

Registered number: 07321732

MIQ DIGITAL LIMITED

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

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MIQ DIGITAL LIMITED

COMPANY INFORMATION

Directors

S Tray
L Puri
G Hundal

Registered number

07321732

Registered office

6th Floor Charlotte Building
17 Gresse Street
London
W1T 1QL

MIQ DIGITAL LIMITED

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MIQ DIGITAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principle Activity

The principal activity of the Company throughout the year was that of running programmatic advertising campaigns for clients, delivered through analytics and purpose-built technology. Whilst maintaining our aim of delivering long-term sustainable growth, we continue to drive increased gross margin through revenue growth across all our markets and customer channels.

Business review

The discussion below will feature references to the MiQ Digital entity only.

In the year, a promissory note was issued between MiQ Digital Limited and Future Bidco Limited on 5th December 2022 as consideration in regards to the transfer of ownership of MiQ Digital USA, Inc as a direct subsidiary of MiQ Digital Limited to Future Bidco Limited. This occurred as part of a wider group restructuring on the 29 November 2022. At year end, 31st December 2022, the promissory balance was \$319.9M and is included in the profit and loss as a profit on disposal and within long term debtors under amounts owed by group undertakings.

Key Financial Metrics (\$m)	2022	2021	Variance	%
Revenue	64.7	85.1	(20.4)	(24.0)%
Cost of sales	(43.2)	(53.8)	10.6	(19.7)%
Gross margin	166.8%	163.2%		3.6%
Administrative expenses	(16.2)	(18.7)	2.5	(13.4)%
Profit on disposal of MiQ Digital USA, Inc	319.9	-	319.9	100.0%
Operating profit	321.9	12.6	312.5	2,480.2%
Profit before tax	322.7	12.5	313.4	2,507.2%
Cash	4.1	16.9	(12.8)	(75.7)%

MiQ partnered with private equity group Bridgepoint, the largest, UK-based, AdTech deal in history. This partnership accelerated client growth within new markets and increased product investment - further solidifying MiQ's position as a global leader in delivering high-performing advertising campaigns and driving business change through data analytics.

Mergers and Acquisitions

MiQ Digital Limited acquired technology developed by AirGrid Limited in October 2022 which has already opened up growth opportunities with strategic partners and driven revenue. This privacy-first technology, in line with regulations, provides an opportunity to hedge against other types of identity solutions which the industry is coalescing around, as a future beyond reliance on cookies moves closer. This competitive advantage ensures MiQ strives to be the most capable and proficient company operating across the anonymous web compared to our competitors and agency trading desks over the next 2-3 years.

Investment in Data

The Global Business Intelligence team (BI) continued to drive and shape the data and digital capabilities of MiQ, raising the bar on data initiatives and uncovering new insights. 2022 was split into two focus areas for each half of the year: i) security, data management and compliance, and ii) delivery of analytical models focusing on end-to-end quality within all our systems. The key for 2022 was ensuring a balance between data governance and

MIQ DIGITAL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

data risk management versus data innovation and automation.

By December 2022, the BI team exceeded in delivery of analytical models and dashboards, leveraging data pipelines to deliver quality results at pace. A highlight of the year was the delivery of the data cube project, which allows MiQ to report on, and analyse all integrated DSPs. This involved working with every team company-wide and globally to drive data quality in enterprise systems, automate reporting wherever possible, and continue to identify best practices for being a data-driven company.

Advancing our Product

- Advanced TV

MiQ's Advanced TV solution grew in 2022 due to specific partnerships and product enhancement. Specific partnerships have added differentiation to our offering in the form of greater audience reach, enhanced reporting and more competitive pricing. Product enhancement such as our Political TV Intelligence tool & CTV, our Advanced Youtube Features tool and High impact branding all helped to significantly drive revenue.

- Non reliance on 3rd party cookies

Significant new cookieless capabilities were added to this area including, ad attention measurement & optimization, solutions to make branding campaigns more sustainable for advertisers and an improved creative portal.

