



*Soaring Performance.*

**BluJay Solutions Group Holdings Limited**

**Number 08035563**

**Annual Report and Financial Statements  
for the Year Ended 31 March 2021**





*Soaring Performance.*

## Corporate Information

### BluJay has offices across the globe

#### Asia Pacific

Australia  
Hong Kong  
India  
Japan  
New Zealand  
People's Republic of China  
Singapore

#### Europe

Belgium  
Denmark  
Germany  
Netherlands  
Spain  
Switzerland  
United Kingdom

#### North America

Canada  
United States

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Registered number **08035563**

## Strategic Report

The Directors of the Company (the "Directors") present their Annual Report, together with the financial statements of the Company and its subsidiaries (together "the Group") and Independent Auditor's Report, for the year ended 31 March 2021. The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

These financial statements are presented in United States dollars because the Company has determined that dollars are the presentation currency which best reflects the activities of the group as a whole since the majority of the revenues are in United States dollars.

## Strategic and Business Review

The Group is required by the Companies Act 2006 to include a business review in this report. This includes an analysis of the development and performance of the Group during the financial year and its position at the end of the financial year, including relevant key performance indicators as defined below, being principally revenue, recurring revenue as a percentage of total revenue, adjusted EBITDA <sup>(3)</sup> and operating profit.

### Principal activities

The principal activities of the Group during the year were, and will continue to be, the provision of software and associated services. BluJay delivers solutions that give customers the insight, agility and tools they need to deliver better customer service and streamline global supply chain execution. A global company, BluJay, via its multimodal transportation management platform, accelerates the speed, accuracy and transparency of global logistics, transportation and warehousing. Our software solutions and deep domain knowledge enable our customers to drive revenue growth and measurable cost savings.

Since 1972, BluJay has delivered global trade and logistics solutions to some of the most sophisticated companies in the world. Over 5,700 companies use BluJay Solutions in more than 100 countries globally.

### Key performance indicators

	Year ended 31 March 2021	Year Ended 31 March 2020
Revenue	\$177.5m	\$167.6m
Revenue at constant currency <sup>(1)</sup>	\$172.3m	\$167.6m
Recurring revenue <sup>(2)</sup>	\$137.3m	\$127.4m
Recurring revenue as % of total	77%	76%
Adjusted EBITDA <sup>(3)</sup>	\$66.4m	\$57.5m
Adjusted EBITDA at constant currency <sup>(1)</sup>	\$64.1m	\$57.5m
Adjusted EBITDA margin	37%	34%
Operating profit	\$27.6m	\$24.1m
Loss before tax	\$(0.7)m	\$(5.9)m

(1) Constant currency assumes that average exchange rates for the year ended 31 March 2021 were identical to those for the year ended 31 March 2020.

(2) Recurring revenue is defined as annually contracted revenue (Software as a Service, Logistics as a Service and maintenance).

(3) Adjusted EBITDA is operating profit before depreciation of \$3.8m (2020: \$3.3m), depreciation of right of use asset \$3.3m (2020: \$3.8m), amortisation of other intangibles of \$16.7m (2020: \$15.9m), exceptional items \$2.9m (2020: \$6.6m), foreign currency gain of \$3.4m (2020: loss of \$2.8m), impairment loss on goodwill and other intangible assets \$15.4m (2020: nil), loss on disposal of fixed asset nil (2020: \$0.3) and management fees of \$0.7m (2020: \$0.7m). The Directors regard this as providing additional useful information on trends in underlying performance.

**Trading performance - review of the year**

Revenue for the year increased by \$9.9m, or 5.9% to \$177.5m from \$167.6m in the prior year, driven by increased growth from LaaS and License on bookings growth along with SaaS increases from existing customers. Recurring revenues for the year increased by \$9.7m, or 7.6% to \$137.3m from \$127.4m in the prior year and constitute 78% of revenue for the year (2020: 76%). Results for the year also include full year of revenues from the Expedient acquisition, which was completed in March 2020. Total Expedient revenues for FY21 were \$3.6m.

Adjusted EBITDA for the year increased by \$8.9m, or 15.5% to \$66.4m from \$57.5m for the prior year, resulting in an increase in Adjusted EBITDA margins to 37% from 34% for 2020. This increase was driven by the strong revenue performance, combined with effective cost control. Lower operating expenses during 2021 were related to; not having a traditional annual customer event, significantly reduced travel, lower contractor expense, incremental headcount at lower costs as a result of an increased proportion of total headcount being based in our Hyderabad office and reduced property expenses.

Operating Profit for the year increased by \$3.5m, or 15% to \$27.6m from \$24.1m for the prior year. The increase in operating profit was principally driven by an increase of \$8.9m in Adjusted EBITDA, as well as foreign exchange gains of \$3.4m compared to a loss of \$2.8m for 2020. There was also a reduction in Exceptional items, which relate to certain one-off costs, to \$2.9m from \$6.7m for the prior year. Further detail on Exceptional items is provided in note 3 to the financial statements. Non-cash items of depreciation and amortisation of intangible assets increased slightly to \$23.8m for the year from \$23.0m for the prior year. In the current year, the Group recorded an impairment loss on goodwill and other intangibles of \$15.4m. These impairments are related to goodwill on the Southeast Asia CGU (cash generating unit) and the customer relationship intangible assets from the Blackbay acquisition and are discussed in note 10.

Finance costs for the year decreased by \$1.7m, or 5.7% to \$28.3m from \$30.0m for 2020. This decrease was principally a result of lower interest charges on bank debt. The charge for taxation for the year was \$2.0m compared to \$1.4m for 2020.

Loss for the year was \$2.7m compared with a loss of \$7.3m for 2020.

The Directors consider these results satisfactory since the loss arises from the one-off, non-cash impairment of goodwill and other intangibles. Revenue and operating profit form a solid base for further growth and improvement.

**Prospects**

As well as continually enhanced products, technology and domain skills, all of which will be intended to improve an already market leading position, the Group continues to be supported by the resources and expertise of Francisco Partners and Anderson Investments Pte. Ltd., in particular in assisting the group to explore additional acquisition opportunities and providing the necessary resources for further future investment and growth. On 27 May 2021, a US public company, E2open Parent Holdings, Inc. (E2open), announced it will acquire BluJay Solutions with completion expected to take place during the calendar year third quarter of 2021, subject to regulatory approvals. This transaction will constitute a change of control under the Group's existing facilities agreement. Under the terms of the acquisition documents E2open has agreed to provide funding for the Group including repaying outstanding amounts under the facilities agreement which will become due and payable on completion and to redeem and repay preference share liabilities. Post-acquisition it is assumed that trading will continue as modelled in the detail forecasts where the Group generates sufficient profit and cashflow for the Group to meet its liabilities as they fall due.

For the industry as a whole, the Directors believe that the ever-increasing complexity of global trade and the continuing introduction of demanding new regulations and legislation will result in ongoing demand for its products and services.

