

COMPANY REGISTRATION NO.

05160606

DAZN MEDIA SALES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2022

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DAZN MEDIA SALES LIMITED

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

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DAZN MEDIA SALES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

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DAZN MEDIA SALES LIMITED

STRATEGIC REPORT

The Director, in preparing this Strategic report for DAZN Media Sales Limited ("the Company"), has complied with s414C of the Companies Act 2006. The Company is part of the group of companies owned by DAZN Group Limited ("the Group").

Principal activities

The principal activity of the Company is the sale of advertising inventory alongside leading video and editorial sports content through the Company's branded websites and mobile products. The Company also offers advertising on the DAZN OTT platform, operated by DAZN Limited, a fellow member of the DAZN Group.

Financial review and key performance indicators

Revenue for the year to 31 December 2022 was £30.1 million (2021: £48.5 million). This is considered a key indicator for the Company's performance. Operating costs decreased from £68.3 million to £28.9 million, which resulted in an operating profit for the year of £1.1 million (2021: operating loss of £20.5 million). The Company recorded net finance income of £2.5 million (2021: £3.5 million) and a profit after tax of £3.6 million (2021: loss after tax of £17.0 million).

The Company had cash balances of £5.0 million (2021: £2.1 million) at the year end and net current liabilities of £117.6 million (2021: £122.6 million).

Principal risks and uncertainties

The principal risks and uncertainties relevant to the Company during the current and prior year are detailed below.

Risk	Impact and mitigating actions
Cyber risk and personal data	<p>The Company's operations rely on the secure processing, storage and transmission of confidential and other information in our IT systems and networks. Although the Company takes protective measures and endeavours to modify them as circumstances warrant, IT systems, software and networks may be vulnerable to intrusion or other security breaches, sabotage, hacking, denial of service attacks, viruses or cybercrime (both internally and by third parties). If one or more of such events occur, this potentially could jeopardize the Company's clients' confidential and other information processed and stored in, and transmitted through, computer systems and networks, or otherwise cause interruptions or malfunctions in operations, which could result in significant losses, regulatory censure and reputational damage. Where the information constitutes personal data, such as customer or employee data, this could expose the Company to fines imposed by data protection authorities or legal action.</p> <p>The Company regularly works with clients, vendors, service providers, counterparties and other third parties to develop secure transmission capabilities where possible. The Company continues to invest in the legal and regulatory compliance function and ensure compliance with the General Data Protection Regulation. The Company limits the storage of personal data where possible and does not hold any customer payment data.</p>
Dependency on digital technologies and communications networks	<p>The Company is dependent on third-party internet, mobile and other technology and service providers to deliver its products and services. However, the ultimate control of these platforms and technologies is outside of Management's control. The Company constantly monitors changes in technological trends which could affect the sustainability, usability and economic viability of its products and services to minimise and mitigate the adverse impact that may result. The Company has also experienced occasional service interruptions of varying severity as a result of third-party or internal technological issues. The Company invests in technology and resources to ensure these outages are isolated and, where applicable, offers refunds to customers impacted.</p>

