

Company registration number 09384597 (England and Wales)

AUTOMATA TECHNOLOGIES LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

AUTOMATA TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	M Elsayed N Li R Stringer K Adle L Decoster	(Appointed 31 July 2023) (Appointed 22 January 2024) (Appointed 15 January 2024) (Appointed 16 October 2024)
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Secretary	Eriska Secretaries Limited
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Company number	09384597
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Registered office	Third Floor 20 Old Bailey London EC4M 7AN
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Auditor	Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU
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AUTOMATA TECHNOLOGIES LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 4
Independent auditor's report	5 - 8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11 - 12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16 - 36

AUTOMATA TECHNOLOGIES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2024

The directors present the strategic report for the period ended 31 March 2024.

Review of the business

The period saw the company complete the business model shift to Automata Linq, a complete laboratory workflow automation platform.

The 15 month period saw significant transformation within Automata as the company closed out a fundraising, completed a number of deployments whilst optimising our overhead spend.

Alongside the launch into the US Market and landing a number of key customers, this leaves us in a strong position to continue to grow the group at pace against a backdrop of improved financial and operational performance.

Financial review

The group achieved revenue of £4,104,967 in the period driven by the deployment of the Automata LINQ benches, and the development of the LINQ Cloud software platform

EBITDA for the period was £(36,611,854). The group made a loss before tax of £(37,225,225).

The group ended the financial year with a closing cash balance of £15,686,876.

Future developments

Future developments include further expansion into the current markets.

We have a strong focus on improvements and developments in our existing products and services.

Principal risks and uncertainties

Management continues to take steps to understand and evaluate operational risks and uncertainties, to mitigate and manage them through internal processes and controls.

- The group is exposed to credit risk from our customers, however this risk is limited as the majority of its customers are large international companies which have significant cash reserves and limited insolvency risk.
- The group is exposed to some risks associated with data security. This is managed through partnering with providers that supply us with security products and services with the highest available accreditations on the market and our systems are regularly penetration tested by an independent 3rd party provider.
- The group has some risks associated with Health and Safety due to the hardware manufacturing and deployment part of our business. Risks are mitigated through regular Health & Safety reviews and updates to process and policy by an approved external consultant.
- The group faces competitive risk, which is mitigated through investment in technology and innovation.
- The group faces some product risk which is mitigated through rigorous testing in our own facility and at customer sites.

On behalf of the board

M Elsayed
Director

5 November 2024

AUTOMATA TECHNOLOGIES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the period ended 31 March 2024.

Principal activities

The principal activity of the company and group continued to be that of engineering design activities for industrial process and production.

Results and dividends

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

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

Directors

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

M Elsayed	
K Kaltenegger	(Resigned 31 July 2023)
L Wajskop	(Resigned 4 October 2023)
J McCreddie	(Appointed 28 March 2023 and resigned 10 November 2023)
N Li	(Appointed 31 July 2023)
R Stringer	(Appointed 22 January 2024)
P Lubroth	(Appointed 4 October 2023 and resigned 16 October 2024)
K Adle	(Appointed 15 January 2024)
R Stringer	(Resigned 28 March 2023)
L Decoster	(Appointed 16 October 2024)

As detailed above, R Stringer resigned in March 2023 and was subsequently reappointed in January 2024.

Post reporting date events

In September 2024, the Group entered into a fundraising event with existing investors to raise \$15.2m as disclosed in the going concern accounting policy.

Furthermore, the Group has taken advantage of the second tranche of its drawdown facility with HSBC, drawing down an extra £5m as disclosed in the going concern accounting policy.

The board of directors are not aware of any other events after the reporting date requiring disclosure in the financial statements.

Auditor

Hart Shaw LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

AUTOMATA TECHNOLOGIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

Statement of directors' responsibilities

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

Going concern

The financial statements have been prepared on the going concern basis, which assumes the Group will continue to operate for the foreseeable future and be able to meet its liabilities as they fall due.

As part of their assessment of going concern the Directors have considered, amongst other factors, the following key matters which they believe are prevalent in their assessment.

The Directors have prepared detailed monthly cash flow forecasts through to the end of 2025 which are based on management's analysis of liquidity stress testing and sensitivity analysis.

In October 2024, Automata has drawn down an additional £5.0m from our HSBC Venture Debt Facility, taking the total draw down to £10.0m which is the entirety of the facility available to us. This facility is subject to financial covenants which stipulate that the company must maintain cash balances in excess of four times the last 3 months average monthly loss before depreciation and amortisation. These financial covenants cease to apply on the signing of any one of the prespecified major contracts included in the agreement. These financial covenants cease to apply on the signing of any one of the prespecified major contracts included in the agreement and the directors are confident this condition will be met.

Additionally, during September and October 2024 Automata has entered into five Simple Agreements for Future Equity (SAFE) for \$15.2m.

Based on current cash flow forecasts the Group will be reliant on a future funding round which it expects to be held in 2025.

The Directors' believe the pipeline of new deals is strong with a spread of deals in different stages of the sales process.