**Cash flow, banking facilities and financial position**

Prior to investing activities, financing and tax payments, cash generated from operating activities in the year ended 31 March 2021 was \$61.7m (2020: \$58.2m). After covering interest and tax payments, a total of \$32.5m (2020: \$26.8m) was available to fund required capital expenditures and meet scheduled debt repayments.

The reported cash inflow for the year was \$0.4m (2020: inflow \$16.2m). In 2020, the Group drew on its revolving credit facility to have available cash during the global pandemic. This amount was repaid during the year.

Closing cash in hand was \$31.5m (2020: \$29.1m). The Group had access to a revolving credit facility totalling \$20m, which was available at 31 March 2021 and going forward for use. The current credit facilities are provided through a syndicate led by TPG Specialty Lending Europe I Advisors Ltd. The term loan facilities include US dollar denominated loans originally totalling \$170m, pounds sterling denominated loans originally totalling £35.2m and euro denominated loans totalling €96.9m.

Consolidated net liabilities at 31 March 2021 amounted to \$136.9m (2020: \$124.8m).

### ***Principal Risks and Uncertainties***

The principal risks and uncertainties associated with the Group's activities are set out below.

**Strategic Risks** – the main strategic risks to BluJay's business arise from deterioration in general economic conditions, increased competition and the consolidation of key customers. If economic conditions worsen, demand for BluJay Solutions' products and services may fall, meaning that growth in revenues and profits is reduced or reversed. Increased competition in the form of new products and services launched by competitors could also reduce revenues and therefore profits. In addition, consolidation among BluJay Solutions' customers could also reduce revenues as merged companies look for cost savings by reducing the number of systems they operate.

To mitigate the impact of reduced demand for BluJay's products and services, the Group continues to invest in the development of new products and in identifying, negotiating and completing acquisitions to enhance its customer offering. In addition, the Group plans to continue to increase the proportion of its revenue arising from more stable recurring revenue streams such as Software as a Service ("SaaS") and hosted products, which increased to 77% (2020: 76%) of total revenue during 2021.

Overall, the Group has not experienced significant customer losses due to COVID-19 since the Group's software is considered mission critical by many of its customers. The Group's employees are able to work remotely so operations have continued seamlessly for the most part. See Going Concern section in Directors' Report for additional discussion related to COVID-19.

During the year Brexit negotiations were concluded and the UK has left the EU Single Market and Customs Union and the transition period has ended. Given BluJay's structure and global footprint the Directors do not expect the direct consequences of Brexit to have a material impact to the Group. A large portion of the Group's business is not affected as it is located in the Americas and Asia-Pacific regions.

**Operational Risks** – Key operational risks involve the delivery and support of customer projects as delays can in turn reduce revenue and profit recognition. In providing SaaS, the Group is reliant on a number of third-party suppliers that provide data centres. The provision of SaaS products hosted on BluJay managed servers is critical to the Group's strategy of growing recurring revenues. To mitigate against the risk of data centre failure, and to ensure that a high level of service is provided to our SaaS customers, the Group's Support Services teams are required to continually monitor service levels and review the disaster recovery plans that are currently in place. Where these are found to be inadequate, corrective action is taken. In addition, the Group has a number of data centre locations with no significant geographic concentration. As with all software companies, there is from time to time a risk of potential litigation arising from in areas such as patents, customers, or employee matters. Management evaluates each potential litigation item to determine if reserves should be established. As of the reporting date, there is no litigation item matter that management has determined requires disclosure or a provision. Additional operational risks lie in customers suffering financial failure or alternatively key person loss within the Group.

**Financial Risks** – The main financial risks arising from the Group's activities are set out below.

Market risks are inherent in the use of debt capital, for example with respect to interest rate changes and in the course of its normal activities, the Group is routinely exposed to a variety of other financial risks including counterparty credit risk, liquidity risk and foreign currency risk.

The Group monitors these risks primarily through cash flow forecasting and sensitivity analysis, with a central treasury function identifying and evaluating financial risks in close co-operation with the Group's main operational functions. For counterparty credit risk, exposure levels and credit limits applicable to each bank or customer are reviewed on a regular basis.

The Group had bank borrowings outstanding totalling \$331.8m (gross of fees) at 31 March 2021 (31 March 2020: \$320.5m), which was term loan debt maturing in September 2024.

The Group remains exposed to interest rate fluctuations in relation to its borrowings (as detailed above and in note 25) but will actively monitor this exposure going forwards with a view to putting in place interest rate hedges where deemed beneficial. As an illustration, each 0.1% increase in the bank reference rate (LIBOR and EURIBOR) above 0.5% would add approximately \$332,000 to the total interest expense for the next twelve months.

In terms of currency risk, as an international business the Group has substantial operations outside the UK. The Group's consolidated results and net liabilities of \$136.9m are exposed to movements in exchange rates.

The Group's borrowings are denominated in a mixture of US dollars, pounds sterling and euros. This matches closely the Group's underlying cash generation, so mitigating significantly any economic currency risk on servicing the debt. However, given a US dollar presentation currency for the consolidated financial statements, the group may experience significant non-cash foreign exchange retranslation variances in the presentation of its debt going forwards. The degree of exposure, along with further details of the other financial risks, is outlined in note 25 to the financial statements.

## Corporate Governance and Stakeholders

### Section 172(1) Statement

In accordance with the Companies Act 2006 (the "Act") (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1)(a) to (f) of the Act, when performing their duty to promote the success of the Company.

Section 172 (1) matters:

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

#### *The Board's approach and focus on high standards*

The business's reputation for high standards is paramount for all Directors. The Directors seek to set the tone from the top, alongside the Executive Leadership Team (ELT), to whom they delegate day to day responsibility. BluJay Solutions has a well-developed culture of high standards for business conduct, which are the BluJay Values, encompassing who we are as a company, how we interact with each other and with our customers. The BluJay Values are: We Listen First; We are Bold; Our Mindset is Open and Respectful; and Our Approach is Collaborative. In addition, the company has a code of conduct, which is shared with all new joiners and refresher courses are taken annually by all staff as part of their commitment to self-development. The Board and all employees are expected to follow the standards enshrined in the BluJay Values and code of conduct with the objective of maintaining high standards of business conduct and integrity.

#### *Long term decision making*

The Board's focus is centered on our vision – to become the world's premier Global Trade Network which empowers global companies to innovate and optimize their supply chains through integrated data, network and software applications. The Board comprises the Chairman, representatives from the Company's shareholders, the CEO and CFO, and three non-executive directors, who were appointed subsequent to year-end. The Board meets a minimum of 6 times per year and receives board papers, presentations, project updates and proposals in relation to all key issues and decisions of the business. The Board uses these materials as a basis to consider and discuss both key strategic and tactical decisions, taking account of their likely long-term impact on the Company and its ability to deliver sustainable shareholder value

#### *Employees*

The Directors actively consider the interests of our employees in decision making; recognise the importance of recruiting and retaining a high calibre and motivated workforce and involving all employees in the performance and development of the Group. Accordingly, it is the policy of management to develop and encourage employee involvement throughout the Group by regular communication from the executive team and between employees within divisions of the Group, with the Chief Executive Officer and Chief Financial Officer making periodic presentations in staff locations, which have been conducted through video conferencing during the COVID-19 pandemic but will start again in person as soon as medically safe to do so.

