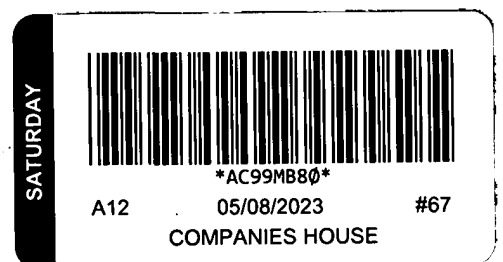


Company registration number 09727592 (England and Wales)

**TYK TECHNOLOGIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# TYK TECHNOLOGIES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Hirst M Buhr A Murray C Noren K Davidson M Samaan
<b>Secretary</b>	J Cowen
<b>Company number</b>	09727592
<b>Registered office</b>	87a Worship Street London UK EC2A 2BE
<b>Auditor</b>	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP
<b>Business address</b>	87a Worship Street London UK EC2A 2BE

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# TYK TECHNOLOGIES LIMITED

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# **TYK TECHNOLOGIES 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.

#### **Review of the business**

Tyk is one of the leading API (Application Programming Interface) management platforms and rocketed from being “Niche Players” to “Visionaries” in Gartner’s Full Lifecycle API Management Magic Quadrant 2020 analysis. Since its foundation in 2014, when there was only one open-source API gateway, and SOA (service orientated architecture) was all the rage, Tyk has evolved to become a leading, independent, open-source API and service management platform building mission-critical systems for some of the world’s largest enterprises. The scope of industries that Tyk supports is vast, including highly regulated industries such as financial services, healthcare, and government.

At its core, Tyk is constantly striving to engineer unique ways for its customers to manage their APIs and has created an array of cutting edge and innovative open-source API management systems that push the boundaries of what was previously thought possible. Tyk’s platform is flexible, in an open source manner, and focuses on abstracting an ever growing array of complexities to enable its customers to operate effectively and seamlessly. A number of the technologies that Tyk offers or is developing are first in class solutions that no competitors offer.

Tyk successfully completed a growth-equity investment round in 2021, led by Scottish Equity Partners (SEP). This funding is being used to accelerate cutting-edge research and undertake an aggressive development plan, exploring extremely complex blue-sky problems that have the potential to truly change the capabilities of users.

Tyk’s active non-executive Board, consisting of SEP, MMC Ventures Limited and Carl Pontus Noren (our chairman), alongside the company’s executives, represent experienced industry experts in the technology and business space. Tyk has leveraged on this proven expertise to guide its growth and expansion strategies, ensuring we remain dynamic and resilient to market changes and demands.

In tandem with our focus on innovation, trust is paramount to our business - with security and reliability at the heart of everything we do. Demonstrating our commitment to quality management, in 2017, Tyk received its first ISO 9001 certification. This internationally recognised standard for quality management systems has since been further enhanced by Tyk receiving its ISO 27001 certification, the international standard for information security, in 2019, and its SOC2 certification, in 2021. Tyk’s certifications are audited annually by external consultants and its annual recertifications were successfully completed in 2022.

#### **Principal risks and uncertainties**

##### **Competition**

Tyk operates in a highly competitive market, where other companies provide similar API management solutions. Tyk’s continuous focus on innovation and product development coupled with our open source credentials and exceptional customer service, ensure our tailored solutions remain competitive and meet evolving customer needs.

##### **Technology**

The rapid pace of technological advancements and the resulting changing of customer needs poses an inherent risk when scaling a platform and services over time to an increasing customer base. Tyk’s commitment to research and development, and the investments we have made in our product and engineering team following our growth equity round, help ensure Tyk continues to operate at the forefront in terms API management solutions and how they address emerging industry trends.

##### **People**

Our team is central to the success of Tyk and its mission to connect every system in the world. A breadth and depth of technical and business experience is required to ensure we are able to meet the needs of our customers and the demands of an ever evolving technical landscape as we scale our product offering. Our ability to attract new talent, alongside engaging and retaining our team, is vital to our success in these endeavours. The initiatives and investments we are making in our team, and our remote first culture, help ensure that we remain as a competitive and attractive global employer.

