
UNRULY GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

UNRULY GROUP LIMITED

COMPANY INFORMATION

Directors	S Niri (appointed 17 June 2021) O I Druker (resigned 17 June 2021) A Suprasky
Registered number	05411297
Registered office	Labs Hogarth House (1st Floor) 136 High Holborn London WC1V 6PX
Independent auditors	BKL Audit LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

UNRULY GROUP LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The directors present their strategic report and the audited financial statements of the Company for the year ended 31 December 2021.

Business review

Unruly is a global digital video advertising marketplace specializing in digital and social video advertising (and video distribution). The Company is a globally-scaled, brand-safe video business that leverages a combination of proprietary technology and data. The Company's main activity involves the distribution of video advertising by connecting advertisers' videos to premium publisher websites via its sell side programmatic video platform.

In addition, during the prior period the parent company was purchased by Tremor International Limited.

Principal risks and uncertainties

Market risk

The video advertising market is heavily dependent upon the macro-economic environment, as advertising spend correlates to confidence in the economy and the market is highly competitive. The Company addresses its risk through continuing to invest in its proprietary technology platform which differentiates its product offering from its competitors, through enhancing its product offering through insight and data driven products, and through hiring of key talent who have an in-depth understanding of their local markets.

Currency risk

The Company is exposed to translation and transaction foreign exchange risk. The Company has a number of economic hedges in place through the receipt of intercompany funding and payment of costs in foreign currencies, and will reconsider the appropriateness of this policy should the Company's operations change in size or nature. The Company does not use a derivative financial instrument to manage the risk of fluctuating exchange rates, so no hedge accounting is applied.

Credit risk

The Company's credit risk is primarily attributable to trade debtors. Credit risk is managed by running credit checks on new customers, monitoring payments against contractual arrangements and in certain instances asking customers for prepayments.

Cashflow risk

The Company monitors cash flow as part of its day to day control procedures and ensures that funds are available to meet its short and medium term financial commitments. The majority of the Company's key customers are large global brands and their agencies, which tend to work to standard payment terms of 60 days or more. The Company sees maintaining good supplier relationships as key to its continued success and the average supplier payments terms are 45 days. If required in order to finance this working capital difference the Company receives support from its intermediate parent company, Tremor International Limited.

Financial key performance indicators

Results for the period ending 31 December 2021 have shown that:

Current assets have decreased by 57%.

Net current liabilities have decreased by 36%.

The Company has achieved a gross profit margin of 72%.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' statement of compliance with duty to promote the success of the Company

As the Board of Unruly Group Limited, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the Company's success for the benefit of its members as a whole and to have regard to the long-term effect of our decisions on the Company and its stakeholders. We have determined various thresholds to identify matters requiring Board consideration and approval. This statement outlines the ways in which we as a Board address this responsibility.

Promoting the Company's success for its members

The Company was acquired by Tremor International Limited (Tremor International) in January 2020, a publicly traded company. Tremor International is a collection of advertising technology brands including as Unruly and Tremor Video (Tremor Group). Our end-to-end, video-first platform facilitates and optimizes engaging advertising campaigns for brands, media groups and content creators worldwide — enabling powerful partnerships and delivering meaningful results. The Tremor Group aims to unite creativity, data and technology across the open internet.

A leader in connected television and video, Tremor Group's footprint is expanding across the industry's fastest growing segments, driven by a global team of seasoned technologists and digital natives. Our brands bring together an end-to-end platform to enable powerful partnerships and deliver results across the advertising ecosystem. Our Company has consistently and relentlessly provided employment, training and financial reward for its owners and employees. We aim to be a leading provider of advertising technology services.

Engaging with stakeholders

Our key stakeholders, and the ways in which we engage with them, are as follows:

Our employees

Recruitment and retention of our employees is a critical business activity. We help to engage with our team members by:

- Setting remuneration as a combination of market-level base salaries and internal benchmarking including annual performance and compensation reviews;
- Providing training and career development support;
- Enrolling key and highly performing staff into our share ownership scheme;
- Providing communication on business updates to all employees from leadership;
- Involvement in community and diversity initiatives in local markets; and
- Creating a positive culture via our company values and local employee activities.