During the year the Board approved the launch of BluJay's new recognition program - BluJay LIVES. This program serves to acknowledge and reward team members who demonstrate exceptional behaviour and truly live the BluJay values.

Employment is based upon personal capabilities and qualifications without discrimination because of race, colour, genetic information, religious creed, gender, pregnancy, national origin, ancestry, age, veteran status, marital status, sexual orientation, disability or any other protected characteristic as established by applicable international, federal, state and local laws. This equal employment opportunity commitment is related to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment. The Board also approved the launch of BluJay's Diversity and Inclusion strategic plan, including stretch goals to increase the number of females and under-represented minorities at BluJay. The plan operates with six subcommittees in support of the D&I mission of BluJay, and those committees include: the BluJay Women's Network, BluJay LIVES, BluJay Listens, D&I recruitment and retention, D&I development and promotion, and D&I education and awareness.

### *Customers*

Customers are at the heart of the BluJay and all decision making by the Directors. The board regularly discusses relationships between BluJay and key customers and receives information on new logo wins and customer churn. The company hosts Customer Advisory Boards, which are open to all customers that use BluJay products. These forums enable customers to offer constructive feedback on products and services, and ideas in relation to business issues they are experiencing. Such insights provide a valuable input to strategic product development plans, as well as an open communication channel to address tactical enhancements if required.

### *Partners and Suppliers*

BluJay Solutions partner network is an important element of the Group's business model. These partners (i) help increase the value of the BluJay product offering, or (ii) act as valuable extension of BluJay in certain markets bringing localized expertise to customer engagements, or (iii) relationships within the supply chain consultancy network that can expand expert resource capabilities.

One of the values enshrined in the BluJay Way is to be honest and fair, as well as lawful, in all its business dealings with third parties. As part of contractual relationships partners and suppliers are required to agree to the Code of Conduct, which includes provisions in relation to Anti Bribery, Foreign Corrupt Practices Act and Modern Slavery policies.

### *Community and environment*

The Board believes that the very nature of the Group's products and services, in automating supply chain execution, positively impact the environment. This is an intuitive assessment based upon the Board's knowledge of the business process rationalisation resulting from the introduction by clients of the Group's products and services (i.e. replacement of labour intensive paper-based systems with electronic trading and shipping solutions).

The nature of the Group's operational activities is of comparatively minimal environmental impact. The Group seeks to apply good environmental practice by encouraging recycling of waste and minimising the use of paper by the use of electronic mail in communications. In addition, the Group has implemented a number of environmental initiatives in that all offices have introduced recycling (waste management) policies. The Group relies upon tight cost control to minimise, where possible, energy use and air travel and continues to believe that this a very effective mechanism for reducing the environmental impact of the Group's operations.

During the year a Sustainability Committee was established. Its initial focus is to measure our impact through internal calculations. The Board knows the Group has an impact on sustainability and recognizes the Group has a part in the global effort to fight climate change. A steering committee has been formed consisting of members of the Group executive team as well as employees.

BluJay also gives back and in April of 2021 launched The Heart of BluJay, which is a charitable program allowing team members to receive one day of paid time off to volunteer for a charitable organization. BluJay is testing this program in New Zealand and Australia, given employees in those countries are able to volunteer in person due to fewer COVID-19 restrictions. The plan is to roll this program out globally in the coming year.

### *Investors and acting fairly between the members of the company*

The Board of directors consists of three board members. All the investors are protected through an investment agreement.

### *Review of Stakeholders*

<b>Stakeholder</b>	<b>Their needs</b>	<b>How we engage</b>	<b>How this engagement influences Board decisions</b>
Customers	<ul style="list-style-type: none"> <li>• Purchasing software that meets business needs</li> <li>• SaaS and other revenue offerings that are reliable and supported</li> </ul>	<ul style="list-style-type: none"> <li>• Customer conferences to showcase best practices and new features and functionality</li> <li>• 24/7 support for SaaS products and customers purchasing support</li> <li>• Product roadmaps are continually reviewed to provide new features and functionality</li> <li>• Products meet minimum up-</li> </ul>	<ul style="list-style-type: none"> <li>• The Board is engaged in monitoring products and product offerings through reports.</li> <li>• The Board monitors customer retention and customer losses.</li> <li>• The Board sets strategic direction regarding product development.</li> <li>• The Board monitors product up-time.</li> </ul>

		time	
Employees	<ul style="list-style-type: none"> <li>• Diversity and inclusion</li> <li>• Training and career development</li> <li>• Competitive salaries and benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Initiatives to expand diversity of workforce</li> <li>• Annual employee surveys</li> <li>• Whistleblowing service</li> <li>• Annual review of salaries and benefits</li> <li>• Quarterly townhalls led by the CEO</li> </ul>	<ul style="list-style-type: none"> <li>• Included in the Board's annual strategy is a focus on diversity and inclusion.</li> <li>• The Board reviews the results of the annual employee survey. There is a focus on employee engagement and initiatives.</li> </ul>
Partner and suppliers	<ul style="list-style-type: none"> <li>• Working collaboratively and ensuring fair terms</li> <li>• Increasing revenue from shared opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Regular engagement with suppliers and partners</li> <li>• Regular review and monitoring of financial term to ensure mutually beneficial arrangements</li> </ul>	The Board reviews material contracts with suppliers and partners.
Community and environment	<ul style="list-style-type: none"> <li>• Energy usage and carbon emissions</li> <li>• Giving back to the community</li> <li>• Environment, social and governance (ESG) factors</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability committee at the company level</li> <li>• Volunteering days</li> <li>• Supporting local charities financially</li> </ul>	<ul style="list-style-type: none"> <li>• The Board has reviewed the Group's D&amp;I initiative.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Strong financial performance</li> <li>• Effective execution of the Group's strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly review of financial performance</li> <li>• Review of the Group's strategy and the impact the strategy will have on growth</li> </ul>	<ul style="list-style-type: none"> <li>• The Board holds monthly meetings to review information, including both financial and strategic.</li> </ul>

### Corporate Social Responsibility

The Group recognises the increasing importance of Corporate Social Responsibility (CSR) and environmental policies to a significant number of its stakeholders and recognises the importance of, and business benefits that can be derived from, good CSR and environmental practice and as it relates to Section 172 (1). Key aspects of the Group's CSR policy are as follows:

- *Employee Involvement and Motivation*

The Directors recognise the importance of recruiting and retaining a high calibre and motivated workforce and involving all employees in the performance and development of the Group. Accordingly, it is the policy of management to develop and encourage employee involvement throughout the Group by regular communication from the executive team and between employees within divisions of the Group. In addition, the Group has a corporate bonus plan to reward employees who are not on individual incentive plan. This corporate bonus plan pays out for over-achievement of EBITDA and, in this way, permits employees to benefit from the success of the business.