AUTOMATA TECHNOLOGIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

On the basis of the detailed cash flow analysis prepared by management and current investor sentiment, the Board of Directors and management team consider that the Group has sufficient cash, or alternatively will be able to raise additional cash through fund raising, to ensure it can meet its liabilities as they fall due for at least the 12 months from the date of approval of these financial statements.

Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

M Elsayed

Director

5 November 2024

AUTOMATA TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOMATA TECHNOLOGIES LIMITED

Qualified opinion on financial statements

We have audited the financial statements of Automata Technologies Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2024 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 March 2024 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were appointed as auditors during the period ended 31 March 2024 when the company and group needed an audit for the first time. The opening balance sheet had not been audited and we were unable to carry out procedures to audit the opening balance sheet and therefore we are unable to determine whether any adjustments to the statement of comprehensive income might have been necessary in the current period. We were also unable to ascertain whether accounting policies were consistently applied with the prior period. In addition, were any adjustments to the statement of comprehensive income to be required, the strategic report would also need to be amended.

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

Conclusions relating to going concern

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

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

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

AUTOMATA TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AUTOMATA TECHNOLOGIES LIMITED

Other information

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

As described in the basis for qualified opinion section of our report, the opening balance sheet had not been audited and we were unable to carry out procedures to audit the opening balance sheet. We have concluded that where the other information refers to the statement of comprehensive income, it may be materially misstated for the same reason.

Qualified opinion on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

In respect solely of the limitation on our work relating to opening balances described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

AUTOMATA TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AUTOMATA TECHNOLOGIES LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud and the audit response

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:

At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Owing to the size, nature and complexity of the organisation and the applicable laws and regulations to which it must adhere, the risk of material misstatement was deemed to be low, therefore the procedures performed by the audit team were limited to:

- Communicating identified laws and regulations at planning throughout the audit team to remain alert to any indications of non-compliance throughout the audit.
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

We have assessed the overall susceptibility of the financial statements to material misstatement due to fraud. Management override is the most likely way in which fraud might present itself and as such is inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of business, especially with related parties
- Fraudulent revenue recognition, including fictitious sales and sales being recorded in the wrong period.
- Presenting bias in accounting judgements and estimates, particularly ones that are key to the business.

In order to reduce the risk of material misstatement to an acceptable level, numerous audit procedures were performed including:

- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Review of material journal entries made throughout the year as well as those made to prepare the financial statements
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business.
- Increased revenue substantive testing across all material income streams.
- Assessing whether management's judgements and estimates indicated potential bias, particularly those disclosed as key in note 2 to the financial statements that are more susceptible to management bias.

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

AUTOMATA TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AUTOMATA TECHNOLOGIES LIMITED

Use of our report

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

Adam Shield (Senior Statutory Auditor)
For and on behalf of Hart Shaw LLP

22 November 2024

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

AUTOMATA TECHNOLOGIES LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2024

	Notes	Period ended 31 March 2024 £	Year ended 31 December 2022 as restated £
Turnover	3	4,104,967	3,127,623
Cost of sales		(9,033,100)	(1,389,883)
Gross (loss)/profit		(4,928,133)	1,737,740
Administrative expenses		(29,643,757)	(15,936,929)
Other operating income		11,006	13,822
Impairment of EVA robot stock	4	-	(1,516,477)
Restructuring staff costs	4	(1,039,330)	-
Onerous lease provision	4	(1,500,000)	-
Operating loss	5	(37,100,214)	(15,701,844)
Interest receivable and similar income	9	471,324	73,791
Interest payable and similar expenses	10	(596,335)	(187,575)
Loss before taxation		(37,225,225)	(15,815,628)
Tax on loss	11	1,757,642	1,396,416
Loss for the financial period		(35,467,583)	(14,419,212)
Other comprehensive income			
Currency translation loss taken to retained earnings		(85,690)	-
Total comprehensive income for the period		(35,553,273)	(14,419,212)

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

The profit and loss account has been prepared on the basis that all operations are continuing operations.

AUTOMATA TECHNOLOGIES LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2024

		31 March 2024		31 December 2022 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		2,062,024		480,185
Current assets					
Stocks	15	3,231,462		1,782,517	
Debtors	16	4,789,550		2,887,129	
Cash at bank and in hand		15,686,876		16,489,761	
			23,707,888		21,159,407
Creditors: amounts falling due within one year	18	(7,572,721)		(4,110,765)	
Net current assets			16,135,167		17,048,642
Total assets less current liabilities			18,197,191		17,528,827
Creditors: amounts falling due after more than one year	19		(4,596,424)		(3,359,113)
Provisions for liabilities					
Provisions	21	2,076,884		-	
			(2,076,884)		-
Net assets			11,523,883		14,169,714
Capital and reserves					
Called up share capital	24		85		39
Share premium account			72,623,439		41,177,400
Share option reserve			1,273,105		1,945,512
Profit and loss reserves			(62,372,746)		(28,953,237)
Total equity			11,523,883		14,169,714

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 5 November 2024 and are signed on its behalf by:

M Elsayed
Director

Company registration number 09384597 (England and Wales)