# TYK TECHNOLOGIES LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Key performance indicators

The Board considers the Group's Key Performance Indicators (KPIs) to be Turnover, Gross profit margin, Operating loss and customer satisfaction.

Turnover in the year grew 35% to £7.6m with EMEA and Americas regions evolving as central markets for growth. The wider macro political and economic uncertainties that have prevailed since early 2022 have arguably encouraged many companies and larger enterprises to focus on greater automation, operational efficiency and resilience, as well as security within their infrastructure. We believe this is contributing to the creation of opportunities for growth where Tyk is well placed to respond and deliver.

Investment in our cloud product offering and customer support services ahead of future growth has resulted in increased hosting, infrastructure and headcount costs during the course of the year and a slight reduction in Gross Margin to 85.5%. Optimisations and the sunsetting of legacy cloud product offerings in the first half of 2023 will help to ensure that we scale our direct costs efficiently. With average customer satisfaction of 97.5% in 2022, the growth of our customer support team during the year will ensure we are well placed to continue to scale effectively into next year.

The growth in operating losses to £8.8m coupled with the net decrease in cash and cash equivalents of £7.1m in 2022 falls in line with the director's and management's expectations for the planned investment in the team and engine for future growth into 2023 and beyond.

Tyk's mission is to connect every system in the world. Central to our plans, is making this connectivity transparent, safe and achievable for all (enterprise and individual customers alike). We are democratising connectivity and wish to be a force for good in society. Tyk seeks excellence in every aspect of its business and is committed to upholding Environmental, Social and Governance (ESG) policies as critical tenets. In 2022, Tyk demonstrated its commitment to ESG through various initiatives and investments in people, society & the environment:

- First and foremost, we are a default "remote-first" business operating across 27 countries and are committed to offering a flexible and default remote workplace for all Tyklings, our Flexa accreditation is proof of that.
- We are passionate about growing our team personally and professionally so that they can enjoy the journey with us, and grow beyond. Our team is offered a unique, 12-week 1-2-1 coaching programme, aiming to help each person uncover what is most meaningful to them inside and outside of their career. This personal development programme is driven by the individual, not the business.
- Our team is also offered the opportunity to become a personal development coach, with 10% of our team already trained as coaches and mentors.
- We run a micro-grant programme called the "Tyk side project fund" which financially supports people launching unique, innovative side projects. So far we have supported 16 companies via this fund.
- We offer 2 days of volunteering leave per year for each team member.
- We hold an annual company retreat. Our retreats are invaluable to our development as a business. They provide an excellent and unique opportunity to step back from the BAU and gain new perspectives on communication, teamwork, and creative problem-solving.
- We started our first graduate programme in 2022, designed to invest in, and train, entry level graduates.
- We are proud that 33% of those working at Tyk are women, which is ahead of the industry standard (26%).
- Tyk holds an annual "Wellbeing week", which includes meditation sessions and lectures on avoiding burnout, alongside a Tyk Wellbeing Day, which is a day when the company shuts down for the day to allow team members time to focus on themselves and their wellbeing.
- Tyk also has an EAP (Employee Assistance Programme) which allows employees to request support and counselling, if needed.

These initiatives are dynamic and ensure people, society and the environment are at the forefront of everything we do and what we represent as a business.

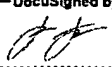
**TYK TECHNOLOGIES LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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On behalf of the board

DocuSigned by:  
  
.....2E039CE781874AB.....

J Hirst  
**Director**

31-07-23 | 01:33 PDT

Date: .....

# TYK TECHNOLOGIES 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.

#### Principal activities

The principal activity of the company and group continued to be that of the development and sale of a software platform that allows businesses to manage their API gateways.

#### Results and dividends

The results for the year are set out on page 10.