Our customers and suppliers

Our company is driven by enabling powerful partnerships and deliver results across the advertising ecosystem. Our clients value our expertise in creating value with an emphasis on creativity, which is at the core of every decision we make.

We have built and maintain a reputation for excellence in our interactions with clients and suppliers.

UNRULY GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Our community

We are a company with great interest in the community in which we have invested through our various not-for profit charity donations over the years as well as community-focused initiatives.

We are proud of our donation(s) to the NAACP Legal Defense and Educational Fund and our participation in many local initiatives such as partnerships with schools in our local communities, charity walks, and other community enhancement projects.

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

S Niri
Director

Date: 21 November 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). Under company law the directors must not approve the audited financial statements unless they are 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the audited 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.

Results and dividends

The profit for the year, after taxation, amounted to £ 3.530 million (18 months ended 31 December 2020 - £ (7.908) million).

Directors

The directors who served during the year were:

S Niri (appointed 17 June 2021)
O I Druker (resigned 17 June 2021)
A Suprasky

Streamlined Energy and Carbon Reporting

As a low energy user, the Company is not required to make detailed disclosures of energy and carbon information.

Future developments

The Company intends to continue to invest in the Unruly brand to support Tremor International Group.

UNRULY GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487 (2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

S Niri

Director

Date: 21 November 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNRULY GROUP LIMITED

Opinion

We have audited the financial statements of Unruly Group Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 31 December 2021 and of its profit 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNRULY GROUP LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion 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.

Matters on which we are required to report by exception

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.

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNRULY GROUP LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Enquiring of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

UNRULY GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNRULY GROUP LIMITED (CONTINUED)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Ian Saunderson FCA (Senior Statutory Auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants

Statutory Auditor

London

21 November 2022

UNRULY GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		Year ended 31 December 2021 £000	As restated 18 months ended 31 December 2020 £000
	Note		
Turnover	4	11,781	30,541
Cost of sales		(3,243)	(12,888)
Gross profit		8,538	17,653
Administrative expenses		(5,786)	(28,377)
Other operating income	5	780	3,061
Operating profit/(loss)	6	3,532	(7,663)
Interest payable and similar expenses	10	(2)	(245)
Profit/(loss) before tax		3,530	(7,908)
Profit/(loss) for the financial year		3,530	(7,908)
Other comprehensive income for the year			
Total comprehensive income for the year		3,530	(7,908)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 15 to 33 form part of these financial statements.

UNRULY GROUP LIMITED
REGISTERED NUMBER: 05411297

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible fixed assets	12	5	73
		<u>5</u>	<u>73</u>
Current assets			
Debtors: amounts falling due after more than one year	13	103	-
Debtors: amounts falling due within one year	13	7,402	59,726
Bank and cash balances		21,254	6,946
		<u>28,759</u>	<u>66,672</u>
Creditors: amounts falling due within one year	14	(34,782)	(76,074)
Net current liabilities		<u>(6,023)</u>	<u>(9,402)</u>
Total assets less current liabilities		<u>(6,018)</u>	<u>(9,329)</u>
Provisions for liabilities			
Other provisions	15	(8)	(611)
		<u>(8)</u>	<u>(611)</u>
Net liabilities		<u><u>(6,026)</u></u>	<u><u>(9,940)</u></u>
Capital and reserves			
Called up share capital	16	11,071	11,071
Share premium account	17	228	228
Other reserves	17	396	301
Capital notes reserve	17	12,020	12,020
Profit and loss account	17	(29,741)	(33,560)
		<u><u>(6,026)</u></u>	<u><u>(9,940)</u></u>

UNRULY GROUP LIMITED
REGISTERED NUMBER: 05411297

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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

S Niri
Director

Date: 21 November 2022

The notes on pages 15 to 33 form part of these financial statements.