Identity and Advanced TV continued to be a focus for our local teams. Our presence at in-person industry events across global markets have increased awareness of MiQ being a leader in Advanced TV. Our Cookieless IQ dashboard release has helped shift our US messaging from being educators to the partner of choice to guide marketers to the cookieless future.

- Market leading technological and analytics capabilities

Continued focus was placed on MiQ's internal platforms, with a view of improving the performance and efficiency with which campaigns are run. Traders benefited from newly set-up, automated campaign templates, which generated 920 new campaigns over the year. Our customer experience was improved through a faster Lab homepage which reduced average load time from 5.6s to 1.6s (250% quicker).

Ongoing investments were placed into future-proofing MiQ's product & technology - including expanding our "cookieless" partnerships as well as the acquisition of highly innovative AirGrid privacy-first audience technology. MiQ were also awarded an ISO27001 accreditation for our information security practices for the first time.

Investment in People

In 2022 MiQ continued to invest in building an inclusive, high-performance culture as our headcount increased. We continued to build on the momentum of previous years by ensuring a more inclusive and equitable workplace for all. Our engagement scores reached some of our highest levels, with particularly high scores on the topics where we put exceptional focus for our people: Autonomy, Belonging, and Opportunity. |

Our investments in fair parental leave, Emerging Talent programs, and our Future Leadership Program were popular with our employees and brought media attention to acknowledge us as a great place where exceptional people work. We trained all employees on Bystander Intervention training to create more safety and allyship throughout MiQ and the industry. In addition, the gender pay gap identified in our I.D.E.A. report for 2020 was closed as of the report this year, which was accomplished by a concerted effort to ensure a compensation framework to guarantee equity.

MIQ DIGITAL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 statement

The directors of MiQ Digital continue to place long term stability, sustainable growth and the interests of all MiQ employees across the group at the heart of the company's strategy and day-to-day operations. Sustainability has been an important area of focus in 2022, with continued organic expansion allied with a considered approach to entry into major new and developing markets. These new territories represent great opportunities to expand the group in future, but external advice has been taken to assess risks, both financial and cultural.

The company continues to take business conduct and ensuring we have a reputation for excellence very seriously. The directors are committed to ensuring that our systems and processes continue to be industry leading when it comes to compliance, putting initiatives like clean rooms and cookieless identity tracking front and centre, while adding key new hires in IT and Business Intelligence to support global operations.

We are committed to reducing our environmental impact and have partnered with key players to ensure compliance of the ESOS energy assessment and understand the environmental impact of the findings.

Key Performance Indicators

Our key financial metrics are to continue to grow our Gross Profit and ultimately to grow our profit before tax. This will be achieved by growing our relationships with our clients and continuing our expansion into new markets whilst also controlling our overheads. We also want to continue to grow our cash balances through strong working capital management and high cash conversion.

There has been an increased focus on MiQ's environmental impact in 2022. Strategies have been put in place to ensure MiQ is carbon neutral across scopes 1, 2 by 2025 and scope 3 by the end of 2030. We have also initiated a green energy program designed to reduce emissions by switching offices to renewable energy; our London office has been switched to renewables. Measures have also been identified to reduce office energy usage by 20% globally through implementation of new best-practices. These are being put into place via a new set of Office Energy Efficiency Guidelines distributed to all office managers.

Our key non-financial metrics are focused on supporting and meeting the needs of MiQ's sustainable growth agenda, and to seize the opportunity to grow MiQ's influence within our core audiences of advertisers and media agencies. An approach was adopted that strikes a balance between demand and lead generation, customer loyalty and brand building. Our strategy was increasingly laser focused on two core content themes: Identity & ATV. This consistency across our content, digital platforms and activations will continue to be built into 2023.

Principal risks and uncertainties

Customer diversity risk

As noted above, the company is continuing to diversify its customer base geographically and through a range of deeper partnerships with brands and agencies, across a wider selection of industries.

The directors will continue to focus on decreasing risk throughout the group by diversifying the client base.