AUTOMATA TECHNOLOGIES LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2024

		31 March 2024		31 December 2022 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		1,723,775		480,185
Investments	13		4		-
			<u>1,723,779</u>		<u>480,185</u>
Current assets					
Stocks	15	2,280,165		1,782,517	
Debtors	16	4,138,679		2,887,129	
Cash at bank and in hand		15,659,870		16,489,761	
		<u>22,078,714</u>		<u>21,159,407</u>	
Creditors: amounts falling due within one year	18	<u>(5,183,244)</u>		<u>(4,110,765)</u>	
Net current assets			<u>16,895,470</u>		<u>17,048,642</u>
Total assets less current liabilities			<u>18,619,249</u>		<u>17,528,827</u>
Creditors: amounts falling due after more than one year	19		(4,596,424)		(3,359,113)
Provisions for liabilities					
Provisions	21	<u>2,076,884</u>	<u>(2,076,884)</u>	<u>-</u>	<u>-</u>
Net assets			<u><u>11,945,941</u></u>		<u><u>14,169,714</u></u>
Capital and reserves					
Called up share capital	24		85		39
Share premium account			72,623,439		41,177,400
Share option reserve			1,273,105		1,945,512
Profit and loss reserves			<u>(61,950,688)</u>		<u>(28,953,237)</u>
Total equity			<u><u>11,945,941</u></u>		<u><u>14,169,714</u></u>

AUTOMATA TECHNOLOGIES LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £35,131,215 (2022 - £14,419,212 loss).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 5 November 2024 and are signed on its behalf by:

M Elsayed
Director

Company registration number 09384597 (England and Wales)

AUTOMATA TECHNOLOGIES LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2024

	Share capital	Share premium account	Convertible loan reserve	Share option reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
As restated for the period ended 31 December 2022:						
Balance at 1 January 2022	24	6,441,587	1,750,000	-	(14,071,317)	(5,879,706)
Restate 2021 R&D tax credit	30	-	-	-	942,698	942,698
Share option reserve restatement	30	-	-	1,405,406	(1,405,406)	-
Balance at 1 January 2022	24	6,441,587	1,750,000	1,405,406	(14,534,025)	(4,937,008)
Year ended 31 December 2022:						
Loss and total comprehensive income	24	-	-	-	(14,419,212)	(14,419,212)
Issue of share capital	24	13	32,985,815	-	-	32,985,828
Conversion of loan to shares	24	2	1,749,998	(1,750,000)	-	-
Employee share options		-	-	540,106	-	540,106
Balance at 31 December 2022	39	41,177,400	-	1,945,512	(28,953,237)	14,169,714
Period ended 31 March 2024:						
Loss for the period		-	-	-	(35,467,583)	(35,467,583)
Other comprehensive income:						
Currency translation differences		-	-	-	(85,690)	(85,690)
Total comprehensive income		-	-	-	(35,553,273)	(35,553,273)
Issue of share capital	24	45	31,446,039	-	-	31,446,084
Employee share options		-	-	1,461,357	-	1,461,357
Options exercised		1	-	(2,133,764)	2,133,764	1
Balance at 31 March 2024	85	72,623,439	-	1,273,105	(62,372,746)	11,523,883

AUTOMATA TECHNOLOGIES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2024

	Share capital	Share premium account	Equity reserve	Share option reserves	Currency translation reserve	Profit and loss reserves	Total
	£	£	£	£	£	£	£
As restated for the period ended 31 December 2022:							
Balance at 1 January 2022	24	6,441,587	1,750,000	-	-	(14,071,317)	(5,879,706)
Restate 2021 R&D tax credit	30	-	-	-	-	942,698	942,698
Share option reserve restatement	30	-	-	1,405,406	-	(1,405,406)	-
Balance at 1 January 2022	24	6,441,587	1,750,000	1,405,406	-	(14,534,025)	(4,937,008)
Year ended 31 December 2022:							
Loss and total comprehensive income for the year	24	-	-	-	-	(14,419,212)	(14,419,212)
Issue of share capital	24	13	32,985,815	-	-	-	32,985,828
Conversion of loan to shares	24	2	1,749,998	(1,750,000)	-	-	-
Employee share options	-	-	-	540,106	-	-	540,106
Balance at 31 December 2022	39	41,177,400	-	1,945,512	-	(28,953,237)	14,169,714
Period ended 31 March 2024:							
Profit and total comprehensive income	24	-	-	-	-	(35,131,215)	(35,131,215)
Issue of share capital	45	31,446,039	-	-	-	-	31,446,084
Employee share options	1	-	-	1,461,357	-	-	1,461,357
Options exercised	1	-	-	(2,133,764)	-	2,133,764	1
Balance at 31 March 2024	85	72,623,439	-	1,273,105	-	(61,950,688)	11,945,941

AUTOMATA TECHNOLOGIES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2024

		2024		2022 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	28		(30,785,958)		(15,136,874)
Interest paid			(596,335)		(187,575)
Income taxes refunded			1,396,416		942,698
Net cash outflow from operating activities			(29,985,877)		(14,381,751)
Investing activities					
Purchase of tangible fixed assets		(2,637,156)		(423,495)	
Proceeds from disposal of tangible fixed assets		805		581	
Interest received		471,324		73,791	
Net cash used in investing activities			(2,165,027)		(349,123)
Financing activities					
Proceeds from issue of shares		27,107,325		25,972,021	
Issue of convertible loans		4,338,759		-	
Proceeds from new bank loans		2,000,000		5,000,000	
Repayment of bank loans		(2,012,376)		(509,627)	
Net cash generated from financing activities			31,433,708		30,462,394
Net (decrease)/increase in cash and cash equivalents			(717,196)		15,731,520
Cash and cash equivalents at beginning of period			16,489,761		758,241
Effect of translation of foreign exchange rates			(85,689)		-
Cash and cash equivalents at end of period			15,686,876		16,489,761

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

Company information

Automata Technologies Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Third Floor, 20 Old Bailey, London, EC4M 7AN.

