

Registered number: 09677925

SNYK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

MONDAY



ADBQKPUZ

A06

16/09/2024

#38

COMPANIES HOUSE

SNYK LIMITED

COMPANY INFORMATION

Directors	P L A Botteri P Li Z A Nelson (resigned 31 October 2023) K A Murphy P C McKay G Podjarny M P Scarpelli T O Yehoshua (resigned 15 April 2024) S Poonen E Sim (appointed 16 April 2024)
Company secretary	D Morris (appointed 2 February 2024) K MacAskill (resigned 2 February 2024)
Registered number	09677925
Registered office	Suite 4 7th Floor 50 Broadway London United Kingdom SW1H 0DB
Independent auditors and chartered accountants	PricewaterhouseCoopers LLP 3 Forbury Place 23 Forbury Road Reading RG1 3JH
Solicitors	Cooley 22 Bishopsgate London EC2N 4BQ

SNYK LIMITED

CONTENTS

	Page
<u>Strategic Report</u>	4 - 8
<u>Directors' Report</u>	9 - 13
<u>Independent Auditor's Report to the Members of Snyk Limited</u>	14 - 16
<u>Consolidated Statement of Comprehensive Loss</u>	17
<u>Consolidated Balance Sheet</u>	18
<u>Company Balance Sheet</u>	19
<u>Consolidated Statement of Changes in Equity</u>	20
<u>Company Statement of Changes in Equity</u>	21
<u>Consolidated Statement of Cash Flows</u>	22
<u>Notes to the Financial Statements</u>	23 - 61

SNYK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their Strategic Report for the year ended 31 December 2023.

Business review

Snyk Limited ('Snyk' or the 'Group') is a leader and pioneer in developer and "shift-left" security. Snyk is on a mission to make the world a more secure place by empowering developers to develop fast and stay secure. The Group's developer-first, AI-powered software as a service platform allows users to increase developer productivity and reduce software security risk. Snyk makes development, security, and operations ("DevSecOps") real by helping software engineering teams build applications more efficiently and securely while supporting security teams in managing risk and improving code-to-cloud security. The Group's customers use Snyk's platform for various use cases including scaling and shifting their application security programs left, securing software supply chains, and safely adopting AI code generation.

Snyk sells its software products through a subscription model. Subscriptions are offered on an annual and multi-year basis, typically up to three years, except for SaaS subscriptions sold directly through Snyk's website, these services are offered monthly in addition to annually. Customers are typically invoiced in advance in annual increments upon execution of the initial contract or subsequent renewal. Certain customers are allowed quarterly or monthly installments. The Group's turnover is distributed primarily between the United States and the United Kingdom, comprising an average of approximately 72% (2022: 69%) and 7% (2022: 8%) of revenue, respectively. Snyk ended the fiscal year at approximately 1,028 (2022: 1,135) employees, with main offices located in Boston, Massachusetts (United States of America); London, England; Tel Aviv, Israel; Cluj, Romania; Ottawa, Canada; and Zurich, Switzerland.

In the fiscal year 2023 Snyk grew its revenue 50% due to the increased customer adoption and expansion of its product platform. The Group decreased its employee base by 10% year over year. The Group focused on scaling its sales teams to accelerate adoption of its products and scaling its internal processes. The decrease in headcount resulted in a 5% decrease in wages and salaries which decreased the Group's operating loss during the year. Snyk began investing its cash balance into additional financial instruments during the year, including debt securities with original maturities between 90 days and one year. The investments in debt securities contributed to the Group's decline in cash balances to \$352.3 million (compared to \$525.6 million at the end of the fiscal year 2022), however the investments are callable at any time and remain liquid assets. The investment strategy increased interest income to \$15.7 million (compared to \$4.0 million for the twelve months ended 31 December 2022). As of 31 December 2023, the net assets of the group were \$604.9 million (compared to \$694.7 million at 31 December 2022) driven primarily by cash used in operations during the year and business acquisitions during the year.

Principal risks and uncertainties

From a product and development perspective, key risks include failure to innovate and introduce new or enhanced features, products and services, inability to protect intellectual property, use of and/or reliance on third-party open source software, product failure, the occurrence of cybersecurity incidents and reliance on public cloud and internet infrastructure. These risks could cause disruption, performance and quality issues, loss of reputation, and could impact Snyk's ability to compete and to protect and grow revenue. Snyk looks to mitigate these risks through various efforts such as its extensive quality assurance and compliance programs, and investments in engineering and research and development. From a go-to-market perspective, Snyk faces risks associated with global economic conditions in the technology and financial services sectors, where the majority of its customers operate, and the development and expansion of sales and marketing capabilities in a highly competitive industry. Snyk continues to diversify its customer base to additional sectors to mitigate this risk. Snyk has identified loss of key development staff as a related principal risk. It reports internally on staff turnover as an indicator of progress in managing this risk.

The Group is subject to laws and regulations that affect every aspect of its operations, including laws and regulations related to data privacy and security, anti-corruption, anti-bribery and anti-money laundering. Non-compliance with laws and regulations could subject the Group to criminal or civil liability and harm its business, financial condition and operating results. In addition, compliance, detection, investigation and resolution can require significant time, expense and human resources. International operations and expansion may increase these risks. The Group has a compliance program in place and policies and procedures to mitigate compliance-related risks.

SNYK LIMITED

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

Snyk operates internationally and may enter new international markets where it has limited or no experience in marketing, selling and deploying its platform, products and services. Snyk is subject to a variety of risks inherent in doing business internationally, including:

- Political, social or economic instability related to the war in Ukraine and the Israel-Hamas conflict;
- Volatility of global markets and geopolitical conflicts;
- Risks related to governmental regulations in foreign jurisdictions and unexpected changes in regulatory requirements and enforcement;
- Fluctuations in currency exchange rates;
- Higher levels of credit risk and payment fraud;
- Difficulties in staffing and managing international operations and the increased travel, infrastructure and legal compliance costs associated with multiple international locations and subsidiaries;
- Different regulations and practices with respect to employee/employer relationships, existence of workers' councils and labor unions, and other challenges caused by distance, language and cultural differences, making it harder to do business in certain international jurisdictions; and
- Management of tax consequences.

If Snyk is unable to manage the complexity of international operations successfully, financial performance and operating results could suffer. The uncertainty surrounding macroeconomic factors globally characterized by the supply chain environment, inflationary pressure, rising interest rates, labor shortages, and bank failures could have a material adverse effect on Snyk's long-term business and could lead to further economic disruption and expose Snyk to greater risk as its current and potential customers may reduce or eliminate their overall spending on IT security. Snyk recognises the importance of financial risk management and the heightened need for effective internal monitoring. To internally manage financial risks, the Group continues to invest in its legal, compliance, and treasury functions. Team members are globally distributed, allowing the Group to monitor governance and risk from various geo-political angles.

In terms of industry risks, Snyk is subject to a number of risks common to emerging, technology-based companies, including a limited operating history; history of operating losses and dependence on proceeds from the sale of equity securities to finance operations; rapid technological changes; competition from substitute products and larger companies and the successful development, marketing, and third-party cloud-based hosting of Snyk's services. Competitors, many of whom are larger and have greater financial resources than Snyk does, may respond to challenging market conditions by lowering prices in an attempt to attract Snyk's customers and partners. The Group cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry; however, the Group routinely assesses market conditions and adjusts its strategy accordingly to determine whether additional financing is required and what the appropriate source of this financing should be.

Financial key performance indicators

Snyk identifies turnover, turnover growth, operating loss, and total cash as key performance indicators. The Group reports on these metrics monthly, compares results to historical trends and re-forecasts as necessary to begin each reporting period. Refer to the 'Business review' section of this Strategic Report for the Group's commentary regarding these indicators.

	2023 \$	2022 \$
	(in thousands)	
Turnover	220,122	147,007
Year-over-year turnover growth	73,115	88,932
Operating loss	(194,957)	(269,825)
Total cash ¹	455,435	525,585

¹ The total cash herein includes Cash and cash equivalents and Investments.

SNYK LIMITED

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

Other key performance indicators

The Group counts the total number of customers at the end of each period. For purposes of determining the Group's customer count, an organization with multiple divisions, segments or subsidiaries is counted as a single customer. The Group excludes monthly and self serve contracts from its customer count.

Snyk finished 2023 with 3,008 total customers. The total number of customers compared favorably to prior year (2022: 2,456). This is in line with expectations as the business continues to grow and diversify its customer base.

Employee and human capital resources

As of 31 December 2023 Snyk had 1,028 (2022: 1,135) full-time employees. The Group has no collective bargaining agreements with its employees, and has not experienced any work stoppages. Snyk monitors employee engagement through an annual (or more frequent) survey and uses the results to develop a prioritized action plan to address areas in need of attention. Snyk's human capital objectives include, as applicable, identifying, recruiting, developing, retaining, and incentivizing existing and prospective employees, as well as optimizing the overall employee experience. The principal purposes of the Group's incentive plans are to attract, retain and motivate employees. The granting of share-based compensation awards is designed to reward selected employees for long-term shareholder value creation. The Group maintains an intranet that is used globally to provide employees with information on decisions taken, emerging developments, innovations, and future growth of the business. The Group also provides updates, at least quarterly, in relation to the financial and economic factors that affect the performance of the Group. The health and safety of the Group's employees, customers, and communities are of primary concern.

The Group's policies and procedures give full and fair consideration to the work-related needs of disabled employees (and employees who become disabled while working for the Group) and applicants to ensure that needs are adequately covered and to comply with applicable legislation; this consideration extends to the application process, employee training, the provision of adjustments and accommodations, and opportunities for promotion and career development.

Section 172(1) UK Companies Act 2006

The Board of Directors ('Directors' or 'Board') considers that during the year it has acted and made decisions, both as a whole and as individual members in a way that would be most likely to promote the success of the Group, for the benefit of its members as a whole, whilst having regard for the interests of its other stakeholders. The Directors confirm that the meetings and considerations of the Board, which underpin its decisions, incorporate appropriate regard to the matters detailed in section 172 of the Companies Act 2006.

The Board considers the Group's key stakeholders to be its customers, its employees, its shareholders, its suppliers, and the communities in which it operates.

During the year, the Board considered information from across Snyk's business in the form of reports and presentations from Management and took part in discussions which considered, where relevant, the effect of Snyk's activities on its key stakeholders. These activities, together with direct engagement by the Board and individual directors with Snyk's key stakeholders, helped to inform the Board in its decision-making processes.

As a Board, the collective role of the Directors is to act as responsible guardians and stewards of Snyk. In so doing, the Board optimally positions Snyk to achieve its long-term sustainable aims and deliver value for its stakeholders. This stewardship requires balancing the needs and expectations of stakeholders by making difficult decisions based on competing priorities. The decision-making process has been structured to enable Directors to evaluate proposed business activities and the likely consequences of its decisions over the short, medium, and long term. At the center of each decision lies Snyk's core values: One Team, Care Deeply, Customer Centric, and Forward Thinking.

SNYK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The table below, and the following pages of the Strategic Report, describe how the Board engages with its key stakeholders, and how it considers their interests when making its decisions. It also demonstrates how the Board takes into consideration the long-term impact of its decisions, and its desire to maintain a reputation for high standards of business conduct and ethics.

Employees The Board and Senior Management are committed to enhancing engagement with employees at all levels to ensure the Group communicates information on decisions taken, emerging developments, innovations, and future growth of the business.

The Board recognises the importance of using a variety of communication platforms and activities to maximise employee engagement. The Board and Senior Management regularly engages with employees, answering questions in quarterly business updates or virtual and live AMA ('Ask Me Anything') sessions. Global, local, and department-specific Slack channels share relevant information on management decisions, emerging developments, innovations, and Snyk's future growth ambitions. While the Board does not directly consult with employees on its decisions, it apprises itself of their opinions through meetings with Senior Management.