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

#### Directors

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

J Hirst  
M Buhr  
A Murray  
C Noren  
K Davidson  
M Samaan  
M Brennan

(Appointed 26 October 2022 and resigned 27 October 2022)

Mr N Malhotra was appointed as a director on 21 June 2023 and resigned on 26 June 2023.

Mr M Brennan was re-appointed as director on 3 April 2023.

#### Research and development

At its core, Tyk is a research and development organisation, constantly striving to engineer completely novel ways for users to manage their APIs and extending our product capabilities. The 2022 year continued with investments in Open telemetry, development of the Tyk Enterprise Developer Portal as well as capabilities to enable native support for OpenAPI Specification, and investments in making the developer experience much more intuitive via our Tyk Operator and Command Line Interface. Alongside continuous improvements in all areas and the evolution of our cloud offering, Tyk will continue to be committed to the development of cutting-edge research and exploration of extremely complex blue-sky problems that have the potential to truly change the capabilities of users.

#### Post reporting date events

On 2 Feb 2023 the company allotted 98 Ordinary shares with nominal value £0.001 for a total purchase price of £71.54. This was the result of an option exercise by an employee of the company.

#### Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the group will be put at a General Meeting.

# TYK TECHNOLOGIES LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Statement of directors' responsibilities

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:

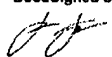
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The directors are responsible for 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.

#### 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

DocuSigned by:  
  
.....2E039CE781874A8.....  
J Hirst  
Director

31-07-23 | 01:33 PDT  
Date: .....

# TYK TECHNOLOGIES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TYK TECHNOLOGIES LIMITED

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#### Opinion

We have audited the financial statements of Tyk Technologies Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group Profit and Loss Account, the Group Balance Sheet, the Company Balance Sheet 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 FRS 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 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.

## **TYK TECHNOLOGIES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TYK TECHNOLOGIES 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 group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **TYK TECHNOLOGIES LIMITED**

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

#### **TO THE MEMBERS OF TYK TECHNOLOGIES LIMITED**

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##### **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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## TYK TECHNOLOGIES LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TYK TECHNOLOGIES LIMITED

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

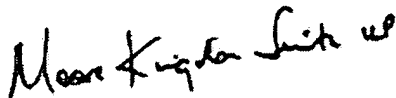
Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

#### 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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.



Jonathan Sutcliffe (Senior Statutory Auditor)  
For and on behalf of Moore Kingston Smith LLP

Date: 31 July 2023

Chartered Accountants  
Statutory Auditor

6th Floor  
9 Appold Street  
London  
EC2A 2AP

**TYK TECHNOLOGIES LIMITED****GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	7,649,168	5,644,912
Cost of sales		(1,108,346)	(663,678)
<b>Gross profit</b>		6,540,822	4,981,234
Administrative expenses		(15,569,128)	(10,479,830)
Other operating income		259,362	51,221
<b>Operating loss</b>	<b>4</b>	(8,768,944)	(5,447,375)
Interest receivable and similar income	<b>8</b>	120,851	1,714
Interest payable and similar expenses	<b>9</b>	(40)	-
<b>Loss before taxation</b>		(8,648,133)	(5,445,661)
Tax on loss	<b>10</b>	445,864	622,124
<b>Loss for the financial year</b>		(8,202,269)	(4,823,537)

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

## TYK TECHNOLOGIES LIMITED

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

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	2022 £	2021 £
<b>Loss for the year</b>	(8,202,269)	(4,823,537)
<b>Other comprehensive income</b>		
Currency translation loss taken to retained earnings	(329,587)	(11,148)
<b>Total comprehensive income for the year</b>	<u>(8,531,856)</u>	<u>(4,834,685)</u>

