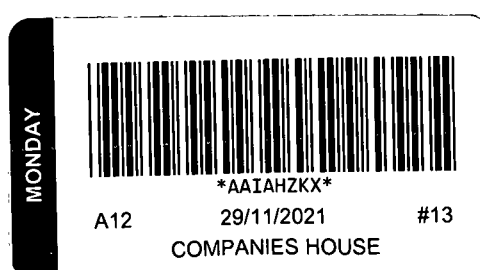


ANNUAL REPORT AND FINANCIAL STATEMENTS

ORIGAMI ENERGY LIMITED

YEAR ENDED 30 JUNE 2021

REGISTERED NUMBER 08619644



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ORIGAMI ENERGY LIMITED

COMPANY INFORMATION

DIRECTORS:

Peter Bance
Simon King
Nicholas Emery
Andrew Williamson
Margaret Rice-Jones
Peter Simmonds
Steven Poulter (appointed 11 June 2021)

COMPANY SECRETARY:

Matthew Kendall

REGISTERED OFFICE:

Unit 205
Cambridge Science Park
Milton Road
Cambridge CB4 0GZ

REGISTERED NUMBER:

08619644 (England and Wales)

INDEPENDENT AUDITORS:

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

ORIGAMI ENERGY LIMITED

STRATEGIC REPORT

The directors present their Strategic Report on the company for the year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The company develops and operates software technology which monitors, communicates and controls existing industrial and commercial energy-generating, energy-using and energy-storing assets so they can be used to increase the marginal capacity of the electricity network (known as “flexibility”) and improve the security of supply as well as enabling more renewables to be connected to the grid.

REVIEW OF BUSINESS

During the year, the company continued to invest in the research, development and commercialisation of technology to enable the control and management of distributed energy assets including generation, storage and demand.

The results for the company for the year show a turnover of £1,283,024 (2020: £830,871) with a loss before tax of £8,030,908 (2020: £7,607,772).

On 29 March 2021 the company entered into a convertible loan agreement with UK FF Nominees Limited and existing investors for a total of £5,000,000. The loan bore interest at 8% and converted to Ordinary Shares on 3 June 2021 following receipt of equity investment.

On 2 June 2021 the company received equity investment of £499,996 from existing Octopus Group investors.

On 3 June 2021 the company received equity investment of £14,999,992 from Sustainable Impact Capital Limited.

RISKS AND UNCERTAINTIES

The principal risks and uncertainties that the company face include potential changes to the regulatory environment, the overall health and growth of the energy sector (and in particular, the size and value of flexibility), health & safety and the company’s ability to raise further funding required to support its working capital needs. In addition, Brexit may also impact the company’s ability to attract world-class talent.

The Covid-19 pandemic has not impacted the company’s ability to continue to develop its software platform nor meet its existing commercial commitments. The pandemic has brought increased global focus on the need for renewable energy sources and the directors believe this will benefit the company in the long term.

The company’s risk appetite is set by the Board. The company is committed to good governance appropriate for a company of its size and control in order to run its business effectively and ensure that it can manage the risk appropriately. The company has undertaken activities in the past year to ensure effective measures are in place to prevent such uncertainties from significantly impacting the operations of the business. The principal risks and uncertainties are reviewed by the Board every month and when risks are judged to be severe impact and high likelihood a mitigation plan is put in place.

This report was approved by the board of directors and signed on behalf of the board by:

Peter Bance

.....
Peter Bance (Director)
16 November 2021

ORIGAMI ENERGY LIMITED**DIRECTORS' REPORT**

The directors present their report with the audited financial statements of the company for the year ended 30 June 2021.

The financial statements have been prepared under FRS 102.

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision as defined in section 232(2) of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law, throughout the financial year and to the date of approval of the financial statements.

DIVIDENDS

No dividends were paid during the year (2020: £nil).

DIRECTORS

The directors shown below have held office during the year and up to the date of this report.