UNRULY GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Share premium account £000	Other reserves £000	Capital notes reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	11,071	228	301	12,020	(33,560)	(9,940)
Comprehensive income for the year						
Profit for the year	-	-	-	-	3,530	3,530
Total comprehensive income for the year	-	-	-	-	3,530	3,530
Transfer to/from profit and loss account	-	-	(289)	-	289	-
Share based payment transactions	-	-	384	-	-	384
At 31 December 2021	11,071	228	396	12,020	(29,741)	(6,026)

The notes on pages 15 to 33 form part of these financial statements.

UNRULY GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Share premium account £000	Foreign exchange reserve £000	Other reserves £000	Capital notes reserve £000	Profit and loss account £000	Total equity £000
At 1 July 2019	-	228	19	215	-	(25,867)	(25,405)
Comprehensive income for the period							
Loss for the period	-	-	-	-	-	(7,908)	(7,908)
Total comprehensive income for the period	-	-	-	-	-	(7,908)	(7,908)
Shares issued during the period	11,071	-	-	-	-	-	11,071
Transfer to/from profit and loss account	-	-	-	(215)	-	215	-
Share based payment transactions	-	-	(19)	301	-	-	282
Capital notes issued during the 18 month period	-	-	-	-	12,020	-	12,020
At 31 December 2020	11,071	228	-	301	12,020	(33,560)	(9,940)

The notes on pages 15 to 33 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The principal activity of the Company is that of providing a programmatic advertisement tech platform for the purpose of distributing video advertisement campaigns globally, and to provide management and back office services to its fellow subsidiary companies.

The Company is a private company limited by shares and is incorporated in England and Wales.

The address of its registered office is: Labs Hogarth House (1st Floor), 136 High Holborn, London, England, WC1V 6PX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102

("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tremor International Limited as at 31 December 2021 and these financial statements may be obtained from www.tremorinternational.com.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. The directors have a reasonable expectation that the Company has adequate resources to meet future working capital requirements and to continue in operation.

The Unruly Group has prepared a rolling two year forecast in which the cash flows of the group are assessed. These show the group to be cash generative and a letter of support has also been received. The Company made a profit of £ 3.530 million during the period, and as at the Statement of Financial Position date had net liabilities of £ 6.026 million. The Company is reliant on the ongoing support of its parent entity which the directors reasonably expect will continue, alongside the future cash and profit generation forecast for the group, being Tremor International Limited and its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

(a) Rendering of managed service campaigns

Revenue comprises the fair value of the consideration received or receivable for the rendering of services. Revenue from the advertising services is recognised by reference to the stage of completion at the end of the reporting period. Stage of completion is determined by reference to the number of views delivered as a percentage of total targeted views for each contract.

(b) Platform fees

Platform fees represent revenue receivable, excluding VAT, from companies in the Unruly Group (comprising Unruly Holdings Limited and its subsidiaries including Unruly Group Limited) for use of the Company's technology platform, products and back office services. Revenue is recognised when the services are delivered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Revenue (continued)

(c) Supply side platform services

The Company also maintains a supply side platform which matches buyers and sellers, enables them to purchase and sell advertising inventory, and establishes rules and parameters for advertising inventory transactions. Revenue is reported on a net basis because the Company (i) is not the primary obligor for the purchase of advertising inventory but rather provides a platform to facilitate the buying and selling of advertising; (ii) pricing is generally determined through an auction process and the Company's fees are based on a percentage of advertising spend.

(d) Intercompany revenue

The revenue is accrued over the period to which the contract relates.

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

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

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

2.9 Share based payments

Where share options and restricted stock units are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Share based payments (continued)

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

Where equity instruments have lapsed the corresponding reserve will be transferred to the Profit or Loss reserve account.

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Leasehold improvements	- 1 to 10 years
Fixtures and fittings	- 33%
Office equipment	- 33%
Computer equipment	- 50%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to and from related parties, and investments in non-puttable ordinary shares.