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

# TYK TECHNOLOGIES LIMITED

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		84,929		140,362
<b>Current assets</b>					
Debtors	16	2,282,496		2,076,734	
Cash at bank and in hand		13,868,479		21,272,784	
		<u>16,150,975</u>		<u>23,349,518</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(6,439,665)</u>		<u>(5,314,398)</u>	
<b>Net current assets</b>			<u>9,711,310</u>		<u>18,035,120</u>
<b>Total assets less current liabilities</b>			<u>9,796,239</u>		<u>18,175,482</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	<u>12,599</u>		<u>21,742</u>	
			<u>(12,599)</u>		<u>(21,742)</u>
<b>Net assets</b>			<u><u>9,783,640</u></u>		<u><u>18,153,740</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		250		249
Share premium account			28,150,606		28,149,889
Other reserves			260,726		102,381
Profit and loss reserves			<u>(18,627,942)</u>		<u>(10,098,779)</u>
<b>Total equity</b>			<u><u>9,783,640</u></u>		<u><u>18,153,740</u></u>

The financial statements were approved by the board of directors and authorised for issue on ~~31 July 2023~~ and are signed on its behalf by:

DocuSigned by:  
  
 .....2E038CE781874A8.....  
 J Hirst  
 Director

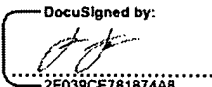
Company registration number 09727592 (England and Wales)

**TYK TECHNOLOGIES LIMITED****COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		73,737		121,857
Investments	13		57,063		57,063
			<u>130,800</u>		<u>178,920</u>
<b>Current assets</b>					
Debtors	16	3,887,184		3,962,223	
Cash at bank and in hand		12,076,184		19,881,015	
		<u>15,963,368</u>		<u>23,843,238</u>	
<b>Creditors: amounts falling due within one year</b>	17	(3,592,405)		(3,013,619)	
<b>Net current assets</b>			<u>12,370,963</u>		<u>20,829,619</u>
<b>Total assets less current liabilities</b>			<u>12,501,763</u>		<u>21,008,539</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	12,599		21,742	
		<u>(12,599)</u>		<u>(21,742)</u>	
<b>Net assets</b>			<u>12,489,164</u>		<u>20,986,797</u>
<b>Capital and reserves</b>					
Called up share capital	21		250		249
Share premium account			28,150,606		28,149,889
Other reserves			260,726		102,381
Profit and loss reserves			(15,922,418)		(7,265,722)
<b>Total equity</b>			<u>12,489,164</u>		<u>20,986,797</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £8,656,696 (2021 - £2,663,854 loss).

The financial statements were approved by the board of directors and authorised for issue on 31 July 2023 and are signed on its behalf by:

DocuSigned by:  
  
 2E038CE781874A8...  
 J Hirst  
 Director

Company registration number 09727592 (England and Wales)

# TYK TECHNOLOGIES LIMITED

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

	Share capital	Share premium account	Employee Share Option Reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 January 2021</b>	191	6,544,829	41,743	(5,264,094)	1,322,669
<b>Year ended 31 December 2021:</b>					
Loss for the year	-	-	-	(4,823,537)	(4,823,537)
Other comprehensive income:					
Currency translation differences	-	-	-	(11,148)	(11,148)
Total comprehensive income	-	-	-	(4,834,685)	(4,834,685)
Issue of share capital	21	58	21,605,060	-	21,605,118
Movement in employee share option reserve	-	-	60,638	-	60,638
<b>Balance at 31 December 2021</b>	249	28,149,889	102,381	(10,098,779)	18,153,740
<b>Year ended 31 December 2022:</b>					
Loss for the year	-	-	-	(8,202,269)	(8,202,269)
Other comprehensive income:					
Currency translation differences	-	-	-	(329,587)	(329,587)
Total comprehensive income	-	-	-	(8,531,856)	(8,531,856)
Issue of share capital	21	1	717	-	718
Movement in employee share option reserve	-	-	158,345	-	158,345
Other movements	-	-	-	2,693	2,693
<b>Balance at 31 December 2022</b>	250	28,150,606	260,726	(18,627,942)	9,783,640