The group consists of Automata Technologies Limited and all of its subsidiaries.

1.1 Reporting period

The financial year end has been extended to 31 March 2024 to align the financial year and investor reporting requirements. These financial statements have been prepared for the 15 month period from 1 January 2023 to 31 March 2024. The comparative period reports the 12 month period from 1 January 2022 to 31 December 2022 and as such these figures are not entirely comparable.

Automata Technologies Inc is the sole subsidiary of the group and was incorporated 13 January 2023. Therefore its financial statements period is from the date of incorporation to 31 March 2024.

1.2 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

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

1.3 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. In this instance, the subsidiary has been owned since its incorporation and therefore, the value of the combination is the share capital issued in the subsidiary.

Investments in subsidiaries are accounted for at cost less impairment.

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.4 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Automata Technologies Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

1.5 Going concern

The financial statements have been prepared on the going concern basis, which assumes the Group will continue to operate for the foreseeable future and be able to meet its liabilities as they fall due.

As part of their assessment of going concern the Directors have considered, amongst other factors, the following key matters which they believe are prevalent in their assessment.

The Directors have prepared detailed monthly cash flow forecasts through to the end of 2025 which are based on management's analysis of liquidity stress testing and sensitivity analysis.

In October 2024, Automata has drawn down an additional £5.0m from our HSBC Venture Debt Facility, taking the total draw down to £10.0m which is the entirety of the facility available to us. This facility is subject to financial covenants which stipulate that the company must maintain cash balances in excess of four times the last 3 months average monthly loss before depreciation and amortisation. These financial covenants cease to apply on the signing of any one of the prespecified major contracts included in the agreement. These financial covenants cease to apply on the signing of any one of the prespecified major contracts included in the agreement and the directors are confident this condition will be met.

Additionally, during September and October 2024 Automata has entered into five Simple Agreements for Future Equity (SAFE) for \$15.2m.

Based on current cash flow forecasts the Group will be reliant on a future funding round which it expects to be held in 2025.

The Directors' believe the pipeline of new deals is strong with a spread of deals in different stages of the sales process.

1.6 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of licences, software & servicing and support contracts are recognised straight line over the period to which it relates.

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Revenue from construction contracts; where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. Costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

See note 2 for more details around how the "percentage of completion method" is calculated.

1.7 Research and development expenditure

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

1.8 Tangible fixed assets

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

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

Leasehold improvements	Straight line over the life of the lease
Plant and equipment	20 - 33.33% straight line
Computers	33.33% straight line

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

1.9 Fixed asset investments

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

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

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.10 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises of direct materials and are calculated using the weighted average cost method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

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

1.13 Financial instruments

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Impairment of financial assets

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

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

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs.

1.15 Taxation

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

Current tax

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

Deferred tax

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

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.16 Provisions

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

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

1.17 Employee benefits

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

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

1.18 Retirement benefits

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

1.19 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The company has calculated the fair value of the options based on applying the growth in the value of other share classes (calculated by comparing the most recent share purchase price against the share purchase prior to the grant date) to the most recent sales price for ordinary shares. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

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

1.20 Leases

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

Lessor Agreements

The sales revenue recognised at the commencement of the lease term is the fair value of the asset or, if lower, the present value of the minimum lease payments accruing to the lessor, computed at a market rate of interest. The cost of sale recognised at the commencement of the lease term is the cost, or carrying amount if different, of the leased asset less the present value of the unguaranteed residual value. The difference between the sales revenue and the cost of sale is the selling profit, which is recognised in accordance with the entity's policy for outright sales.

Any contingent lease payments received are recognised in the period in which they fall due.

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Construction contracts

A key judgement is that contracts entered into have separate elements, usually these include:

- The provision of software, licencing and/or a service level agreement; income in relation to this is recognised over the period it covers.
- The design and installation of the company's products. This is treated as a construction contract and is recognised in line with the key estimate disclosure below.

Had the group chosen a different judgement then the actual outcomes could have varied significantly.

Lease agreements - lessor

The group has entered into agreements with customers whereby they manufacture a product for the customer, however, the customer pays a nominal fee in relation to its market value. The customer then makes future payments over the term of the lease based on its usage of the asset, as a result the lease payments have been treated as contingent rent which will be recognised in the Statement of Comprehensive Income over the period to which they relate.

This has been determined a finance lease due to the following factors;

- the ownership of the asset is transferred to the lessee on expiration of the agreement term;
- the lessee purchases the asset at no extra cost;
- the leased asset is built to the lessee's specification and is therefore specialised in nature.

