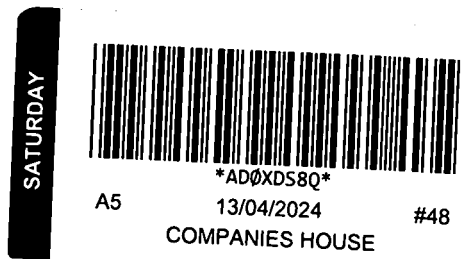


Rossum Ltd

Annual Report and Financial Statements

For the year ended 31 January 2023



Company Number: 10564783

Rossum Ltd

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Rossum Ltd

Directors, Company Secretary and Advisors

Current Directors T. Gogar, Chief Executive Officer
P. Baudis, Chief Technology Officer
T. Oelschig, Director, General Catalyst

Company Secretary OHS Secretaries Limited

Registered number 10564783 (England and Wales)

Registered office 71-75 Shelton Street
Covent Garden
London
WC2H 9JQ

Statutory Auditors Rouse Audit LLP
55 Station Road
Beaconsfield
Buckinghamshire
HP9 1QL

Rossum Ltd

Strategic report

Introduction

Rossum Ltd (the “Company”) is a private company, limited by shares, incorporated on 16 January 2017 in England & Wales under Company Registration Number 10564783. The address of its registered office and principal place of business is 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ.

Rossum Group is composed of Rossum Ltd (the “Company”) and its three wholly-owned subsidiaries (the “Group”): Rossum Czech Republic s.r.o., Rossum USA Inc. and Rossum Israel Ltd.

This is the first year that audited consolidated financial statements are produced. The prior year consolidated numbers are not audited.

Principal activities, development and performance of the Group during the year

Founded in 2017 in Prague, Rossum Czech Republic s.r.o. is the developer and the owner of Rossum, a powerful and easy-to-use cloud-native Intelligent Document Processing (IDP) solution. Rossum’s AI-based deep learning adapts quickly to changes in document layouts, giving customers more resilient data capture, and enabling them to streamline manual work. Rossum’s AI data capture solution is a clear industry leader with out-of-the-box accuracy and its ability to learn over time. Outperforming competitors in a wide range of use cases.

Rossum operates globally and has a strong presence in the UK and US market, where it plans to continue growing its team to better serve the local markets. Rossum serves hundreds of the world’s leading companies ranging from business software vendors like Celonis to Fortune 500 class enterprises such as Panasonic, Siemens, and Veolia.

At Rossum, we envision a world where people build rather than type. We believe that people should spend their precious time in meaningful activities, not in repetitive and unnecessary tasks like manual data entry that machines can do faster and more accurately.

Rossum uses a SaaS subscription business model to drive its revenue, meaning it charges its customers recurring fees for access to its platform.

Unlike the traditional model which relies on one-time expense, the SaaS model creates a predictable future revenue stream, tracked through the Annual Recurring Revenue (ARR) metric, which shows the value of the recurring revenue of a business’s term subscriptions normalised for a single calendar year.

Business review

In 2021, Rossum substantiated its product leadership (especially accuracy of the data extraction model) and thus secured one of the largest financing rounds in Central Europe to continue its efforts to win the market in the IDP category: In September 2021, Rossum raised \$100 million in a Series-A funding, split between \$60 million in equity with some extension possibilities for \$40 million.

Shortly after the fundraising, the investors pushed the company to grow aggressively, which led to extensive hiring in the go-to-market teams and R&D.

While the markets were at their peak, Rossum followed the well-known T2D3 strategy, and in order to ensure aggressive growth in 2022, leadership overinvested in opening the US entity and hiring additional salesforce there to drive such growth.

Rossum Ltd

Unfortunately, as a result of the budding recession, in early 2022, the tech industry as a whole witnessed a sharp drop in revenue. Dow Jones U.S. Technology Index, an index tracking major tech companies, was down more than 35%. The NASDAQ, another tech-focused index, was down more than 33%.

Rossum, among other tech scaleups which overinvested into aggressive growth, saw the slowdown in its sales in the first three quarters of the year and had to heavily reassess its business strategy. This led the Group to perform a substantial restructuring, reducing its headcount by ~20% in September 2022.

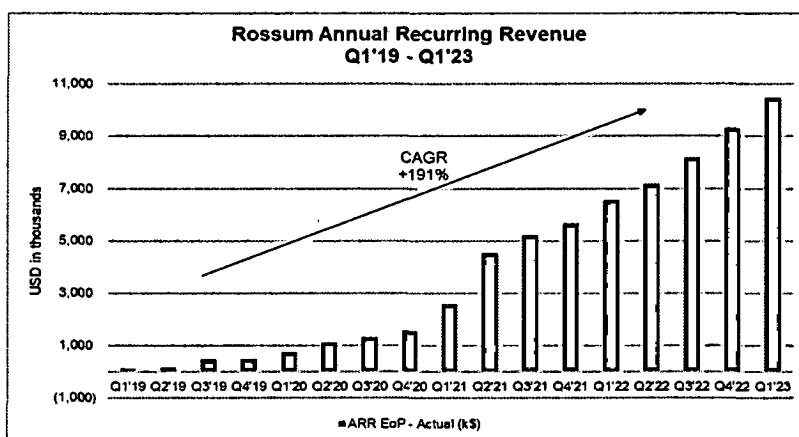
At the same time, Rossum renewed its leadership team, terminating cooperations with its then CRO and VP Marketing, and hiring a new CFO, CHRO, CMO, and CSO who together with the existing leadership team led by the CEO created a new business strategy to drive the needed changes.

Key performance indicators monitored by the Board

The Board uses a number of key performance indicators ("KPIs") to monitor Rossum's performance against budgets and forecasts as well as to measure progress against the Board's strategic objectives. These are summarised below.

KPI	Purpose of KPI	Year ended Jan 2023	Year ended Jan 2022
Annual Recurring Revenue (ARR)	Metric of predictable and recurring revenue generated by customers within a year	\$9.1m	\$5.4m
Net Retention Ratio (NRR)	Measure how you are retaining and engaging your customers	104%	100%
Revenue	A principal earnings driver for the Group	\$8.0m	\$4.0m
Operating Profit	To ensure that revenue growth generates increases in bottom line profits	\$(25.3)m	\$(8.3)m

Rossum's ARR has grown from \$0.1M at the beginning of 2019 to \$9.1M as at 31 Jan 2023, reaching an impressive compound annual growth (CAGR) of +191% over this 4-year period.



More than 54% of the current customer base ARR is generated by multi-year contracts, with an average duration close to 3 years (34 months). These multi-year contracts enable more resilience and visibility.

Rossum Ltd

Rossum's Net Retention Ratio (NRR) stands at 104% YoY at the end of January 2023, up from 100% at the end of January 2022. Customer feedback is generally very positive. After noticing some fluctuations in this ratio, we identified the cause to be that the clients are overestimating their ability to integrate fast on their end. Therefore, Rossum intends to improve the retention by focusing heavily on customer experience and expansion by penetrating the accounts with an expanded product offering beyond data capture and focusing on solving IDP flow end-to-end.