# TYK TECHNOLOGIES LIMITED

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

	Share capital	Share premium account	Employee Share Option Reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 January 2021</b>	191	6,544,829	41,743	(4,601,868)	1,984,895
<b>Year ended 31 December 2021:</b>					
Loss and total comprehensive income for the year	-	-	-	(2,663,854)	(2,663,854)
Issue of share capital	21	21,605,060	-	-	21,605,118
Movement in employee share option reserve	-	-	60,638	-	60,638
<b>Balance at 31 December 2021</b>	249	28,149,889	102,381	(7,265,722)	20,986,797
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income	-	-	-	(8,656,696)	(8,656,696)
Issue of share capital	21	717	-	-	718
Movement in employee share option reserve	-	-	158,345	-	158,345
<b>Balance at 31 December 2022</b>	250	28,150,606	260,726	(15,922,418)	12,489,164

# TYK TECHNOLOGIES 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	(8,359,773)		(3,577,553)	
Interest paid		(40)		-	
Income taxes refunded		835,979		408,987	
<b>Net cash outflow from operating activities</b>		<b>(7,523,834)</b>		<b>(3,168,566)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,782)		(70,339)	
Proceeds from disposal of tangible fixed assets		2,742		2,313	
Interest received		120,851		1,714	
<b>Net cash generated from/(used in) investing activities</b>			<b>118,811</b>		<b>(66,312)</b>
<b>Financing activities</b>					
Proceeds from issue of shares		718		21,605,118	
Repayment of borrowings		-		(9,130)	
<b>Net cash generated from financing activities</b>			<b>718</b>		<b>21,595,988</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(7,404,305)</b>		<b>18,361,110</b>
Cash and cash equivalents at beginning of year		21,272,784		2,911,674	
<b>Cash and cash equivalents at end of year</b>		<b>13,868,479</b>		<b>21,272,784</b>	

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Tyk Technologies Limited ("the company") is a private limited company that is limited by shares and is domiciled and incorporated in England and Wales. The registered office is 87a Worship Street, London, UK, EC2A 2BE.

The group consists of Tyk Technologies 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. 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 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# TYK TECHNOLOGIES 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 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Tyk Technologies Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

##### 1.4 Going concern

In line with management expectations, the group made a loss of £8.2m (2021: £4.8m) in the financial year due to significant investment in our capabilities from customer support and sales and marketing through to research and development. This investment following our 2021 injection of growth equity has primarily been headcount related and planned ahead of future revenue growth. These costs, which account for just under 76% of the cost base are within the control of the group and have been incurred whilst ensuring we retain significant cash reserves of £13.9m at the year-end. Cash flows from the renewal of our recurring revenue base coupled with new business growth will further support the group and company in the financial year ahead. This means that the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the 12 months following the date of approval of the financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies (Continued)

##### 1.5 Turnover

Turnover represents the value, net of VAT and discounts, derived from software licence and related support services provided to customers and recognised on a straight line basis over the period of the contract. Where payments are received by customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

##### 1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

##### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Other intangible assets	25% straight line
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##### 1.8 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:

Fixtures and fittings	15% straight line and 20% straight line
Computers	25% 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.

##### 1.9 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.

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

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.

#### 1.11 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.

#### 1.12 Financial instruments

##### *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.

##### *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.

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### **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.

#### 1.13 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.

#### 1.14 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.

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 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.

##### **1.15 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 the cost of stock or 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.

##### **1.16 Retirement benefits**

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

# **TYK TECHNOLOGIES LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

**(Continued)**

#### **1.17 Share-based payments**

The company participates in a share-based payment arrangement granted to its employees and employees of its subsidiaries. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

#### **1.18 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.

#### **1.19 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.20 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.

Key accounting estimates and assumptions were made in relation to the valuation of the group's share based payments. The valuations are based on recent transactions in the group's securities, with an appropriate discount to reflect minority shareholdings, the lack of an open market for the shares and the restrictions that are in place over these securities.

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover and other revenue

All revenue relates to the provision of software licences and related support services.