DAZN MEDIA SALES LIMITED

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Risk	Impact and mitigating actions
Protection of the Company's content, brands and intellectual property	The digital ecosystem brings with it an inherent risk of content piracy and rights/IP infringement. If substantial piracy of certain of the Company's content were to occur this may diminish demand for, or the value of, some of the Company's services. The Company monitors infringement of its content, brands and intellectual property rights and continues to develop a range of strategies with which to respond where required.
Exchange risk	A significant portion of the Company's revenue and costs are in Sterling, Euros, Dollars and Yen and the Company is increasingly exposed to trading in other currencies. Management prepare cash flow forecasts by currency and attempt, where appropriate to do so, to naturally hedge the Company's cash flow. Management will continue to carefully monitor the Company's cash flow and consider alternative arrangements if there is a material unhedged exposure.
Products	Constant technological and user behaviour changes necessitate that the Company engages in continuous and sometimes rapid product development. Management are highly focussed on ensuring that the Company makes maximum progress in this respect, but the Company's strategy or its product innovations may not be successful or may take longer to deliver to the market or monetise than anticipated. This could impact the Company's economic performance.
Litigation risk	In the ordinary course of business, the Company could be involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which will determine the rights and obligations under contractual agreements. The Company could also be involved, from time to time, in investigations and regulatory proceedings, certain of which could result in adverse judgments, settlements, fines and other outcomes. The financial impacts of legal risks might be considerable but are difficult to estimate or quantify, so that amounts eventually paid may exceed the amount of provisions set aside to cover such risks. The Company does not currently believe any present lawsuits, arbitrations or dispute resolution procedures (actual or threatened) would lead to a material adverse effect on its business, financial condition or results of operations or could cause significant reputational harm.
Cost of living crisis and economic uncertainty	<p>In recent times, the cost of living has increased due to high levels of inflation across the US and Europe. The increased cost of living and high levels of economic uncertainty are likely to lead to customers in core markets having less disposable income, which in turn could impact subscriber numbers.</p> <p>Despite these challenges, the Company expects revenue growth to continue given the large portfolio of high-profile rights, the relatively inelastic demand profile of sports fans, and the comparatively low price point for the product compared to average household expenditure. The Company has also secured several long-term contracts with distributors across Europe, many of which have minimum guaranteed revenues that could help protect the Company's revenues from potential demand fluctuations.</p>

DAZN MEDIA SALES LIMITED

STRATEGIC REPORT (CONTINUED)

Section 172 - Stakeholder engagement

As a member of the DAZN Group, the Director of the Company has had regard to a variety of stakeholders other than the Company's shareholders when making strategic business decisions. The Director is committed to engaging and reflecting on stakeholder needs through regular dialogue and communication. The Director recognises the unique nature of relationships with different key stakeholders and the dependencies of different elements of the business upon them. Relationships with key stakeholders are managed through relevant engagement activities in order to inform the board in their decision making and delivery of strategy.

The key stakeholder groups and mechanisms of engagement for the Company are set out below.

Stakeholder	Relationship and engagement activities
Customers	<p>The DAZN business has customers in over 200 territories. DAZN engages with its customers principally through its digital application which is available in app stores, smart TVs, mobile devices, streaming media players, internet enabled set-top-boxes, and on the internet. Customers can register, subscribe and engage with DAZN services through this application. DAZN's customers are highly engaged with DAZN's services reflecting the weekly recurrence of live sports.</p> <p>DAZN has an active Customer Relationship Management (CRM) strategy, which notifies customers about new and upcoming content on a weekly basis through email, notifications in the application. Customers can also contact DAZN through self-service customer service engaging with DAZN's customer service agents.</p>
Suppliers	<p>The Company follows a procurement framework to ensure appropriate governance, control and engagement processes are adopted across key third-party supplier relationships, alongside a third-party code of conduct. Additionally, DAZN operates a Brand Safety policy to ensure all advertising on DAZN platforms minimises the risk of ad misplacement and aligns with white and black lists to protect both clients and publisher partners.</p>
Employees	<p>Maintaining an engaged and motivated workforce driven by the desire to change how people consume sport is a key priority for the Board. Through recruiting and retaining exceptional talent the Company aims to build industry leading teams at the forefront of technology, content and production, media, operations and commercial, and business development.</p> <p>The Board maintains active communication with employees, through a series of written/video communications and live events, including regular global updates from our CEO and Exec. DAZN also hold local town hall sessions with open Q&A for employees, both physical and virtual.</p> <p>DAZN is committed to being an inclusive, global company, promoting diversity and equity within the workplace, in addition to creating a more inclusive sports media industry. The business has a dedicated Head of Diversity, Equity and Inclusion (DEI) and has several established Employee Resource Groups (ERGs) and partnerships with external support organisations as part of the DEI strategy.</p>