Cash flow risk

The Company's principal financial instruments comprise its cash, bank loan, trade debtors and trade creditors. The directors have established relationships with clients and are also identifying any credit issues in a timely manner. The amounts presented in the balance sheet are net of allowances for bad debt.

Financial risk management objectives and policies

MIQ DIGITAL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

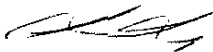
The Company seeks to manage and minimise financial liquidity risk by ensuring that sufficient funding for ongoing operations and future developments is available at all times to meet foreseeable needs.

The Company manages business risk by maintaining very strong relationships with clients, suppliers and employees, and also by making changes in response to market conditions in the advertising industry.

Future developments

The directors are confident that the business will emerge in a stronger position due to the continued investment in our product and people during this period.

This report was approved by the board on 20 July 2023 and signed on its behalf.



S Tray
Director

MIQ DIGITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to \$322,255 thousand (2021 - \$10,811 thousand).

A dividend of \$nil was issued during the year (2021 \$Nil).

No subsequent dividends have been proposed.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 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 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.

Directors

The directors who served during the year were:

S Tray
L Puri
G Hundal

MIQ DIGITAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Matters covered in the strategic report

Under section 414C(11) of the Act, the directors may include in the strategic report such of the matters otherwise required by regulations made under section 416(4) to be disclosed in the directors report as the directors consider otherwise are of strategic importance to the company, this includes discussion on actions taken by the directors on employee welfare and engagement, supplier relationships, financial risk management objectives and policies, events that have occurred since the balance sheet date, and future developments.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. This indemnity has also been made for the benefit of the directors of its associated companies during the year which remain in force at the date of this report.

Employee Involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. The Company maintains an HR intranet site that providing employees with information on matters of concern to them as employees, including the financial and economic factors affecting the performance of the company. The intranet site includes functionality that enables employees to express views on matters that affect them anonymously and the Company also undertakes a biennial staff survey to canvas views on significant matters. Employees' involvement in the company's performance is encouraged through a bonus and commission structure that is driven directly by the performance of the business.

Energy and carbon reporting

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Going concern

In considering the appropriateness of the going concern basis the board have reviewed the key risks and uncertainties to which they believe the Company is exposed, the Company's ongoing financial commitments and the availability of sufficient resources for the next twelve months from the date of signing these financial statements and beyond. The Directors have accordingly adopted the going concern basis in preparing these financial statements.

In assessing the appropriateness of the going concern assumption, the directors have considered the ability of the group to maintain adequate liquidity through the forecast period as well as the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is able to operate comfortably within the level of its current facilities.

Based on the latest 12-month forecast reviewed by the board, sensitivities have been modelled above the base

MIQ DIGITAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

case to understand the impact of the various risks outlined above on the Company's cash headroom. EBITDA would need to drop by over 50% before engaging in any actions to mitigate the decline. Given the current demand for services for the Company at the date of the report, the assumptions in these sensitivities, when taking into account the factors set out above, are considered highly unlikely to lead to breaches of the cash headroom.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that it remains appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements. The ultimate holding company, Future Topco Limited has provided guarantees and letter of support for its subsidiaries' obligations.

Existence of branches

The company has a branch as defined in section 1046(3) of the Companies Act 2006, in Germany. The figures for which are included within the company figures.

Post balance sheet events

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

Audit exemption

MiQ Digital Limited has taken the exemption of filing audited accounts under section 479a of the Companies Act 2006. The exemption has been applied because the consolidated accounts for Future Topco Limited have been audited, of which MiQ Digital Limited is a subsidiary. Future Topco Limited has also provided a guarantee for the subsidiary company's liabilities.

This report was approved by the board on 20 July 2023 and signed on its behalf.



S Tray
Director

MIQ DIGITAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$000	2021 \$000
Turnover	4	64,698	85,062
Cost of sales		(43,211)	(53,833)
Gross profit		21,487	31,229
Administrative expenses		(19,477)	(18,677)
Profit on disposal of MiQ Digital USA, Inc		319,900	-
Operating profit	5	321,910	12,552
Interest receivable and similar income	8	766	-
Interest payable and similar expenses	9	(9)	(44)
Profit before tax		322,667	12,508
Tax on profit		(412)	(1,697)
Profit for the financial year		322,255	10,811

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 11 to 31 form part of these financial statements.