The Board understands that any decisions it makes may impact employees' performance, engagement, and work satisfaction. The Group's remuneration programmes are designed to provide all Snykers with an opportunity to participate in the Group's long-term growth, including through the issuance of long-term equity.

Customers The Board receives regular feedback from management on market trends and customer feedback. The Board encourages the business to focus on building deep, long-term relationships with the Group's customers.

The Board has particular regard for the long-term impact its decisions have on Snyk's customers. The Board is responsible for approving material business transactions and key strategic changes. Prior to making such decisions, the Board considers the potential impact on customers.

Shareholders The Board and Senior Management have regular interaction with shareholders to understand their interests and any concerns they may have. This feeds into the Board's strategic discussions and opportunities, ensuring alignment of strategy, operational performance, remuneration policy, capital structure and future expectations of investors. Quarterly, results are made available to shareholders.

Suppliers The Board approves and implements policies based on ethical and legal minimum standards, which it requires the business to adhere to when engaging suppliers. Snyk's Supplier Code of Conduct requires suppliers to commit to these standards, including in relation to anti-bribery and corruption, anti-money laundering, human rights and modern slavery and various other matters.

Communities It is important to the Board that the Group gives back to the communities in which it operates. The Board considers these communities in determining the corporate culture it wishes to promote. The Board takes into consideration the effect its decisions will have on the wider communities in which it operates as well as the environment. The Group's Snyk Impact program focuses on four areas; Diversity and Inclusion, Technology Impact, Climate, Local Causes and Crisis.

One of Snyk's core values, to Care Deeply, is woven into its culture. Because the Group cares deeply about this effort and mission, it is embedded into how the Group plans, builds, partners and goes to market. Snyk's civil society, employee, user and developer community stakeholders are its partners in producing social, environmental and financial returns.

SNYK LIMITED

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

Below are examples of how the Board took into consideration its stakeholders' interests when making principal decisions during the year.

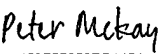
Acquisitions during the 2023 financial year

In June, October, and December, the Group acquired Enso Security Ltd. ('Enso'), Explore Universe Lda. ('Reviewpad'), and the assets of Heliosphere, Ltd. ('Helios') respectively. In considering each of these transactions, the Board had regard to the interests of its stakeholders, and in particular, its investors and customers. The acquisitions augment Snyk's core capabilities allowing Snyk to better deliver to its customers and increase value for its shareholders.

Reorganisation

During 2023, the Board approved a reorganisation plan (the '2023 Reorganisation Plan') intended to better align operating expenses with growth of the business, improving profitability and free cash flows. Refer to Note 28 Reorganisation provision, for further detail.

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

DocuSigned by:

450F5F053DB1454...
P C McKay
CEO

Date: 14 June 2024

SNYK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2023.

Results and dividends

The loss for the year amounted to \$175.3 million (2022: loss \$267.3 million). Revenues have grown by 50%, and total costs have slightly decreased, decreasing the overall loss for the year. The Directors do not recommend the payment of a dividend during the financial year (2022: \$nil).

Directors

The Directors who served during the year and up to the date of signing the financial statements were P L A Botteri, P C McKay, G Podjarny, P Li, M P Scarpelli, S Poonen, and K A Murphy. The Directors who served during the year, but resigned prior to the signing of the financial statements were T O Yehoshua (resigned on 15 April 2024) and Z A Nelson (resigned on 31 October 2023). E Sim was appointed as a Director on 16 April 2024, prior to the signing of the financial statements.

Future developments

The Group is focused on making significant investments in research and development to expand its platform and cover additional security concerns via innovative developer-focused approaches. The Group is also focused on generating positive free cash flows to invest back into the business.

Research and development activities

The Group's research and development organisation is responsible for the design, development, testing, and delivery of new technologies, features, and integrations of its platform, as well as the continued improvement and iteration of its existing products. The Group's most significant investments in research and development are to drive core technology innovation and to bring new products to market. In 2023, the research and development expenditure amounted to \$47.1 million (2022: \$56.6 million).

Engagement with employees

The Group has outlined key human capital disclosures in its Strategic Report on page 6 of this Annual Report.

Financial risk management

Interest rate risk

As of 31 December 2023, the Group had cash, cash equivalents, restricted cash, and short-term investments of \$431.4 million. The Group's exposure to interest rate sensitivity is impacted by changes in the underlying UK and U.S. bank interest rates. Surplus cash has been invested in corporate notes and bonds, commercial paper, U.S. government securities, and money market funds. The Group has not entered into investments for trading or speculative purposes. Due to the conservative nature of its investment portfolio, which is predicated on capital preservation of investments with short-term maturities, the Group does not believe an immediate one percentage point change in interest rates would have a material effect on the fair market value of its portfolio, and therefore does not expect operating results or cash flows to be significantly affected by changes in market interest rates. As of 31 December 2023, the Group has no debt outstanding and as a result is not exposed to interest rate risk on debt.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, including trade receivables. The Group's maximum exposure to credit risk is limited to the carrying amount of the debtors recognised as of 31 December 2023. The Group monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls, including the onboarding of new customers and

SNYK LIMITED

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

establishing an allowance against trade receivables. Where available at reasonable cost, external credit ratings and reports on customers and other counterparties are obtained and used. In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group's trade receivables are from a large number of clients in various industries and geographical areas. Based on historical information about client default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash, cash equivalents, and investments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

From its inception through 31 December 2023, the Group has incurred operating losses and negative cash flows from operations. The Group has financed its operations primarily with proceeds from the sale of convertible preferred shares. During the year ended 31 December 2023, the Group successfully raised \$25.0 million in a follow-on to its 2022 Series G funding round. Additionally, the Group has materially lowered its cash used in operations during the year ended 31 December 2023 when compared to the prior year. As of 31 December 2023, the Group had cash, cash equivalents, restricted cash, and short-term investments of \$431.4 million. These liquidity sources are significantly greater than cash used in operations during the year and management believes that the Group's liquidity risk is low.

The Group currently has no ongoing material financing commitments, such as lines of credit or guarantees, that are expected to affect its liquidity over the next 12 months, other than lease commitments and obligations described in the Notes to the Consolidated Financial Statements.

Foreign exchange risk

The reporting currency of the Group is the U.S. dollar. The Group has determined that the functional currency of the parent and its subsidiaries is the U.S. dollar based on the fact that current and future cash inflows, including financing and cash receipts from customers, are predominately denominated in U.S. dollars. As such, the Group is not exposed to foreign currency translation risk. However, the Group is exposed to foreign currency transaction risk because it operates in multiple jurisdictions. Several other currencies in addition to the presentation currency of U.S. dollars are used in the Group's transactions, including the local currencies in the jurisdictions in which the Group operates. The Group recorded realised and unrealised foreign currency gains of \$0.6 million in the year ended 31 December 2023 (2022: losses of \$3.8 million). These foreign currency transaction gains and losses are included in the Consolidated Statement of Comprehensive Loss. The Group typically invoices its clients in their local currency and pays its local expenses in local currency as a means to mitigate this risk.

Suppliers

All suppliers of the Group are presented with terms and conditions of trading at the commencement of the trading relationship. The Group's policy for supplier payments is to agree on payment terms in advance and to abide by such terms.

Customers

Information relating to the Group's engagement with customers has been included in Section 172 Statement in the Strategic Report.

Environment

As outlined in the Strategic Report, the Group is committed to operating in a carbon-neutral way and weaving sustainability practices into Snyk's planning, decision-making and business practices across the enterprise. The Group achieved CarbonNeutral Company certification for fiscal year 2023 in accordance with The CarbonNeutral Protocol. The CarbonNeutral Protocol developed by Natural Capital Partners ('NCP') is an additional layer on top of the Greenhouse Gas ('GHG') Protocol and describes the requirements for achieving specific CarbonNeutral compliant certifications.

SNYK LIMITED

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

Carbon Emission Reporting

The Group engaged Climate Impact Partners to complete its environmental reporting to reflect the requirements under Part 7 of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013.

Snyk used the GHG Protocol Corporate Accounting and Reporting Standard methodology to identify its GHG inventory of Scope 1 (direct), Scope 2 (indirect) CO₂, and Scope 3 (other indirect). The Group has considered the Kyoto Protocol GHGs and report in CO₂ equivalent.

The Group's operations are primarily remote with some office locations across the globe. The Group does not own or operate any facilities. Snyk considered global carbon emissions from homeworking and daily office use, derived from electricity, natural gas consumption, and waste.

The Group's Scope 1, Scope 2, and Scope 3 GHG emissions and energy consumption estimates (in tonnes of CO₂ equivalent) for the years ended 31 December, 2023 and 2022, based on the parameters below, are as follows:

Assessment parameters

Consolidation approach	Operational control
Boundary control	All entities and offices
Consistency with Financial Statements	No variation
Assessment methodology	GHG Protocol and CarbonNeutral Protocol

	2023 (tCO ₂ e)	2022 (tCO ₂ e)
Scope 1 - Direct emissions:		
Stationary sources	98	16
Mobile sources	—	—
Total Scope 1 - Direct emissions	98	16
Scope 2 - Indirect electricity emissions:		
Total Scope 2 - Indirect electricity emissions (market-based)	271	522
Total Scope 2 - Indirect electricity emissions (location-based)	267	625
Scope 3 - Other indirect emissions:		
Purchased goods and services	2	1
Capital goods	127	22
Fuel and energy activities not in Scope 1 or 2	103	164
Waste generated in operations	39	10
Business travel	2,931	3,036
Employee commuting and home office	330	324
Downstream transportation and distribution	—	—
Total Scope 3 - Other indirect emissions	3,532	3,557
Total GHG Emissions (market-based)	3,901	4,095
Total GHG Emissions (location-based)	3,897	4,198
Intensity Ratios:		
Intensity ratio (tCO ₂ e/ \$100,000 turnover) ¹	1.68	3.66
Intensity ratio based on emissions from Scope 1, 2 market-based, and 3 (tCO ₂ e/ \$100,000 turnover)	17.72	27.86

¹Intensity figure calculated based on GHG emissions from own operations (Scope 1 and 2, market-based).

The Group has identified the potential physical and transitional risks and opportunities presented by rising temperatures and climate change for its business and has also considered the scale of this risk to Snyk. Climate change is not a

SNYK LIMITED

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

principal risk for the year ended 31 December 2023, but the Group has identified the climate transition as an emerging risk due to its intensifying importance to all stakeholders. Snyc concluded these risks do not have a material impact on the carrying value of its assets and liabilities as of 31 December 2023.

Qualifying third-party indemnity provisions

The Group has granted an indemnity to one or more of its directors against liability concerning proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provisions remain in force as of the date of approving the Directors' Report. The Group also maintains Directors' and Officers' liability insurance policies that provide coverage for Directors for certain claims arising out of decisions and/or actions made in the course of their duties for the Group.

Post balance sheet events

The Group's post balance sheet events are included in Note 29 of the Group financial statements.

Going concern

The Group and the Company have been loss making since incorporation, and the Group has incurred a loss for the year after tax of \$175.3 million and continued to incur losses after the year end.

The Group was successful in raising funds of \$25.0 million during the year through a follow-on to its 2022 Series G fundraise, which has contributed to its cash balance at 31 December 2023 of \$352.3 million and investments of \$103.1 million (2022: \$525.6 million and \$nil respectively). The Series G round in its entirety and related interest income from investments is deemed to be sufficient to fund the continued operations and ongoing research and development phase of the business for a period of at least 12 months from the date of approval of these consolidated financial statements.