DAZN MEDIA SALES LIMITED

STRATEGIC REPORT (CONTINUED)

Section 172 - Stakeholder engagement (continued)

Community	<p>A dedicated DEI (diversity, equity, and inclusion) function within the People business function is essential in the implementation of employee-related DEI priorities. In 2022, the Company continued to evolve its efforts including enhancing parental leave packages and women's health policies, setting up minority recruitment network partnerships that focus on removing barriers to entry and the gender skills gap, and creating year-round bite sized learning content on key inclusion topics.</p> <p>To better amplify voices of employees from a diverse set of backgrounds, ERGs (employee resource groups) were set up which are employee-led groups which aim to foster a diverse, inclusive workplace. These help employees contribute to how the business evolves with an increased focus around diversity, provide support and inclusion for personal and/or career development, and create forums to tackle social-related issues.</p> <p>During the year, the Company produced a series of short features honouring key awareness calendar moments, including Black History Month and International Women's Day.</p>
Environment	<p>As a business focused on the delivery and broadcast of live sports events, the Directors recognise the significance of the environment on the DAZN Group's operations, in addition to the impacts that the Group has upon the environment. Climate change and the associated impacts to global and local weather systems will have a direct impact on how people play and experience live sport, which will in turn affect how it is broadcasted.</p> <p>As a global business, the Directors are aware of the carbon footprint of the DAZN Group as a result of work-related travel, in addition to the significant energy outlays required to operate data centres to support DAZN streaming and Media platforms, and production.</p> <p>Data centres are an integral part to the DAZN Group's operations, facilitating the storage and transfer of broadcast data underpinning the DAZN and Media platforms. This is recognised as a key area of energy consumption within the business, and as part of the global data centre network, DAZN utilises sites in London where 100% of power is generated from sustainable resources including water, wind and solar.</p> <p>In 2022, the use of cloud-based remote commentary continued to increase with 35% of all DAZN Platform and broadcast partnership events utilising remote commentary. The use of remote editing has also increased by 30% from 2021, with 68% of all edits remote in 2022 which reduces the travel requirements and associated environmental impact of the events. Finally, since October 2022, UK boxing broadcasts from DAZN's partner Matchroom have all been certified by ALBERT as being carbon neutral productions.</p>

The Director of the Company as part of the DAZN Group takes into account the interests of its stakeholders during key decision as part of their duty to promote the success of the Company. The Director acts in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefits of its members as a whole, and in doing so have regard to the following factors in relation to Section 172(1);

- (a) The likely consequences of any decision in the long term;
- (b) The interests of the Company's employees;
- (c) The need to foster the Company's business relationships with suppliers, customers and others;
- (d) The impact of the Company's operations on the community and the environment;
- (e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) The need to act fairly as between members.

DAZN MEDIA SALES LIMITED

STRATEGIC REPORT (CONTINUED)

The board approach to Section 172 and decision making

Training

Targeted face to face management and leadership development sessions have been delivered in multiple territories including the UK, Netherlands and Japan. The manager support community on the Group's intranet, "Managers' Pitstop", continues to provide support in a number of areas including learning, engagement and for key global initiatives. A dedicated online learning plan for Management and Leadership Development has also been developed, together with a "Manager's Hub" to provide a range of resources and information to support their ability to manage their people and teams.

The Group have focused on bringing as much learning as possible in-house following a partnership with an aggregated online learning content provider, Open Sesame. This has significantly reduced 3rd party supplier costs and allowed for targeted, functional learning to specialist teams around DAZN. This included Security Awareness which enabled targeting of specific audiences to ensure increased levels of completion of our mandatory Security and Privacy Training.

New Starter training has evolved through additional content to help a new starter get up to speed as quickly as possible in their new role, including the creation of a New Starter Hub to provide additional resources and information beyond the New Starter Training Plan.