	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	1,256,375	1,041,191
Rest of Europe	1,983,602	1,677,413
Rest of the World	4,409,191	2,926,308
	<u>7,649,168</u>	<u>5,644,912</u>

	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	120,851	1,714
Grants received	-	2,160
	<u>120,851</u>	<u>3,874</u>

### 4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(242,331)	48,010
Government grants	-	(2,160)
Depreciation of owned tangible fixed assets	57,963	52,290
Loss/(profit) on disposal of tangible fixed assets	2,170	(241)
Amortisation of intangible assets	-	654
Share-based payments	158,344	60,639
Operating lease charges	141,863	125,815
	<u>15,706</u>	<u>183,907</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	45,200	31,000
	<u>45,200</u>	<u>31,000</u>

# TYK TECHNOLOGIES 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:

Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
85	65	54	45
<u>85</u>	<u>65</u>	<u>54</u>	<u>45</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	7,182,344	5,353,188	4,758,545	3,826,515
Social security costs	874,831	687,989	697,082	597,552
Pension costs	154,765	100,374	76,758	66,121
	<u>8,211,940</u>	<u>6,141,551</u>	<u>5,532,385</u>	<u>4,490,188</u>

#### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	489,751	370,289
Company pension contributions to defined contribution schemes	3,522	3,517
	<u>493,273</u>	<u>373,806</u>

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

	2022 £	2021 £
Remuneration for qualifying services	180,000	120,000
Company pension contributions to defined contribution schemes	1,761	1,758
	<u>181,761</u>	<u>121,758</u>

#### 8 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	120,814	1,714
Other interest income	37	-
Total income	<u>120,851</u>	<u>1,714</u>

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

<b>8 Interest receivable and similar income</b>	<b>(Continued)</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	120,814	1,714
	<u>          </u>	<u>          </u>
<b>9 Interest payable and similar expenses</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other finance costs:</b>		
Other interest	40	-
	<u>          </u>	<u>          </u>
<b>10 Taxation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	(470,565)	(638,686)
Adjustments in respect of prior periods	270	-
Total UK current tax	(470,295)	(638,686)
Foreign current tax on profits for the current period	33,574	13,199
Total current tax	(436,721)	(625,487)
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(9,143)	3,363
	<u>          </u>	<u>          </u>
Total tax credit	(445,864)	(622,124)
	<u>          </u>	<u>          </u>

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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loss before taxation	(8,648,133)	(5,445,661)
	<u>          </u>	<u>          </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,643,145)	(1,034,676)
Research and development tax credit	(469,133)	(635,244)
Other tax adjustments	1,675,587	1,044,433
Deferred tax	(9,173)	3,363
	<u>          </u>	<u>          </u>
Taxation credit	(445,864)	(622,124)
	<u>          </u>	<u>          </u>

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 10 Taxation

(Continued)

The UK parent company received a tax credit of £469,133 in relation to research and development costs expensed to the Profit and Loss account totalling £1,406,695. In 2021 these figures were £635,244 and £1,914,863 respectively.

Other tax adjustments include the enhancement of research and development expenditure (enhanced expenditure of £1,828,704), disallowed expenditure of £168,303, tax deduction under schedule 23 of £263,932, depreciation of £48,520 and a deduction of £120,850 for non trade loan relationship credits. In 2021, total enhanced R&D expenditure was £2,489,322, disallowed expenditure was £352,718, schedule 23 deduction was £140,159 and depreciation was £45,302.

Net capital allowances were £2,097 in 2022 and £74,011 in 2021.

The taxation credit in the financial statements includes foreign taxation of £33,574 and £13,120 in 2011.