For the year ended 31 January 2023, Rossum generated an increase in revenue of \$ 4 million, a 100% increase on the previous year. The main reason for this increase was due to significant new contracts signed with customers in 2021, whose revenue was recognised over the following 12 months in line with accounting policy.

The loss from operations deteriorated from \$8.3m to \$25.3m due to inefficient overinvestments into aggressive growth over the course of 2022. The Group took the necessary actions at the end of the year ended January 2023.

Future developments

In early 2023, Rossum invested significantly into services and sophisticated support by forming new teams of:

- Technical account managers, composed of profiles with a high level of technicality and a deep understanding of the product.
- Professional services professionals, who work on integration or configuration projects for customers.

From Q2 2023 onwards, Rossum is implementing a new strategy consisting of (i) launching mandatory onboarding and success plans, and (ii) applying a consistent price to the post-sales services. This strategy will help:

- Increase the gross margin: In the past, these services used to be provided to customers for free, or not at the right price.
- Improve customer retention and increase the possibility of expansion.

Principal risks and uncertainties

There are a number of risks and uncertainties associated with the Group. The following risks are the material risks of which the Directors are aware. Additional risks which are not presently known to the Directors, or that the Directors deem immaterial, may also have an effect on the Group's business or results of operations.

The Group faces trade related risks that include continuing adverse economic conditions, a significant reduction in global economic growth due to factors such as public and private debts or geopolitical instabilities/wars, trade disputes, and timing of contract receipts.

The Group experiences operational risks in areas such as increases in operating costs, unpredictable fluctuations in prices, technology and systems disruption, and legal and regulatory developments.

The Group experiences management risks in retaining key personnel within the Group.

The Group experiences financial risk in the management of future growth, adequacy of financial resources, liquidity, exchange rate fluctuations, insurance cover and changes in tax legislation.

The Group also identifies risks and uncertainties specifically for the tech industry and the IDP market:

Rossum Ltd

- We are experiencing turbulent times in the tech industry with a big drop in valuations, a focus on profitability instead of growth, and, as a result, the consolidation of the market through M&A (Mergers and Acquisitions).
- The market is commoditising basic data capture. This means that high accuracy and speed of learning will not be a strong enough differentiator alone anymore, especially in the biggest and more common use cases and industries. Rossum estimates that it has a 2-year head-start advantage to position itself and to build advanced solutions for complex data capture problems.

The Board manages and mitigates these risks through various internal reporting systems, regular Board Meetings and financial reports including forecasts. The Board also works closely with its external advisors to ensure that risks within the Board's reasonable control are effectively managed.

Going concern

As part of the regular financial management of the Group, the Directors review the detailed cash flow projections and cash requirements of the Group. These cash flow projections include the net cash flows arising from operations and capital expenditure proposal, and they take into account bank and other financing facilities available to the Group and assess the cash flow adequacy of the Group on a month by month basis for a twelve month forward period from the date of the signature of the financial statements. The projections indicate that the Group will achieve a breakeven position around Q3 2026, following the Board's decision taken at the end of 2023 to significantly lower the cash burn from 2024 onwards and to define a clear path towards cash-flow positivity.

Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due for at least 12 months from the date of this Report.

After making such enquiries as they consider appropriate, the Directors consider that there is a reasonable expectation that the Group has adequate cash and related financial resources to continue its business for the foreseeable future.

Authorised for issue by order of the Board of Directors

Tomas Gogar

Mr Tomas Gogar
Chief Executive Officer
Director

11-Apr-2024

Rossum Ltd

Directors' report

The Directors present their report and the audited financial statements of the Group composed of Rossum Ltd (the "Company") and its subsidiaries (the "Group") for the year ended 31 January 2023.

Board of Directors

The Directors who served throughout the year and to the date of signing of these financial statements except as noted were as follows:

T. Gogar, Chief Executive Officer
P. Baudis, Chief Technology Officer
T. Oelschig, Director, General Catalyst

Directors' indemnities and Directors' and Officers' liability insurance

In accordance with the Group's Articles of Association, the Directors are granted an indemnity from the Group to the extent permitted by law in respect of liabilities incurred as a result of their office as Directors. Directors' and Officers' liability insurance has also been maintained during the year by the Group in respect of Directors and Senior Executives of the Group.

Directors' interests in contracts

Apart from the employment contracts between the Directors and the Group, no contract existed during the year ended 31 January 2023 in relation to the Group's business in which the Director held an interest.

Results and dividends

The loss after taxation for the year amounted to \$25,384,229 (prior year: \$8,318,468 loss). The Directors propose that no dividend is paid in the current year. No dividend was paid in the prior year.

Events after the balance sheet date

Details of events after the balance sheet date can be found in the notes to the Financial Statements.

Principal risks

Principal risks have been disclosed in the Strategic Report.

Future developments

Future developments have been disclosed in the Strategic Report.

Statement of disclosure of information to Auditors

Each of the persons who is a Director at the date of approval of this Report confirms that:

Rossum Ltd

- So far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S.418 of the Companies Act 2006. Rouse Audit LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Authorised for issue by order of the Board of Directors:

Tomas Gogar

Mr Tomas Gogar
Chief Executive Officer
Director

11-Apr-2024

Rossum Ltd

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the Directors' 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 Group and parent company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom. The Directors have elected to prepare the financial statements for the Parent company in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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 and Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- Make an assessment of the Group's and Company's ability to continue as a going concern.

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.

Rossum Ltd

Independent Auditor's report to the members of Rossum Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Rossum Ltd (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 January 2023 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheet, the Group and Parent Company Statement of Changes in Equity, the Group Statement of Cash Flows and the Group and Parent Company notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 31 January 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Rossum Ltd

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- through discussions with the directors and other management we identified the laws and regulations applicable to the company; and
- focusing on the specific laws and regulations which we considered may have a direct material effect

Rossum Ltd

on the financial statements or the operations of the company, we assessed the extent of compliance with those laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates detailed in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Other matters which we are required to address

In the previous accounting year the Directors of the Parent Company and Group took advantage of S.477 of the Companies Act 2006. Therefore, the prior period financial statements were not subject to audit.

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.

Rouse Audit LLP

Joanna Lovatt (Senior Statutory Auditor)
For and on behalf of Rouse Audit LLP
Chartered Accountants
Statutory Auditor

11-Apr-2024
Date:

55 Station Road
Beaconsfield
Buckinghamshire
HP9 1QL

Rossum Ltd

Consolidated Statement of Comprehensive Income

For the year ended 31 January 2023

In USD thousands	Notes	Unaudited	
		From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Revenue	5	7,984	3,998
Administrative expenses	6, 7	(33,320)	(12,240)
Operating Loss		(25,336)	(8,242)
Other income		18	9
Finance costs	8	(35)	(18)
Loss before tax		(25,353)	(8,251)
Tax charge	9	(31)	(67)
Net Loss		(25,384)	(8,318)
Rossum Ltd shareholders		(25,384)	(8,318)
Non-controlling interests		-	-
Loss attributable to Rossum shareholders:		(25,384)	(8,318)

The above results were derived from continuing operations. There is no other comprehensive income in the period. The Group has elected to combine its consolidated income statement and consolidated statement of comprehensive income into the above consolidated statement of comprehensive income as permitted under IAS1.