Key sources of estimation uncertainty

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

Employee share options

Fair value of share options has been calculated using the valuation method as stated in the aforementioned accounting policy. The key estimates include:

- The total number of share options which will meet the vesting condition. The company has used historical data of staff turnover days and applied this to the vesting period for the options already granted.
- The fair value of the share options on grant date. The company has calculated the fair value of the options by reference to the most recent share purchase price prior to the grant date.

Included in administrative expenses is £1,461,357 (2022 - £540,106) in relation to this estimate. Actual values may vary significantly.

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

2 Judgements and key sources of estimation uncertainty (Continued)

Construction contracts

Revenue for the deployment of automated lab benches are treated as construction contracts, in line with FRS102 s23.

Revenue is recognised as follows;

- 20% on project contract signing
- 60% on factory sign off
- 20% on customer site sign off

The directors believe this is the truest reflection of the stage of completion as this is the estimated proportion of total project costs incurred at each stage.

Construction contract income is generally invoiced in line with the % completion above. At the year end, £3,359,776 was invoiced in advance of the stage of completion and included in amounts due to customers for contract work, as detailed in note 18. Also, recognised is £880,610 received in arrears and included in amounts due from customers for contract work, as detailed in note 16. Actual outcomes may vary significantly.

Research and development

Due to the nature of the company's operations considerable resources are spent on R&D. In line with the UK tax framework the company submits an R&D claim under the SME rules, which results in a positive cashflow to the company from HMRC. Due to the nature of this claim a significant portion of the claim is based on an estimation of the time spent on R&D by certain members of staff.

Included in taxation is £1,757,642 (2022 - £1,396,416) in relation to the tax credits receivable for the company's R&D claim.

3 Turnover and other revenue

	2024	2022
	£	£
Turnover analysed by class of business		
Revenue from construction contracts	4,021,849	1,733,400
Rendering of services	83,118	1,394,223
	4,104,967	3,127,623
	4,104,967	3,127,623
	2024	2022
	£	£
Turnover analysed by geographical market		
UK and Europe	3,096,737	3,127,623
US	1,008,230	-
	4,104,967	3,127,623
	4,104,967	3,127,623
	2024	2022
	£	£
Other revenue		
Interest income	471,324	73,791
Sundry income	11,000	13,822
	482,324	87,613
	482,324	87,613

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

4 Exceptional item

	2024	2022
	£	£
Expenditure		
Impairment of EVA robot stock	-	1,516,477
Restructuring staff costs	1,039,330	-
Onerous lease provision	1,500,000	-
	<u>2,539,330</u>	<u>1,516,477</u>

Included in the company's loss for the year is an intercompany loan impairment of £5,213,859 which has been eliminated on consolidation.

5 Operating loss

	2024	2022
	£	£
Operating loss for the period is stated after charging/(crediting):		
Exchange (gains)/losses	(609,181)	19,729
Research and development costs	8,168,635	4,187,153
Depreciation of owned tangible fixed assets	488,360	126,112
Loss on disposal of tangible fixed assets	300,957	14,011
Share-based payments	1,461,357	540,106
Operating lease charges (excluding onerous lease)	771,708	207,173
	<u>(609,181)</u>	<u>19,729</u>

6 Auditor's remuneration

	2024	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and subsidiaries	32,000	-
	<u>32,000</u>	<u>-</u>

7 Employees

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

	Group 2024 Number	2022 Number	Company 2024 Number	2022 Number
Product and deployment	99	66	91	66
Commercial	25	18	23	18
Management and admin	27	19	24	19
	<u>151</u>	<u>103</u>	<u>138</u>	<u>103</u>

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2024	2022	Company 2024	2022
	£	£	£	£
Wages and salaries	17,305,743	8,530,476	15,602,408	8,530,476
Social security costs	1,879,930	979,330	1,778,329	979,330
Pension costs	330,476	90,051	233,845	90,051
	<u>19,516,149</u>	<u>9,599,857</u>	<u>17,614,582</u>	<u>9,599,857</u>

8 Directors' remuneration

	2024	2022
	£	£
Remuneration for qualifying services	<u>346,961</u>	<u>194,307</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 1).

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

	2024	2022
	£	£
Remuneration for qualifying services	246,938	n/a
Company pension contributions to defined contribution schemes	<u>1,321</u>	<u>n/a</u>

A director of the company received share options as part of their employment. The total number of share options granted to the director was 4,160,384 (2022 - 699,355). The total estimated value of the share options granted was £3,281,800 (2022 - £531,510).

9 Interest receivable and similar income

	2024	2022
	£	£
Interest income		
Interest on bank deposits	469,274	-
Other interest income	2,050	73,791
Total income	<u>471,324</u>	<u>73,791</u>

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

10 Interest payable and similar expenses

	2024	2022
	£	£
Interest on bank overdrafts and loans	587,252	-
Other interest	9,083	187,575
	<u>596,335</u>	<u>187,575</u>

11 Taxation

	2024	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	(1,757,642)	(1,396,416)
	<u>(1,757,642)</u>	<u>(1,396,416)</u>

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

	2024	2022
	£	£
Loss before taxation	(37,225,225)	(15,815,628)
	<u>(37,225,225)</u>	<u>(15,815,628)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(7,072,793)	(3,004,969)
Tax effect of expenses that are not deductible in determining taxable profit	203,092	-
Research and development tax credit	(1,757,642)	(1,396,416)
Deferred tax not recognised on losses	4,437,122	3,004,969
Carry forward loss restriction	2,432,579	-
	<u>(1,757,642)</u>	<u>(1,396,416)</u>
Taxation credit	(1,757,642)	(1,396,416)

The group has unprovided deferred tax assets on trading losses of £40m (2022 - £20m).