Culture

In 2022 the Board updated the following Statement of Intent on Diversity, Equity, and Inclusion with reference to levelling the playing field for all prospective employees:

"Sports fans are the lifeblood of DAZN and the very reason we exist. To best serve them, our global workforce must reflect the diversity of sports fans all around the world. We recognize that having the strongest workforce possible means hiring and developing the best people across all races, ethnicities, religions, age groups, sexual orientations, gender identities and all abilities. We are committed to fostering an inclusive environment, both inside and outside of our walls, that values equality and diversity - where everyone can contribute at the highest level and their voices can be heard."

Our aim is to make our hiring processes as accessible for everyone as possible. We continue to do our best to accommodate adjustments for interviews.

Future developments

The Company continues to offer advertising on the DAZN OTT platform.

There were no significant post balance sheet events to disclose.

Approved by the Board of Directors and signed on behalf of the Board.



Darren Waterman

Director

6 December 2023

DAZN MEDIA SALES LIMITED

DIRECTOR'S REPORT

The Board of Directors present their annual report and the financial statements of the Company for the year ended 31 December 2022.

Going concern

The Company continues to offer advertising on the DAZN OTT platform.

Having reviewed cash flow forecasts and budgets and having considered the financial support that the Group's principal shareholder, Access Industries ("Access") has confirmed it intends to provide to the Group through its fully owned subsidiary AI Perform Holdings LLP, the Directors have a reasonable expectation that the Group will have access to sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. As in prior periods, Access is not legally obligated to provide financial support. The Directors have considered a range of factors in order to make their going concern assessment, including expected future demand for the Group's services, the revenue growth trends of the business, the history of continued financial support from Access, throughout the financial year and during 2022 to date, and recent discussions with the current shareholders, who are also represented on the Group's board, on the Group's cash flows forecast, and budgets for the period to 2027, including forecast funding requirements. This assessment has included consideration of the recent cost of living crisis, and its resulting impact on future revenues, results from operations and cash flows. The directors have also considered Access' ability to provide funding and concluded that Access have sufficient funds to provide support to the Group where required. For further details refer to note 1.

The Company had cash balances of £5.0 million (2021: £2.1 million) at the year end and net current liabilities of £117.6 million (2021: £122.6 million).

The Group has prepared a detailed financial forecast for the 12 months following approval of these financial statements. These forecasts indicate that, based on management's assumptions, the Group is likely to require significant additional funding during this period in order to discharge all obligations as they fall due.

The Group's principal shareholder, AI Perform Holdings LLP (a member of the Access Industries group), has confirmed its intention to continue to provide financial support to the Group to enable the Group to ensure that they are able to meet their liabilities as they fall due and therefore to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. In the period between the year end and the signing of the accounts Access has provided \$240.0 million of cash funding to DAZN, in exchange for ordinary and preference shares, to support its investment and growth plans.

Having assessed the above, the Director of the Company has a reasonable expectation that the Company will have access to sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

Directors

The Directors who held office during the year and thereafter were as follows:

- Darren Waterman - appointed on 20 April 2022;
- James Rushton - resigned on 20 April 2022

Director's indemnities

DAZN Group Limited has made qualifying third-party indemnity provisions for the benefit of Directors of all Group companies, which were made during the year and remain in force at the date of this report.

Dividend

The Director does not recommend the payment of a dividend for the year (2021: £nil).

Political contributions

No political contributions were made during the year (2021: £nil).

Business relationships

The Group is committed to fostering strong business relationships with suppliers, customers and others. For further information refer to the stakeholder engagement section of the Strategic Report.

DAZN MEDIA SALES LIMITED

DIRECTOR'S REPORT (CONTINUED)

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. The Company attempts whenever possible to naturally hedge those risks.

Credit risk

The Company's principal financial assets are bank balances and cash and trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The Company recognises a loss allowance based on the financial asset's lifetime expected credit loss and historical loss rates are adjusted to reflect current and forward-looking information.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Company has no other significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The Company mitigates liquidity risk by ensuring that sufficient funds are available for ongoing operations and future developments. Refer to further detail on going concern above and in note 1.