#### 11 Intangible fixed assets

Group	Other intangible assets £
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	9,500
<b>Amortisation and impairment</b>	
At 1 January 2022 and 31 December 2022	9,500
<b>Carrying amount</b>	
At 31 December 2022	-
At 31 December 2021	-
<b>Company</b>	
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	9,500
<b>Amortisation and impairment</b>	
At 1 January 2022 and 31 December 2022	9,500
<b>Carrying amount</b>	
At 31 December 2022	-
At 31 December 2021	-

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Tangible fixed assets

Group	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 January 2022	26,653	224,976	251,629
Additions	1,230	3,552	4,782
Disposals	-	(9,768)	(9,768)
Exchange adjustments	-	2,981	2,981
At 31 December 2022	27,883	221,741	249,624
<b>Depreciation and impairment</b>			
At 1 January 2022	10,585	100,682	111,267
Depreciation charged in the year	4,293	53,670	57,963
Eliminated in respect of disposals	-	(4,856)	(4,856)
Exchange adjustments	-	321	321
At 31 December 2022	14,878	149,817	164,695
<b>Carrying amount</b>			
At 31 December 2022	13,005	71,924	84,929
At 31 December 2021	16,068	124,294	140,362
<b>Company</b>			
	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 January 2022	26,653	195,149	221,802
Additions	1,230	3,552	4,782
Disposals	-	(7,744)	(7,744)
At 31 December 2022	27,883	190,957	218,840
<b>Depreciation and impairment</b>			
At 1 January 2022	10,585	89,360	99,945
Depreciation charged in the year	4,293	44,227	48,520
Eliminated in respect of disposals	-	(3,362)	(3,362)
At 31 December 2022	14,878	130,225	145,103
<b>Carrying amount</b>			
At 31 December 2022	13,005	60,732	73,737
At 31 December 2021	16,068	105,789	121,857

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	57,063	57,063

#### Movements in fixed asset investments Company

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2022 and 31 December 2022	57,063
<b>Carrying amount</b>	
At 31 December 2022	57,063
At 31 December 2021	57,063

### 14 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
Tyk Technologies Inc	WeWork 4th Floor, Office 04-110 756 W Peachtree St NW Atlanta, GA 30308	Ordinary	100.00
Tyk Technologies Pte Ltd	1 North Bridge Road, High Street Centre, Singapore 179094	Ordinary	100.00
Tyk Technologies Canada Incorporated	201 King St, London, Ontario, Canada, N6A1C9	Ordinary	100.00

### 15 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,059,331	875,848	2,696,441	2,761,672
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	440,621	368,613	323,709	276,444

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	1,026,689	867,216	680,850	410,345
Corporation tax recoverable	484,391	883,649	469,133	883,649
Amounts owed by group undertakings	-	-	1,987,362	2,343,931
Other debtors	143,716	77,910	137,855	76,708
Prepayments and accrued income	627,700	247,959	611,984	247,590
	<u>2,282,496</u>	<u>2,076,734</u>	<u>3,887,184</u>	<u>3,962,223</u>

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

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Trade creditors	106,739	113,556	93,154	89,490
Other taxation and social security	167,519	127,922	142,584	127,922
Other creditors	6,165,407	5,072,920	3,356,667	2,796,207
	<u>6,439,665</u>	<u>5,314,398</u>	<u>3,592,405</u>	<u>3,013,619</u>

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	21,742	18,379
Tax losses	(9,143)	3,363
	<u>12,599</u>	<u>21,742</u>
Company	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	21,742	18,379
Tax losses	(9,143)	3,363
	<u>12,599</u>	<u>21,742</u>

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18	Deferred taxation	(Continued)	
		Group 2022 £	Company 2022 £
	<b>Movements in the year:</b>		
	Liability at 1 January 2022	21,742	21,742
	Credit to profit or loss	(9,143)	(9,143)
	Liability at 31 December 2022	<u>12,599</u>	<u>12,599</u>

19	Retirement benefit schemes	2022	2021
		£	£
	<b>Defined contribution schemes</b>		
	Charge to profit or loss in respect of defined contribution schemes	<u>137,503</u>	<u>96,799</u>

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.