(i) Financial assets

Basic financial assets, including trade debtors and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

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

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Financial instruments (continued)

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

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

(iii) Offsetting

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. 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. The following judgements (apart from those involving estimates) has had a significant effect on amounts recognised in the financial statements.

Impairment of debtors

Determination of whether there are indicators of impairment of the Company's debtors. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and the expected recoverability of receivables, considering the borrower's payment history and the director's knowledge of the financial position of each debtor.

Publisher accrual

The publishers' accrual recognised in these financial statements arises from an accumulated provision relating to historic publishers who previously used an earlier version of the Unruly platform. The provision is recognised based on historical data obtained from this version of the Unruly platform. There is an ongoing review to assess the suitability of the provision based on the age of the debt, and other relevant factors. The value of the publishers accrual at the reporting date totaled £2,867,000 (2020: £5,203,000) and is included in accruals.

UNRULY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

The Company provides managed service and programmatic advertising services for the purpose of distributing video advertisement campaigns globally. The Company also charges other group companies royalties for the use of certain marketing intangibles.

An analysis of turnover by class of business is as follows:

	Year ended 31 December 2021 £000	18 months ended 31 December 2020 £000
Advertising services	11,781	28,488
Platform fees	-	2,053
	<u>11,781</u>	<u>30,541</u>

The geographic split of turnover has been omitted from the accounts.

5. Other operating income

	Year ended 31 December 2021 £000	As restated 18 months ended 31 December 2020 £000
Intercompany sale of part of business	780	3,010
Rents receivable	-	51
	<u>780</u>	<u>3,061</u>

UNRULY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Year ended 31 December 2021 £000	18 months ended 31 December 2020 £000
Depreciation of tangible fixed assets	76	799
Exchange differences	(804)	(275)
Other operating lease rentals	376	1,897
Share based payment	384	301
Pension contributions	<u>71</u>	<u>261</u>

7. Auditors' remuneration

	Year ended 31 December 2021 £000	18 months ended 31 December 2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>55</u>	<u>50</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

UNRULY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Employees

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

	Year ended 31 December 2021 £000	18 months ended 31 December 2020 £000
Wages and salaries	3,248	14,219
Social security costs	528	1,581
Share-based payment expenses	382	301
Cost of defined contribution scheme	71	261
	<u>4,229</u>	<u>16,362</u>

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

	Year ended 31 December 2021 No.	18 months ended 31 December 2020 No.
Sales	12	14
Administration	37	89
	<u>49</u>	<u>103</u>

9. Directors' remuneration

	Year ended 31 December 2021 £000	18 months ended 31 December 2020 £000
Directors' emoluments	-	491
Company contributions to defined contribution pension schemes	-	5
	<u>-</u>	<u>496</u>

During the year retirement benefits were accruing to no directors (2020 - 1) in respect of defined contribution pension schemes.

UNRULY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Directors' remuneration (continued)

The highest paid director received remuneration of £NIL (2020 - £491 thousand).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £5 thousand).

10. Interest payable and similar expenses

	Year ended 31 December 2021 £000	18 months ended 31 December 2020 £000
Bank interest payable	2	1
Loans from group undertakings	-	244
	<u>2</u>	<u>245</u>

11. Taxation

	Year ended 31 December 2021 £000	18 months ended 31 December 2020 £000
Total current tax	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Year ended 31 December 2021 £000	18 months ended 31 December 2020 £000
Profit/(loss) on ordinary activities before tax	<u>3,530</u>	<u>(7,909)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	671	(1,503)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	91	377
Fixed asset differences	-	8
Other permanent differences	(16)	(39)
Movements in unrecognised deferred tax	(746)	1,157
	<u>-</u>	<u>-</u>
Total tax charge for the year/period	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The UK Government announced its intention to increase the rate of UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The increase in the rate of UK corporation tax was enacted in the Finance Act 2021 which received the Royal Assent on 10 June 2021.