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

12 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Computers £	Total £
Cost				
At 1 January 2023	-	-	672,979	672,979
Additions	768,728	1,493,105	375,323	2,637,156
Disposals	-	(602,801)	(224,686)	(827,487)
At 31 March 2024	768,728	890,304	823,616	2,482,648
Depreciation and impairment				
At 1 January 2023	-	-	192,794	192,794
Depreciation charged in the period	-	176,862	311,498	488,360
Eliminated in respect of disposals	-	(142,736)	(117,794)	(260,530)
At 31 March 2024	-	34,126	386,498	420,624
Carrying amount				
At 31 March 2024	768,728	856,178	437,118	2,062,024
At 31 December 2022	-	-	480,185	480,185
Company	Leasehold improvements £	Plant and equipment £	Computers £	Total £
Cost				
At 1 January 2023	-	-	672,979	672,979
Additions	768,728	1,493,105	375,323	2,637,156
Disposals	-	(973,557)	(224,686)	(1,198,243)
At 31 March 2024	768,728	519,548	823,616	2,111,892
Depreciation and impairment				
At 1 January 2023	-	-	192,794	192,794
Depreciation charged in the period	-	176,862	310,078	486,940
Eliminated in respect of disposals	-	(142,736)	(148,881)	(291,617)
At 31 March 2024	-	34,126	353,991	388,117
Carrying amount				
At 31 March 2024	768,728	485,422	469,625	1,723,775
At 31 December 2022	-	-	480,185	480,185

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

13 Fixed asset investments

	Notes	Group 2024 £	2022 £	Company 2024 £	2022 £
Investments in subsidiaries	14	-	-	4	-

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2023	-
Additions	4
At 31 March 2024	4
Carrying amount	
At 31 March 2024	4
At 31 December 2022	-

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Automata Technologies Inc	USA	Ordinary	100.00

15 Stocks

	Group 2024 £	2022 £	Company 2024 £	2022 £
Raw materials and consumables	3,211,193	1,644,584	2,259,896	1,644,584
Contract work in progress	20,269	137,933	20,269	137,933
	3,231,462	1,782,517	2,280,165	1,782,517

Included in stock is a write down provision for obsolete stock of £150,000 (2022 - £1,516,477). During the period the cost of stock written off/impaired was £371,482 (2022 - £1,516,477).

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

16 Debtors

	Group 2024	2022	Company 2024	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	193,091	379,751	193,091	379,751
Amounts owed by contract customers	880,610	35,388	332,461	35,388
Corporation tax recoverable	1,757,642	1,396,416	1,757,642	1,396,416
Other debtors	402,817	145,206	402,817	145,206
Prepayments and accrued income	968,820	930,368	866,098	930,368
	<u>4,202,980</u>	<u>2,887,129</u>	<u>3,552,109</u>	<u>2,887,129</u>
Amounts falling due after more than one year:				
Other debtors	586,570	-	586,570	-
	<u>586,570</u>	<u>-</u>	<u>586,570</u>	<u>-</u>
Total debtors	<u>4,789,550</u>	<u>2,887,129</u>	<u>4,138,679</u>	<u>2,887,129</u>

17 Finance lease receivables

As part of some construction contracts, the company enters into lease agreements whereby the company invoices based on usage of the asset over 5 years. These have been determined as finance lease arrangements as disclosed in note 2.

At the year end, the company had no guaranteed minimum lease payments and as a result has recorded a £nil debtor as all lease payments are based on contingent on usage.

Due to the timing of projects being complete there has been no contingent rents received in the period.

18 Creditors: amounts falling due within one year

		Group 2024	2022	Company 2024	2022
	Notes	£	£	£	£
Bank loans	20	426,849	1,676,536	426,849	1,676,536
Amounts due to customers for contract work		3,359,776	334,215	1,737,658	334,215
Trade creditors		1,809,507	1,205,054	1,750,430	1,205,054
Other taxation and social security		391,607	459,867	391,607	459,867
Other creditors		30,670	53,761	30,521	53,761
Accruals and deferred income		1,554,312	381,332	846,179	381,332
		<u>7,572,721</u>	<u>4,110,765</u>	<u>5,183,244</u>	<u>4,110,765</u>

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

19 Creditors: amounts falling due after more than one year

	Notes	Group 2024 £	2022 £	Company 2024 £	2022 £
Bank loans and overdrafts	20	4,596,424	3,359,113	4,596,424	3,359,113

20 Loans and overdrafts

	Group 2024 £	2022 £	Company 2024 £	2022 £
Bank loans	5,023,273	5,035,649	5,023,273	5,035,649
Payable within one year	426,849	1,676,536	426,849	1,676,536
Payable after one year	4,596,424	3,359,113	4,596,424	3,359,113

Included in bank loans is a loan of £5m, repayable over 36 monthly instalments, starting January 2025. Repayment terms are £138,889 + interest at the lower of 4.25% + BoE rate or 9.5%. The loan is secured by fixed charges over two patents the company owns.