MIQ DIGITAL LIMITED
REGISTERED NUMBER: 07321732

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Fixed assets			
Intangible assets	11	9,054	5,384
Tangible assets	12	647	504
Investments	13	3,227	2,829
		<u>12,928</u>	<u>8,717</u>
Current assets			
Debtors: amounts falling due after more than one year	14	320,666	-
Debtors: amounts falling due within one year	14	178,245	172,997
Cash at bank and in hand	15	4,146	16,879
		<u>503,057</u>	<u>189,876</u>
Creditors: Amounts Falling Due Within One Year	16	(120,216)	(130,671)
Net current assets		<u>382,841</u>	59,205
Total assets less current liabilities		<u>395,769</u>	67,922
Provisions for liabilities			
Deferred tax	18	(740)	(535)
		<u>(740)</u>	<u>(535)</u>
Net assets		<u><u>395,029</u></u>	<u><u>67,387</u></u>
Capital and reserves			
Revaluation reserve	20	(398)	2,059
Profit and loss account	20	395,427	65,328
		<u><u>395,029</u></u>	<u><u>67,387</u></u>

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006

MIQ DIGITAL LIMITED
REGISTERED NUMBER: 07321732

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 July 2023.



S Tray
Director

The notes on pages 11 to 31 form part of these financial statements.

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

MIQ Digital Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on the company information page and the nature of the company's operations are set out in the strategic report

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 Section 1A of Financial Reporting Standard 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional currency is GBP Sterling. This differs from the presentational currency which is US Dollars. The reason for the difference is that US dollars is the currency of the primary economic environment in which the group's largest trading entity operates. Functional currency for the company remains GBP with the group headquarters in the United Kingdom.

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 profit or loss 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 profit or loss within 'other operating income'.

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.*

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method. Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life.

Technology assets

The value of the technology assets will be amortised over its useful economic life of 3-5 years, depending on whether each asset relates to long-term platform development or advanced product functionality which may be superseded by technological developments in a shorter period. The technology is continually under development to prevent it becoming obsolete. Due to the business-related nature of these technology assets, amortisation is included with cost of sales.

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Impairment of goodwill is never reversed.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

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:

Fixtures and fittings	- 10% - 25%
Office equipment	- 25% - 40%
Leasehold improvements	- 5% - 20%

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.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each balance sheet date, investments are assessed for indicators of impairment. If there is such an indicator, the recoverable amount of the asset is compared to the carrying amount of the investment.

The recoverable amount of the asset is the higher of fair value less costs to sell and value in use.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 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.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 Financial instruments (continued)

third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date, 31 December 2022.

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

Estimates and judgements made in the process of preparing the financial statements 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:

a) Key judgement in applying the company's accounting policies

Classification and valuation of intangible fixed asset amortisation

Consideration is given to the fundamental relationship between internally generated software assets and the company's ability to generate revenue on programmatic advertising campaigns. While the company is not a SAAS business, the directors have determined that software products developed underpin the managed service offered to advertisers, making amortisation of these assets a genuine cost of sale.

Classification of commercial rebates

Commercial agreements with agencies vary in terms and nature. Classification of whether these amounts as revenue or cost of sales is reviewed annually in line with FRS102. Discounts and volume rebates are applied and presented as netting off against revenue. Agency commission payments are classified as cost of sales based on a technical assessment of the nature of the charges with consideration given to the agency-principal concept based on the substance of an agreement over legal form.

a) Key accounting estimates and assumptions

Valuation of intangible fixed assets

The company internally generates software assets, recognised annually and as a result of business combinations. The valuation of these assets requires judgement in identifying the underlying internal cost of both goodwill and software, and subsequent indicators of impairment that meet the recognition criteria in FRS102 and in attributing fair value.