- *Business Ethics*

The Group seeks to be honest and fair, as well as lawful, in all its business dealings with third parties. In particular, the Board does not believe that the giving or accepting of bribes can ever be justified, wherever in the world it may take place. In furtherance of these principles the Board has adopted Anti Bribery and Foreign Corrupt Practices Act policies. In addition, the Group has adopted a series of further measures designed to prevent bribery and corruption not just by its employees but also by third parties in or relating to its business, including ensuring customers and partners agree to anti-bribery provisions as part of our contractual relationships. In 2020, the Group launched a Global Code of Conduct and compliant reporting line as well.

- *Environmental Issues*

As the nature of the Group's operational activities are of lesser environmental impact the Group has not adopted a formal environmental policy. However, the Group seeks to meet its statutory requirements and to apply good environmental practice by encouraging recycling of waste and minimising the use of paper by the use of electronic mail in communications. In addition, the Group has implemented a number of environmental initiatives in that all offices have introduced recycling (waste management) policies. The Group relies upon tight cost control to



minimise, where possible, energy use and air travel and continues to believe that this an effective mechanism for reducing the environmental impact of the Group's operations. Furthermore, the Board believes that the very nature of the Group's products and services, in automating supply chain execution, positively impact the environment. This is an intuitive assessment based upon the Board's knowledge of the business process rationalisation resulting from the introduction by clients of the Group's products and services (i.e., replacement of labour-intensive paper-based systems with electronic trading and shipping solutions), although it believes that any quantitative assessment would be difficult and prohibitively costly to conduct.

*Joy Meier*

**By Order of the Board**

**Joy Burkholder-Meier**

**Company Secretary**

**27 July 2021**

## Directors' Report

### Financial Results and Dividends

The Group's loss for the period was \$2.7m (2020: \$7.3m). The full results for the year, which were approved by the Board of Directors on 27 July 2021, are set out in the accompanying financial statements and the notes thereto.

The Directors do not recommend that an ordinary dividend be paid in respect of the year ended 31 March 2021 (2020: no dividends paid).

### Share Capital

Details of the issued share capital of the Company, including movements during the period and the number of shares in issue at the end of the year, are shown in note 21. At 31 March 2021 the share capital stood at 10,000 ordinary shares of £1 each (2020: 10,000 ordinary shares of £1 each).

### Board of Directors

The names of the Directors of the Company who served during the year are listed below.

Deep Shah  
Andrew David Kirkwood  
Adam Alexi Solomon, resigned 15 February 2021  
Quentin Lathuille, appointed on 15 February 2021

### Directors' Beneficial Interest in Shares

No director holds shares in the Company directly. The beneficial interests of the Directors in the share capital of the parent company as at each of 1 April 2020, 31 March 2021 and 27 July 2021, as recorded in the register of the Company in accordance with the provisions of the Companies Act 2006 (as amended) were as follows:

	1 April 2020, 31 March 2021 and 27 July 2021 C Ordinary Shares of 0.1p each
Andrew David Kirkwood	2,129,186

### Research and Development

The level of development and product management spend in the period was \$24.9m (2020: \$23.9m) prior to capitalization of development costs. Some of this development is jointly funded by individual, or groups of, users. Development costs of \$10.3m (2020: \$9.7m) were capitalised in the period (see also note 10), representing an internally-generated intangible asset, recognised in accordance IAS 38: Intangible Assets.

### Financial Instruments

The financial risk management strategy of the Group, its exposure to currency risk, interest rate risk and liquidity is set out in notes to the financial statements.

### Charitable Donations

Worldwide charitable donations made by the Group during the period were \$nil (2020: \$nil).

### Payments to Suppliers

It is the Company and the Group's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions. The Group does not have a universal standard or code which deals specifically with the payment of

suppliers. Trade creditors of the Group as at 31 March 2021 expressed in relation to the total amount invoiced by suppliers for goods and services during the period were equivalent to 120 creditor days (2020: 90 creditor days). The increase in creditor days was due to extending terms during the global pandemic. No increases in creditor days led to issues with suppliers. There were no trade payables in the holding company.

## Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future

The Group's business activities, together with the factors likely to affect its future performance are set out in the Strategic Report on pages 3 to 9. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are incorporated in the review on pages 4 to 5.

The Group meets its day-to-day working capital requirements using cash in hand and is expected to generate free cash flow going forwards. As noted previously, at year-end, the Group had cash holdings of \$31.5m. At the end of FY20 the Group drew down on the RCF to improve its liquidity position as a precaution while the economic impact of pandemic developed. The Group did not have to use this cash for day to day working capital requirements, and these funds were repaid during FY21, leaving an undrawn revolving credit facility of \$20m at 31 March 2021. The impact of the COVID-19 pandemic was naturally a key focus of management when it emerged in Spring 2020. Operationally the business has been able to pivot to remote working such that operations have continued seamlessly. As a result of the travelling restrictions in many of our markets expenses typically incurred for marketing programmes and meetings have been lower than the previous year. The nature of BluJay's products and services are that they are critical to the operations of most of the customers, accordingly, the impact of revenues has not been significant.

As noted previously, consolidated net liabilities at 31 March 2021 amounted to \$136.9m,

For fiscal year 2022, the Group prepared a budget for the twelve month period to 31 March 2022 and then a longer forecast period was considered which covered the period through to 31 March 2023. The Group's forecasts and projections, which include key assumptions as to growth in new contract bookings, customer churn rates, and headcount increases, show that the Group will be able to operate within the level of these current resources and borrowing facilities. Various sensitivity analyses were performed including a severe but plausible case as well as reverse stress test without mitigating actions by decreasing the assumed growth rate for new contract bookings and increasing assumed customer churn rates while keeping headcount assumptions unchanged.

On 27 May 2021, E2open Parent Holdings, Inc. (E2open) announced it will acquire the Group's parent company with completion expect to take place during the calendar year third quarter of 2021, subject to regulatory approvals. In making their going concern statement the directors have considered the pending transaction and its likely impact on the Group. This transaction will constitute a change of control under the Group's existing facilities agreement. Under the terms of the acquisition documents E2open has agreed to provide funding for the Group including repaying outstanding amounts under the facilities agreement which will become due and payable on completion and to redeem and repay preference share liabilities. While the process to obtain regulatory approval for the acquisition is ongoing the Group continues to operate autonomously. Therefore, it is assumed that trading will continue post-acquisition as modelled in the detail forecasts, without adjustments to reflect reduction of financing costs as a result of repayment of the outstanding term loans.

## Statement of Directors' Responsibilities

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

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

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

To the best of our knowledge:

- the group financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

#### **Directors' indemnities**

The Group 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. Director and Officer (D&O) insurance has been maintained throughout the year.