Energy and carbon reporting

The DAZN Group Limited accounts include the energy and carbon reporting disclosure for the whole DAZN Group, which includes DAZN Media Sales Limited.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic report and form part of this report by cross-reference.



Darren Wateran

Director

6 December 2023

DAZN MEDIA SALES LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

The Director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Financial Reporting Standard 101 Reduced Disclosure Framework and UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DAZN MEDIA SALES LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
Revenue	2	30,089	48,487
Operating costs	3	(28,864)	(68,253)
Expected credit loss movement recognised	7	(117)	(690)
Operating profit /(loss)		1,108	(20,456)
Finance income	4	2,477	3,494
Finance costs	5	(6)	(10)
Profit/(loss) before taxation		3,579	(20,293)
Taxation	6	(5)	-
Profit /(loss) for the year after tax		3,574	(16,972)

There were no recognised gains or losses during the year other than those set out in the income statement above and hence no statement of comprehensive income has been presented.

DAZN MEDIA SALES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Trade and other receivables	7	70,512	71,986
		70,512	71,986
Current assets			
Trade and other receivables	7	1,635	9,757
Prepayments and accrued income	8	868	4,138
Cash and cash equivalents		4,540	2,148
		7,043	16,043
Total assets		77,555	88,029
Current liabilities			
Trade and other payables	9	(124,626)	(138,674)
		(124,626)	(138,674)
Net current liabilities		(117,583)	(122,631)
Total liabilities		(124,626)	(138,674)
Net liabilities		(47,071)	(50,645)
Equity			
Called-up share capital	10	-	-
Accumulated deficit		(47,071)	(50,645)
Total equity		(47,071)	(50,645)

The financial statements of DAZN Media Sales Limited, registered number 05160606, were approved and authorised for issue by the Board of Directors on 6 December 2023.

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

Signed on behalf of the Board of Directors



Darren Waterman

Director

6 December 2023

DAZN MEDIA SALES LIMITED

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

	Called-up share capital £'000 (note 10)	Accumulated deficit £'000	Total equity £'000
At 1 January 2021	-	(33,673)	(33,673)
Loss for the year and total comprehensive profit for the year	-	(16,972)	(16,972)
At 31 December 2021	-	(50,645)	(50,645)
Profit for the year and total comprehensive loss for the year	-	3,574	3,574
At 31 December 2022	-	(47,071)	(47,071)

DAZN MEDIA SALES LIMITED

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

1. Accounting policies

DAZN Media Sales Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales.

The address of the registered office is 12 Hammersmith Grove, London W6 7AP.

The principal activity of the Company is the sale of advertising inventory alongside leading video and editorial sports content through the Company's branded websites and mobile products. The Company also offers advertising on the DAZN OTT platform, operated by DAZN Limited, a fellow member of the DAZN Group.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation

The Company's accounts present information about it as an individual undertaking and not as a group. The Company has taken advantage of the exemption offered by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is a wholly owned subsidiary of DAZN Group Limited which prepares consolidated financial statements that are publicly available.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, at the end of each reporting period, with the exception of certain items which are held at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

Exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and related party transactions on the grounds that the Company is a wholly owned subsidiary undertaking of DAZN Group Limited whose accounts are publicly available.

Adoption of new and revised standards

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standard Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022 as follows:

Standard	Description	Effective Date
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property, plant and equipment – proceeds before intended use	1 January 2022
Amendments to IAS 37	Onerous contracts – cost of fulfilling a contract	1 January 2022
Annual improvements to IFRS standards 2018-2020 cycle	Amendments to IFRS 1 first time adoption of international financial reporting standards, IFRS 9 financial instruments, IFRS 16 leases and IAS 41 agriculture	1 January 2022

The adoption of the above Standards has not had any material impact on the disclosures or on the amounts reported in these financial statements.