Despite uncertainty and disruption in the global economy and financial markets caused by the recent conflict in Ukraine and between Israel and Hamas, the Group has remained resilient. These macroeconomic factors have had a limited impact on the business and results of operations. Given the significant cash on hand and this resilience, the Directors do not consider the conflict in Ukraine or the Israel-Hamas conflict to impact their expectation that the Group remains a going concern.

After making enquiries and preparing board approved cash flow forecasts for the period ending 31 December 2025, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence and meet their liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date these consolidated and parent financial statements were approved. Accordingly, they have adopted the going concern basis in preparing these consolidated and parent financial statements.

Statement of directors' responsibilities in respect of the financial statements

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

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

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

- select suitable accounting policies and then apply them consistently;

SNYK LIMITED

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

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

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure the financial statements comply with the Companies Act 2006.

Directors' confirmations

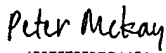
In the case of each director in office at the date the directors' report is approved:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This statement of responsibilities was approved by the board and signed on its behalf.

DocuSigned by:

450F5F0530B1454...
P C MCKAY
CEO

Date: 14 June 2024

Independent auditors' report to the members of Snyk Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Consolidated Balance Sheet and the Company Balance Sheet as at 31 December 2023; the Consolidated Statement of Comprehensive Loss, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Radek Vik (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
14 June 2024

SNYK LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023
(in thousands)

	Note	2023 \$	2022 \$
Turnover	4	220,122	147,007
Cost of sales		(57,175)	(35,597)
Gross profit		162,947	111,410
Administrative expenses		(357,904)	(381,235)
Operating loss	5	(194,957)	(269,825)
Interest receivable and similar income	9	18,823	3,978
Loss before taxation		(176,134)	(265,847)
Taxation	10	827	(1,482)
Loss for the financial year		(175,307)	(267,329)
Loss for the year attributable to:			
Owners of the Parent Company		(175,307)	(267,329)
Other comprehensive income:			
Net change in fair value of debt investments at fair value through other comprehensive income		117	—
Other comprehensive income for the financial year		117	—
Total comprehensive loss for the financial year		(175,190)	(267,329)
Total comprehensive loss for the year attributable to:			
Owners of the Parent Company		(175,190)	(267,329)

The notes on pages 23 to 61 form part of these consolidated financial statements.

SNYK LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023
(in thousands)

	Note	2023 \$	As restated 2022 \$
Fixed assets			
Intangible assets	11	144,811	157,304
Tangible assets	12	4,169	4,582
		148,980	161,886
Current assets			
Other assets	14	479	479
Debtors: amounts falling due after more than one year	14	40,940	31,381
Debtors: amounts falling due within one year	14	118,982	104,866
Investments (including \$24,040 (2022: \$nil) due after one year)	16	103,146	—
Cash and cash equivalents	15	352,289	525,585
		615,836	662,311
Creditors: amounts falling due within one year	17	(143,863)	(118,145)
Net current assets		471,973	544,166
Total assets less current liabilities		620,953	706,052
Creditors: amounts falling due after more than one year	18	(13,115)	(7,028)
Provisions for liabilities			
Deferred taxation	20	(2,925)	(4,313)
Net assets		604,913	694,711
Capital and reserves			
Called up share capital	21	1	1
Deferred shares	21	—	632
Share premium account	22	245,893	715,390
Share-based compensation reserve	22	278,564	223,536
Merger relief reserve	22	25,060	24,029
Treasury shares reserve	22	—	(243)
Other equity reserve	22	73,255	74,036
Fair value reserve	22	117	—
Profit and loss account	22	(17,977)	(342,670)
Total equity		604,913	694,711

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

DocuSigned by:

Peter McKay
450F5F053DB1454...
P C MCKAY

CEO

Date: 14 June 2024

The notes on pages 23 to 61 form part of these consolidated financial statements.

SNYK LIMITED

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023
(in thousands)

	Note	2023 \$	As restated 2022 \$
Fixed assets			
Intangible assets	11	2,847	111
Tangible assets	12	677	1,108
Investments in subsidiaries	13	209,766	202,447
		213,290	203,666
Current assets			
Other assets	14	479	479
Debtors: amounts falling due after more than one year	14	4,185	6,358
Debtors: amounts falling due within one year	14	118,863	94,292
Investments (including \$24,040 (2022: \$nil) due after one year)	16	103,146	—
Cash and cash equivalents	15	324,331	490,783
		551,004	591,912
Creditors: amounts falling due within one year	17	(69,119)	(50,083)
Net current assets		481,885	541,829
Total assets less current liabilities		695,175	745,495
Creditors: amounts falling due after more than one year	18	(3,672)	(4,103)
Net assets		691,503	741,392
Capital and reserves			
Called up share capital	21	1	1
Deferred shares	21	—	632
Share premium account	22	245,893	715,390
Share-based compensation reserve	22	278,564	223,536
Merger relief reserve	22	25,060	24,029
Treasury shares reserve	22	—	(243)
Other equity reserve	22	73,255	74,036
Fair value reserve	22	117	—
Profit and loss account	22	68,613	(295,989)
Total equity		691,503	741,392
Loss for the year attributable to owners		(135,398)	(223,860)

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf

DocuSigned by:

Peter McKay
450F5F053DB1454...
P C McKay

CEO

Date: 14 June 2024

The notes on pages 23 to 61 form part of these company financial statements.

SNYK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(in thousands)

	Note	Called up share capital	Deferred Shares	Share premium account	Share-based compensation reserve	Merger relief reserve	Treasury shares reserve	Other equity reserve	Fair value reserve	Profit and loss account	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2022 (as previously stated)		1	—	545,474	179,439	—	(658)	67,556	—	(77,517)	714,295
Prior year adjustment		—	—	(22,628)	—	22,628	—	—	—	—	—
At 1 January 2022 (as restated)	1	—	—	522,846	179,439	22,628	(658)	67,556	—	(77,517)	714,295
Comprehensive loss for the year											
Loss for the year		—	—	—	—	—	—	—	—	(267,329)	(267,329)
Contributions by and distributions to owners											
Shares issued during the year	21	—	—	196,115	—	—	—	—	—	—	196,115
Repurchase of ordinary shares	22	—	—	(1,059)	—	—	—	—	—	—	(1,059)
Issuance of ordinary shares related to business combination	24	—	—	—	—	1,401	—	—	—	—	1,401
Vesting of ordinary shares subject to repurchase, including early exercise	16	—	—	2,850	—	—	415	—	—	—	3,265
Issuance of ordinary shares upon exercise of share options	23	—	—	1,118	—	—	—	—	—	—	1,118
Issuance of deferred shares	21	—	632	—	—	—	—	—	—	—	632
Shares clawed back related to sale of businesses	24	—	—	(2,013)	—	—	—	2,013	—	—	—
Gain on sale of business	24	—	—	—	—	—	—	—	—	2,176	2,176
Share-based compensation	23	—	—	(4,467)	44,097	—	—	4,467	—	—	44,097
At 31 December 2022 and 1 January 2023 (as restated)	1	—	632	715,390	223,536	24,029	(243)	74,036	—	(342,670)	694,711
Comprehensive loss for the year											
Loss for the year		—	—	—	—	—	—	—	—	(175,307)	(175,307)
Other comprehensive income		—	—	—	—	—	—	—	117	—	117
Contributions by and distributions to owners											
Shares issued during the year	21	—	—	24,985	—	—	—	—	—	—	24,985
Share capital reduction	22	—	—	(500,000)	—	—	—	—	—	500,000	—
Issuance of ordinary shares related to business combination	24	—	—	—	—	1,031	—	—	—	—	1,031
Issuance of shares in connection with acquisitions subject to clawback reserve	24	—	—	1,546	—	—	—	(1,546)	—	—	—
Vesting of ordinary shares subject to repurchase, including early exercise	16	—	—	1,659	—	—	243	—	—	—	1,902
Issuance of ordinary shares upon exercise of share options	23	—	—	2,446	—	—	—	—	—	—	2,446
Repurchase of deferred shares	21	—	(632)	632	—	—	—	—	—	—	—
Share-based compensation	23	—	—	(765)	55,028	—	—	765	—	—	55,028
At 31 December 2023	1	—	—	245,893	278,564	25,060	—	73,255	117	(17,977)	604,913

The notes on pages 23 to 61 form part of these consolidated financial statements.

SNYK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(in thousands)

	Note	Called up share capital	Deferred Shares	Share premium account	Share-based compensation reserve	Merger relief reserve	Treasury shares reserve	Other equity reserve	Fair value reserve	Profit and loss account	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2022 (as previously stated)	1	—	—	545,474	179,439	—	(658)	67,556	—	(74,305)	717,507
Prior year adjustment	—	—	—	(22,628)	—	22,628	—	—	—	—	—
At 1 January 2022 (as restated)	1	—	—	522,846	179,439	22,628	(658)	67,556	—	(74,305)	717,507
Comprehensive loss for the year											
Loss for the year										(223,860)	(223,860)
Contributions by and distributions to owners											
Shares issued during the year	21	—	—	196,115	—	—	—	—	—	—	196,115
Repurchase of ordinary shares	22	—	—	(1,059)	—	—	—	—	—	—	(1,059)
Issuance of ordinary shares related to business combination	24	—	—	—	—	1,401	—	—	—	—	1,401
Vesting of ordinary shares subject to repurchase, including early exercise	16	—	—	2,850	—	—	415	—	—	—	3,265
Issuance of ordinary shares upon exercise of share options	23	—	—	1,118	—	—	—	—	—	—	1,118
Issuance of deferred shares	21	—	632	—	—	—	—	—	—	—	632
Shares clawed back related to sale of businesses	24	—	—	(2,013)	—	—	—	2,013	—	—	—
Gain on sale of business	24	—	—	—	—	—	—	—	—	2,176	2,176
Share-based compensation	23	—	—	(4,467)	44,097	—	—	4,467	—	—	44,097
At 31 December 2022 and 1 January 2023 (as restated)	1	—	632	715,390	223,536	24,029	(243)	74,036	—	(295,989)	741,392
Comprehensive loss for the year											
Loss for the year										(135,398)	(135,398)
Other comprehensive income									117	—	117
Contributions by and distributions to owners											
Shares issued during the year	21	—	—	24,985	—	—	—	—	—	—	24,985
Share capital reduction	22	—	—	(500,000)	—	—	—	—	—	500,000	—
Issuance of ordinary shares related to business combination	24	—	—	—	—	1,031	—	—	—	—	1,031
Issuance of shares in connection with acquisitions subject to clawback reserve	24	—	—	1,546	—	—	—	(1,546)	—	—	—
Vesting of ordinary shares subject to repurchase, including early exercise	16	—	—	1,659	—	—	243	—	—	—	1,902
Issuance of ordinary shares upon exercise of share options	23	—	—	2,446	—	—	—	—	—	—	2,446
Repurchase of deferred shares	21	—	(632)	632	—	—	—	—	—	—	—
Share-based compensation	23	—	—	(765)	55,028	—	—	765	—	—	55,028
At 31 December 2023	1	—	—	245,893	278,564	25,060	—	73,255	117	68,613	691,503

The notes on pages 23 to 61 form part of these company financial statements.