20	Share-based payment transactions Group and company	Number of share options		Weighted average exercise price	
		2022 Number	2021 Number	2022 £	2021 £
	Outstanding at 1 January 2022	16,252	15,074	5.58	3.42
	Granted	3,275	4,824	79.67	24.75
	Forfeited	(2,865)	(2,677)	10.31	20.04
	Exercised	(983)	(1,305)	0.73	17.49
	Outstanding at 31 December 2022	<u>15,679</u>	<u>15,916</u>	<u>20.25</u>	<u>5.58</u>
	Exercisable at 31 December 2022	<u>2,589</u>	<u>586</u>	<u>24.02</u>	<u>26.43</u>
		<b>Group</b>	<b>Company</b>		
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Expenses recognised in the year</b>				
	Arising from equity settled share based payment transactions	<u>158,344</u>	<u>60,639</u>	<u>158,344</u>	<u>60,639</u>

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 20 Share-based payment transactions

(Continued)

A staff share option scheme is in place. This is an equity settled scheme that is available to all staff members via an EMI scheme for employees or an unapproved option scheme for contractors. The majority of staff options are exercisable upon exit only, but some vest over a specified period of time.

The fair value of the options are calculated based on recent transactions in the group's securities, with an appropriate discount to reflect minority shareholdings, the lack of an open market for the shares and the restrictions that are in place over these securities. In the current year a cost of £158,344 (2021: £60,639) has been posted through the profit and loss account.

#### 21 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
<b>Issued and fully paid</b>				
B Preferred shares of 0.1p each	64,536	64,536	65	65
Growth shares of 0.1p each	1,166	1,166	1	1
Ordinary shares of 0.1p each	131,797	130,814	132	131
Series A shares of 0.1p each	52,105	52,105	52	52
	<u>249,604</u>	<u>248,621</u>	<u>250</u>	<u>249</u>

During the year, the following transactions occurred:

983 ordinary shares with nominal value £0.001 were exercised for a total consideration of £717.59.

All shares are Ordinary shares and rank pari passu, with the following exceptions:

The rights of the Growth shares to participate in a return of capital on liquidation or sale of the company are restricted such that the Growth shares would only participate in the return of capital or sale proceeds once the agreed Growth share hurdle is achieved.

B preferred shares have full voting and dividend rights, along with a priority capital distribution. The shares are not redeemable.

#### 22 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		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	97,248	52,487	97,248	52,487
Between two and five years	56,728	-	56,728	-
	<u>153,976</u>	<u>52,487</u>	<u>153,976</u>	<u>52,487</u>

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 23 Events after the reporting date

On 2 Feb 2023 the company allotted 98 Ordinary shares with nominal value £0.001 for a total purchase price of £71.54. This was the result of an option exercise by an employee of the company.

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	1,169,894	697,427

The parent company has taken exemption of disclosing related party transactions and balances with wholly owned group entities.

### 25 Controlling party

There is no ultimate controlling party.

### 26 Cash absorbed by group operations

	2022 £	2021 £
Loss for the year after tax	(8,202,269)	(4,823,537)
<b>Adjustments for:</b>		
Taxation credited	(445,864)	(622,124)
Finance costs	40	-
Investment income	(120,851)	(1,714)
Loss/(gain) on disposal of tangible fixed assets	2,170	(241)
Amortisation and impairment of intangible assets	-	654
Depreciation and impairment of tangible fixed assets	57,963	52,290
Foreign exchange	(329,553)	(29,623)
Equity settled share based payment expense	158,344	60,639
<b>Movements in working capital:</b>		
Increase in debtors	(605,020)	(240,716)
Increase in creditors	111,605	178,777
Increase in deferred income	1,013,662	1,848,042
<b>Cash absorbed by operations</b>	<b>(8,359,773)</b>	<b>(3,577,553)</b>

# TYK TECHNOLOGIES LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

	1 January 2022 £	Cash flows £	Exchange rate movements £	31 December 2022 £
Cash at bank and in hand	21,272,784	(7,324,981)	(79,324)	13,868,479