#### **Auditor**

Grant Thornton UK LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

#### **By Order of the Board**



**Joy Burkholder-Meier**

**Company Secretary**

**27 July 2021**



## **Independent auditor's report to the members of BluJay Solutions Group Holdings Ltd**

### **Opinion**

We have audited the financial statements of BluJay Solutions Group holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of profit or loss, the Consolidated statement of comprehensive income, the Consolidated and company statement of financial position, the Consolidated and company statement of changes in equity, the Consolidated and company cashflow statements, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### **In our opinion:**

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's loss and the parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from Covid-19 we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures in particular set out in Notes 1 & 28 and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

#### Matters on which we are required to report by exception

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

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

#### Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities,

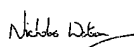
including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group through our general commercial and technology sector experience, discussions with management and those charged with governance. We determined that the following laws and regulations were most significant; International Financial Reporting Standards, the UK Companies Act 2006 and tax legislation in the jurisdictions in which the group operates.
- We obtained an understanding of how the group and the parent company complies with these requirements by discussions with management and those charged with governance.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee.
- We assessed the susceptibility of the group's financial statements to material misstatement including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. Audit procedures performed by the engagement team included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular manual journal entries to revenue; and
  - assessing the extent of compliance with relevant laws and regulations as part of our procedures on the related financial statement item
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
  - Knowledge of the industry in which the client operates; and
  - Understanding of the legal and regulatory requirements specific to the entity/regulator entity included in the provisions of the applicable legislation, the regulator rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision
- The team communications in respect of potential non compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through the acceleration of the timing of revenue recognition.
- In assessing the potential risks of material misstatement, we obtained an understanding of the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Watson  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
27 July 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the year ended 31 March 2021

	Note	Year ended 31 March 2021 \$m	Year ended 31 March 2020 \$m
Revenue	2	177.5	167.6
Operating expenses	3	(149.9)	(143.5)
<b>Operating profit</b>		<b>27.6</b>	<b>24.1</b>
Analysed as:			
Adjusted EBITDA	3	66.4	57.5
Depreciation, amortisation, FX (gain)/loss, management fees, share based payments and loss on disposal	3	(20.5)	(26.8)
Impairment loss on goodwill and other intangibles	10	(15.4)	—
Exceptional items	3	(2.9)	(6.6)
<b>Operating profit</b>		<b>27.6</b>	<b>24.1</b>
Finance costs	5	(28.3)	(30.0)
<b>Loss before taxation</b>		<b>(0.7)</b>	<b>(5.9)</b>
Taxation	8	(2.0)	(1.4)
<b>Loss for the year</b>		<b>(2.7)</b>	<b>(7.3)</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**

For the year ended 31 March 2021

	Year ended 31 March 2021 \$m	Year ended 31 March 2020 \$m
<b>Loss for the year</b>	<b>(2.7)</b>	<b>(7.3)</b>
Other comprehensive income:		
Currency translation differences	(9.4)	4.5
	(9.4)	4.5
<b>Total comprehensive loss for the year</b>	<b>(12.1)</b>	<b>(2.8)</b>

The accompanying policies and notes form an integral part of the financial statements.

The Company has not presented its own income statement, as permitted by section 408 of the Companies Act 2006.



**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION**

At 31 March 2021

	Note	Group Year ended 31 March 2021 \$m	Group Year ended 31 March 2020 \$m	Company Year ended 31 March 2021 \$m	Company Year ended 31 March 2020 \$m
<b>Non-current assets</b>					
Goodwill	10	173.6	181.4	—	—
Other intangible assets	10	30.4	34.9	—	—
Right-of-use assets	12	8.5	10.7	—	—
Property, plant and equipment	11	7.1	6.4	—	—
Deferred tax assets	18	13.5	8.2	—	—
		<u>233.1</u>	<u>241.6</u>	<u>—</u>	<u>—</u>
<b>Current assets</b>					
Trade and other receivables	14	45.5	47.0	43.7	37.5
Accrued income	14	1.9	1.8	—	—
Cash and cash equivalents	25	31.5	29.0	—	—
		<u>78.9</u>	<u>77.8</u>	<u>43.7</u>	<u>37.5</u>
<b>Total assets</b>		<u>312.0</u>	<u>319.4</u>	<u>43.7</u>	<u>37.5</u>
<b>Current liabilities</b>					
Trade and other payables	15	(65.1)	(60.5)	(43.9)	(37.5)
Deferred revenue	15	(38.5)	(35.0)	—	—
Lease liability	12	(3.3)	(2.5)	—	—
Borrowings	16	—	(17.6)	—	—
Current tax liabilities	19	(0.6)	(0.5)	—	—
Provisions	17	—	(0.1)	—	—
		<u>(107.5)</u>	<u>(116.2)</u>	<u>(43.9)</u>	<u>(37.5)</u>
<b>Non-current liabilities</b>					
Borrowings, bank	16	(326.8)	(314.3)	—	—
Lease liability	12	(6.0)	(8.6)	—	—
Deferred tax liabilities	18	(8.6)	(4.8)	—	—
Long-term liabilities	17	—	(0.2)	—	—
Provisions	17	—	(0.1)	—	—
		<u>(341.4)</u>	<u>(328.0)</u>	<u>—</u>	<u>—</u>
<b>Total liabilities</b>		<u>(448.9)</u>	<u>(444.2)</u>	<u>(43.9)</u>	<u>(37.5)</u>
<b>Net liabilities</b>		<u>(136.9)</u>	<u>(124.8)</u>	<u>(0.2)</u>	<u>—</u>
<b>Shareholders' equity</b>					
Called up capital	20	—	—	—	—
Cumulative translation reserve	21	5.3	14.7	—	—
Retained deficit	21	(142.2)	(139.5)	(0.2)	—
<b>Total shareholders' deficit</b>		<u>(136.9)</u>	<u>(124.8)</u>	<u>(0.2)</u>	<u>—</u>

The accompanying policies and notes form an integral part of the financial statements.

The financial statements on page 16 to 53 were approved and signed by the Board of Directors on 27 July 2021

*Andrew Kirkwood*

Director **Andrew David Kirkwood**

Registration number: 08035563

**CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 March 2021

	Called up Share Capital \$m	Cumulative Translation Reserve \$m	Retained deficit \$m	Total equity \$m
<b>Group</b>				
At 1 April 2019	—	10.2	(132.2)	(122.0)
<i>Comprehensive loss</i>				
Loss for the year	—	—	(7.3)	(7.3)
Currency translation differences	—	4.5	—	4.5
Total comprehensive loss for the year	—	4.5	(7.3)	(2.8)
At 31 March 2020	—	14.7	(139.5)	(124.8)
At 1 April 2020	—	14.7	(139.5)	(124.8)
<i>Comprehensive loss</i>				
Loss for the year	—	—	(2.7)	(2.7)
Currency translation differences	—	(9.4)	—	(9.4)
Total comprehensive loss for the year	—	(9.4)	(2.7)	(12.1)
At 31 March 2021	—	5.3	(142.2)	(136.9)
<b>Company</b>				
At 1 April 2019	—	—	—	—
<i>Comprehensive loss</i>				
Loss for the year	—	—	—	—
Total comprehensive loss for the year	—	—	—	—
At 31 March 2020	—	—	—	—
At 1 April 2020	—	—	—	—
<i>Comprehensive loss</i>				
Loss for the year	—	—	(0.2)	(0.2)
Total comprehensive loss for the year	—	—	(0.2)	(0.2)
At 31 March 2021	—	—	(0.2)	(0.2)

The accompanying policies and notes form an integral part of the financial statements.

**CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS**

For the year ended 31 March 2021

	Note	Group Year Ended 31 March 2021 \$m	Group Year ended 31 March 2020 \$m	Company Year ended 31 March 2021 \$m	Company Year ended 31 March 2020 \$m
<b>Cash flows from operating activities</b>					
Cash generated from operations		61.7	58.2	—	—
Interest paid	25	(24.7)	(26.5)	—	—
Income tax paid (net)		(4.5)	(4.9)	—	—
<b>Net cash generated from operating activities</b>		<b>32.5</b>	<b>26.8</b>	<b>—</b>	<b>—</b>
<b>Cash from investing activities</b>					
Contingent consideration paid for Era	10	(0.3)	(0.2)	—	—
Acquisition of Expedient	10	(1.7)	(7.8)	—	—
Net cash acquired with Expedient	10	—	1.8	—	—
Purchase of property, plant and equipment	11	(3.5)	(2.6)	—	—
Expenditure on capitalised development costs	10	(10.3)	(9.7)	—	—
<b>Net cash used in investing activities</b>		<b>(15.8)</b>	<b>(18.5)</b>	<b>—</b>	<b>—</b>
<b>Cash from financing activities</b>					
Fees paid – new bank borrowing		—	(0.1)	—	—
New bank borrowings – gross proceeds		—	4.1	—	—
Payments for lease liabilities	12	(2.9)	(4.1)	—	—
Drawings on revolving credit facility		—	14.4	—	—
Repayments on revolving credit facility	17	(13.4)	(6.4)	—	—
<b>Net cash generated from financing activities</b>		<b>(16.3)</b>	<b>7.9</b>	<b>—</b>	<b>—</b>
<b>Net increase in cash and cash equivalents</b>		<b>0.4</b>	<b>16.2</b>	<b>—</b>	<b>—</b>
Cash and cash equivalents at the beginning of the year		29.1	13.2	—	—
Effect on foreign exchange rates		2.0	(0.3)	—	—
<b>Cash and cash equivalents at the end of the year</b>		<b>31.5</b>	<b>29.1</b>	<b>—</b>	<b>—</b>
<b>Reconciliation of loss for the year to cash generated from operations</b>					
Loss before taxation		(0.7)	(5.9)	—	—
Depreciation charges		3.8	3.3	—	—
Depreciation of right of use assets		3.3	3.8	—	—
Amortisation of other intangible assets		16.7	15.9	—	—
Amortisation of arrangement fees		1.5	1.4	—	—
Loss on disposal of asset		—	0.3	—	—
Loss on impairment of goodwill and other intangibles		15.4	—	—	—
Foreign exchange differences		(3.4)	2.8	—	—
Interest payable		26.0	28.0	1.1	1.9
Interest receivable		—	—	(1.1)	(1.9)
Interest on lease liabilities		0.8	0.6	—	—
(Increase)/decrease in trade and other receivables		3.0	(0.4)	—	—
Increase/(decrease) in trade and other payables		(4.7)	8.4	—	—
<b>Cash generated from operations</b>		<b>61.7</b>	<b>58.2</b>	<b>—</b>	<b>—</b>

The accompanying policies and notes form an integral part of the financial statements.

## 1. Accounting policies

BluJay Group Holdings Limited is a company incorporated on 25 April 2012 in Great Britain under the Companies Act 2006. The Company is an intermediate holding company, and the principal activity of its subsidiary undertakings is the provision of software and associated services to give their customers insight, agility, and tools they need to better deliver customer service and streamline global supply chain execution.

The consolidated financial statements include the results of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to the periods presented, unless otherwise stated.

Amounts are presented in USD and to the nearest million dollars (to one decimal place) unless otherwise noted.

### Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Group's consolidated financial statements have been prepared on a going concern basis under the historical cost convention.

The preparation of consolidated financial statements in conformity with international accounting standards in conformity with the requirements of the Companies Act 2006 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below.

### Group consolidated financial information

The Group has applied international accounting standards in conformity with the requirements of the Companies Act 2006. Certain amounts in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Financial Position have been grouped together for clarity, with their breakdown being shown in the notes to the consolidated financial statements. The distinction presented in the Statement of Financial Position between current and non-current entries has been made on the basis of whether the assets and liabilities fall due within one year or more.

### Going concern

The consolidated financial statements are prepared on a going concern basis as the directors are satisfied that the Group has the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of the consolidated financial statements "Forecast Period").

The Group has prepared detailed cash flow forecasts. After making enquiries with management and considering the budgets and cash flows, the Directors have a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future. Note 25 includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, and its exposure to credit risk and liquidity risk.

### *Operational and business impact of COVID-19 and Brexit*

The impact of the COVID-19 pandemic was naturally a key focus of management when it emerged in Spring 2020. Operationally the business has been able to pivot to remote working such that operations have continued seamlessly. The Group's business model is 77% recurring revenue on long-term contracts for each of the periods presented. The Group's key verticals (e.g., food and beverage) have been resilient due to the critical nature of the Group's software. The Group's revenue grew by approximately 6%. Bookings have been strong during FY21; overall bookings increased by 11% compared with the previous year. As a result of the travelling restrictions in many of our markets expenses typically incurred for marketing programmes and travelling have been lower than the previous year. The nature of BluJay's products and services are that they are critical to the operations of most of the customers. The Directors continue to monitor the effects of COVID-19 on the business and will continue to react appropriately to further developments and the associated risks.

The Directors do not expect the direct consequences of Brexit to have a material impact to the Group given BluJay's structure and global footprint. A large portion of the Group's business is not affected as it is located in the Americas and Asia-Pacific regions.

For fiscal year 2022, the Group prepared a budget for the twelve month period to 31 March 2022 and then a longer forecast period to 31 March 2023 was considered (the "Forecast Period"). The Group's forecasts and projections, which include key assumptions as to growth in new contract bookings, customer churn rates, and headcount increases, show that the Group will be able to operate within the level of these current resources and borrowing facilities and has significant covenant headroom. Various sensitivity analyses were performed including a severe but plausible case as well as reverse stress test without mitigating actions by decreasing the assumed

growth rate for new contract bookings and increasing assumed customer churn rates while keeping headcount assumptions unchanged.