Judgement is required in assessing the useful economic lives of intangible fixed assets and goodwill and the proportion of payroll costs that are classified as development costs rather than research or maintenance as determined under UK GAAP. This assessment is based on analysis performed on historic group data and the directors' best estimate of the life of the asset and of its residual value at the end of its useful economic life.

Recoverable value of trade and other debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considered factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Valuation of commercial rebates

The company maintains rebate agreements with customers and other parties. The calculation and classification of such rebate balances can be complex and require management estimates in line with contractual terms if both parties have not settled totals by the date of signing the financial statements. Agreements are reviewed annually and rebate values are estimated monthly based on percentage of turnover or turnover less direct costs.

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Turnover

All turnover is generated from the same class of business.

Analysis of turnover by country of origin:

	2022	2021
	\$000	\$000
United Kingdom	62,245	83,073
Europe	2,453	1,989
	64,698	85,062

5. Operating profit

The operating profit is stated after charging:

		2022	2021
		\$000	\$000
Research & development charged as an expense		2,517	2,418
Depreciation of tangible fixed assets	12	278	229
Exchange loss/(gains)		274	1,158
Amortisation of intangible fixed assets	11	3,327	1,949
Other operating lease rentals		692	654

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Employees

Staff costs were as follows:

	2022	2021
	\$000	\$000
Wages and salaries	17,293	17,983
Social security costs	3,238	3,104
Cost of defined contribution scheme	583	517
	21,114	21,604

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

	2022	2021
	No.	No.
Admin	40	32
Directors and global board	3	3
Programmatic media operations	88	69
Tech & Analysis	60	57
	191	161

7. Directors' remuneration

Insight Bidco Limited, the immediate parent company of MiQ Digital Limited, bears all directors' costs within the group. Directors' emoluments are paid by a fellow subsidiary which makes no recharge to the company. The directors are directors of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of emoluments in respect of each of the subsidiaries. Total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

There are no directors accruing retirement benefits under money purchase or defined benefit schemes. No directors exercised share options during the year.

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Interest receivable

	2022	2021
	\$000	\$000
Interest receivable from group companies	766	-
	766	-

The interest receivable relates to interest on an intercompany loan note between MiQ Digital Limited and Future Bidco Limited, a member of the same financial group.

9. Interest payable and similar expenses

	2022	2021
	\$000	\$000
Bank interest payable	9	44
	9	44

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation

	2022 \$000	2021 \$000
Corporation tax		
Current tax on profits for the year	119	1,685
Adjustments in respect of previous periods	88	(614)
Tax on disposal of discontinued operation	(119)	(114)
	88	957
Foreign tax		
Foreign tax suffered	119	114
Foreign tax adjustment in respect of prior periods	-	363
	119	477
Total current tax	207	1,434
Deferred tax		
Origination and reversal of timing differences	(94)	(108)
Adjustment in respect of previous periods	329	243
Effect of changes in tax rates	(30)	128
Total deferred tax	205	263
Taxation on profit on ordinary activities	412	1,697

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 \$000	2021 \$000
Profit on ordinary activities before tax	322,667	12,508
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	61,307	2,377
Effects of:		
Expenses not deductible	1,466	212
Income not taxable	(60,524)	(102)
Effects of group relief/ other reliefs	(2,224)	(909)
Effects of overseas tax rates	-	-
Adj. from previous periods	417	(8)
Tax rate changes	(30)	128
Roundings	-	(1)
Total tax charge for the year	412	1,697

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted in the Finance Bill 2021 on 24 May 2021. The deferred tax balances have been remeasured using the rates expected to apply when the deferred tax balances unwind.