The notes on pages 18 to 37 form part of these financial statements.

Rossum Ltd

Consolidated Balance Sheet

For the year ended 31 January 2023

In USD thousands	Notes	As of 31st of Jan 23	Unaudited As of 31st of Jan 22
Non-Current Assets			
Intangible assets	10	1,196	782
Plant and equipment	11	187	52
Right-of-use assets	12	139	461
		1,522	1,295
Current Assets			
Trade and other receivables	13	4,680	2,295
Cash and cash equivalents	14	35,115	60,880
		39,795	63,175
TOTAL ASSETS		41,317	64,470
Current Liabilities			
Lease liability	15	(124)	(320)
Trade and other payables	16	(3,812)	(2,133)
Deferred revenue	17	(5,460)	(4,862)
TOTAL CURRENT LIABILITIES		(9,396)	(7,315)
Non-Current Liabilities			
Lease liability	15	-	(124)
TOTAL NON-CURRENT LIABILITIES		-	(124)
TOTAL LIABILITIES		(9,396)	(7,439)
NET ASSETS		31,921	57,031
Equity			
Share Capital	18.1	-	-
Share Premium	18.2	68,518	68,518
Share-based Payment	18.3	506	232
Retained Deficit		(11,719)	(3,401)
Net Deficit		(25,384)	(8,318)
Total Equity		31,921	57,031

The notes on pages 18 to 37 form part of these consolidated financial statements. Authorised for issue and approved by the Board of Directors on 11th April 2024 and signed on its behalf by:

Tomas Gogar

T. Gogar
Chief Executive Officer

11-Apr-2024

Rossum Ltd

Consolidated Statement of Changes in Equity

For the year ended 31 January 2023

in USD thousands	Share capital	Share Premium	Share based payment	Retained earnings	Total equity
As at 1 February 2021 (Unaudited)	-	3,108	60	(3,401)	(233)
Equity issued in the year	-	65,410	-	-	65,410
Loss for the year ended 31 January 2022	-	-	-	(8,318)	(8,318)
Credit to equity for equity settled share-based payments	-	-	172	-	172
Total comprehensive income (Unaudited)	-	65,410	172	(8,318)	57,264
As at 31 January 2022 (Unaudited)	-	68,518	232	(11,719)	57,031
Loss for the year ended 31 January 2023	-	-	-	(25,384)	(25,384)
Credit to equity for equity settled share-based payments	-	-	274	-	274
Total comprehensive income	-	-	274	(25,384)	(25,110)
As at 31 January 2023	-	68,518	506	(37,103)	31,921

Rossum Ltd

Consolidated Statement of Cash Flows

For the year ended 31 January 2023

In USD thousands	Notes	From 1st of Feb 22 to 31st of Jan 23	Unaudited From 1st of Feb 21 to 31st of Jan 22
Loss for the period after tax		(25,384)	(8,318)
Adjustments for:			
Finance expense		35	18
Taxation		31	67
Share based payment charge		274	172
Depreciation of plant and equipment		24	7
Depreciation of right-of-use assets		331	289
Amortisation of intangible assets		279	484
Cash flows from operations before changes in working capital		(24,410)	(7,281)
Changes in working capital			
Decrease / (increase) in trade and other receivables		(2,385)	(1,026)
Increase / (decrease) in trade and other payables		2,257	3,851
		(128)	2,825
Cash generated from operations		(24,538)	(4,456)
Interest paid		(35)	(18)
Tax paid		(20)	-
Net cash used in operating activities		(24,593)	(4,474)
Cash flows from investing activities			
Purchase of plant and equipment, and intangibles		(852)	(276)
Net cash used in investing activities		(852)	(276)
Cash flows from financing activities			
Payment of lease liabilities		(320)	(320)
Equity financing		-	65,410
Net cash used in financing activities		(320)	65,090
Net change in cash and cash equivalents		(25,765)	60,340
Cash and cash equivalents at the beginning of the year		60,880	640
Cash and cash equivalents at the end of the year		35,115	60,880
Cash and cash equivalents			
Cash at bank and in hand		35,115	60,880
Closing net cash and cash equivalents		35,115	60,880

Rossum Ltd

Notes to the Consolidated Financial Statements

1. General information

Description of Business

Rossum Ltd (the "Company") is a private company, limited by shares, incorporated on 16 January 2017 in England & Wales under Company Registration Number 10564783. The address of its registered office and principal place of business is 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ.

Rossum Group consists of the Company and its three wholly-owned subsidiaries (the "Group"):

- Rossum Czech Republic s.r.o. registered at Křižíkova 148/34 Praha 8 - Karlín, 186 00 Czech Republic. The CRN for Rossum Czech Republic is 059 44 619;
- Rossum USA Inc. registered at 954 Lexington Avenue, Suite 1016, New York, NY 10021. The CRN for Rossum Inc is 6336175; and
- Rossum Israel Ltd registered at Rehov Yigal Alon 94, 6789139 Tel Aviv-Yafo, Israel. The CRN for Rossum Israel is 516253572. Rossum Israel is currently dormant and is being liquidated.

Rossum Czech Republic s.r.o. is the developer and owner of Rossum, a cloud-native Intelligent Document Processing (IDP) solution combining the industry's most advanced data extraction capabilities with a complete low-code platform that automates significant amounts of manual work across a company's document processing workflow.

The purpose of the other companies of the Group is to promote, market, distribute and support Rossum services to its clients or other users that may subscribe to Rossum in the specific markets where each of them operate.

Going Concern

As part of the regular financial management of the Group, the Directors review the detailed cash flow projections and cash requirements of the Group. These cash flow projections include the net cash flows arising from operations and capital expenditure proposal, and they take into account bank and other financing facilities available to the Group and assess the cash flow adequacy of the Group on a month by month basis for a twelve month forward period from the date of the signature of the financial statements. The projections indicate that the Group will achieve a breakeven position around Q3 2026, following the Board's decision taken at the end of 2023 to significantly lower the cash burn from 2024 onwards and to define a clear path towards cash-flow positivity.

Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due for at least 12 months from the date of this Report.

After making such enquiries as they consider appropriate, the Directors consider that there is a reasonable expectation that the Group has adequate cash and related financial resources to continue its business for the foreseeable future.

2. Adoption of new and revised International Financial Reporting Standards (IFRS)

Embarking on a new chapter of financial reporting is both a strategic and pivotal moment for our Company. As we adopt the International Financial Reporting Standards (IFRS) for the first time, we recognise the significance of aligning our financial statements with a globally recognised framework.