In September 2024, an additional draw down was made on the facility, as detailed in note 26.

Included in bank loans is a bounce back loan of £23,274 accruing interest of 2.5%, to be repaid of 27 monthly instalments of £887.

21 Provisions for liabilities

	Group 2024 £	2022 £	Company 2024 £	2022 £
Onerous lease	1,500,000	-	1,500,000	-
Dilapidations	87,793	-	87,793	-
Loss making contract	489,091	-	489,091	-
	2,076,884	-	2,076,884	-

Movements on provisions:

	Onerous lease £	Dilapidations £	Loss making contract £	Total £
Group				
Additional provisions in the year	1,500,000	87,793	489,091	2,076,884

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

21 Provisions for liabilities (Continued)

Company	Onerous lease £	Dilapidations £	Loss making contract £	Total £
Additional provisions in the year	1,500,000	87,793	489,091	2,076,884

The onerous lease provision is in relation to the lease of an unused office floor, the lease term runs until January 2028. The provision is based on the directors' best estimate of the cost to terminate the lease following discussions with the landlords agent.

Dilapidations provision has been calculated using RICS average cost per square foot to rectify office space.

Loss making contract provision relates to the estimated future loss on a construction contract when comparing total contract value to total budgeted costs. Costs are estimated therefore there is the potential for these to vary.

22 Retirement benefit schemes

Defined contribution schemes	2024 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	330,476	90,051

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

23 Share-based payment transactions

The group grants employee share options to all employees which have a vesting period of 4 years service. The share options granted are equity settled and for ordinary shares.

Group	Number of share options		Weighted average exercise price	
	2024 Number	2022 Number	2024 £	2022 £
Outstanding at 1 January 2023	4,225,971	2,301,527	1.39	1.36
Granted	4,904,072	2,680,563	1.07	0.54
Forfeited	(834,779)	(323,056)	2.27	0.43
Exercised	(1,176,797)	(433,063)	1.81	0.91
Outstanding at 31 March 2024	7,118,467	4,225,971	1.09	0.72
Exercisable at 31 March 2024	3,151,800	2,202,187	1.06	1.52

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

23 Share-based payment transactions (Continued)

The options outstanding at 31 March 2024 had an exercise price of £nil, and a remaining contractual life of up to 10 years.

Group

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

Inputs were as follows:

	2024	2022
Weighted average share price	1.07	0.66
Weighted average exercise price	-	-
Expected volatility	12.73	12.73
Expected life	10.00	10.00
Risk free rate	2.76	2.76
Expected dividends yields	-	-

The estimated number of options not expected to meet their vesting conditions is 15% (2022 - 15%).

	Group 2024	2022	Company 2024	2022
	£	£	£	£
Expenses recognised in the period				
Arising from equity settled share based payment transactions	1,461,357	540,106	1,461,357	540,106

24 Share capital

Group and company	2024	2022	2024	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A shares of 0.0001p each	588,200	588,200	1	1
Ordinary shares of 0.0001p each	11,657,266	11,278,997	11	11
Seed preferred shares of 0.0001p each	5,555,554	5,555,554	6	6
Series A shares of 0.0001p each	6,907,761	6,907,761	7	7
Series B shares of 0.0001p each	20,423,630	14,471,507	20	14
Series B-1 shares of 0.0001p each	39,665,693	-	40	-
	<u>84,798,104</u>	<u>38,802,019</u>	<u>85</u>	<u>39</u>

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

24 Share capital

(Continued)

All shares rank equally with regards to voting rights.

All shares rank equally with regards to dividends.

Capital distribution rights are preferenced in order of Series B-1 and B, Series A, Seed Preferred and then A Ordinary and Ordinary Shares. 99.9999% of the remaining balance shall be distributed to Ordinary shares on a pro-rata basis.

Shares changes in the year:

1,284,276 Ordinary shares issued in the year are in relation to employee share options.

In August 2023, 38,759,686 Series B-1 shares were issued at a premium of 81p per share.

In August 2023, 5,952,123 Series B shares were issued at nominal value as part of an anti-dilution clause.

In December 2023, 906,007 ordinary shares were redesignated to Series B-1 shares as part of a special resolution.

Included within the Series B-1 share issue is the conversion of a convertible loan which was part of a Simple Agreements for Future Equity (SAFE). These transactions have been treated entirely as share premium given the loans were issued a month before their automatic conversion, which arose from the Series B-1 funding round. Given the minimal time between issue and conversion, the impact of any equity element is considered insignificant.

25 Operating lease commitments

Lessee

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

	Group 2024 £	2022 £	Company 2024 £	2022 £
Within one year	933,486	353,438	717,923	353,438
Between two and five years	2,250,499	349,375	1,572,761	349,375
	<u>3,183,985</u>	<u>702,813</u>	<u>2,290,684</u>	<u>702,813</u>

26 Events after the reporting date

In September 2024, the Group entered into a fundraising event with existing investors to raise \$15.2m as disclosed in the going concern accounting policy.