Peter Bance

Simon King

Nicholas Emery

Andrew Williamson

Margaret Rice-Jones

Peter Simmonds

Steven Poulter (appointed 11 June 2021)

FINANCIAL RISK MANAGEMENT

The directors have considered the need to disclose financial risks material to the company. At this stage in the company's development, the directors are of the opinion that there are no material price, credit or interest rate risks.

RESEARCH AND DEVELOPMENT

Origami Energy Limited is developing and commercialising ground-breaking technology which will monitor, communicate with and control existing industrial and commercial energy-generating, energy-using and energy-storing assets so that they can be used to increase the marginal capacity of the electricity network, improve the security of supply and reduce carbon emissions enabling more renewables to be connected to the grid. This new technology continues to go beyond the current state of knowledge in the industry and the technology has now been deployed into the field for revenue generating activities. Whilst the present deployment means that the company focus is no longer 100% on research and development, there is still considerable innovative activity aimed at overcoming uncertainty, particularly around automation and optimisation of the system.

ORIGAMI ENERGY LIMITED**DIRECTORS' REPORT (CONTINUED)**

GOING CONCERN

The Financial Statements have been prepared on the going concern basis which assumes that company will continue in operational existence for the foreseeable future.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

Under company law 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 and profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

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

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

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the Directors' Report is approved, the following applies:

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

INDEPENDENT AUDITORS

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at a future board meeting.

This report was approved by the board of directors and signed on behalf of the board by:

Peter Bance

.....
Peter Bance (Director)
16 November 2021

ORIGAMI ENERGY LIMITED**Independent auditor's report to the members of Origami Energy Limited****Opinion**

We have audited the financial statements of Origami Energy Limited (the 'company') for the year ended 30 June 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, Statement of Cash flows, and 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report 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 the 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.

Independent auditor's report to the members of Origami Energy Limited (*continued*)

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the group and determined that the most significant are those that relate to the operational environment, the financial reporting framework (FRS102 and Companies Act 2006) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, including laws and regulations relating to employment matters and data security and protection.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by asking inquiries of management and the audit committee concerning the Company's policies and procedures relating to:
 - Identification, evaluation and compliance with laws and regulations;
 - The detection and response to the risks of fraud; and
 - The establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We corroborated our inquiries through review of board minutes.

- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated this through our review of board minutes and professional fees incurred during the year;

Independent auditor's report to the members of Origami Energy Limited (*continued*)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (*continued*)

- We assessed the susceptibility of the company's financial statements to material misstatement including how fraud might occur. Audit procedures included:
 - Identifying and assessing the design effectiveness of management's controls designed to prevent and detect irregularities;
 - Challenging assumptions and judgements made by management in its evaluation of accounting estimates;
 - identifying and testing journal entries, in particular any large or unusual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
 - assessing the extent of compliance with certain significant laws and regulations that may have an effect on the determination of the accounts and disclosures in the financial statements.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- Assessment of the appropriateness of the collective capabilities of the engagement team included the consideration of the engagement team's understanding and experience of, and practical experience with engagements of a similar nature and complexity including appropriate training.
- It is the engagement partner's assessment that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- Management have not communicated to the audit team any matters of non-compliance with laws, regulations, or fraud and no such matters were identified by the audit team.
- We completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations.

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.

Grant Thornton UK LLP

Paul Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
17/11/2021

ORIGAMI ENERGY LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Year ended 30 June 2021 £	Year ended 30 June 2020 £
TURNOVER	5	1,283,024	830,871
Cost of sales		(79,500)	(16,514)
GROSS PROFIT		1,203,524	814,357
Administrative expenses		(7,500,494)	(8,500,939)
Other operating income		35,285	-
OPERATING LOSS	6	(6,261,685)	(7,686,582)
Interest receivable and similar income		35	78,810
Interest payable and similar charges	9	(1,769,258)	-
LOSS BEFORE TAXATION		(8,030,908)	(7,607,772)
Tax on loss	10	710,658	727,011
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE LOSS		(7,320,250)	(6,880,761)

The Company has no other comprehensive income or expenditure.