DAZN MEDIA SALES LIMITED

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

1. Accounting policies (continued)

New and Revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective at the reporting date:

Standard	Description	Effective Date
Amendments to IFRS 17	Insurance Contracts	1 January 2023
Amendments to IFRS 17 – Comparative Information	Comparative information on initial application of IFRS 17	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024

The Director does not expect that the adoptions of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Going concern

The Company continues to offer advertising on the DAZN OTT platform.

Having reviewed cash flow forecasts and budgets and having considered the financial support that the Group's principal shareholder, Access Industries ("Access") has confirmed it intends to provide to the Group through its fully owned subsidiary AI Perform Holdings LLP, the Directors have a reasonable expectation that the Group will have access to sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. As in prior periods, Access is not legally obligated to provide financial support. The Directors have considered a range of factors in order to make their going concern assessment, including expected future demand for the Group's services, the revenue growth trends of the business, the history of continued financial support from Access, throughout the financial year and during 2022 to date, and recent discussions with the current shareholders, who are also represented on the Group's board, on the Group's cash flows forecast, and budgets for the period to 2027, including forecast funding requirements. This assessment has included consideration of the recent cost of living crisis, and its resulting impact on future revenues, results from operations and cash flows. The directors have also considered Access' ability to provide funding and concluded that Access have sufficient funds to provide support to the Group where required. For further details refer to note 1.

The Company had cash balances of £5.0 million (2021: £2.1 million) at the year end and net current liabilities of £117.6 million (2021: £122.6 million).

The Group has prepared a detailed financial forecast for the 12 months following approval of these financial statements. These forecasts indicate that, based on management's assumptions, the Group is likely to require significant additional funding during this period in order to discharge all obligations as they fall due.

The Group's principal shareholder, AI Perform Holdings LLP, has confirmed its intention to continue to provide financial support to the Group to enable the Group to ensure that they are able to meet their liabilities as they fall due and therefore to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. In the period between the year end and the signing of the accounts Access has provided \$240.0 million of cash funding to DAZN, in exchange for ordinary and preference shares, to support its investment and growth plans.

Having assessed the above, the Director of the Company has a reasonable expectation that the Company will have access to sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

DAZN MEDIA SALES LIMITED

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

1. Accounting policies (continued)

Going concern (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Director is 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 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.

Key sources of estimation uncertainty

There are no critical judgements that the Director believes have a significant effect on the amounts recognised in these financial statements.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held for sale or held for sale distributions and subsequent gains and losses or remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Revenue recognition

Revenue represents amounts derived from the provision of services, after the deduction of value added tax.

Revenue related to display and video advertising is recognised based on the number of advertising impressions or streams delivered compared to the required number of advertising impressions or streams included within a contract agreed with either a brand or an advertising agency.

Revenue related to sponsorship activity is recognised in line with the services delivered compared to the services specified within a contract agreed with an advertiser. Where the Company is selling advertising to a third-party website, revenue is recognised on a gross basis as the Company bears the credit risk. The client's shares of such revenues are shown within cost of sales.

Services provided to other Group entities on an arm's length basis are recognised in line with the contract.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price.

Financial liability and equity

Financial liability and equity instruments are classified according to the substance of the contractual arrangements entered into. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

DAZN MEDIA SALES LIMITED

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

1. Accounting policies (continued)

Trade and other receivables

Trade receivables are recognised initially at the transaction price of the related revenue, unless the receivables contain a significant financing component, in which case they are recognised at fair value. Where trade receivables and financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, they are carried at amortised cost under the effective interest method.

The Company has applied the simplified approach to measuring expected credit losses, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but recognises a loss allowance based on the financial asset's lifetime expected credit loss. The historical loss rates are adjusted to reflect current and forward-looking information. Current and forward-looking information is also used in order to determine whether an asset is credit impaired. Balances are written off when the possibility of recovery is assessed as being remote.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of three months or less from the date of inception. Bank overdrafts that are repayable on demand and which form an integral part of the Company's cash management are also included as a component of cash and cash equivalents where offset conditions are met.