SNYK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(in thousands)

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Loss for the financial year		(175,307)	(267,329)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>			
Amortisation of intangible assets	11	51,286	35,850
Depreciation of tangible assets	12	2,250	2,097
Loss on disposal of tangible assets	12	143	358
Share-based compensation	7	55,028	44,097
Interest income	9	(14,609)	(3,978)
Net accretion of discounts on investments	9	(2,143)	—
Bad debt expense		(242)	1,747
Tax on loss	10	(827)	1,482
Unrealised foreign exchange currency gains/loss		311	1,868
<i>Changes in operating assets and liabilities:</i>			
Increase in debtors		(16,931)	(44,295)
Decrease in research and development tax credit receivable, net of taxation		3,087	1,403
Increase in creditors		25,592	25,077
Taxation paid, net of refunds		(5,682)	(8,146)
Net cash used in operating activities		(78,044)	(209,769)
Cash flows from investing activities			
Purchase of subsidiaries (net of cash acquired)	24	(32,308)	(124,883)
Purchase of tangible fixed assets	12	(1,980)	(3,512)
Purchases of investments		(146,386)	—
Proceeds from maturities of investments		45,500	—
Interest received		13,729	3,978
Net cash used in investing activities		(121,445)	(124,417)
Cash flows from financing activities			
Issue of ordinary shares	21	24,985	196,115
Exercise proceeds from share-based payments	21	—	80
Proceeds from exercise of share options	21	2,446	1,118
Repurchase of early exercised options		(1,238)	—
Repayment of debt facility		—	(181)
Net cash generated from financing activities		26,193	197,132
Net decrease in cash, cash equivalents, and restricted cash		(173,296)	(137,054)
Cash, cash equivalents, and restricted cash at beginning of the year		525,585	662,639
Cash, cash equivalents, and restricted cash at the end of the year		352,289	525,585

The notes on pages 23 to 61 form part of these consolidated financial statements.

SNYK LIMITED

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

1. General information

Snyk Limited is a private company, limited by shares, domiciled and incorporated in England and Wales, United Kingdom (registered number: 09677925). The registered office address is Suite 4, 7th Floor 50 Broadway, London, United Kingdom, SW1H 0DB.

The principal activity of Snyk Limited and its subsidiaries (the 'Group' or 'Snyk') is to provide developer security across a cloud native application stack to mitigate cyber risks.

2. Accounting policies

2.1 Basis of preparation of financial statements

The Group and Company financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Loss in these financial statements.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a) (iii), 11.48(a) (iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing share-based compensation arrangements, as required under FRS 102 paragraphs 26.18(b), 26.19 to 26.23, concerning its own equity instruments, as the Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 under paragraph 33.7.

The following principal accounting policies have been applied consistently throughout the year:

SNYK LIMITED

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

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Balance Sheet and the Company Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Loss from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Group and the Company have been loss making since incorporation, and the Group has incurred a loss for the year after tax of \$175.3 million and continued to incur losses after the year end.

The Group was successful in raising funds of \$25.0 million during the year through a follow-on to its 2022 Series G fundraise, which has contributed to its cash balance at 31 December 2023 of \$352.3 million and investments of \$103.1 million (2022: \$525.6 million and \$nil respectively). The Series G round in its entirety and related interest income from investments is deemed to be sufficient to fund the continued operations and ongoing research and development phase of the business for a period of at least 12 months from the date of approval of these consolidated financial statements.

Despite uncertainty and disruption in the global economy and financial markets caused by the recent conflict in Ukraine and between Israel and Hamas, the Group has remained resilient. These macroeconomic factors have had a limited impact on the business and results of operations. Given the significant cash on hand and this resilience, the Directors do not consider that the conflict in Ukraine nor the Israel-Hamas conflict impact their expectation that the Group remains a going concern.

After making enquiries and preparing board approved cash flow forecasts for the period ending 31 December 2025, the Directors have a reasonable expectation the Company and the Group have adequate resources to continue in operational existence and meet their liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date these consolidated financial statements were approved. Accordingly, they have adopted the going concern basis in preparing these consolidated financial statements.

2.4 Foreign currency translation

The functional currency for the Company and its subsidiaries, including those acquired in the current year, is the U.S. dollar. The Group's presentational currency is the U.S. dollar. Assets and liabilities denominated in other currencies are remeasured into the functional currencies of each entity at current exchange rates for monetary assets and liabilities and at historical exchange rates for non-monetary assets and liabilities. Billings and expenses in non-U.S. dollar currencies are remeasured into functional currencies of each entity when incurred. Remeasurement losses are included as a component of Administrative Expenses.

SNYK LIMITED

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

2.5 Turnover

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Revenue is shown net of sales tax, value added tax, returns, rebates and discounts.

Snyk recognises turnover when:

- The group retains no continuing involvement or control over the goods;
- The amount of revenue can be reliably measured;
- It is probable that future economic benefits will flow to the entity and;
- Specific criteria have been met for each of the Group and Company's activities as described below.

Turnover is mainly derived from fees charged to customers for IT software solutions. Software contracts are comprised of one component, being the provision of the software to the customer. Revenue recognition requires an agreement with the client, which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable the consideration determined in the contract will be collected.

Turnover is recognised when the client is granted access to Snyk software and has the ability to use and obtain substantially all the benefits from the platform. The vast majority of contracts are invoiced in advance, and then recognised as turnover across the term of the contract on a straight-line basis. Software as a Service ('SaaS') agreements give the right to use the software for a determined period of time, which can be extended at or near the end of the initial term.

2.6 Deferred revenue

The deferred revenue balance consists of subscriptions invoiced upfront or when the Company receives customer payments in advance of the revenue recognition criteria being met. The Company's subscription contracts are typically invoiced to its customers at the beginning of the term, or in some instances, such as in multi-year arrangements, in annual installments. Accordingly, the Company's deferred revenue balance does not represent the total contract value for multi-year non-cancellable contracts not yet billed. The Company recognises subscription turnover ratably over the contract term beginning on the commencement date of each contract, the date that services are made available to customers.

2.7 Cost of sales

Cost of sales primarily consists of third-party cloud-related costs, such as hosting and managing costs, amortisation of acquired intangible assets, expenses related to providing support to the Company's customers, and allocated overhead.

2.8 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Loss on a straight-line basis over the lease term.

2.9 Research and development

Research and development costs include personnel-related expenses associated with the Company's engineering personnel responsible for the design, development and testing of its products, cost of development environments and tools, and allocated overhead, offset by United Kingdom research and development tax credits. Research and development costs are expensed as incurred within Administrative Expenses on the Consolidated Statement of Comprehensive Loss.

SNYK LIMITED

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

2.10 Share-based payments

Share-based compensation is provided to employees via the 2020 Equity Incentive Plan (the '2020 Plan') and the 2015 Snyk Share Option Plan (the '2015 Plan').

Employee Options

The fair values of options granted under the 2020 Plan and 2015 Plan are recognised as an employee benefit expense, with a corresponding increase in the Share-based compensation reserve. The total amount to be expensed is determined by reference to the fair value of the options granted:

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (such as the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised straight-line over the vesting period, which is the period over which all specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the Share-based compensation reserve.

Restricted Share Units ('RSUs')

After the adoption of the 2020 Plan, the Group and Company began granting RSUs with both service-based and performance-based vesting conditions. The service-based vesting condition for these awards is typically satisfied over four years. The service-based vesting generally either occurs quarterly over four years, or contains a cliff vesting period of one year and continued vesting quarterly thereafter for the remaining three years. The performance-based vesting condition is satisfied on the earlier of (i) the consummation of an initial public offering or (ii) immediately prior to the closing of a change in control of the Company. RSUs with both the service and performance-based vesting conditions do not vest until these conditions are satisfied; however, RSU holders are allowed to continue holding the time-vested portion of the awards following termination of employment until the award expiration date. RSUs granted to employees in Israel are not subject to the performance-based vesting condition.

Since the events described under the performance-based vesting condition are deemed probable, the Group and Company recognises share-based compensation expense related to RSUs as the service-based condition is satisfied.

At the end of each period, the Group revises its estimates of the number of RSUs expected to vest based on the non-market vesting and service conditions. The Group recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the Share-based compensation reserve.

There are no cash-settled share-based compensation arrangements.

SNYK LIMITED

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

2.11 Intangible assets

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

Retention bonuses and equity clawbacks contingent on continued service are treated as a post-combination service and are excluded from purchase consideration.

On acquisition of a business, fair values are attributed to the identifiable assets, and liabilities. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired. Goodwill is amortised over its expected useful life and is assessed for impairment when there are indicators of impairment and any impairment is charged to the Consolidated Statement of Comprehensive Loss.

Other intangible assets

Intangible assets are initially recognised at acquired fair value. After recognition, intangible assets are measured at their original fair value less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 10 years.

The estimated useful lives range as follows:

Website	-	3 years
Customer lists	-	3 years
Customer relationships	-	5 years
Goodwill	-	3-7 years
Software	-	3-7 years
Non-Compete agreement	-	3 years
Brand name	-	2 years

Where factors, such as technological advancement or changes in the Group's strategy, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Founder cash holdbacks and equity clawbacks

Certain acquisitions included founder cash holdback and equity clawback provisions on the purchase agreement.

SNYK LIMITED

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

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of tangible assets includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	Shorter of remaining lease term or estimated useful life
Fixtures and fittings	-	3 years
Office equipment	-	3 years
Computer equipment	-	3 years
Electrical equipment	-	3 years

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

Assets in progress are stated at cost. These assets are not depreciated until they are available for use. The assets are reviewed for impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Loss.

2.13 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment losses. The investments are assessed for indicators of impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. Annually, the Directors consider whether any events or circumstances have occurred which indicate that the carrying value of fixed investments may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the recoverable amount, being the higher of fair value less costs of disposal or value in use. If this is the case, an impairment charge is recorded to reduce the carrying value of the related investment. The value in use is defined as the present value of the future cash flows expected to be derived.

2.14 Cash, cash equivalents, and restricted cash

Cash, cash equivalents, and restricted cash comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. The Group considers all highly liquid investments purchased with original maturities of 90 days or less at the date of acquisition to be cash equivalents.

2.15 Investments

Investments consists of debt securities with original maturities of greater than 90 days. The Group classifies its debt securities as either short-term or long-term at each balance sheet date based on each instrument's underlying contractual maturity date. Investments with original maturities greater than 90 days but less than 1 year at the time of purchase are classified as short-term. Purchase premiums and discounts are amortised or accreted using the effective interest method over the life of the related security and such amortisation and accretion are included in Interest receivable and similar income in the Consolidated Statement of Comprehensive Loss.

SNYK LIMITED

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

Refer to Note 2.17 *Financial instruments*, for the Group's policies regarding the measurement of its investments.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Loss when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet and Company Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Financial instruments

The Group financial instruments include trade and other receivables, trade and other payables, cash and cash equivalents, and investments. The Group applies section 11 and 12 of FRS 102 to its financial instruments.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI'), and fair value through profit or loss ('FVTPL').

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets that are not SPPI are classified and measured at FVTPL.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories: (i) financial assets at amortised cost (debt instruments); (ii) financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments); (iii) financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or (iv) financial assets at FVTPL.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

SNYK LIMITED

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

Financial assets at amortised cost are subsequently measured using the effective interest rate ('EIR') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes cash at bank and in hand, trade and substantially all other receivables.

Financial assets at fair value through other comprehensive income

The Group measures financial assets at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income (OCI). Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to profit or loss. The Group's financial assets at FVOCI includes investments in debt securities such as corporate notes and bonds, commercial paper, U.S. government treasury securities, and U.S. government agency securities.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the Statement of Comprehensive Loss. The Group's financial assets at FVTPL include investments in institutional money market funds.

Derecognition

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Initial recognition and measurement

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest.

SNYK LIMITED

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

Subsequent measurement

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. The Group's financial liabilities at amortised cost include trade and other payables. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.18 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

- Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring.
- Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.19 Share capital

Ordinary shares, deferred shares, and preference shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares, deferred shares, preference shares, or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

SNYK LIMITED

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.21 Research and development (R&D) tax credits

As a company that carries out extensive research and development activities, the Group seeks to benefit from the Research and Development Expenditure program ("RDEC Program"). Qualifying expenditures largely comprise employment costs for research staff, consumables, subcontractor costs and certain internal overhead costs incurred as part of research projects for which the Group does not receive income. RDEC Program credits are included on the Consolidated Balance Sheet within debtors due within one year as well as an offset to Administrative Expense.