The notes on pages 12 to 22 are an integral part of these financial statements.

ORIGAMI ENERGY LIMITED**BALANCE SHEET**
AS AT 30 JUNE 2021

	Note	As at 30 June 2021 £	As at 30 June 2020 £
FIXED ASSETS			
Tangible assets	11	196,079	251,883
		196,079	251,883
CURRENT ASSETS			
Debtors	12	1,205,040	1,328,615
Cash at bank and in hand		19,264,896	4,446,411
		20,469,936	5,775,026
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(785,166)	(828,437)
NET CURRENT ASSETS		19,684,770	4,946,589
TOTAL ASSETS LESS CURRENT LIABILITIES		19,880,849	5,198,472
NET ASSETS		19,880,849	5,198,472
CAPITAL AND RESERVES			
Called up share capital	15	647	488
Share premium account		56,094,505	36,297,131
Other reserve		1,696,382	-
Share based payments		2,972,377	2,463,665
Retained earnings		(40,883,062)	(33,562,812)
TOTAL EQUITY		19,880,849	5,198,472

The notes on pages 12 to 22 are an integral part of these financial statements.

The financial statements on pages 8 to 22 were authorised for issue by the Board of Directors on 16 November 2021 and were signed on its behalf by:

Peter Bance

.....
Peter Bance
Director

Registration number 08619644

ORIGAMI ENERGY LIMITED**STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 30 JUNE 2021

2021	Note	Called up share capital	Share premium	Other reserve	Share based payments reserve	Retained earnings	Total
		£	£	£	£	£	£
Loss for the year		-	-	-	-	(7,320,250)	(7,320,250)
Total comprehensive loss		-	-	-	-	(7,320,250)	(7,320,250)
Issue of shares		111	15,500,094	-	-	-	15,500,205
Share issue costs		-	(775,000)	-	-	-	(775,000)
Conversion of loan note		48	5,072,280	1,696,382	-	-	6,768,710
Share based payments	8	-	-	-	508,712	-	508,712
Total transactions with owners		159	19,797,374	1,696,382	508,712	-	22,002,627
Total change in equity		159	19,797,374	1,696,382	508,712	(7,320,250)	14,682,377
Opening Balance at 1 July 2020		488	36,297,131	-	2,463,665	(33,562,812)	5,198,472
Closing Balance at 30 June 2021		647	56,094,505	1,696,382	2,972,377	(40,883,062)	19,880,849

2020	Note	Called up share capital	Share premium	Other reserve	Share based payments reserve	Retained earnings	Total
		£	£	£	£	£	£
Loss for the year		-	-	-	-	(6,880,761)	(6,880,761)
Total comprehensive loss		-	-	-	-	(6,880,761)	(6,880,761)
Issue of shares		1	12,449	-	-	-	12,450
Share based payments	8	-	-	-	598,654	-	598,654
Total transactions with owners		1	12,449	-	598,654	-	611,104
Total change in equity		-	12,449	-	598,654	(6,880,761)	(6,269,657)
Opening Balance at 1 July 2019		487	36,284,682	-	1,865,011	(26,682,051)	11,468,129
Closing Balance at 30 June 2020		488	36,297,131	-	2,463,665	(33,562,812)	5,198,472