Trade and other payables

Payables are not interest bearing and are stated at their fair value on initial recognition (plus transaction costs if any) and carried at amortised cost. The fair value of trade and other payables has not been disclosed as, due to their short duration, the Director considers the carrying values recognised in the balance sheet to be a reasonable approximation of their fair value.

Investments in subsidiaries

Investments in subsidiaries are carried at cost. The carrying values of investments are periodically reviewed for impairment and adjusted if events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets

Internally-generated intangible assets – research and development expenditure

Development costs (including directly attributable overheads) are capitalised only when it is probable that future economic benefit will result from the project and the following criteria are met:

- the technical feasibility of the product has been ascertained;
- adequate technical, financial and other resources are available to complete and sell or use the intangible asset;
- the Company can demonstrate how the intangible asset will generate future economic benefits and the ability to use or sell the intangible asset can be demonstrated;
- it is the intention of management to complete the intangible asset and use it or sell it; and
- the development costs can be measured reliably.

Where these criteria are not met, development costs are charged to the Income Statement as incurred.

Amortisation is recognised as an administrative expense and provided on computer software development at a rate calculated to write each asset down to its estimated residual value (assumed to be nil), using the straight-line method, over three years.

DAZN MEDIA SALES LIMITED

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

1. Accounting policies (continued)

Impairment of intangible assets

At each reporting date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. A cash generating unit is the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

Recoverable amount is the higher of the fair value, less costs to sell, and the value in use. In assessing value in use, the estimated future cash flows, which are based on budgeted figures, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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 balance sheet 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 goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor accounting profit.

Deferred tax liabilities are recognised for temporary differences arising on investments in subsidiaries, and interests in joint ventures, except where the Company 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 balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred and current tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred and current tax is also dealt with in equity or other comprehensive income.

DAZN MEDIA SALES LIMITED

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

1. Accounting policies (continued)

Taxation (continued)

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:

- (i) they relate to income taxes levied by the same taxation authority; and
- (ii) the Company intends to settle its current tax assets and liabilities on a net basis.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered that there may 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 Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Foreign exchange

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated 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 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.

DAZN MEDIA SALES LIMITED

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

2. Revenue

Revenue represents amounts derived from the Company's media activities, stated net of value added tax.

Analysis by geographical location:

	2022 £'000	2021 £'000
United Kingdom	1,618	630
Europe	24,774	42,712
Rest of the World	3,697	5,145
Total revenue	30,089	48,487

Of the total turnover above nil (2021: £nil) was derived from services rendered to other Group companies.

3. Operating costs

	2022 £'000	2021 £'000
Recharge of expenses from Group undertakings	28,200	57,391
Distribution and delivery	532	2,509
Sales and marketing	605	3,494
Rights costs	-	3
Other Costs	12	164
Loss/(gain) on foreign exchange	(485)	4,662
Staff and contractors	-	30
Total operating costs	28,864	68,253

Staff and contractor costs within the prior year related to freelancers.

4. Finance income

	2022 £'000	2021 £'000
Intercompany interest receivable	2,477	3,638
Foreign exchange (loss)/gain on balances due to and from other Group undertakings	-	(144)
Total	2,477	3,494

The Company received interest on balances due from other Group undertakings at fixed and floating rates. Balances due from Group undertakings incur interest at a range from 9.5% to SONIA plus 2%. Foreign exchange gain on financing items arises on balances due and from Group undertakings not denominated in pounds sterling.

5. Finance costs

	2022 £'000	2021 £'000
Bank charges and similar	6	10
Total	6	10

The Company paid interest on balances due to other Group undertakings at fixed and floating rates. Balances payable to Group undertakings incur interest at a range from 9.5% to SONIA plus 2%. Foreign exchange losses on financing items arises on balances due and from Group undertakings not denominated in pounds sterling.