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These consolidated financial statements have been prepared in accordance with IFRSs as adopted by the United Kingdom and they are presented in thousands of USD, which is the functional currency of the Company and Group.

Our aim is to ensure that our financial statements not only comply with international standards but also reflect the true essence of our business.

Before the financial year ended January 2023, no consolidated financial statements were prepared for the Group; each individual entity prepared financial statements in accordance with: Czech GAAP for Rossum Czech Republic s.r.o., UK GAAP for Rossum Ltd and US GAAP for Rossum USA Inc..

The main change in the Group's Accounting is the adoption of the IFRS. The main standards that apply to Rossum are:

IFRS 2 – for Employee Stock Ownership Plan (ESOP)

IFRS 15 – for Revenue Recognition (SaaS business model)

IFRS 16 – for vehicles and buildings leasing contracts

All IFRS related postings impacted (i) retained earnings (for the period before 31 January 2021), (ii) the prior year profit & loss accounts (for the period ended January 2022) or (iii) the current year profit & loss accounts (for the period ended January 2023).

The Directors do not expect that the adoption of the new and revised IFRS Standards issued by the IASB after 31 January 2023 will have a material impact on the financial statements of the Group in future periods.

3. Significant Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted per use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 January each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries and associated companies acquired or disposed of during the year are included from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

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Where necessary, adjustments are made to the financial statements of subsidiaries and associated companies to bring the accounting policies used into line with those used by the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

In the Company's financial statements, investment in subsidiary undertakings are stated at cost less impairment.

The principal accounting policies adopted are set out below.

Revenue recognition

The Group generates revenues from subscriptions to the Group's web-based Intelligent Document Processing platform under a software-as-a-service model. The Group's customers do not have the right to take possession of the online software solution. Subscriptions period can be from yearly to multi-year arrangements, are generally non-cancellable and do not provide for refund of subscription fees.

The Group recognises revenue when performance obligations under the terms of a contract are satisfied. A performance obligation is a contractual promise to transfer a distinct good or service to the customer. This occurs when the control of the product or service is transferred to the customer.

A customer contract is generally identified when the Group and a customer have executed an agreement or online acceptance that requires the Group to grant access to its online software products and provide professional services in exchange for consideration from the customer.

At contract inception, the Group assesses the subscription and associated service offerings or bundle of service offerings in its contracts to identify performance obligations that are distinct. A performance obligation is distinct when it is separately identifiable from other items in a bundled package and if a customer can benefit from it on its own or with other resources that are readily available to the customer. To identify performance obligations, the Group considers all of the offerings promised in the contract.

The transaction price is the total amount of consideration the Group expects to be entitled to in exchange for the service offerings in a contract. The transaction price for subscription services is generally fixed at contract inception; therefore, the Group's contracts do not contain a variable consideration. Sales, value-added and other taxes the Group collects from customers concurrent with revenue-producing activities are excluded from revenue.

Once the Group has determined the transaction price, the total transaction price is allocated to each performance obligation in a manner depicting the amount of consideration to which the Group expects to be entitled in exchange for transferring the services to the customer (allocation objective). If the allocation objective is met at contractual prices, no allocations are performed. Otherwise, the Group allocates the transaction price to each performance obligation identified in the contract on a relative stand-alone selling price basis.

Subscription revenue relates to term subscriptions to the Group's platform, which includes proprietary software and related support. Subscriptions include access to proprietary software, ongoing support and the right to receive unspecified software updates and upgrades released when and if available during the subscription term. Subscription revenues are recognised ratably over the contract terms beginning on the date the Group's service is made available to customers, which typically begins on the commencement date of each contract.

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Leases

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the weighted average borrowing rate of 2%.

The lease liability is presented as a separate line in the statement of financial position.

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

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the standard.

Foreign currencies

The consolidated financial statements are presented in thousands of USD, as the US dollar is the Group's and Company's functional and presentation currency.

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

Exchange differences are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Short-term and other long-term employee benefits

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

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of

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the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Share based Compensation

From a reporting perspective, the Group recognises an expense for stock-based compensation based on IFRS 26.6. The ESOP expense is accounted for each year through the vesting period.

The days in each financial year that the employee stayed are calculated based on the start of the vesting period and if it exists, their termination date. The vested value each year is valued with the valuation calculated on the Black-Scholes valuation sheet.

In the case employee leaves and part of the ESOP expense already booked would not vest, the expense for the unvested part would be cancelled. However, this should not happen as the calculation is prepared after the options for the period were vested.

Due to the absence of an active market for the Company's common stock, the Company utilised acceptable methodologies in accordance with the generally accepted valuation practices in the market, to estimate the fair value of its common stock at each grant date of awards. Significant changes to the key assumptions underlying the factors used could result in different fair values of common stock at each valuation date.

The fair value of stock options is recognised over the period during which an optionee is required to provide services in exchange for the stock option award, known as the requisite service period (usually the vesting period) on a straight-line basis. Stock-based compensation expense is recognised based on the fair value determined on the date of grant and is reduced for forfeitures as they occur.

Taxation

The income 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 profit or loss 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 end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred Tax

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

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deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Intangible assets

The costs related to the development of Rossum solution are capitalised when this development is for selling purposes. When the developed features are designated for internal usage, they are not capitalised. Research-related expenses are expensed in the year they are incurred.

Amortisation is charged so as to write off the cost or valuation of assets less their residual values over their estimated useful economic lives, using the following bases:

Software	straight line over 2-3 years
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The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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Plant and equipment

Plant and equipment, computers and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is charged so as to write off the cost or valuation of assets less their residual values over their estimated useful economic lives, using the following bases:

Plant and equipment	straight line over 2-3 years
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The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Trade and other receivables

Trade receivables are recorded initially at fair value. Subsequent measurement is stated at amortised cost. In most cases trade receivables are stated at the amount expected to be received, although any trade receivables held for a significant period may be provided for.

Impairment of trade and other receivables

The Group recognises a loss allowance for expected credit losses on trade receivables and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective receivable.

As the Group does not benefit from relevant historical credit loss experience, the expected credit losses on these receivables are estimated using the following rules:

- a 50% bad debt provision is booked for all receivables overdue since more than 90 days;
- a 100% bad debt provision is booked for all receivables transferred to the Group's external collection agency.

These rules are adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Cash and cash equivalents

Cash and cash equivalents consist of cash balances, deposits held at banks and other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within bank loans in current liabilities on the balance sheet. Bank overdrafts that are repayable on demand and which form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the consolidated statement of cash flows.

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Trade payables

Trade payables are recorded initially at fair value. Subsequent measurement is stated at amortised cost. In most cases trade payables are stated at the amount expected to be paid, although any trade payables held for a significant period may be provided for.