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Intangible assets

	Technology Asset \$000	Goodwill \$000	Total \$000
Cost			
At 1 January 2022	8,661	-	8,661
Additions - internal	4,548	355	4,903
Additions - external	1,692	-	1,692
Foreign exchange movement	(49)	16	(33)
At 31 December 2022	<u>14,852</u>	<u>371</u>	<u>15,223</u>
Amortisation			
At 1 January 2022	3,277	-	3,277
Charge for the year on internal assets	3,262	6	3,268
Charge for the year on external assets	59	-	59
Foreign exchange movement	(435)	-	(435)
At 31 December 2022	<u>6,163</u>	<u>6</u>	<u>6,169</u>
Net book value			
At 31 December 2022	<u>8,689</u>	<u>365</u>	<u>9,054</u>
At 31 December 2021	<u>5,384</u>	<u>-</u>	<u>5,384</u>

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Intangible assets (continued)

Development costs in relation to the technology asset have been capitalised in accordance with the requirements of FRS 102, which allows for an election to be made regarding the capitalisation of software development costs if certain criteria are met, and are therefore not treated as a realised loss in the year of expenditure. In the previous year, the directors decided to adopt a change in accounting policy for the group in 2020, to capitalise development costs in the year in order to bring group policies in line with the industry norm.

The value of the technology asset will be amortised over its useful economic life of 3-5 years. The technology is continually under development to prevent it becoming obsolete. On average, the entirety of the technology stack is replaced every 5 years. Goodwill is to be amortised over its useful economic life of 10 years. Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

The acquisition of Airgrid Limited during the year led to additions of Goodwill and technology assets totalling \$355,369 and \$1,692,411 respectively. Goodwill is to be amortised over its useful economic life of 10 years in line with company policy and the technology Asset is to be amortised over its useful economic life of 5 years.

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

	Fixtures and fittings \$000	Office equipment \$000	Leasehold improvements \$000	Total \$000
Cost or valuation				
At 1 January 2022	134	1,124	565	1,823
Additions	126	231	93	450
Exchange adjustments	(15)	(96)	(59)	(170)
At 31 December 2022	<u>245</u>	<u>1,259</u>	<u>599</u>	<u>2,103</u>
Depreciation				
At 1 January 2022	101	770	448	1,319
Charge for the year on owned assets	21	196	61	278
Exchange adjustments	(11)	(84)	(46)	(141)
At 31 December 2022	<u>111</u>	<u>882</u>	<u>463</u>	<u>1,456</u>
Net book value				
At 31 December 2022	<u><u>134</u></u>	<u><u>377</u></u>	<u><u>136</u></u>	<u><u>647</u></u>
At 31 December 2021	<u><u>33</u></u>	<u><u>354</u></u>	<u><u>117</u></u>	<u><u>504</u></u>

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Fixed asset investments

	Investment s in subsidiary companies \$000
Cost or valuation	
At 1 January 2022	2,829
Additions	508
Foreign exchange movement	(110)
At 31 December 2022	3,227

Below is a list of the subsidiaries of the company.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
MiQ Digital India Private Limited	204-206, Siddhartha Chambers, Near IIT Gate, Hauz Khas, New Delhi 110016.	Ordinary	100%
MiQ Digital Canada, Inc	371 Queen Street Suite, Fredericton NB, E3B 1B1, Canada.	Ordinary	100%
MiQ Digital Australia PTY Ltd.	Muse House, 74-76 Campbell Street, Surrey Hills, NSW 2010.	Ordinary	100%
MiQ Digital Singapore PTE Ltd	15-137, 71 Robinson, Singapore 68895.	Ordinary	100%
MiQ Digital Commercial Private Ltd.	204-206 Siddhartha Chambers, Near IIT Gate, Hauz Khas, New Delhi 110016.	Ordinary	100%

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
MiQ Digital Nominees Limited	6th Floor Charlotte Building, 17 Gresse Street, London, England, W1T 1QL.	Ordinary	100%
MiQ Digital Sdn. Bhd	No. 71, Jalan 109F PlazaDanau 2, Taman Danau Desa58100 Kuala Lumpur W. P.Kuala Lumpur, Malaysia.	Ordinary	100%
MiQ Digital (Thailand) Co. Ltd	No. 286/279, Rattana Thibet Road, Bang Kraso Subdistrict, Meuang Nonthaburi District, Nonthaburi.	Ordinary	100%
MiQ Digital (Shanghai) Co. Ltd	Unit 20108, Level 20, HKRI Center, Tower 2, 288 Shimen 1st Road, Jing'an District, Shanghai, China.	Ordinary	100%
MiQ Digital DMCC	Jumeirah Lakes Towers, Dubai, UAE.	Ordinary	100%
MiQ Digital Mexico, S. de R.L. DE C.V.	Bosque de Ciruelos No. 180 Int. PP 101, Col. Bosques de las Lomas, Miguel Hidalgo, Ciudad de México, 11700.	Ordinary	100%