2.22 Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

2.23 Restatement of the financial statements

The directors restate the financial statements, in line with FRS 102, where there is a material prior year error in the entity's financial position. A restatement has been recorded in the prior year to correct an error in relation to the recognition of merger relief reserve for the excess fair value over nominal value of ordinary shares issued as consideration for business combinations.

The Group has completed several business combinations since its formation through the current period. The Group reassessed the impact of ordinary shares issued as a part of consideration for its business combinations and identified that the ordinary shares issued are subject to the merger relief criteria per Section 612 of the Companies Act 2006. The fair value of ordinary shares issued were in excess of the nominal value of the shares at the time the respective equity consideration was remitted. Such excess value of \$22.6 million was reclassified from the opening Share premium account to Merger relief reserve on the Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Company Balance Sheet, and Company Statement of Changes in Equity at 1 January 2022. An additional \$1.4 million was reclassified from Share premium account to Merger relief reserve for the excess fair value over nominal value of shares issued as consideration for business combinations during the year ended 31 December 2022.

Comparative financial statements of the prior year have been adjusted retrospectively. The following table summarises the impact of the accounting error on line items in the previously issued Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Company Balance Sheet, and Company Statement of Changes in Equity as of and for the year ended 31 December 2022:

SNYK LIMITED

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

	As restated 2022 \$	As previously reported 2022 \$	Effect of change 2022 \$
(in thousands)			
Consolidated Balance Sheet and Statement of Changes in Equity			
Share premium account	715,390	739,419	(24,029)
Merger relief reserve	24,029	—	24,029
Company Balance Sheet and Statement of Changes in Equity			
Share premium account	715,390	739,419	(24,029)
Merger relief reserve	24,029	—	24,029

3. Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means those actual outcomes will seldom equal those estimates.

The following key sources of estimation uncertainty could result in significant changes to the carrying value of assets and liabilities in the next 12 months:

Intangible Assets

During 2023, the Group acquired Enso, Reviewpad, and Helios, of which the most significant components were the acquired intangibles. Critical accounting estimates include the estimated value of the acquired developed technology, the fair value measurement of the consideration, the useful lives assigned to the capitalised developed technology, and the goodwill related to each transaction.

The fair value of the ordinary shares issued in connection with the Enso acquisition equates to the fair value of shares at valuation closest to the transaction date. The Group asserts this is the price that would be received to sell its shares in an orderly transaction between market participants at the valuation date. As such, this was the price that was used to determine the value of share consideration transferred.

Intangible assets are amortised over their estimated useful life on a straight-line basis. Estimated useful lives are determined considering the period the assets are expected to contribute to future cash flows. The Group evaluates the recoverability of its intangible assets periodically and take into account events or circumstances that warrant revised estimates of useful lives or that indicate impairment exists.

Valuation of share-based compensation

The Group's employees have been granted share options and RSUs by the ultimate Parent Company Snyk Limited. Share-based compensation expense related to share options and RSUs is recognised based on the fair value of the awards granted.

The fair value of each RSU award is estimated on the grant date using the fair value of the Group's ordinary shares. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying ordinary shares, the expected term of the option, the expected volatility of the price of the ordinary shares, risk-free interest rates, and the expected dividend yield of ordinary shares. The assumptions used to determine the fair value of the option awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgement.

SNYK LIMITED

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

The fair value of the employee services received in exchange for these grants of options and RSUs is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options and RSUs granted. At each balance sheet date, the Group revises its estimates of the number of options and RSUs that are expected to vest. The Group recognises the impact of the forfeiture rate revision to original estimates, if any, in the Consolidated Statement of Comprehensive Loss.

4. Turnover

The whole of the turnover is attributable to the principal activity being the provision of developer security software.

Analysis of turnover by country of destination:

	2023 \$	2022 \$
	(in thousands)	
United Kingdom	14,731	11,496
United States	157,552	101,226
Rest of world	47,839	34,285
	<u>220,122</u>	<u>147,007</u>

5. Operating loss

The operating loss is stated after charging (crediting):

	2023 \$	2022 \$
	(in thousands)	
Depreciation on tangible assets (note 12)	2,250	2,097
Loss on disposal of tangible assets (note 12)	143	358
Share-based compensation (note 7)	55,028	44,097
Amortisation of intangible assets (note 11)	51,286	35,850
Research & development charged as an expense	47,067	56,631
Rent expense	5,016	6,013
Foreign exchange (gains) losses	(610)	3,828

SNYK LIMITED

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

6. Auditors' remuneration

	2023 \$	2022 \$
	(in thousands)	
Fees payable to the Company's auditors and its associates for the audit of parent company and consolidated financial statements	374	355
Fees payable to the Company's auditors and its associates for other services:		
Audit of the financial statements of the Company's subsidiaries	1,211	819
Non-audit services	397	84
Audit-related assurance services	—	—
Other services	224	—
	1,832	903

The Directors have agreed with the Group's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the Group's financial statements for the year to 31 December 2023 will be limited to the greater of £5m or 5 times the auditor's fees for the statutory audit, and that, in any event, the auditor's liability for damages will be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditor, the Group and any third parties are responsible for the loss in question. The shareholders of the company approved this liability limitation agreement, as required by the Companies Act 2006, by a resolution dated 20 February 2024.

7. Employees

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

	Group 2023 \$	Group 2022 \$
	(in thousands)	
Wages and salaries	204,834	216,669
Social security costs	7,458	13,436
Other pension costs	2,540	8,655
Share-based compensation	55,028	44,097
	269,860	282,857

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

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Research and development	391	398	147	166
General and administrative	156	164	25	27
Sales	417	557	64	96
Marketing	78	96	13	12
	1,042	1,215	249	301

SNYK LIMITED

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

8. Directors' remuneration

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
			(in thousands)	
Directors' emoluments	1,040	1,188	146	444
Company contributions to defined contribution pension schemes	5	14	5	14
Gains on the exercise of share options	—	553	—	—
	<u>1,045</u>	<u>1,755</u>	<u>151</u>	<u>458</u>

During the year retirement benefits were accruing to one Director (2022: one) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of \$0.9 million (2022: \$0.7 million).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director was \$nil (2022: \$nil).

No Directors (2022: one) exercised share options in the Company's shares during the year.

9. Interest receivable and similar income

	2023 \$	2022 \$
	(in thousands)	
Bank interest received	1,148	—
Interest income on debt securities measured at FVTPL	13,851	3,978
Interest income on debt securities measured at FVOCI	667	—
Accretion of discounts on investments	3,157	—
	<u>18,823</u>	<u>3,978</u>

SNYK LIMITED

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

10. Taxation

	2023 \$	2022 \$
	(in thousands)	
Corporation tax		
Current tax on losses for the year	1,985	1,364
Adjustments in respect of previous periods	(3,124)	34
Foreign tax on income for the year	12,926	5,327
Total current tax	11,787	6,725
Deferred tax		
Origination and reversal of timing differences	(13,954)	(5,900)
Tax rate change	491	606
Adjustments in respect of previous periods	849	51
	(12,614)	(5,243)
Tax (credit) expense on loss	(827)	1,482

Factors affecting tax credit for the year

Tax expense for the year is lower (2022: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2023 of 23.5% (prorated statutory rate of 25%) (2022: 19%). The differences are explained below:

	2023 \$	2022 \$
	(in thousands)	
Loss before taxation	(176,134)	(265,847)
Loss before taxation multiplied by the blended standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	(41,427)	(50,511)
Effects of:		
Expenses not deductible for tax purposes	7,014	5,586
Adjustments in respect of previous periods	(2,275)	85
R&D tax credit	2,167	1,364
Effect of overseas tax rates	(817)	(825)
Deferred tax not recognised on losses	33,114	47,821
Deferred tax not recognised on share-based payments	2,012	(2,995)
Deferred tax rate change	491	606
Other adjustments	(1,106)	351
Tax (credit) expense on loss	(827)	1,482

SNYK LIMITED

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

Factors that may affect future tax charges

At the balance sheet date the Group had deferred tax assets related to net operating losses of \$160.4 million (2022: \$124.0 million), of which \$148.7 million (2022: \$114.0 million) are not recognised for deferred tax purposes. Canada and the United Kingdom had net operating losses of \$1.5 million (2022: \$1.5 million) and \$148.1 million (2022: \$113.3 million) respectively. If unutilised, losses begin to expire in 2037 in Canada and do not expire in the United Kingdom. Additionally, Snyk, Inc (US) had \$8.9 million (2022: \$9.1 million) of net operating losses ('NOLs') as of 31 December 2023. As the federal balance sheet date relates to NOLs incurred in tax years 2018 and after, they do not expire if unutilised. The standard rate of tax applied to reported profit is 23.5% (2022: 19%). With effect from 1 April 2023, the applicable tax rate has increased from 19% to 25% following substantive enactment.

The Group is under audit for its 2021 Swiss tax return. In October 2023, the Zurich Cantonal Tax Authorities in Switzerland issued an assessment of \$11.1 million (\$7.3 million communal tax and \$3.8 million federal tax). The Group is currently disputing the manner in which the assessment arose and its amount and believes it is more likely than not the Group will have a favorable result on procedural grounds.

At this time, management does not believe that the outcome of any future or currently ongoing examination will have a material impact on our Consolidated Financial Statements.

SNYK LIMITED

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

11. Intangible assets*Group*

	Non- Compete \$	Software \$	Customer relationships \$	Trade name \$	Customer lists \$	Domain \$	Goodwill \$	Total \$
	(in thousands)							
Cost								
At 1 January 2023	2,013	42,400	8,600	200	484	50	149,864	203,611
Additions	—	7,700	400	—	—	—	30,693	38,793
Disposals	—	(14,100)	—	(100)	—	—	—	(14,200)
At 31 December 2023	2,013	36,000	9,000	100	484	50	180,557	228,204
Accumulated amortisation								
At 1 January 2023	1,447	11,121	1,664	102	408	15	31,550	46,307
Amortisation expense	566	17,120	1,510	98	76	10	31,906	51,286
Disposals	—	(14,100)	—	(100)	—	—	—	(14,200)
At 31 December 2023	2,013	14,141	3,174	100	484	25	63,456	83,393
Net book value								
At 31 December 2023	—	21,859	5,826	—	—	25	117,101	144,811
At 31 December 2022	566	31,279	6,936	98	76	35	118,314	157,304

Details of Software and Customer relationships acquired in the year can be found in note 24 business combinations. Cost amounts above represent their respective fair value at the time of acquisition.

SNYK LIMITED

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

Parent Company

	Software \$	Customer lists \$	Domain \$	Goodwill \$	Total \$
	(in thousands)				
Cost					
At 1 January 2023	—	484	50	—	534
Additions	1,400	—	—	1,464	2,864
At 31 December 2023	1,400	484	50	1,464	3,398
Accumulated amortisation					
At 1 January 2023	—	408	15	—	423
Amortisation expense	21	76	10	21	128
At 31 December 2023	21	484	25	21	551
Net book value					
At 31 December 2023	1,379	—	25	1,443	2,847
At 31 December 2022	—	76	35	—	111

SNYK LIMITED

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

The individual intangible assets, excluding goodwill, which are material to the financial statements and which are all recognised in the Consolidated Balance Sheet only are:

	2023	2022	2023	2022
	Carrying amount		Remaining	
	\$	\$	amortisation period	
	(in thousands)		(years)	
Software acquired from the following business combinations:				
Fugue	—	11,633	—	4
Deepcode	6,257	7,890	4	5
FossID	7,968	9,802	4	5
Topcoat	586	1,087	1	2
Enso	4,350	N/A	4	N/A
Customer relationships acquired from the following business combinations:				
Fugue	4,171	4,988	5	6

As a result of the Group's reorganisation in April 2023 and related overall shift in strategy, the Group determined further development and use of the Fugue technology was de minimis. The Group decided to shift its focus to development efforts in other products and offerings and determined the technology reached the end of its estimated expected useful life. As a result, the Group accelerated the remaining amortisation of the Fugue developed technology and trade name acquired and \$10.8 million was recorded to Cost of sales. As of 31 December 2023, the developed technology and trade name, which had a combined gross carrying value of \$14.2 million, have a carrying amount of nil and are no longer reflected in the intangible asset values.