ORIGAMI ENERGY LIMITED**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Net cash from Operating Activities	19	(5,593,798)	(7,219,016)
Taxation received		694,115	632,896
Net cash used in Operating Activities		(4,899,683)	(6,586,120)
Cash flow from Investing Activities:			
Purchase of Tangible Assets		(6,574)	(163,770)
Proceeds from disposal of tangible fixed assets		50	175
Proceeds from disposal of short-term investments		-	7,500,000
Interest received		35	78,810
Interest payable		(547)	-
Net Cash generated from Investing Activities		(7,036)	7,415,215
Cash flow from Financing activities:			
Proceeds on issue of convertible debt		5,000,000	-
Proceeds on issue of shares		15,499,988	-
Share issue costs		(775,000)	-
Proceeds on share option exercise		216	12,450
Net Cash generated from Financing Activities		19,725,204	12,450
NET INCREASE IN CASH AND CASH EQUIVALENTS		14,818,485	841,545
Cash and cash equivalents at the start of the year		4,446,411	3,604,866
Cash and cash equivalents at the end of the year		19,264,896	4,446,411
Cash and cash equivalents consists of:			
Cash at bank and in hand		19,264,896	4,446,411
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		19,264,896	4,446,411

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

1. GENERAL INFORMATION

Origami Energy Limited ('the Company') operates in the UK. The principal activity of the Company is the development and commercialisation of technology to enable the control and management of distributed energy assets.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Unit 205, Cambridge Science Park, Milton Road, Cambridge CB4 0GZ.

2. STATEMENT OF COMPLIANCE

The financial statements of Origami Energy Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These Company financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, being Financial Reporting Standard 102 (FRS 102).

Going Concern

The Company incurred a loss after tax of £7,320,250 for the year ended 30 June 2021 (2020: £6,880,761). Losses are expected to continue as the Company continues to invest in the commercialisation of its technology.

The Company meets its day-to-day working capital requirements from its bank balances which were generated from fund raising activities in the year. During the year the company received £5,000,000 from the issue of convertible loan notes to new and existing shareholders and £15,500,000 from the issue of equity to new and existing shareholders. Based on financial forecasts prepared the company for the period to 31 December 2022, this is expected to provide sufficient funding for the company's activities for the foreseeable future.

The directors are confident that based on the latest forecasts, the cash on hand at the date of approval of the financial statements is sufficient for the Company to continue in operational existence for the period of at least 12 months after the date of signing these financial statements. Accordingly the directors have assessed that it is appropriate that these financial statements are prepared on a going concern basis.

Foreign Currency**i. Functional and presentation currency**

The Company's financial statements are presented in pound sterling. The Company's functional and presentation currency is the pound sterling.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. All foreign exchange gains and losses are presented in the profit and loss account.

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**

3. SIGNIFICANT ACCOUNTING POLICIES - continued**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

Electricity flexibility services

The Company earns revenue from providing electricity flexibility to major electricity system players. Revenue is recognised on a monthly basis at a fixed rate for electricity flexibility that is made available to customers.

Platform revenue

The Company earns revenue from providing technology solutions to major electricity system players via licence fee agreements. Revenue from these contracts is recognised over the period to which the licence relates.

Other revenue

The Company also earns revenue from consultancy and project management services. Revenue from these services is recognised in accordance with agreed milestones.

Employee benefits**i. Short-term benefits**

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Defined contribution pension plans

The Company operates a defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

iii. Share-based payments

Equity-settled arrangements are measured at fair value (excluding the effect on nonmarket based vesting conditions) at the date of the grant. The share option vest in tranches determined at the date of grant and the fair value is expensed over the vesting period of the respective tranche. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Taxation**i. Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**

3. SIGNIFICANT ACCOUNTING POLICIES – continued**Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the assets to its working condition for its intended use. Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life:

Hardware and Lab equipment	3 years
Office equipment	3 years
Office fit out costs	Over term of lease
Energy Routers	15 years

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Financial instruments

The company enters only into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors with the exception of a convertible loan note.

Basic instruments

Assets and liabilities are measured initially and subsequently at the undiscounted value of cash consideration expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Convertible loan note

The convertible loan note is a compound non-basic financial instrument measured at fair value and recognised as debt, with fair value adjustments recognised in the profit or loss.

On conversion, the debt is credited to share capital, share premium and other reserves as appropriate, with no gain or loss recognised.