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Debtors

	2022	2021
	\$000	\$000
Due after more than one year		
Amounts owed by group undertakings	320,666	-
	320,666	-

Included within amounts owed by group undertakings is a promissory note issued between MiQ Digital UK and Future Bidco UK on 5th December 2022 in relation to the discontinued operations of MiQ Digital USA, Inc as a direct subsidiary of MiQ Digital Limited. This occurred as part of a wider group restructuring on the 29 November 2022. At year end, 31st December 2022, the promissory note was \$319.9M and \$0.7M interest had been accrued at 2.91%.

	2022	2021
	\$000	\$000
Due within one year		
Trade debtors	18,308	37,035
Amounts owed by group undertakings	149,146	132,195
Other debtors	4,602	1,667
Tax recoverable	2,735	-
Prepayments and accrued income	3,454	2,100
	178,245	172,997

Included within the trade debtors balance is a provision for bad debts of \$141,097 (2021: \$64,280).

Amounts owed from group undertakings are chargeable at a 0% interest rate and repayable on demand.

15. Cash and cash equivalents

	2022	2021
	\$000	\$000
Cash at bank and in hand	4,146	16,879
	4,146	16,879

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Creditors: Amounts falling due within one year

	2022	2021
	\$000	\$000
Trade creditors	102,451	86,258
Other taxation and social security	(1)	6,514
Other creditors	-	117
Accruals and deferred income	17,766	37,782
	120,216	130,671

17. Financial instruments

	2022	2021
	\$000	\$000
Financial assets		
Cash at bank and in hand	4,146	16,879
Financial assets measured at amortised cost	347,973	37,397

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, other debtors and accrued income.

	2022	2021
	\$000	\$000
Financial liabilities		
Financial liabilities measured at amortised cost	120,032	124,299

Financial liabilities measured at amortised cost comprise of bank overdrafts, bank loans, loan notes, trade creditors, other creditors and accruals

18. Deferred taxation

	2022
	\$000
At beginning of year	(535)
Charged to other comprehensive income	(205)
At end of year	(740)

MIQ DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022	2021
	\$000	\$000
At beginning of year	(535)	(271)
Adjustment in respect of prior years	(328)	(243)
Charged to the statement of comprehensive income	123	(21)
	(740)	(535)

19. Share capital

	2022	2021
	\$	\$
Allotted, called up and fully paid		
26,800 (2021 - 26,800) Ordinary A shares of \$0.01 each	268	268

20. Reserves**Profit and loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid and foreign exchange differences that arise on consolidation of foreign subsidiaries.

21. Pension commitments

The pension cost charge represents contributions payable by the group to the funds and amounted to \$583,352 (2021: \$517,418). Contributions totalling \$107,749 (2021: \$89,577) were payable to the funds at the period end.

MIQ DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 \$000	2021 \$000
Not later than 1 year	562	629
Later than 1 year and not later than 5 years	612	222
	<u>1,174</u>	<u>851</u>

23. Controlling party

The group is controlled by Insight Bidco Limited.

The Company's immediate holding company is Insight Bidco Limited which is the smallest group the company is a member of, for which group accounts are drawn up. The largest group which the company is a member of, for which group accounts are drawn up, is Future Topco Limited.

The registered office address of the above companies is set out below:

6th Floor Charlotte Building,
17 Gresse Street,
London,
W1T 1QL

MiQ Digital Limited has taken the exemption of filing audited accounts under section 479a of the Companies Act 2006. The exemption has been applied because the consolidated accounts for Future Topco Limited have been audited, of which MiQ Digital Limited is a subsidiary. Future Topco Limited has also provided a guarantee for the subsidiary company's liabilities.