SNYK LIMITED

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

12. Tangible assets*Group*

	Long-term leasehold property \$	Fixtures and fittings \$	Office equipment \$	Computer equipment \$	Electrical equipment \$	Construction in progress \$	Total \$
	(in thousands)						
Cost							
At 1 January 2023	628	362	481	5,623	99	759	7,952
Additions	20	4	13	293	1	1,649	1,980
Disposals	(35)	(77)	—	(268)	(1)	—	(381)
Transfers	1,557	215	—	319	—	(2,091)	—
At 31 December 2023	2,170	504	494	5,967	99	317	9,551
Accumulated depreciation							
At 1 January 2023	414	101	224	2,599	32	—	3,370
Charge for the year	306	88	135	1,706	15	—	2,250
Disposals	(9)	(14)	—	(215)	—	—	(238)
At 31 December 2023	711	175	359	4,090	47	—	5,382
Net book value							
At 31 December 2023	1,459	329	135	1,877	52	317	4,169
At 31 December 2022	214	261	257	3,024	67	759	4,582

Parent Company

	Office equipment \$	Computer equipment \$	Construction in progress \$	Total \$
	(in thousands)			
Cost				
At 1 January 2023	92	1,967	—	2,059
Additions	—	175	15	190
Disposals	—	(7)	—	(7)
At 31 December 2023	92	2,135	15	2,242
Accumulated depreciation				
At 1 January 2023	48	903	—	951
Charge for the year	30	584	—	614
At 31 December 2023	78	1,487	—	1,565
Net book value				
At 31 December 2023	14	648	15	677
At 31 December 2022	44	1,064	—	1,108

SNYK LIMITED

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

13. Investments in Subsidiaries*Parent Company*

	Investments in subsidiary companies \$ (in thousands)
Cost and net book value	
At 1 January 2022	81,612
Additions	120,835
At 31 December 2022	202,447
Additions	7,319
At 31 December 2023	209,766

Details of additions can be found in note 24 business combinations.

Investments in Subsidiaries

The following were subsidiary undertakings of the Company and are included in the consolidation:

Name	Address of the registered office	Principal activity	Class of shares	Holding
Snyk Israel Ltd	Recital Building (H Tower), 156 Menachem Begin Road, 16th FL, Tel Aviv, Israel	IT development	Ordinary	100%
Snyk, Inc	251 Little Falls Drive, Wilmington DE 19808	Market development	Ordinary	100%
Fugue, Inc. ¹	251 Little Falls Drive, Wilmington DE 19808	IT development	Ordinary	100%
TopCoat Data, Inc. ¹	251 Little Falls Drive, Wilmington DE 19808	IT development	Ordinary	100%
Snyk Canada Inc	40 King Street West, Suite 5800, Toronto, ON M5H 3S1, Canada	IT development	Ordinary	100%
Snyk Switzerland AG	Schlossweg 5, Kreuzlingen Switzerland, CH-8280	IT development	Ordinary	100%
Snyk Sweden AB	Gåsgränd 3 111 27, Stockholm, Sweden	IT development	Ordinary	100%
Snyk Finland OY ¹	c/o HLB Tietotili Oy, Vanha Kaarelantie 33 A, 01610 Vantaa, Finland	IT development	Ordinary	100%
Snyk Japan K.K.	5-27-5 Sendagaya, Shibuya-ku Tokyo 151-00	Market development	Ordinary	100%
Snyk France S.A.S.	6, rue de Bateliers, 92110 Clichy, France	IT development	Ordinary	100%

SNYK LIMITED

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

Snyk Singapore Pte. Ltd.	9 Raffles Place, #26-01 Republic Plaza, Singapore, 048619	Market development	Ordinary	100%
Snyk Software Romania Srl ¹	No. 53B Alexandru Vaida Voevod Street, Offices 101, 103, 105, Cluj-Napoca 400436 Romania	Market development	Ordinary	100%
Snyk Germany GmbH	Westendstraße 28, 60325 Frankfurt am Main	Market development	Ordinary	100%
Snyk Australia Pty Ltd ¹	Suite 902 Level 9, 146 Arthur Street, North Sydney, NSW 2060	Market development	Ordinary	100%
Enso Security Ltd. ¹	40 Yavne St., Tel Aviv- Yafo, Israel 6581711	IT development	Ordinary	100%
Enso Security Inc. ¹	251 Little Falls Drive, Wilmington DE 19808	Market development	Ordinary	100%
Explore Universe Lda.	Avenida António Augusto de Aguiar, 19, 4º Dto, Sala B Distrito: Lisboa Concelho: Lisboa Freguesia: Avenidas Novas 1050 - 012 Lisboa	IT development	Ordinary	100%
Snyk Portugal, Unipessoal Lda. ¹	Avenida António Augusto de Aguiar, 19, 4º Dto, Sala B Distrito: Lisboa Concelho: Lisboa Freguesia: Avenidas Novas 1050 - 012 Lisboa	IT development	Ordinary	100%

¹ Represents indirect ownership by the Company.

Fugue, Inc. and TopCoat Data, Inc. were amalgamated into Snyk, Inc. effective 30 June 2023. Enso Security Ltd. merged into Snyk Israel Ltd. effective 31 August 2023.

SNYK LIMITED

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

14. Debtors and Other assets**Debtors**

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
(in thousands)				
Amounts falling due after more than one year				
Deposits	531	1,135	293	923
Other debtors	—	35	—	308
Deferred tax asset	20,120	7,900	—	—
Prepayments	20,289	22,311	3,892	5,127
	<u>40,940</u>	<u>31,381</u>	<u>4,185</u>	<u>6,358</u>

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
(in thousands)				
Amounts falling due within one year				
Trade debtors	64,876	48,947	19,538	14,302
Amounts owed by group undertakings	—	—	70,893	46,579
R&D tax credit	12,753	17,557	12,753	17,457
Other debtors	2,327	4,650	2,957	2,462
Prepayments	39,026	33,712	12,722	13,492
	<u>118,982</u>	<u>104,866</u>	<u>118,863</u>	<u>94,292</u>

Trade debtors include billed and unbilled receivables. Unbilled accounts receivable arise when contractual billing schedules differ from revenue recognition timing. Unbilled receivables represent an unconditional right to consideration for satisfied and partially satisfied performance obligations. Unbilled trade debtors of \$4.5 million (2022: \$5.2 million) are included in the Trade debtors balance. Trade debtors are stated after provisions for impairment of \$0.6 million (2022: \$1.7 million).

Other debtors is comprised of VAT receivables on purchases, interest receivables, and other sundry debtors.

Amounts owed by group undertakings are repayable on demand, bear no interest, and are unsecured.

Other assets

Other assets consist of the Company's investment of \$0.5 million in Ingalundavaraktig AB. The investment is accounted for at cost as it is an equity security without a readily determinable fair value.

SNYK LIMITED

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

15. Cash, cash equivalents, and restricted cash

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
	(in thousands)			
Cash at bank and in hand	82,964	118,321	55,961	85,783
Cash equivalents	268,265	405,000	268,265	405,000
Restricted cash	1,060	2,264	105	—
	<u>352,289</u>	<u>525,585</u>	<u>324,331</u>	<u>490,783</u>

Cash equivalents consist primarily of investments in institutional money market funds with original maturities of 90 days or less at the time of purchase.

16. Investments

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
	(in thousands)			
Investments due within one year:				
Corporate notes and bonds	41,592	—	41,592	—
Commercial paper	25,740	—	25,740	—
U.S. government treasury securities	4,931	—	4,931	—
U.S. government agency securities	6,843	—	6,843	—
Total investments due within one year	<u>79,106</u>	<u>—</u>	<u>79,106</u>	<u>—</u>
Investments due after one year:				
Corporate notes and bonds	19,124	—	19,124	—
U.S. government agency securities	4,916	—	4,916	—
Total investments due after one year	<u>24,040</u>	<u>—</u>	<u>24,040</u>	<u>—</u>
Total investments	<u>103,146</u>	<u>—</u>	<u>103,146</u>	<u>—</u>

Investments in corporate notes and bonds have fixed coupon rates at 0.4% - 5.4% (2022: nil) and mature between 12 January 2024 and 11 May 2025 (2022: nil). Investments in commercial paper have fixed coupon rates at 4.8% - 5.5% (2022: nil) and mature between 9 January 2024 and 17 December 2024 (2022: nil). Investments in U.S. government treasury securities mature between 15 February 2024 and 30 September 2024 (2022: nil). Investments in U.S. government agency securities mature between 5 April 2024 and 25 March 2025 (2022: nil).

SNYK LIMITED

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

17. Creditors: Amounts falling due within one year

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
	(in thousands)			
Trade creditors	(3,622)	(4,032)	(3,232)	(2,985)
Amounts owed to group undertakings	—	—	(26,600)	(10,618)
Taxation and social security	(7,073)	(7,900)	(323)	(2,704)
Other creditors	(7,472)	(9,372)	(4,909)	(5,585)
Accruals and deferred income	(125,696)	(96,841)	(34,055)	(28,191)
	<u>(143,863)</u>	<u>(118,145)</u>	<u>(69,119)</u>	<u>(50,083)</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The other creditors included in 'Creditors: amounts falling due within one year' relate primarily to deferred consideration for the Enso and Helios acquisitions (refer to Note 24 for additional details), founder holdbacks, and early option exercises.

Accruals and deferred income included in 'Creditors: amounts falling due within one year' represents \$105.7 million (2022: \$79.1 million) of deferred income and \$20.0 million (2022: \$17.7 million) of accruals.

18. Creditors: Amounts falling due after more than one year

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
	(in thousands)			
Other creditors	(5,281)	(3,489)	(2,944)	(3,489)
Accruals and deferred income	(7,834)	(3,539)	(728)	(614)
	<u>(13,115)</u>	<u>(7,028)</u>	<u>(3,672)</u>	<u>(4,103)</u>

The other creditors included in 'Creditors: amounts falling due after more than one year' relate primarily to founder holdbacks, and early option exercises.

Accruals and deferred income included in 'Creditors: amounts falling due after more than one year' represents \$7.1 million (2022: \$2.7 million) of deferred income and \$0.7 million (2022: \$0.8 million) of accruals.