Sales commission

The Group defers commissions associated with securing customer contracts. These costs are recorded as prepaid expenses and other current assets within current assets in the consolidated balance sheet. Commissions associated with securing customer contracts are amortised over the estimated period of benefit. Accordingly, the amortisation of deferred costs is recognised on a systematic basis that is consistent with the pattern of revenue recognition allocated to each performance obligation and included in operating expenses in the consolidated statements of operations and comprehensive loss. Deferred commission costs were \$347k and \$442k, as of January 31st, 2023 and 2022, respectively.

Deferred Revenue

Deferred revenue primarily consists of amounts that have been invoiced but not yet recognised as revenue and pertains exclusively to subscriptions services. The current portion of deferred revenue represents the amounts that are expected to be recognised as revenue within one year of the consolidated balance sheet date.

Bank borrowings

Interest bearing bank loans and overdrafts are initially recorded at fair value, net of direct issue costs. Subsequent to initial recognition, loans are recorded at amortised cost with interest being calculated using the effective interest rate method. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) 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

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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 date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For the Group, there were no such items which required such judgements or estimates.

5. Revenue

The Group realises sales by providing its software to corporate customers worldwide. All sales arise on the subscription income stream in the financial year ended January 2023 and January 2022.

The Group revenue can be broken down by country as follows:

In USD thousands	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
United States	2,070	970
Germany	1,200	776
Czech Republic	693	287
United Kingdom	689	437
France	486	172
Netherlands	452	215
Others	2,394	1,141
Revenue	7,984	3,998

"Others" mainly include countries located in Europe (74%), as well as Asia (9%), North America (9%), Pacific Oceania (7%), and South America (1%).

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6. Operating loss

Loss for the year has been arrived at after (charging)/crediting:

In USD thousands	Notes	Unaudited	
		From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Employee salaries and benefits	7	(13,900)	(4,015)
Sales & Marketing services		(6,117)	(3,836)
Internet services		(2,565)	(863)
Software repairs and maintenance services		(2,078)	(857)
Other services		(1,736)	(1,029)
HR & Recruiting services		(1,328)	(486)
Advisory services		(1,312)	(167)
Contractual penalties and interest		(981)	-
Legal services		(499)	(390)
Bad debt expense		(413)	11
Consumables used		(396)	(492)
Accounting tax and audit services		(355)	(50)
Depreciation of right-of-use assets		(331)	(289)
Depreciation of plant and equipment		(24)	(7)
Amortization of intangible assets		(279)	(484)
Travel expenses		(250)	(41)
Security costs		(235)	(171)
Premise costs		(184)	(83)
Net FX gain/(loss)		(40)	1,101
Other costs		(297)	(92)
Administrative expenses		(33,320)	(12,240)

Audit and tax services:

Amounts payable to the Companies' auditors in respect of:

- Audit of the financial statements of the Group	(34)	-
- Tax compliance services	-	-

The \$ 21 million increase in other expenses mainly results from:

- the significant rise of the Group's go-to-market expenses, service costs and hiring costs as Rossum overinvested into aggressive growth in early 2022;
- an exceptional \$981k penalty related to the cancellation of a contract related to new offices in Prague.

7. Employee Costs

Employee benefit expense:

In USD thousands	Unaudited	
	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Wages and salaries	(11,045)	(3,010)
Social Security costs	(2,581)	(833)
Share based payment costs	(274)	(172)
Employee costs	(13,900)	(4,015)

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Employee numbers:

Employee numbers	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Administrative	20	8
Go to market	57	22
R&D	83	32
Monthly average number of employees	160	62

Over 90% of the employees are located in the Czech Republic, where most of the operational activities take place, such as Research & Development, Customer Experience, Finance, Legal & Compliance, HR, IT & Security.

The Sales and Marketing teams are spread throughout the three entities, with employees working from the UK, Czech Republic, and the US.

8. Finance costs

In USD thousands	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Bank fees	(28)	(15)
Other finance costs	(1)	(3)
Lease interest costs	(6)	-
Finance costs	(35)	(18)

9. Tax charge

In USD thousands	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Current tax	(31)	(67)
Deferred tax	-	-
Income tax expense	(31)	(67)

The standard rate of corporation tax applied to reported profit is 19% and / or 25% (as per the subsidiary's tax domicile) of the estimated assessable profit for the year.

In USD thousands	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Profit before tax	(25,353)	(8,251)
Charge on profit at an average rate of 19.00% (PY: 19%)	4,817	1,568
Unrecognised Deferred tax asset	(4,848)	(1,635)
Tax charge	(31)	(67)

An estimated calculation was prepared and an assessment was made. The calculation resulted in a potential tax asset. For this reason, combined with the fact that the SaaS business model and the start-up specific evolution lead to uncertainty, the decision was to conservatively not recognise any tax asset arising on tax losses.

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10. Intangible assets

In USD thousands	Internally developed software	Total
Cost		
At 31 January 2022	1,861	1,861
Additions at cost	693	693
At 31 January 2023	2,554	2,554
Accumulated Depreciation		
At 31 January 2022	1,079	1,079
Charge for the year	279	279
At 31 January 2023	1,358	1,358
Net book value at 31st of January 2022	782	782
Net book value at 31st of January 2023	1,196	1,196

During the year ended January 2023, the Group capitalised expenses for the ongoing development of the Rossum product to the amount of \$693k. In the same period the product has been amortised over its expected shelf life and amortisation amounted to \$279k.

11. Plant and equipment

In USD thousands	Plant and equipment	Total
Cost		
At 31 January 2022	60	60
Additions at cost	159	159
At 31 January 2023	219	219
Accumulated Depreciation		
At 31 January 2022	8	8
Charge for the year	24	24
At 31 January 2023	32	32
Net book value at 31st of January 2022	52	52
Net book value at 31st of January 2023	187	187

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12. Leases - right of use assets

Overview of the lease contracts considered for IFRS 16 as of 31st of January 2023:

in USD thousands	Building	Vehicles	Total
Cost			
At 31 January 2021	513	46	559
Additions	199	-	199
Disposals	-	-	-
At 31 January 2022	712	46	758
Additions	-	9	9
Disposals	-	(11)	(11)
At 31 January 2023	712	44	756
Accumulated Depreciation			
As of January 2021	6	2	8
Charge for the year	261	28	289
At 31 January 2022	267	30	297
Charge for the year	314	17	331
On disposals	-	(11)	(11)
At 31 January 2023	581	36	617
Carrying amount at at 31 January 2022	445	16	461
Carrying amount at at 31 January 2023	131	8	139

The Group leases several assets, including buildings and vehicles.

Both for cars and offices, the leases are for an average period of three years, with fixed rentals over the same period:

- rent of the office 1 (Corso II),
- rent of the fit out of the office 1 (Corso II fit out),
- rent of the office 2 (Corso court)

The Group leases 3 cars under operational lease.

Amounts recognized in profit and loss	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Depreciation expense on right-of-use assets	331	289
Interest expense on lease liabilities	6	1

Where appropriate the Group will seek to negotiate break clauses within its leases for right-to-use assets. When calculating the value of the right-to-use asset and associated lease liability, the Group recognises the present value of all future lease payments regardless of break clauses.