The Company has not recognised a deferred tax asset in respect of trading losses totalling approximately £1,245,000, based on estimates, due to the uncertainty on when the asset will be utilised.

The Company has tax losses carried forward of approximately £4,990,000, based on estimates, which can be offset against future profits.

UNRULY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

	Short-term leasehold property £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 January 2021	725	2,689	26	1,519	4,959
Additions	-	-	-	7	7
Disposals	(585)	(2,688)	(26)	(1,451)	(4,750)
At 31 December 2021	140	1	-	75	216
Depreciation					
At 1 January 2021	697	2,686	26	1,476	4,885
Charge for the year on owned assets	28	3	-	45	76
Disposals	(585)	(2,688)	(26)	(1,451)	(4,750)
At 31 December 2021	140	1	-	70	211
Net book value					
At 31 December 2021	-	-	-	5	5
At 31 December 2020	28	3	-	42	73

UNRULY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Debtors

	2021 £000	2020 £000
Due after more than one year		
Other debtors	103	-
	<u>103</u>	<u>-</u>
	2021 £000	2020 £000
Due within one year		
Trade debtors	3,384	33,314
Amounts owed by group undertakings	3,461	25,048
Other debtors	82	748
Prepayments and accrued income	475	616
	<u>7,402</u>	<u>59,726</u>

Amounts owed to the Company by group undertakings are interest free and repayable on demand.

14. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	360	2,795
Amounts owed to group undertakings	28,987	65,293
Other taxation and social security	247	345
Other creditors	65	83
Accruals and deferred income	5,123	7,558
	<u>34,782</u>	<u>76,074</u>

Amounts owed by the Company to group undertakings are interest free and repayable on demand.

UNRULY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Provisions

	Onerous contracts £000
At 1 January 2021	611
Charged to profit or loss	8
Utilised in year	(611)
	<hr/>
At 31 December 2021	<u>8</u>

The provision relates to various commercial contracts that the Company are obligated to fulfill following the purchase of the Company by Tremor International Limited, which would have been cancelled if this was possible.

16. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
1,107,063,830,794 (2020 - 1,107,063,830,794) Ordinary shares of £0.00001 each	<u>11,071</u>	<u>11,071</u>

17. Reserves

Share premium account

Comprises consideration received in respect of share issues, in excess of their nominal value.

Other reserves

Other reserves consist of the unwinding of the fair value of share options issued as part of the share-based payment schemes run by the Company.

Capital notes reserve

Comprises capital notes issued by the ultimate parent company, Tremor International Limited.

The capital notes are subordinated to any and all other liabilities of the Company, unsecured, to be repaid in full upon liquidation or dissolution of the Company and may be transferred by Tremor International Limited.

Profit and loss account

Comprises current year and accumulated profits and losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Performance stock units (PSUs)

The performance stock units were granted to eligible employees who were awarded a target number of PSUs at the beginning of a 2 or 3 year performance review. The number of shares in News Corporation vesting after the completion of the 2 or 3 year performance period can range from 0% to 200% of the target award subject to the achievement of pre defined performance measures for the applicable performance period. The number of shares expected to vest is estimated based on management's determination of the probable outcome of the performance condition.

The performance stock units all lapsed on the sale of the Company to Tremor International Limited.

Number and weighted average grant date fair value

Details on the number of PSUs weighted average grant date fair value (WAGDFV) outstanding throughout the period are as follows:

	Weighted average exercise price (pence) 2021	Number 2021	<i>Weighted average exercise price (pence) 2020</i>	<i>Number 2020</i>
Outstanding at the beginning of the period	0	-	10.34	18,619
Granted during the period	0	-	0	-
Exercised during the period	0	-	0	-
Expired during the period	0	-	10.34	(18,619)
	<u>0</u>	<u>-</u>	<u>0</u>	<u>-</u>
Outstanding at the end of the period	0	-	0	-

Financial Impact

The expense recognised for share based payments in respect of services received during the year to 31 December 2021 is £Nil (18 months ended 31 December 2020: £Nil).