#### *Liquidity and financing position*

As COVID-19 shutdowns and restrictions began in early 2020, the Group drew down additional cash of \$17.6m on the credit facility to have cash readily available. The Group did not need this cash for day-to-day working capital requirements and the amount has subsequently been repaid in October 2020. Operating cash flow conversion is in excess of 80%. Additionally, the Group has not re-negotiated the covenants on its bank borrowings. At the year end the Group had cash balance of \$31.5m and a further \$20.0m available on the revolving credit facility. The modelling shows that throughout the Forecast Period in the base case the Group has satisfactory cash and covenant head room. The facilities agreement commits the Group to operate within certain covenants, including a leverage ratio covenant. Leverage ratio is defined as the ratio of Total Net Debt as at any Quarter Date to annualised EBITDA in respect of that Quarter. Throughout the Forecast Period at each quarterly testing date there is headroom of at least 2x EBITDA under the base case.

#### *Approach to stress testing, and mitigating actions*

As part of the going concern assessment, management has modelled a number of different scenarios, including a severe but plausible downside scenario. Given current economic uncertainties, including but not limited to the impact of COVID-19, the Directors' modelling of the severe-but-plausible scenario, as compared to the detailed forecasts, considers the potential impact of a generalised economic downturn across all three geographical regions and the extent to which this could adversely affect sales volumes and cash flows. This impact has been modelled as a change to the key assumptions to be a c.30% reduction in new contract bookings compared to base case, and a doubling in customer churn rates, whilst at the same time maintaining planned headcount increases. In all scenarios modelled, including the severe but plausible scenario, throughout the Forecast Period the Group continues to have satisfactory liquidity and at each quarterly testing date there is headroom of at least 1x EBITDA leverage ratio covenant headroom.

#### *Pending Acquisition by E2Open*

On 27 May 2021, E2open Parent Holdings, Inc. (E2open) announced it will acquire the Group's parent company with completion expect to take place during the calendar year third quarter of 2021, subject to regulatory approvals. In making their going concern statement the directors have considered the pending transaction and its likely impact on the Group. This transaction will constitute a change of control under the Group's existing facilities agreement. Under the terms of the acquisition documents E2open has agreed to provide funding for the Group including repaying outstanding amounts under the facilities agreement which will become due and payable on completion and to redeem and repay preference share liabilities. While the process to obtain regulatory approval for the acquisition is ongoing the Group continues to operate autonomously. Therefore, it is assumed that trading will continue post-acquisition as modelled in the detail forecasts, without adjustments to reflect reduction of financing costs as a result of repayment of the outstanding term loans.

#### *Conclusion on going concern*

The Directors recognise that in the event of the successful acquisition by E2open, which constitutes a change in control, there is some uncertainty over the direction that any future acquiror could choose to take. However, based on the forgoing paragraphs, the Directors are satisfied that the Group will maintain adequate levels of resources to be able to continue to operate as a Going Concern during the Forecast Period.

#### **New standards issued but not yet effective**

At the date of authorisation of these financial statements, the following new standards and interpretations which have not been applied in these financial statements were in issue but not yet effective and have not yet been endorsed by the UK:

- Amendments to IFRS 7, IFRS 4, IFRS 16: Interest Rate Benchmark Reform – Phase 2 (issued August 2020)
- Amendments to IAS 1: Presentation of financial statements' classification of liabilities (issued January 2020)
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (issued May 2020)
- Amendments to IAS 1: Presentation of financial statements' on classification of liabilities (issued January 2020)
- Narrow scope amendments to IAS 1: Practice statement 2 and IAS 8 (issued 2021)
- IFRS 17: Insurance contracts (issued May 2017 but this one is not applicable to the Group)
- Amendments to IFRS 17 and IFRS 4: Insurance contracts deferral of IFRS 9, as amended in June 2020 (issued August 2020)

If endorsed by the UK, it is anticipated that there will be minimal impact on the financial statements from the adoption of these new and revised standards. The quantum of this impact is being assessed. Other standards and

interpretations or amendments thereto which have been issued, but are not yet effective, are not expected to have a material impact on the Group's consolidated historical financial information.

#### **Basis of consolidation**

The Group consolidated financial statements present consolidated the financial information of the Company and all of its subsidiary undertakings. The accounts of each company in the Group have been prepared to 31 March 2021. The results of subsidiary undertakings have been included from the date of acquisition. All intra-group profits and trading are eliminated on consolidation.

#### **Functional and presentational currency**

The consolidated financial statements are presented in United States dollars ("USD"), whilst the functional currency of the parent company is Pounds Sterling (£). The functional currency of each company in the Group is that of the primary economic environment in which the Group entity operates, and items included in the financial statements of each entity are measured using that currency. For the purposes of presenting the consolidated financial statements, the results of foreign operations are translated into USD, the Group's presentation currency, at the monthly average exchange rate. The assets and liabilities are translated at rates of exchange ruling at the reporting date. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the entity and translated at the closing rate.

#### **Foreign currency translation**

Transactions in foreign currencies are translated into each Group entity's functional currency at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into USD at the rates of exchange ruling at the period-end. All differences are taken to the statement of comprehensive income.

#### **Exceptional items**

Exceptional items are non-recurring, non-trade items of income or expense which the Group determines require separate presentation in order to aid in the understanding of the Group's on-going financial trading performance. Examples of such items include legal and advisory costs related to acquisitions, integration costs, strategic restructuring programs costs, cost of impairment for goodwill or other assets, and other particularly significant or unusual items.

#### **Revenue recognition**

##### *Revenue from sale of goods and services*

The Group adopted International Financial Reporting Standards (IFRS) 15, Revenue from Contracts with Customers (IFRS 15) on 1 April 2018. Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when performance obligations are met by transferring control over a product or service to a customer. Satisfying a performance obligation occurs either at a point in time or over time. Performance obligations in customer contracts are described in the "Nature of services" section below. The Group does not have a service type warranty; therefore, it is not considered a distinct performance obligation. Customer contracts can contain multiple performance obligations. For contracts containing multiple performance obligations, these obligations have been determined to be distinct obligations based on management analysing the contracts using the guidance in IFRS 15. The price is allocated based on estimated stand-alone selling price. The period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. Therefore, as a practical expedient, the Group has not adjusted the promised amount of consideration for the effects of a significant financing component.

Transaction price includes but is not limited to, estimating variable consideration and measuring obligations for returns, refunds and other similar obligations. If it is determined that there is a discount in a contract with multiple performance obligations, the discount is allocated to all performance obligations in the contract proportionately.

The sale of the Group's products do not have a significant financing component. Invoices for recurring revenue are invoiced either monthly, quarterly, or annually. Payments are typically due within 30 days of satisfaction of the performance obligation.

##### *Nature of services*

The Group offers software licences, software-as-a-service (SaaS), logistics-as-a-service (LaaS), support / maintenance, and professional services (including installation, consultancy, training) and hosting. Software licences, professional services (including installation, consultancy, and training), and licence maintenance are considered to be distinct. Additionally, SaaS, LaaS, support / maintenance services, and hosting are distinct services that have the same pattern of transfer to the customer over time.