Share issue costs

Cost that are directly attributable to the issue of share capital are debited to share premium. All other costs are included in the profit and loss account.

Other income - Government Grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued****4. ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Share based payments

The share based payments charge is calculated in accordance with FRS 102 using the Black-Scholes valuation model. The key judgement made by management is in relation to the volatility of the share price. As there is no readily available market for the company's shares, management has estimated the volatility rate based on a range of comparable public companies.

Convertible debt

The valuation of the convertible debt issued during the year is dependent on the market rate of interest under which it was held. Given the nature of the loan notes, management consider 8% to be the appropriate estimate, being the interest rate held within the agreement.

5. TURNOVER**Analysis of turnover by geography:**

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
United Kingdom	<u>1,283,024</u>	<u>830,871</u>

Analysis of turnover by category:

Platform revenue	608,897	493,223
Other	<u>674,127</u>	<u>337,648</u>
Total	<u>1,283,024</u>	<u>830,871</u>

6. OPERATING LOSS

The Company's operating loss is stated after charging/ (crediting):

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Loss/ (profit) on disposal of fixed assets	<u>1,338</u>	<u>(175)</u>
Fees payable to the Company's auditors	28,000	20,000
Tax advisory and compliance services	<u>6,336</u>	<u>7,506</u>
Total amount payable to the Company's auditors	<u>34,336</u>	<u>27,506</u>
Operating lease charge	<u>205,092</u>	<u>322,437</u>

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued****7. STAFF COSTS**

The cost of staff employed was as follows:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Wages and salaries	4,520,100	4,610,165
Social security costs	504,624	526,433
Other pension costs	175,643	167,859
Share based payments	508,712	598,654
Total	5,709,080	5,903,111

Employees

The average monthly number of employees (including executive directors) employed by the company during the year was as follows:

	Year ended 30 June 2021	Year ended 30 June 2020
	Number	Number
Directors	3	3
Administration and operations	64	66
	67	69

Directors

The directors' emoluments were as follows:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Aggregate remuneration	305,728	242,628
Pension Contribution	11,400	8,891
	317,128	251,519

No share options were exercised in the year by the directors.

Highest Paid Director

The highest paid directors' emoluments were as follows:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Aggregate remuneration	155,614	130,115
Pension Contribution	6,200	5,200
	161,814	135,315

There were no termination payments for directors. No bonuses are due to directors. During the year, 2 directors (2020: 2) received pension contributions.

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued****8. SHARE BASED PAYMENTS**

The Company has an Enterprise Management Incentive share option scheme for all employees. The options vest over a period of three years from grant date subject to continued employment within the company. The option period commences from the grant date and ends on the date prior to the tenth anniversary of the grant date. A reconciliation of share option movements over the year to 30 June is shown below.

	2021	2021	2020	2020
	Number	Weighted average exercise price	Number	Weighted average exercise price
		£		£
Opening Balance	398,918	1.76	323,443	1.48
Option granted	33,845	2.50	150,233	2.50
Options exercised	(270)	-	(9,100)	-
Options expired	(48,826)	-	(65,658)	-
Closing Balance	383,667	1.77	398,918	1.76

The fair value of the share options granted during the year is determined using the Black Scholes model. Relevant market assumptions have been used and the model is internationally recognised as being appropriate to value employee share options.

The Company issued 10,000 warrants to a Director on 28 June 2018. One third of these vest immediately on grant and the remaining two thirds vest 12 and 24 months from grant date respectively. The fair value of these warrants is also determined using the Black Scholes model and the same market assumptions as above.

The total charge for the year for share based payments was £508,712 (2020: £598,654).

9. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Interest on convertible debt	72,876	-
Fair value adjustment on convertible debt	1,696,382	-
	1,769,258	-

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued****10. TAX ON LOSS**

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Tax credit included in profit and loss account:		
Research and development tax credit at 14.5 % (2020: 14.5%)	(710,658)	(694,115)
Adjustment in respect of prior years	-	(32,896)
Tax on loss on ordinary activities	(710,658)	(727,011)

The tax assessed for the year is lower (2020: lower) than the standard effective rate of corporation tax in the UK for the year ended 30 June 2021 of 19% (2020: 19%).

The differences are explained below:

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Reconciliation of income tax charge		
Loss before taxation	(8,030,908)	(7,607,772)
Corporation tax charge at 19 % (2019: 19%)	(1,525,873)	(1,445,476)
Effects of:		
Losses surrendered	404,873	395,448
Expenses not deductible for tax purposes	136,825	153,551
Unrecognised deferred tax asset	984,175	896,477
Research and development tax credit	(710,658)	(694,115)
Adjustment in respect of prior year	-	(32,896)
Total tax charge/(credit) for the year	(710,658)	(727,011)

No corporation tax liability arises on the results for the year due to the loss incurred.

Factors that may affect future tax charges

In the UK Budget Statement on 3 March 2021, the Chancellor announced the intention for corporation tax to rise to a headline rate of 25% from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes have not been substantively enacted for the balance sheet date, and therefore no adjustment has been made to deferred taxation balances to account for this change.

At 30 June 2021, the Company had potential deferred tax assets at the prevailing rate of 19% (2020: 19%) in relation to tax losses carried forward of £5,452,024 (2020: £4,469,019) and timing difference on fixed assets of £5,676 (2020: £4,507). The deferred tax asset is not recognised as there is insufficient evidence that they are recoverable. The deferred tax asset would be recoverable if the Company were to become profitable in the future.

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued****11. TANGIBLE ASSETS**

	Hardware and Lab Equipment £	Office Equipment £	Office Fit Out Costs £	Energy Routers £	Total £
COST					
At 1 July 2020	624,412	82,798	168,249	127,357	1,002,816
Additions	3,295	3,279	-	-	6,574
Disposal	(2,690)	-	-	-	(2,690)
At 30 June 2021	625,017	86,077	168,249	127,357	1,006,700
ACCUMULATED DEPRECIATION					
At 1 July 2020	568,519	70,868	89,066	22,480	750,933
Charge for year	28,164	5,331	19,004	8,491	60,990
Eliminated on disposal	(1,302)	-	-	-	(1,302)
At 30 June 2021	595,381	76,199	108,070	30,971	810,621
NET BOOK VALUE					
At 30 June 2021	29,636	9,878	60,179	96,386	196,079
At 30 June 2020	55,893	11,930	79,183	104,877	251,883

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued****12. DEBTORS**

	At 30 June 2021 £	At 30 June 2020 £
Short term bank bonds	43,730	43,730
Trade debtors	54,520	213,154
Other debtors	175,314	157,194
Prepayments and accrued income	220,818	220,422
Research and development tax credit	710,658	694,115
	<u>1,205,040</u>	<u>1,328,615</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 30 June 2021 £	At 30 June 2020 £
Trade creditors	218,155	200,355
Taxation and social security	152,361	150,910
Accruals and deferred income	357,122	439,696
Other creditors	57,528	37,476
	<u>785,166</u>	<u>828,437</u>

14. FINANCIAL INSTRUMENTS

	Convertible Debt £
Opening balance at 1 July 2020	-
Issue of convertible debt	5,000,000
Accrued interest	72,876
Interest paid	(547)
Fair value adjustment	1,696,382
Released to equity on conversion	<u>(6,768,711)</u>
Closing balance at 30 June 2021	<u>-</u>

On 29 March 2021 the company entered into a convertible loan agreement (CLA) with UK FF Nominees Limited and existing investors for a total of £5,000,000. The loan bore interest at 8% and converted to Ordinary Shares on 3 June 2021 following receipt of equity investment.

Immediately prior to conversion the loan was restated to fair value being the market value of the shares to be issued.