Furthermore, the Group has taken advantage of the second tranche of its drawdown facility with HSBC, drawing down an extra £5m as disclosed in the going concern accounting policy.

The board of directors are not aware of any other events after the reporting date requiring disclosure in the financial statements.

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024	2022
	£	£
Aggregate compensation	1,678,168	643,709

Key management personnel of the company received share options in line with the company's employee share option scheme, as disclosed in note 23. The total estimated value of the share options granted was £5,324,818 (2022 - £2,253,989).

Key management personnel of the company sold ordinary shares to a third party in the period, which were subsequently redesignated to Series B-1 shares as detailed in note 24.

28 Cash absorbed by operations - group

	2024	2022
	£	£
Loss for the period after tax	(35,467,583)	(14,419,212)
Adjustments for:		
Taxation credited	(1,757,642)	(1,396,416)
Finance costs	596,335	187,575
Investment income	(471,324)	(73,791)
Loss on disposal of tangible fixed assets	300,957	14,011
Depreciation and impairment of tangible fixed assets	488,360	126,112
Equity settled share based payment expense	1,461,357	540,106
Increase in provisions	2,076,884	-
Movements in working capital:		
Increase in stocks	(1,183,750)	(414,436)
Increase in debtors	(1,541,195)	(891,071)
Increase in creditors	4,711,643	1,190,248
Cash absorbed by operations	(30,785,958)	(15,136,874)

29 Analysis of changes in net funds - group

	1 January 2023	Cash flows	Exchange rate	31 March 2024
	£	£	£	£
			movements	
Cash at bank and in hand	16,489,761	(717,196)	(85,689)	15,686,876
Borrowings excluding overdrafts	(5,035,649)	12,376	-	(5,023,273)
	11,454,112	(704,820)	(85,689)	10,663,603

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

30 Prior period adjustment

Changes to the balance sheet - group and company

	As previously reported	Adjustment at 1 Jan 2022	Adjustment at 31 Dec 2022	As restated at 31 Dec 2022
	£	£	£	£
Current assets				
Stocks	2,402,037	-	(619,520)	1,782,517
Debtors due within one year	1,490,713	942,698	453,718	2,887,129
	<u>13,392,818</u>	<u>942,698</u>	<u>(165,802)</u>	<u>14,169,714</u>

Changes to the profit and loss account - group and company

	As previously reported	Adjustment	As restated
Period ended 31 December 2022	£	£	£
Administrative expenses	(15,762,309)	(174,620)	(15,936,929)
Exceptional items	(896,957)	(619,520)	(1,516,477)
Taxation	-	1,396,416	1,396,416
Loss after taxation	<u>(15,021,488)</u>	<u>602,276</u>	<u>(14,419,212)</u>

Reconciliation of changes in equity - group and company

	1 January 2022	31 December 2022
	£	£
Adjustments to prior period		
Restate 2021 R&D tax credit	942,698	-
Restate 2022 R&D tax credit	-	1,396,416
Impairment of EVA robot stock	-	(619,520)
Total adjustments	<u>942,698</u>	<u>776,896</u>
Equity as previously reported	<u>(5,879,706)</u>	<u>13,392,818</u>
Equity as adjusted	<u>(4,937,008)</u>	<u>14,169,714</u>
Analysis of the effect upon equity		
Share options reserves	1,405,406	174,620
Profit and loss reserves	<u>(462,708)</u>	<u>602,276</u>
	<u>942,698</u>	<u>776,896</u>

AUTOMATA TECHNOLOGIES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

30	Prior period adjustment	(Continued)
Reconciliation of changes in loss for the previous financial period		
		2022
		£
Adjustments to prior period		
	Restate 2022 R&D tax credit	1,396,416
	Impairment of EVA robot stock	(619,520)
	Increase share options costs	(174,620)
		<hr/>
	Total adjustments	602,276
	Loss as previously reported	(15,021,488)
		<hr/>
	Loss as adjusted	(14,419,212)
		<hr/> <hr/>

Notes to reconciliation

R&D tax credits

Prior year adjustments have been made to R&D tax credits to reflect the credits in the period they relate to.

Impairment of EVA robot stock

In the prior year the company ceased to produce EVA robots, therefore a provision to impair this stock was made, however, in the current period, it was found that there was EVA stock which had not been impaired at the prior year end. This adjustment was to fully impair all EVA robot stock held at the prior year end.

Increase share option wages costs

In the prior year, the company estimated the fair value of share based payments for employee share options. The previously reported figures, which was the first time the cost of share options was recognised in the company's financial statements, amounted to £365,486 being recorded as a cost and a share options reserve. This has been restated in the current year to bring the valuation in line with the current year's valuation policy and estimations technique. Furthermore, in the prior year, not all share options had been included in the valuation.

The restatement resulted in additional wages costs being recognised of £174,620 in the year to December 2022 and £1,405,406 in the periods prior to this, with a corresponding adjustment to the share options reserves.

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