share based payment charges.

#### Profit and loss reserves

Profit and loss reserves represents accumulated comprehensive deficit for the year and prior periods.

### 22 Financial commitments, guarantees and contingent liabilities

The group's bankers have a fixed charge over certain bank accounts held by the group.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 23 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	784,099	679,264	-	-
Between two and five years	2,581,388	452,843	-	-
In over five years	473,255	-	-	-
	<u>3,838,742</u>	<u>1,132,107</u>	<u>-</u>	<u>-</u>

### 24 Events after the reporting date

In March 2023, the UK arm of the group's corporate bankers, Silicon Valley Bank (SVB), was purchased by HSBC following the collapse of its US parent. All cash deposits held at SVB were secured and the group continues to trade as normal.

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

### 25 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>752,966</u>	<u>692,077</u>

#### Other information

The group has taken the exemptions available in FRS102 not to disclose transactions with wholly owned members of the group.

# TRUELAYER GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 26 Cash absorbed by group operations

	2022 £	2021 £
Loss for the year after tax	(39,399,485)	(74,681,694)
<b>Adjustments for:</b>		
Taxation credited	(941,042)	(3,481,057)
Investment income	(485,732)	(7)
Loss on disposal of tangible fixed assets	38,323	-
Depreciation and impairment of tangible fixed assets	693,518	345,281
Foreign exchange gains on cash equivalents	2,252,375	-
Fair value loss on convertible loan notes	(20,492,634)	48,105,970
Equity settled share based payment expense	8,220,539	3,120,466
<b>Movements in working capital:</b>		
Increase in debtors	(636,028)	(1,414,515)
Increase in creditors	197,022	1,375,916
<b>Cash absorbed by operations</b>	<u>(50,553,144)</u>	<u>(26,629,640)</u>

### 27 Analysis of changes in net funds - group

	1 January 2022 £	Cash flows £	Other non-cash changes £	Exchange rate movements £	31 December 2022 £
Cash at bank and in hand	133,819,418	(37,720,838)	-	(146,137)	95,952,443
Convertible loan notes	(60,720,535)	-	51,375,925	2,252,406	(7,092,204)
	<u>73,098,883</u>	<u>(37,720,838)</u>	<u>51,375,925</u>	<u>2,106,269</u>	<u>88,860,239</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.