DAZN MEDIA SALES LIMITED

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

6. Tax on loss on ordinary activities

	2022 £'000	2021 £'000
Current tax		
Withholding tax charge	5	-
Tax charge on loss on ordinary activities	5	-

UK corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit for the year.

The tax credit for the year can be reconciled to the profit before tax in the Income Statement as follows:

	2022 £'000	2021 £'000
(Loss)/profit on ordinary activities before tax	3,579	(16,972)
Profit/(loss) on ordinary activities multiplied by standard rate of tax – 19% (2021: 19%)	680	(3,225)
<i>Effects of:</i>		
Tax effect of expenses not deductible in determining taxable profit	-	-
Non-taxable income	-	-
Non recognition of losses	(680)	-
Group relief	-	3,225
Withholding tax	5	-
Tax charge on loss on ordinary activities	5	-

On 24 May 2021, an increase to the corporation tax rate to 25% (effective from 1 April 2023) was substantively enacted. This will increase future current tax charges accordingly.

DAZN MEDIA SALES LIMITED

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

7. Trade and other receivables

	2022 £'000	2021 £'000
Amounts falling due in more than one year:		
Amounts owed by Group undertakings	70,512	71,986
Total non-current trade and other receivables	70,512	71,986
Amounts falling due in less than one year:		
Trade debtors	1,315	9,613
Other debtors	320	144
Total current trade and other receivables	1,635	9,757

Balances due from other Group undertakings are unsecured and repayable on demand. The Company received interest on balances due from other Group undertakings at a range from 9.5% to SONIA plus 2%. All Group entities are wholly owned by DAZN Group Limited.

A total expected credit loss provision of £0.9 million was recognised as at 31 December 2022 (2021: £0.8 million). During the current year, a charge of £0.1 million was recognised for the movement in the expected credit loss provision (2021: release of £0.7 million).

8. Prepayments and accrued income

	2021 £'000	2021 £'000
Contract assets	813	4,135
Prepayments	54	3
Total	868	4,138

Contract assets comprise unbilled revenue from advertising services was part of the Company's media activities where the Company has provided services to customers over time.

9. Trade and other payables

Amounts falling due within one year:

	2022 £'000	2021 £'000
Trade payables	605	655
Amounts owed to Group undertakings	122,881	135,799
Other creditors and accruals	708	1,830
Contract liabilities	431	390
Total	124,626	138,674

Balances due to other Group undertakings are unsecured and repayable on demand. All Group entities are wholly owned by DAZN Group Limited. The Company incurred interest on balances due to other Group undertakings at a range from 9.5% to SONIA plus 2%.

Contract liabilities consist of fees received under advertising contracts in advance of revenue being recognised.

DAZN MEDIA SALES LIMITED

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

10. Called-up share capital

	2022 £	2021 £
Authorised, issued, allotted and fully paid		
Ordinary shares of £1 each	1	1
Number of shares	2022 No.	2021 No.
Allotted, called-up and fully paid		
Ordinary shares of £1 each	1	1

11. Related party transactions

The Company has taken the available exemption under FRS 101 'Reduced Disclosure Framework' from disclosing transactions with fellow 100% held subsidiaries of the DAZN Group Limited group of companies.

There were no other related party transactions to disclose.

12. Post balance sheet events

There were no significant post balance sheet events to disclose.

13. Parent undertaking

The immediate parent undertaking of the Company is DAZN Media Services Limited. DAZN Group Limited, a Company incorporated in the United Kingdom, is the smallest parent undertaking for which group financial statements are drawn up and of which the Company is a member.

Copies of DAZN Group Limited financial statements are available from 12 Hammersmith Grove, London, W6 7AP.

AI Perform Holdings LLP, an entity incorporated in the United Kingdom with a registered address at 6th Floor, Marble Arch House, 66 Seymour Street, London, W1H 5BT, is the largest group for which consolidated financial statements are drawn up. AI Perform Holdings LLP and the Company are ultimately controlled by Sir Len Blavatnik.

Copies of AI Perform Holdings LLP consolidated financial statements are available from Companies House.