In the year there were no modifications to existing leases (FY2022: one car was returned and a new one under similar contractual conditions was taken over).

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13. Trade and other receivables

in USD thousands	As of 31st Jan 2023	As of 31st Jan 2022
Trade receivables	1,913	1,017
Other receivables	710	678
Prepayments and accrued income	2,057	600
Trade and other receivables	4,680	2,295

Prepayments and accrued income includes (i) deferred costs, which consist of annual fees for multiple platforms and softwares that the Group uses for operational purposes; (ii) prepayments, which are expenses that company pays in advance, such as car rental fees, utility fees, prepayments for conferences, as well as (iii) unbilled receivables and (iv) office deposits.

Major part of other receivables are accruals for sales commissions.

At 31 January 2023, trade receivables of \$889k (prior year: \$843k) were past their due date for payment but were not considered to be impaired. The ageing of these receivables is as follows:

in USD thousands	As of 31st Jan 2023	As of 31st Jan 2022
Trade debtors not due yet	1,023	174
Trade debtors overdue between 0 and 90 days	875	539
Trade debtors overdue over 90 days	157	304
Trade debtors sent to ext. collection agency	270	-
Trade receivables aging subtotal	2,325	1,017
Bad debt provision	(412)	-
Total trade receivables	1,913	1,017

14. Cash and cash equivalents

The cash flow statement was compiled using the indirect method. Cash equivalents represent short-term liquid assets that can be easily and readily converted into a known amount in cash and for which significant changes in value over time are not expected.

Cash and cash equivalents can be broken down as follows:

in USD thousands	As of 31st Jan 2023	As of 31st Jan 2022
Cash at bank	10,115	60,880
Cash at hand	-	-
Deposits	25,000	-
Cash and cash equivalents	35,115	60,880

Cash flows from operating, investing or financing activities are presented in the statement of cash flows.

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15. Lease liabilities

The maturity analysis of lease liabilities is presented below:

Maturity analysis:	As of 31st	As of 31st
	Jan 2023	Jan 2022
Year 1	124	320
Year 2	-	124
Year 3	-	-
Year 4	-	-
Year 5	-	-
Onwards	-	-
	124	444
Analysed as:		
Current	124	320
Non-current	-	124
	124	444

The Group does not face a significant liquidity risk with regard to its lease liabilities.

16. Trade payables and other payables

in USD thousands	As of 31st	As of 31st
	Jan 2023	Jan 2022
Trade payables	815	1,177
Employees payables	486	297
Social security payables	496	215
Tax payables	85	50
Other payables	1,930	394
Trade and other payables	3,812	2,133

The other payables balance as of January 31st, 2023 mainly includes the penalty from the cancellation of the contract for the new offices that had been cancelled, to the amount of \$981k.

17. Deferred revenue

The current portion of deferred revenue amounts to \$4,956k as of January 31st, 2023 and represents the amounts expected to be recognised as revenue within one year. The non current deferred revenue amounts to \$504k as of January 31st, 2023.

in USD thousands	As of 31st	To be recognised	To be
	Jan 2023	in the next 12	recognised
		months	after 1 year
Deferred Revenue	(5,460)	4,956	504
Total	(5,460)	4,956	504

in USD thousands	As of 31st	To be recognised	To be
	Jan 2022	in the next 12	recognised
		months	after 1 year
Deferred Revenue	(4,862)	3,065	1,797
Total	(4,862)	3,065	1,797

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18. Equity

18.1 Share capital

The below represents the allotted, issued, authorised and fully paid share capital of the Group:

In USD thousands	Number of shares	Nominal value in GBP	Nominal value in USD	Total value in USD
At 1 February 2022 and at 31 January 2023				
Series A	37,856	0.001	0.0013436	51
Series Seed	75,173	0.001	0.0013436	101
Ordinary	168,113	0.001	0.0013436	226
Total	281,142	0.001	0.0013436	378

The nominal value of these shares is £0.001 (or \$0.0013436).

Each share is entitled to one vote in any circumstances. Each share is entitled to dividend payments or any other distribution and to participate in a distribution arising from a winding up of the Group (*pari passu*, as if the Equity shares constituted one class of shares). The shares are not redeemable.

18.2 Share premium

This reserve of \$68,518k represents the premium paid between the market price of the shares and nominal value of the shares at time of purchase.

18.3 Share-based payment

The Company operates one equity-settled share-based remuneration scheme for employees and service providers. The options are vested upon completion of a four-year vesting period starting at the commencement date of the employment or cooperation with a one-year cliff. The options vest on a monthly basis and are conditioned by continuous service of the employee or the service provider. If the employee or the service provider stops working for the Group, the options stop vesting. These options will expire ten years from the termination date of the individual.

The exercise price of options outstanding at 31 January 2023 ranged between \$18.49 to \$207.89 and their weighted average contractual life was 2.48 years.

Of the total number of options outstanding at 31 January 2023, 8,592.3 had vested and were exercisable.

	Period 1st Feb 22 - 31st Jan 23		Period 1st Feb 21 - 31st Jan 22	
	Weighted average exercise price	Number	Weighted average exercise price	Number
Outstanding at 1 February	68.58	13,344	43.14	7,611
Granted during the year	109.79	44	97.48	6,373
Forfeited during the year	89.01	(4,235)	53.77	(640)
Exercised during the year		0		0
Lapsed during the year		0		0
Outstanding at 31 January	59.33	9,153	68.58	13,344

The weighted average fair value of each option granted during the year was \$109.79 (\$97.48 in prior year).

From a reporting perspective, the Group recognises an expense for stock-based compensation based on IFRS 26.6. The ESOP expense is accounted for each year through the vesting period.

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The days in each financial year that the employee stayed are calculated based on the start of the vesting period and if it exists, their termination date. The vested value each year is valued with the valuation calculated on the Black-Scholes valuation sheet.

In the case employee leaves and part of the ESOP expense already booked would not vest, the expense for the unvested part would be cancelled. However, this should not happen as the calculation is prepared after the options for the period were vested.

For the Black-Scholes valuation following inputs are used:

Strike price – strike price of the option.

Underlying price – same as the strike price, as Rossum uses common share valuation at the time to set the strike price of the option

Time to expiration – 10 years

Interest free rate – yearly average of 10Y US treasury rate

Volatility – 4 years volatility of similar publicly traded companies, which is the approach used by the valuation companies that prepared Rossum's common share valuation on which the strike price is based.

19. Events after the end of the reporting period

Due to the budding recession in 2022, as the tech industry as a whole witnessed a sharp drop in revenue, the Group had to heavily reassess its business strategy. This led the Group to perform a substantial restructuring, reducing its headcount by ~40% between September 2022 and November 2023, resulting in a better efficiency and a smaller, leaner organisation with only fully committed, culturally aligned and high-performing employees.