SNYK LIMITED

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

19. Financial instruments

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
(in thousands)				
Financial assets measured at FVTPL:				
Investments in money market funds	268,265	405,000	268,265	405,000
	<u>268,265</u>	<u>405,000</u>	<u>268,265</u>	<u>405,000</u>
Financial assets measured at FVOCI:				
Investments in corporate notes and bonds	60,716	—	60,716	—
Investments in commercial paper	25,740	—	25,740	—
Investments in U.S. government treasury securities	4,931	—	4,931	—
Investments in U.S. government agency securities	11,759	—	11,759	—
	<u>103,146</u>	<u>—</u>	<u>103,146</u>	<u>—</u>
Financial assets measured at amortised cost:				
Cash at bank and in hand	82,964	118,321	55,961	85,783
Trade debtors	64,876	48,947	19,538	14,302
Amounts owed by group undertakings	—	—	70,893	46,579
R&D tax credit	12,753	17,557	12,753	17,457
Other debtors	2,805	5,485	3,239	3,247
	<u>163,398</u>	<u>190,310</u>	<u>162,384</u>	<u>167,368</u>
Financial liabilities measured at amortised cost:				
Trade creditors	(3,622)	(4,032)	(3,232)	(2,985)
Amounts owed to group undertakings	—	—	(26,600)	(10,618)
Accruals	(20,701)	(18,501)	(6,451)	(6,055)
Other creditors	(12,753)	(12,860)	(7,852)	(9,074)
	<u>(37,076)</u>	<u>(35,393)</u>	<u>(44,135)</u>	<u>(28,732)</u>

Financial assets that are debt instruments measured at amortised cost comprise deposits, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals.

Fair values of financial instruments

The Group has certain financial instruments measured at fair value. The following table shows the carrying amounts and fair value of these financial assets, including their levels in the fair value hierarchy. It does not include fair value for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value. The Group did not have any financial liabilities measured at fair value for the periods presented.

SNYK LIMITED

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

Group and Company

	Carrying Value Total \$	Fair Value Level 1 \$	Fair Value Level 2 \$	Fair Value Level 3 \$	Fair Value Total \$
31 December 2023					
(in thousands)					
Financial Assets:					
Cash equivalents (note 15):					
Money market funds	268,265	268,265	—	—	268,265
Investments due within one year (note 16):					
Corporate notes and bonds	41,591	—	41,592	—	41,592
Commercial paper	25,720	—	25,740	—	25,740
U.S. government treasury securities	4,927	—	4,931	—	4,931
U.S. government agency securities	6,840	—	6,843	—	6,843
Investments due after one year (note 16):					
Corporate notes and bonds	19,053	—	19,124	—	19,124
U.S. government agency securities	4,898	—	4,916	—	4,916
Total financial assets	371,294	268,265	103,146	—	371,411

	Carrying Value Total \$	Fair Value Level 1 \$	Fair Value Level 2 \$	Fair Value Level 3 \$	Fair Value Total \$
31 December 2022					
(in thousands)					
Financial Assets:					
Cash equivalents (note 15):					
Money market funds	405,000	405,000	—	—	405,000
Total financial assets	405,000	405,000	—	—	405,000

Fair values hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group evaluates transfers between levels at the end of each reporting period. There were no transfers between Level 1, Level 2, or Level 3 during the periods presented.

SNYK LIMITED

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

20. Deferred taxation**Group**

	2023 \$ (in thousands)	2022 \$
At beginning of year	(3,586)	7,517
Charged to profit or loss	(13,954)	(5,900)
Net deferred tax arising from acquisitions	(1,059)	(5,802)
Rate change - PPA	—	435
Rate change	491	171
Prior period adjustment	849	51
Other adjustments	64	(58)
Deferred tax asset at end of year	(17,195)	(3,586)

	Group 2023 \$ (in thousands)	Group 2022 \$
Accelerated capital allowances	631	381
Intangible assets	4,975	8,435
Share based compensation	(10,018)	(4,994)
Accruals and reserves	(49)	2,615
Net operating losses and credits	(11,706)	(10,008)
Other	(1,028)	(15)
Deferred tax asset at end of year	(17,195)	(3,586)

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

The Group expects a net increase of \$0.3 million to its net deferred tax asset balance in the year ended 31 December 2024. The movement is expected to primarily comprise a net recognition of additional deferred tax assets on group tax losses and a reversal of deferred tax liabilities in respect of certain acquired intangibles in line with the book amortisation of those acquired intangibles.

Company

As Snyk Limited is not currently forecasting taxable income in the near future, the Company does not recognise the benefit of its deferred tax assets.

SNYK LIMITED

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

21. Called up share capital

	2023 No.	2022 No.
Allotted, called up and fully paid		
Deferred shares of £0.000001 each	—	806,864
Ordinary shares of £0.000001 each	148,880,802	140,762,122
Seed preferred shares of £0.000001 each	89,167,051	89,167,051
Preferred A shares of £0.000001 each	101,825,411	101,825,411
Preferred B shares of £0.000001 each	57,212,440	57,212,440
Preferred C shares of £0.000001 each	57,210,576	57,210,576
Preferred D shares of £0.000001 each	40,003,448	40,003,448
Preferred E shares of £0.000001 each	24,083,743	24,083,743
Preferred F shares of £0.000001 each	26,895,960	26,895,960
Preferred G shares of £0.000001 each	19,284,172	17,107,629
	564,563,603	555,075,244

Throughout the year, 8,019,865 ordinary shares (2022: 6,946,088) were issued for share options exercised under the Share Option Plan (see note 23). Proceeds of \$2.4 million (2022: \$1.2 million) were received for options exercised. For RSUs that vested during the year ended 31 December 2023, 313,039 ordinary shares (2022: 196,193) were issued.

An additional 348,276 ordinary shares were issued for the purchase of Enso Security Ltd., 208,966 of which were subject to clawback. See note 24 for further detail.

In January 2023, 2,176,543 additional Series G shares were issued at a subscription price of \$11.4861 for a total of \$25.0 million.

The G, F, E, D, C, B, A, and Seed Preferred Shares are convertible to ordinary shares at the option of the holder of the preferred shares only and not at the option of the Group. The preferred shares are also convertible immediately upon a public offering, or with the consent of the investor majority prior to a public offering. Preferred shares cannot be redeemed for cash. As such, they are accounted for as equity.

Deferred shares can be repurchased at any time by the Group for £0.01 for all the deferred shares registered in the name of any holder. Deferred shares have effectively no voting or economic rights attached to them. During 2023 the Group repurchased 806,864 shares which had been converted to deferred shares as a result of the FossID divestiture for £0.02.

Each ordinary and preferred share entitles the holder to one vote and each share is entitled pari passu to dividend payments. Apart from deferred shares, all shares have the same rights.

On a liquidation event, the assets of the Group remaining after the payment of its liabilities shall be applied and distributed to G preferred shareholders first, then F preferred shareholders, then E preferred shareholders, D preferred shareholders, C preferred shareholders, B preferred shareholders, A preferred shareholders, Seed preferred shareholders, and then ordinary shareholders subsequently, before any excess is distributed evenly amongst all classes.

A reconciliation of the opening share balances as at 1 January 2022 to 31 December 2023 is shown below in number of shares:

SNYK LIMITED

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

	Ordinary shares	Deferred shares	Seed preferred	Series A preferred	Series B preferred	Series C preferred	Series D preferred	Series E preferred	Series F preferred	Series G preferred
As of 1										
January 2022	121,647,137	—	89,167,051	101,825,411	57,212,440	57,210,576	40,003,448	24,083,743	26,747,619	—
Issuances related to Series F and G shares	—	—	—	—	—	—	—	—	148,341	17,107,629
Issuances related to deferred shares	—	243,652	—	—	—	—	—	—	—	—
Issuances related to acquisitions	140,120	—	—	—	—	—	—	—	—	—
Redesignation of share classes	(563,212)	563,212	—	—	—	—	—	—	—	—
Vesting of restricted share units	196,193	—	—	—	—	—	—	—	—	—
Vesting of early exercises	7,289,619	—	—	—	—	—	—	—	—	—
Exercises	6,938,088	—	—	—	—	—	—	—	—	—
As of 31										
December 2022	135,647,945	806,864	89,167,051	101,825,411	57,212,440	57,210,576	40,003,448	24,083,743	26,895,960	17,107,629
Issuances related to Series G shares	—	—	—	—	—	—	—	—	—	2,176,543
Issuances related to acquisitions	139,310	—	—	—	—	—	—	—	—	—
Issuance of ordinary shares subject to clawback	208,966	—	—	—	—	—	—	—	—	—
Vesting of early exercises	4,045,239	—	—	—	—	—	—	—	—	—
Vesting of restricted share units	313,039	—	—	—	—	—	—	—	—	—
Repurchase of deferred shares	—	(806,864)	—	—	—	—	—	—	—	—
Exercises	8,019,865	—	—	—	—	—	—	—	—	—
As of 31										
December 2023	148,374,364	—	89,167,051	101,825,411	57,212,440	57,210,576	40,003,448	24,083,743	26,895,960	19,284,172
Outstanding and unvested	506,438	—	—	—	—	—	—	—	—	—
Ordinary shares outstanding	148,880,802	—	—	—	—	—	—	—	—	—

SNYK LIMITED

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

22. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Group's shares are issued at an amount in excess of nominal value, less any costs directly attributable to the issue of that share capital.

Share-based compensation reserve

Share-based compensation arises from transactions accounted for as equity-settled share-based compensation transactions.

Merger relief reserve

Merger relief reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in a business combination. For the year ended 31 December 2023, ordinary shares issued in business combinations had a fair value in excess of nominal value of \$1.0 million (2022: \$1.4 million).

Treasury shares reserve

The Group had the option to repurchase the treasury shares issued to its Chief Executive Officer in July 2019. Under the terms of the agreement, the Group had the option to repurchase the unvested shares when the Chief Executive Officer tried to encumber the shares or left the Group. The shares vested over a period of four years. As of 31 December 2023 the Group no longer had the aforementioned repurchase option as the Chief Executive Officer had fully vested in the shares. As of 31 December 2022 there were 3,234,595 unvested shares remaining with a nominal value of £0.000001.

Other equity reserve

This reserve relates to shares issued to founders as part of business combinations which vest over time. Shares are reserved for at the time of issuance in this account and earned over time as share-based compensation.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of debt securities measured at fair value through other comprehensive income.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders. No dividends have been proposed for the year ended 31 December 2023 (2022: \$nil) for either the Group or the Company.

On 21 September 2023, Snyk undertook a capital reduction, through which \$500.0 million was transferred from the share premium account to retained earnings. This was to create distributable reserves. Subsequent to this capital reduction, the Company repurchased and cancelled 562,500 unvested early exercised ordinary shares for \$1.2 million and 403,432 deferred shares for £0.02.

SNYK LIMITED

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

23. Share-based compensation

The Group operates a share option plan for the granting of non-transferable options to its members of staff, consultants, and Directors. All options are equity settled and are held by Directors, employees, and consultants established under the 2020 Plan and 2015 Plan. RSUs are also issued and expensed under the Group's 2020 Plan. The Group has no legal or constructive obligation to repurchase or settle any options or RSUs in cash. The total share-based compensation recognised in the Statement of Comprehensive Loss was \$55.0 million (2022: \$44.1 million), inclusive of the cost of RSUs and secondary transactions. All options issued at year end are related to Directors, employees and consultants of the Group. Vested options are exercisable while the grantee remains a Service Provider (as defined in the 2015 or 2020 Plan, as applicable) or (with limited exception) within three months after termination of service. On exercise of options, the Group issues new ordinary shares.

The fair value of the employee services received in exchange for the grant of options is expensed on a straight-line basis, based on the Group's estimate of shares that will eventually vest and the value of the options as at the date of the grant.

Share options granted generally vest 25% one year from the date the requisite service period begins and subject to continued employment, continue to vest quarterly over the remaining three years. The share options generally expire after ten years from the date of the grant. The fair value of each option award on the date of the grant is determined using the Black Scholes model which is internationally recognised as a model which is appropriate to value employee share options.