On 3 June 2021 the company received equity investment which, under the terms of the CLA, triggered conversion of the loan into Ordinary Shares at a discount of 20-30% on the equity investment price of £14.00 per share. As a result the company issued 483,477 A3 Ordinary shares.

Upon conversion the balance of the convertible loan was released to equity.

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued****15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal	At 30 June 2021 £	At 30 June 2020 £
1,020,386 (2020: 1,020,116)	Ordinary	£0.0001	102	102
3,885,476 (2020: 3,855,474)	A1 Ordinary	£0.0001	386	386
3,322 (2020: nil)	A2 Ordinary	£0.0001	-	-
1,587,295 (2020: nil)	A3 Ordinary	£0.0001	159	-
			647	488

All Ordinary shares carry equal rights and are ranked pari passu.

During the year ended 30 June 2020, 9,100 share options were exercised on which share premium of £12,449 arose.

On 2 June 2021 the company's A Ordinary shares were redesignated as A1 Ordinary shares and two new classes of shares, A2 Ordinary and A3 Ordinary were created.

On 2 June 2021 the company issued 2 A1 Ordinary shares, 3,322 A2 Ordinary shares and 32,390 A3 Ordinary shares to existing Octopus Investors on which share premium of £499,992 arose.

On 3 June 2021 the company issued 1,071,428 A3 Ordinary shares to Sustainable Impact Capital Limited on which a premium of £14,999,885 arose.

On 3 June the convertible loan was converted to equity resulting in the issue of a further 483,477 A3 Ordinary shares on which a premium of £5,072,280.

During the year ended 30 June 2021, 270 share options were exercised resulting in the issue of 270 Ordinary shares on which share premium of £216 arose.

16. RELATED PARTY DISCLOSURES

At 30 June 2021 £2,055 was owed to Peter Bance, a director of the company (2020: £nil). The balance owed to Peter Bance is presented within the trade creditors balance.

In the opinion of the directors there is no ultimate parent or controlling party.

17. WARRANTS

In 2014, in conjunction with the shares issued as disclosed in note 15, 28,126 £0.0001 A ordinary shares (Warrant Shares) were issued. If these warrants are exercised the total consideration will be allocated between the Share Capital and Share Premium in accordance with relevant UK Law. The warrants expire 10 years after issue.

ORIGAMI ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued****18. FINANCIAL COMMITMENTS**

The future minimum operation lease payments are as follows:

	At 30 June 2021 £	At 30 June 2020 £
Expiry date:		
Not later than one year	217,351	217,351
Later than one year and not later than five years	38,921	256,271
	<u>256,272</u>	<u>473,622</u>

The operating leases relate to the offices in Cambridge.

19. CASH FLOW FROM OPERATIONS

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Loss for the financial year	(7,320,250)	(6,880,761)
Tax on loss	(710,658)	(727,011)
Interest receivable and similar income	(35)	(78,810)
Interest payable and similar charges	1,769,258	-
Operating Loss	(6,261,685)	(7,686,582)
Depreciation of Tangible Assets	60,990	81,512
(Profit)/ Loss on disposal of tangible assets	1,338	(175)
Write down of subsidiary	-	100
Share based payments charge	508,712	598,654
Working capital movements:		
Decrease/ (increase) in debtors	140,118	(308,212)
(Decrease)/ increase in creditors	(43,271)	95,687
Cash flow from Operating Activities	(5,593,798)	(7,219,016)

20. ANALYSIS OF CHANGES IN DEBT

	At 1 July 2020 £	Cashflows £	At 30 June 2021 £
Cash and cash equivalents			
Cash at bank and in hand	4,446,411	14,818,485	19,264,896
Total	<u>4,446,411</u>	<u>14,818,485</u>	<u>19,264,896</u>

21. EVENTS AFTER THE REPORTING PERIOD

There are no events to report on after the reporting period.