As of 28th April 2023, Rossum's shares were subdivided: Instead of 281,142 shares at a nominal value of £0.001, it now has 281,142,000 shares at a nominal value of £0.000001. The total aggregate value remains the same.

The main operational offices for the Group are in Prague. For those, the Group, through the Czech entity, used to have 2 rental office spaces, in two different buildings. In June 2023, one of the rental contracts was cancelled, and the other one was extended to offer a larger office space after some refurbishment. The rental costs have remained similar.

In November 2023, Rossum group contracted non-dilutive financing in the form of a loan with CIBC Innovation Banking in a maximum amount of \$ 15 million, to support its organic growth. The Group has drawn the first \$ 10 million in December 2023. The remaining amount of \$ 5 million may be drawn according to performance indicators agreed with CIBC. As part of this agreement, the parent company of the Group, Rossum Ltd, has pledged its assets as collateral to secure the loan.

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20. Financial risk management

20.1 Financial instruments

Financial assets and liabilities by category:

in USD thousands	As of 31st Jan 2023	As of 31st Jan 2022
Financial assets - current		
Trade and other receivables - maturity within one year (Note 13)	2,623	1,695
Cash and cash equivalents - maturity within one year	35,115	60,880
Total	37,737	62,575
Financial liabilities - current		
Trade and other payables - maturity within one year (Note 16)	(3,812)	(2,133)
Total	(3,812)	(2,133)

There are no financial assets classed as assets held to maturity. There is no material difference between the book values and fair values of the Group's financial assets and financial liabilities because of the relative short-term nature of the respective instruments. The most material financial assets and liabilities are in USD.

20.2 Capital risk management

As of 31 January 2023, the Group does not have any debt. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of Rossum Ltd comprising issued capital, contribution outside of share capital, employee stock-options and retained earnings (as disclosed in note 18). The Group is not subject to any externally imposed capital requirements.

20.3 Financial risk management objectives

The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange currency risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by utilising natural hedging between the revenue and costs, or assets and liabilities denominated in the same currency.

20.4 Interest rate risk

As of 31 January 2023, the Group is not exposed to interest rate because the Group does not have any borrowings.

20.5 Credit risk

The Group's exposure to credit risk is limited to the carrying amount of trade receivables recognised at the date of the statement of financial position (as disclosed in note 13). At 31 January 2023 the amount subject to credit risk was \$1,913k (at 31 January 2022: \$1,017k).

In order to minimise credit risk, the Group may request an advance payment from new customers with a higher risk profile. When a receivable becomes overdue, a strict collection process is followed to recover the funds, through sending dunning letters, restricting the access to the platform, and forwarding the customer's file to our external collection agency. The Group reviews the recoverable amount of each trade

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debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The Group is not exposed to any significant credit risk exposure to any single counterparty, or any group of counterparties having similar characteristics.

20.6 Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, and by continuously monitoring forecast and actual cash flows.

20.7 Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Finance department utilises natural hedging between the costs and the revenues denominated in the same currency.

The Group is mainly exposed to the foreign currency of Europe (Euro, Sterling pound, Czech koruna). The majority of the Group's revenue is denominated in USD, while a material share of the Group's costs are denominated in CZK, GBP and EUR.

21. Related party transactions

Apart from the employment contracts between the Directors and the Group, no contract existed during the period ended 31 January 2023 in relation to the Group's business in which any Director was interested.

21.1 Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

in USD thousands	As of 31st Jan 2023	As of 31st Jan 2022
Directors		
Short-Term employee benefits		
Salaries and bonus payments	173	149
Allowances and benefits in kind	11	-
Aggregate emoluments	184	149
Other long-term benefits		
Employer's NIC / Social security contribution	58	51
Aggregate emoluments	58	51
Total Directors Remuneration	242	200

The total remuneration of Directors was \$242k during the financial year ended 31st January 2023.

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21.2 Remuneration of the highest paid Director

in USD thousands	As of 31st Jan 2023	As of 31st Jan 2022
Emoluments	92	74
Employer's NIC / Social security contribution	29	26
Total	121	100

22. Ultimate parent undertaking and controlling party

The Group and the Company have no ultimate controlling party.

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Parent Company Balance Sheet

For the year ended 31 January 2023

In USD thousands	Notes	Unaudited	
		As of 31st of Jan 23	As of 31st of Jan 22
Fixed assets			
Investments	27	20,422	8,234
Current Assets			
Trade and other receivables:	28	17,861	1,589
Cash and cash equivalents	29	34,258	59,544
		52,119	61,133
Total assets		72,541	69,367
Current Liabilities			
Trade and other payables	30	(3,201)	(621)
Net current liabilities		(3,201)	(621)
NET ASSETS			
		69,340	68,746
Equity			
Share Capital	31.1	-	-
Share Premium	31.2	(68,518)	(68,518)
Share-based payment	31.3	(491)	-
Retained Earnings		(228)	236
Net income		(103)	(464)
Total Equity		(69,340)	(68,746)

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own Profit and Loss account for the year. The result for the financial year dealt with in the financial statements of the parent company was a profit of \$103k (for the prior year: \$464k profit).

The notes on pages 40 to 45 form part of these financial statements. The financial statements of Rossum Ltd were approved by the Board of Directors and authorised for issue on 11th April 2024. They were signed on its behalf by:

Tomas Gogar

T Gogar
Chief Executive Officer

11-Apr-2024

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Parent Company Statement of Changes in Equity

For the year ended 31 January 2023

in USD thousands	Share capital	Share Premium	Share based payment	Retained earnings	Total equity
As at 1 February 2021 (Unaudited)	-	3,108	-	(236)	2,872
Equity issued in the year	-	65,410	-	-	65,410
Profit for the year ended 31 January 2022	-	-	-	464	464
Total comprehensive income (Unaudited)	-	65,410	-	464	65,874
As at 31 January 2022 (Unaudited)	-	68,518	-	228	68,746
Profit for the year ended 31 January 2023	-	-	-	103	103
Credit to equity for equity settled share-based payments	-	-	491	-	491
Total comprehensive income	-	-	491	103	594
As at 31 January 2023	-	68,518	491	331	69,340

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Notes to the Parent Company financial statements

23. General information

Rossum Ltd (the "Company") is a private company limited by shares incorporated and domiciled in England and Wales. The address of the Company's registered office is 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 4 to 7.

The financial statements have been prepared on a going concern basis and under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Rossum Ltd is considered to be the United States Dollar because the majority of the Company's revenue is denominated in this currency, and this is the currency in which the funds from financing activities are generated. All financial information has been rounded to the nearest thousand dollars.

Rossum Ltd meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Rossum Ltd is consolidated in the financial statements of the Rossum Group, which form pages 4 to 37 of these accounts. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement and remuneration of key management personnel.

Further, the Parent Company Statement of Comprehensive Income is approved by the Board of Directors and as permitted under section 408 of the Companies Act has not been presented.