Share option activity during the years ended 31 December 2023 and 2022 was as follows:

	Weighted average exercise price (dollars) 2023	Number 2023	<i>Weighted average exercise price (dollars) 2022</i>	<i>Number 2022</i>
Outstanding at the beginning of the year	3.12	49,103,331	1.25	45,842,917
Granted during the year	7.39	1,383,000	8.47	12,643,611
Forfeited during the year	5.05	(3,434,585)	4.08	(2,437,109)
Exercised during the year	0.31	(8,019,865)	0.17	(6,946,088)
Outstanding at the end of the year	3.68	39,031,881	3.12	49,103,331

RSUs include both service-based and performance-based vesting conditions. The service-based vesting condition for these awards is typically satisfied over four years. The service-based vesting generally either occurs quarterly over four years, or contains a cliff vesting period of one year and continued vesting quarterly thereafter for the remaining three years. The performance-based vesting condition is satisfied on the earlier of (i) the consummation of an initial public offering or (ii) immediately prior to the closing of a change in control of the Company. RSUs with both the service and performance-based vesting conditions do not vest until these conditions are satisfied, however, RSU holders are allowed to continue holding the time-vested portion of the awards following termination of employment until the award expiration date. RSUs granted to employees in Israel are not subject to the performance-based vesting condition. The Group issues new ordinary shares when RSUs vest.

Since the events described under the performance-based vesting condition are deemed probable, the Group recognises share-based compensation expense related to RSUs as the service-based condition is satisfied.

SNYK LIMITED

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

RSU activity during the years ended 31 December 2023 and 2022 was as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value per Share
Unvested Balance—31 December 2021	7,030,769	\$ 5.87
Granted	10,459,842	\$ 8.85
Vested	(191,193)	\$ 5.36
Forfeited	(3,406,940)	\$ 8.15
Unvested Balance—31 December 2022	13,892,478	\$ 7.57
Granted	17,223,897	\$ 7.03
Vested	(313,039)	\$ 8.15
Forfeited	(4,468,590)	\$ 7.47
Unvested Balance—31 December 2023	26,334,746	\$ 7.23

24. Business combinations

Acquisition of Enso

On 9 June 2023, the Group acquired control of Enso, an Israel-based company, acquired for its unique Application Security Posture Management ('ASPM') tool and know-how. The Group plans to leverage the purchased tool and know-how to continue to build out its own ASPM tool, Snyk AppRisk. The Group acquired 100% of Enso's equity in exchange for equity and cash consideration of \$32.6 million.

As a result of the acquisition, the Group expects to further enhance its current product offerings, thereby increasing the value to current and new customers. The goodwill of \$23.8 million arising from the acquisition is attributable to the assembled workforce and expected post-acquisition synergies from integrating the acquired technology into the Group's platform.

Management has estimated the useful life of the goodwill to be five years as the major driver of the acquisition synergies will be the acquired developed technology which was also assigned a useful life of five years.

SNYK LIMITED

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

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book value \$	Fair value \$
	(in thousands)	
Fixed Assets		
Intangible	—	5,300
	—	5,300
Current Assets		
Debtors	222	222
Cash at bank and in hand	3,144	3,144
Deferred taxation	—	1,142
Total Assets	3,366	9,808
Creditors		
Due within one year	(1,074)	(1,074)
Total identifiable net assets	2,292	8,734
Goodwill		23,819
Total purchase consideration		32,553

Consideration

	\$ (in thousands)
Cash	26,952
Cash heldback	3,719
Directly attributable costs	851
Equity instruments (139,310 ordinary shares)	1,031
Total purchase consideration	32,553

For cash flow disclosure purposes the amounts are disclosed as follows:

	\$ (in thousands)
Purchase consideration settled in cash, as above	26,952
Directly attributable costs	851
	27,803
Less: Cash and cash equivalents acquired	(3,144)
Net cash outflow on acquisition	24,659

The carrying values of net working capital and tangible asset balances at the date of acquisition approximated fair value. The fair value of intangible assets was determined using the income approach.

The Group determined the value of acquired developed technology by applying the relief from royalty method. The Company determined the value of customer relationships using the multi-period excess earnings method. A number of assumptions and estimates are involved in the application of these valuation methods and can include, but are not limited to, the projected revenues and expenses, obsolescence, royalty rates, attrition rate, and discount rate. These estimates are inherently uncertain and unpredictable.

SNYK LIMITED

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

Upon the closing of the acquisition, the Company issued 139,310 ordinary shares at a fair value of \$7.40 per share. The Share Purchase Agreement stipulated an indemnification holdback of \$3.7 million which is recorded in Creditors: amounts falling due within one year. Provided there is no indemnification required, the Share Purchase Agreement obligates the Company to disburse the entirety of the holdback to the Sellers in June 2024.

For the year ended 31 December 2023 revenue attributable to the acquisition was not material. It was impractical to determine the comprehensive loss attributable to Enso during 2023.

Acquisition of Reviewpad

On 27 October 2023, the Company entered into a share purchase agreement to acquire 100% of the equity interests of Reviewpad, based in Portugal, in exchange for cash consideration of \$7.3 million. The acquisition of Reviewpad will allow Snyc to enhance its pull-request platform functionality for developers.

As a result of the acquisition, the Group expects the value of its current products to increase for its current and new customers. The goodwill of \$5.5 million arising from the acquisition is attributable to the assembled workforce and expected post-acquisition synergies from integrating the acquired technology into the Group's platform.

Management has estimated the useful life of the goodwill to be three years as the major driver of the acquisition synergies will be the acquired developed technology which was assigned a useful life of three years.

The following table summarises the consideration paid by the Group, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book value \$ (in thousands)	Fair value \$
Fixed Assets		
Intangible	—	1,400
	—	1,400
Current Assets		
Cash	568	568
Total Assets	568	1,968
Creditors		
Due within one year	(16)	(16)
Deferred Taxation	—	(83)
Total identifiable net assets	552	1,869
Goodwill		5,450
Total purchase consideration		7,319

Consideration

	\$ (in thousands)
Cash	5,535
Cash heldback	1,716
Directly attributable costs	68
Total purchase consideration	7,319

SNYK LIMITED

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

For cash flow disclosure purposes the amounts are disclosed as follows:

	\$ (in thousands)
Purchase consideration settled in cash, as above	5,535
Directly attributable costs	68
	5,603
Less: Cash and cash equivalents acquired	(568)
Net cash outflow on acquisition	5,035

The Group determined the value of acquired developed technology by applying the relief from royalty method. A number of assumptions and estimates are involved in the application of these valuation methods and can include, but are not limited to, projected revenues, obsolescence, royalty rates, and discount rate. These estimates are inherently uncertain and unpredictable.

The Share Purchase Agreement stipulated an indemnification holdback of \$1.7 million which is recorded in Creditors: amounts falling due after more than one year. Provided there is no indemnification required, the Share Purchase Agreement obligates the Company to disburse the entirety of the holdback to the Sellers in April 2025.

For the year ended 31 December 2023 there was no revenue attributable to the acquisition and it was impractical to determine the comprehensive loss attributable to the acquisition.

Acquisition of Heliosphere, Ltd. ('Helios')

On 15 December 2023, The Company acquired the assets of Helios, an Israel-based Company, for total cash consideration of \$2.9 million, \$0.3 million of which is subject to indemnification and subject to any indemnification claims, will be paid in December 2024. Helios is a software developer solution for runtime vulnerability prioritisation. The transaction is intended to accelerate the development of the Company's Snyk AppRisk offering. The Company applied the purchase method after determining the acquired set of assets met the definition of a business as the fair value was not concentrated in a single asset, or group of similar assets, and included (a) an assembled workforce and (b) intangible asset. The transaction resulted in \$1.4 million of developed technology and \$1.5 million of goodwill included in Intangible assets.

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to \$2.5 million (2022: \$8.7 million). Contributions totaling \$0.3 million (2022: \$1.2 million) were payable to the fund at the balance sheet date and are included in creditors.

SNYK LIMITED

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

26. Commitments under operating leases

At 31 December, the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
	(in thousands)			
Not later than 1 year	5,036	4,073	1,299	1,444
Later than 1 year and not later than 5 years	15,136	12,044	3,981	487
	20,172	16,117	5,280	1,931

The Group and the Company had no other off-Balance Sheet arrangements.

27. Related party transactions

The Group has taken advantage of the exemption in FRS 102 Section 33.11b to not disclose transactions with wholly-owned group entities.

A member of the Group's board of directors is affiliated with a software subscription services vendor ('Related Party') of the Group. In June 2023 the Group agreed to pay the Related Party \$1.5 million for software subscription services which brought the Group's total committed contract spend with the Related Party to \$3.1 million. The agreements with the Related Party have all been negotiated in the ordinary course of business.

28. Reorganisation provision

During the second quarter of 2023 and the fourth quarter of 2022 the Group approved separate reorganisation plans (the '2023 Reorganisation Plan' and the '2022 Reorganisation Plan') intended to reduce operating expenses and improve profitability.

The Group and the Company recorded reorganisation charges of \$3.3 million (2022: \$4.2 million) and \$0.3 million (2022: \$1.4 million), respectively, for the year ended 31 December 2023, which related to employee transition, notice period, severance payments, employee benefits, and related payroll taxes. The execution of the 2023 and 2022 Reorganisation Plans were substantially complete as of 31 December 2023.

SNYK LIMITED

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

The following table is a summary of the Group and Company's reorganisation charges for the years ended 31 December 2023 and 31 December 2022:

	Group \$ (in thousands)	Company \$
At 1 January 2022	—	—
Reorganisation charges	5,062	2,294
Cash payments	(4,188)	(1,420)
At 31 December 2022	874	874
Reorganisation charges	3,283	321
Cash payments	(3,342)	(380)
At 31 December 2023	815	815
Creditors: amounts falling due within one year	349	349
Creditors: amounts falling due after more than one year	466	466
Total reorganisation creditors	815	815

29. Post balance sheet events*Contractual Commitment with Related Party*

In January 2024 the Group agreed to pay an additional \$12.0 million over three years to the Related Party (described in Note 27) for software subscription services. The agreement was negotiated in the ordinary course of business and supersedes the Company's previously executed vendor agreements with the Related Party described further in Note 27.

R&D Tax Incentive Receivable

In April 2024, the Group received \$6.0 million related to the 2022 research and development tax incentive included in Debtors: amounts falling due within one year on the Consolidated and Company Balance Sheets as of 31 December 2023 and 2022. The 2023 research and development tax credit is outstanding as of 31 December 2023.

Increase in Equity Incentive Plan Reserve

On 1 May 2024, the number of ordinary shares of £0.000001 each in the capital of the Group reserved for issuance under the Snyk Limited 2020 Equity Incentive Plan with Non-Employee Sub-Plan, Israeli Sub-Plan and Sub-Plan for French Participants (the "EIP") was increased by 16,161,988 shares such that, following such increase, the total number of ordinary shares reserved for issuance under the EIP was increased from 127,714,732 ordinary shares to 143,876,720 ordinary shares. The reserve increase was approved by unanimous written consent of the Board of Directors and ordinary resolution of the Group's members, and with Investor Majority Consent as defined in and required under the Amended and Restated Shareholders' Agreement by and between the Group, Founder, Existing Shareholders and Existing Investors (as those terms are defined therein) dated 12 December 2022 as amended to date.

SNYK LIMITED

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

Board of Directors Changes

By unanimous written consent dated 15 April 2024 the Board of Directors took the following actions: (i) accepted Tamar Yehoshua's resignation from the Company's Board of Directors effective as of 15 April 2024 (ii) approved Ed Sim's appointment to the Board of Directors (and Compensation and Audit Committees) effective as of 16 April 2024, and (iii) approved the appointment of Guy Podjarny as Chairperson of the Mergers and Acquisitions Committee of the Board effective as of 16 April 2024.

30. Controlling party

There is no controlling party because no individual party owns more than 50% of the Company.