The portion of that expense arising from equity settled share based payment transactions is £Nil (2020: £Nil).

When the units lapsed the £214,549 reserve was transferred to the profit and loss reserve in the prior year.

UNRULY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Restricted stock units (RSUs)

During 2021 Tremor International Limited granted 90,000 RSUs to seven Unruly employees.

Number and weighted average grant date fair value

Details on the number of RSUs weighted average grant date fair value (WAGDFV) outstanding at the period end are as follows:

	31 December 2021 Weighted average grant date fair value	31 December 2021 Number	31 December 2020 Weighted average grant date fair value	31 December 2020 Number
Outstanding at the beginning of the period	2	133,869	-	-
Granted during the period	10	90,000	2	235,345
Exercised during the period	3	(39,434)	2	(101,476)
Expired during the period	-	-	-	-
Outstanding at the end of the period	6	184,435	2	133,869

Financial Impact

The expense recognised for restricted stock units in respect of services received during the year to 31 December 2021 is £224,983 (18 months ended 31 December 2020: £287,768).

The portion of that expense arising from equity settled share based payment transactions is £224,983 (2020: £287,768).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Share based payments

During 2021 Tremor International Limited granted 260,000 share options to 4 Unruly employees. Of these share options 20,000 were forfeited during this period.

Number and weighted average grant date fair value

Details on the number of share options weighted average grant date fair value (WAGDFV) outstanding at the period end are as follows:

	31 December 2021 Weighted average grant date fair value	31 December 2021 Number	31 December 2020 Weighted average grant date fair value	31 December 2020 Number
Outstanding at the beginning of the period	1	100,000	-	-
Granted during the period	4	260,000	1	100,000
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Forfeited during the period	4	(20,000)	-	-
Outstanding at the end of the period	3	340,000	1	100,000

Financial Impact

The expense recognised for share based payments in respect of services received during the period to 31 December 2021 is £157,000 (2020: £10,000).

The portion of that expense arising from equity settled share based payment transactions is £157,000 (2020: £10,000).

Information on measurement of fair value of share based payments

The fair value of employees share options is measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instruments, expected dividends, and the risk-free interest rate.

The parameters used in the measurement of the fair values at grant date of the equity-settled share based payments were as follows:

	2021	2020
Grant date fair value in USD	4.3	1.04-1.73
Share price (on grant date) (in USD)	10.09	1.74-3.03
Exercise price (in USD)	10.76	1.89-3.06
Expected volatility (weighted average)	60%	60%
Expected life (weighted average)	3.75	3.5-3.75
Expected dividends	0.00%	0.00%
Risk-free interest rate	0.54%	0.15%-1.46%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Prior year adjustment

Following a review of expenditure categories, an amount of £3,010,000 has been reclassified from offsetting administrative expenses to other operating income. The directors believed this was a more reflective presentation of the nature of the transactions. This has had a £Nil impact to the operating loss for the year ended 31 December 2020.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £70,603 (2020: £260,723). Contributions totalling £15,769 (2020: £19,334) were payable to the fund at the reporting date and are included in creditors.

23. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	<i>2020</i>
	£000	<i>£000</i>
Not later than 1 year	540	-
Later than 1 year and not later than 5 years	270	-
	810	-

24. Related party transactions

Where possible the Company has taken advantage of the exemption conferred by FRS 102 section 33.1A from the requirement to disclose transactions with other wholly owned group undertakings on the grounds that consolidated financial statements are prepared by the ultimate parent company and are publicly available.

25. Controlling party

The Company's immediate parent is Unruly Holdings Limited, a company incorporated in England and Wales.

The ultimate parent is Tremor International Limited, a company incorporated in Israel. Tremor International Limited has no ultimate controlling party.

The smallest and largest group in which the results of the company are consolidated is that headed by Tremor International Limited, whose principal place of business is at 82 Yigal Alon St. 13th Floor, Tel-Aviv, 6789124, Israel.

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