24. Significant accounting policies for the Parent Company financial statements

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the Company.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue recognition

Subscription revenue

The Company generates most of its revenue from subscriptions to the Group's web-based Intelligent Document Processing platform under a software-as-a-service model. The Group's customers do not have the right to take possession of the online software solution. Subscriptions period can be from yearly to multi-year arrangements, are generally non-cancellable and do not provide for refund of subscription fees.

The Company recognises revenue when performance obligations under the terms of a contract are satisfied. A performance obligation is a contractual promise to transfer a distinct good or service to the customer. This occurs when the control of the product or service is transferred to the customer.

Subscription revenue relates to term subscriptions to the Group's platform, which includes proprietary software and related support. Subscriptions include access to proprietary software, ongoing support and the right to receive unspecified software updates and upgrades released when and if available during the subscription term. Subscription revenues are recognised ratably over the contract terms beginning on the

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date the Group's service is made available to customers, which typically begins on the commencement date of each contract.

Revenue from other group companies

The Company recognises income in respect of services charged to other Group companies.

Foreign currencies

Transactions in currencies other than US dollars are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

Carrying value of payables and receivables

Receivables and payables are recorded initially at fair value. Subsequent measurement is stated at amortised cost. In most cases trade receivables and payables are stated at the amount expected to be paid or received, although any trade payables or receivables held for a significant period may be discounted.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Taxation

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantially enacted. Taxable profit may differ from net profit as reported in the income statement if it is adjusted for items of income or expense that are taxable or tax deductible in other years (timing differences) and items that are never taxable or deductible (permanent differences). Timing differences principally arise from using different balance sheet values for assets and liabilities than their respective tax base values.

Investment in subsidiary and associated undertakings

The interest of the Company in shares of subsidiary and associated undertakings is stated at cost. The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. Impairment is recognised by comparing the carrying amount to the higher of the recoverable amount and value in use.

Employee benefits

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

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

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

Share-based payments

From a reporting perspective, the company recognises stock-based compensation based on FRS 102 section 26. The ESOP expense is accounted for each year through the vesting period.

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The days in each financial year that the employee stayed are calculated based on the start of the vesting period and if it exists, their termination date. The vested value each year is valued with the valuation calculated on the Black-Scholes valuation sheet.

In the case employee leaves and part of the ESOP expense already booked would not vest, the expense for the unvested part would be cancelled. However, this should not happen as the calculation is prepared after the options for the period were vested.

Due to the absence of an active market for the company's common stock, the Company utilised acceptable methodologies in accordance with the generally accepted valuation practices in the market, to estimate the fair value of its common stock at each grant date of awards. Significant changes to the key assumptions underlying the factors used could result in different fair values of common stock at each valuation date.

The fair value of stock options is recognised over the period during which an optionee is required to provide services in exchange for the stock option award, known as the requisite service period (usually the vesting period) on a straight-line basis. Stock-based compensation expense is recognised based on the fair value determined on the date of grant and is reduced for forfeitures as they occur.

25. Critical accounting judgement and key sources of estimation uncertainty

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

For the Company, there were no such items which required such judgements or estimates.

26. Employees

In USD thousands	Unaudited	
	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Wages and salaries	300	-
NIC	41	-
Other pension costs	5	-
Employee costs	346	-

The average number of employees during the year ended January 2023 was 1 (nil the prior year).

Employee numbers	Unaudited	
	From 1st Feb 22 to 31st Jan 23	From 1st Feb 21 to 31st Jan 22
Sales	1	-
Monthly average number of employees	1	0

27. Investments

Rossum Ltd holds investment in Rossum Czech Republic s.r.o., Rossum USA Inc. and Rossum Israel Ltd.

- Rossum Czech Republic s.r.o. is registered at Krizikova, 148/34 Praha 8 - Karlín, 186 00 Czech Republic. The CRN for Rossum Czech Republic is 059 44 619.
- Rossum USA Inc. is registered at 954 Lexington Avenue, Suite 1016, New York, NY 10021. The CRN for Rossum Inc is 6336175.
- Rossum Israel Ltd is registered at Rehov Yigal Alon 94, 6789139 Tel Aviv-Yafo, Israel. The CRN for Rossum Israel is 516253572. Rossum Israel is currently dormant and is being liquidated.

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The value of each investment is as follows:

Name of undertaking	Holding	Country of incorporation	Value of the investment as of Jan 2023 ('000 \$)	Value of the investment as of Jan 2022 ('000 \$)
Rossum Czech Republic s.r.o.	100% direct holding	Czech Republic	20,311	8,197
Rossum USA Inc.	100% direct holding	United States of America	81	7
Rossum Israel Ltd	100% direct holding	Israel	30	30

The value of the investment in Rossum Czech Republic s.r.o. and in Rossum USA Inc. increased over the period following:

- the conversion of a loan into equity (\$11,697k) for Rossum Czech Republic s.r.o.;
- the ESOP investments corresponding to employees of the other Group entities (\$73k for Rossum USA Inc. and \$417ks for Rossum Czech Republic s.r.o.).

28. Debtors and other receivables

in USD thousands	As of 31st Jan 2023	As of 31st Jan 2022
Trade receivables	1,063	401
Intercompany receivables	16,794	1,157
Other receivables	4	31
Trade and other receivables	17,861	1,589

29. Cash and cash equivalents

Cash equivalents represent short-term liquid assets that can be easily and readily converted into a known amount in cash and for which significant changes in value over time are not expected.

30. Creditors and other payables

in USD thousands	As of 31st Jan 2023	As of 31st Jan 2022
Trade payables	68	6
Intercompany payables	2,778	548
Employee payables	21	-
Social security payables	122	-
Tax payables	53	60
Other payables	159	7
Trade and other payables	3,201	621

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All transactions are conducted on an unsecured basis with all considerations paid using cash settlement. There are no guarantees given or received in relation to these balances.

No interest is charged on the trade payables due to Group companies.

31. Equity

31.1 Share capital

The below represents the allotted, issued, authorised and fully paid share capital of the Company:

in USD thousands	Number of shares	Nominal value in GBP	Nominal value in USD	Total value in USD
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Total	281,142	0.001	0.0013436	378

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	Period 1st Feb 22 - 31st Jan 23		Period 1st Feb 21 - 31st Jan 22	
	Weighted average exercise price	Number	Weighted average exercise price	Number
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Granted during the year	109.79	44	97.48	6,373
Forfeited during the year	89.01	(4,235)	53.77	(640)
Exercised during the year		0		0
Lapsed during the year		0		0
Outstanding at 31 January	59.33	9,153	68.58	13,344

The weighted average fair value of each option granted during the year was \$109.79 (\$97.48 in prior year).

The exercise price of options outstanding at 31 January 2023 ranged between \$18.49 to \$207.89 and their weighted average contractual life was 2.48 years.

Of the total number of options outstanding at 31 January 2023, 8,592.3 had vested and were exercisable.

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32. Transactions with Directors

Apart from the employment contracts between the Directors and the Group, no contract existed during the period ended 31 January 2023 in relation to the Company's business in which any Director was interested.