**Software-as-a-Service (SaaS)**

SaaS agreements cover a range of different software products and principally provide logistical solutions that connects the customer to suppliers and supply chain by providing customer access to the Group's hosted software. These deliver a suite of standard software packages with a tailored professional service that integrates and optimises a solution. Revenue from the SaaS arrangement is recognized over the term of the contract utilizing the output method as service is consumed. Revenue is invoiced and then recognised on a monthly basis. Revenue recognition over time is considered appropriate since the customer simultaneously receives and consumes the benefits provided by Group. In addition, for SaaS contract, customers also pay for network usage and access fees. Revenue from these services is recognized over the term of the contract. Contractual term for average SaaS agreement is approximately 3 years.

**Logistics-as-a-Service (LaaS)**

LaaS services provide end-to-end freight management solutions. Revenue from the LaaS arrangement is recognized over the term of the contract utilising the output method. Revenue is invoiced and then recognised on a monthly basis. Revenue recognition over time is considered appropriate since the customer simultaneously receives and consumes the benefits provided by BluJay. Contractual term for average LaaS agreement is approximately 3 years.

**Licence and support / maintenance**

Licence agreements give the customer the perpetual software licence. Maintenance for the license may be purchased; however, maintenance is not required to be purchased. Whilst revenue for licence sales is recognised at a point in time as the product is delivered, maintenance revenue is a stand ready to perform obligation and revenue is recognised over the term of the contract. Maintenance revenue is recognized over the term of the contract utilizing the output method. Maintenance revenue is invoiced according to the terms of the agreement and then recognised on a monthly basis. Maintenance revenue recognition over time is considered appropriate since the customer simultaneously receives and consumes the benefits provided by Group.

**Professional Services (installation, consultancy, and training)**

SaaS, LaaS, and licencing agreements typically also include professional services. Through a separate work order, these services provide software implementation services including, implementation, configuration, training, and other similar services to creates interfaces between the Group's software and customers systems. Revenue from these services is recognised over time using input method as professional services are being performed. Revenue is recognized as work is performed. The Group's services do not create an asset with alternate use and the Group has an enforceable right to payment for performance completed to date.

**Other income**

Bank interest receivable is accrued on a time basis taking account of the principal outstanding and interest rate applicable. Dividend income from investments is recognised when the right to receive payment is established.

**Cost of contracts**

Under IFRS 15, the Group capitalises commission fees payable as costs of obtaining a contract when they are incremental and – if they are expected to be recovered – it amortises them consistently with the pattern of revenue for the related contract. If the expected amortisation period is one year or less, then the commission fee is expensed when incurred. Amortized commission expense is included within the selling and marketing expense. See note 4 for additional information

**Expenses**

Expenses are recognised on as an expense in the statement of comprehensive income in period in which they are incurred, on an accrual basis.

**Intangible assets***Intangible assets*

Intangible asset acquired separately are measured on initial recognition at cost. Intangibles acquired in a business combination are measured at their fair value at the date of acquisition.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated to the cost of the intangible assets on a straight-line basis over their expected useful economic lives, for each individual asset. The economic useful life varies by acquisition as set out below and was determined using an independent third-party valuation.

Intellectual property – 2, 5 or 10 years  
 Brand – 1 or 2 years  
 Customer relationships – 5 or 10 years  
 Non-compete – 1 year

The Group's intangible assets comprise intellectual property (principally comprising computer software acquired or developed for sale to customers), brand values, non-compete agreements and customer base (contractual customer relationships acquired in a business combination).

#### *Capitalised development costs*

Research costs are expensed as incurred when the criteria for capitalisation are not met. Development expenditures related to the development of the Group's products are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Time spent on research activities performed by the product management team are not tracked in the Group's time tracking system. Once the development team begins working on features and functionality that meet the criteria for capitalisation, their time is tracked in a time tracking system.

Costs directly attributable to a project that are capitalised as development costs are software development employee costs. Costs to maintain the software or perform bug fixes are expensed. Additionally, down-time is not capitalised.

Amortisation is calculated to write off the cost of the capitalised development costs on a straight-line basis over their expected useful economic lives, which is typically 5 years.

#### *Goodwill*

The acquisition method of accounting is used to account for the acquisitions of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments used and liabilities incurred or assumed at the date of exchange. Acquisition related costs are not included in the cost of acquisition but charged to operating expenses as they are incurred. Any pre-existing equity interest in the entity acquired is remeasured to fair value at the date of obtaining control, with any resulting gain or loss recognised in profit or loss. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at the fair values at acquisition date. The excess of cost of acquisition over the fair value of the Group's share of the identifiable net assets is recorded as goodwill. Any changes in the Group's ownership interest subsequent to the date of obtaining control are recognised directly in equity, with no adjustment to goodwill.

Contingent consideration is measured at fair value. Any changes to the cost of an acquisition, including contingent consideration, resulting from events after the date of acquisition are recognised in profit or loss.

Goodwill is capitalised on the balance sheet and allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The carrying value of goodwill is cost less accumulated impairment losses. Impairment testing occurs at least annually. The assets' recoverable amount is estimated at each year end date and whenever there is an indication of impairment. On subsequent disposal or termination of a business acquired, the profit or loss on termination is calculated after charging the carrying value of any related goodwill. Negative goodwill is recognised directly in the Statement of Profit or Loss.

#### **Property, plant and equipment**

Property, plant and equipment is carried at cost less accumulated depreciation and, when appropriate, provision for impairment. Depreciation is provided at rates calculated to write down the cost of the assets less estimated residual value over its expected useful life as follows:

—Leasehold improvements	straight line method over the lease
—Furniture, fixture and equipment	33% straight line method

Ordinary repairs and maintenance costs are charged to the Statement of Profit and Loss during the accounting period in which they are incurred.



Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the period that the asset is derecognised.

### **Investments**

Investments are included on the balance sheet at cost less amounts written off, representing the impairment in value. Impairment charges are recorded if events or changes in circumstances indicate that the carrying value may not be recoverable and charged to profit and loss in the period the determination is made.

### **Impairment**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists, or when the annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount. Impairment losses are recognised in profit and loss. Non-financial assets other than goodwill that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually as at 31 March, either individually or at the CGU, and when circumstances indicate that the carrying value may be impaired.

### **Leases**

#### *The Group as a lessee*

The Group adopted IFRS 16 on 1 April 2019. The Group assesses a contract to determine if it is or contains a lease, at inception of a contract. The Group applies a single recognition and measurement approach for all leases, except where the Group has used practical expedients. Short-term leases (defined as leases with a term less than 12 months) and leases of low-value assets (below \$5,000) are treated as operating leases and have been excluded from capitalisation under IFRS 16. Rental payments associated with the leases are recognised in the Statement of Profit or Loss on a straight-line basis over the life of the lease. As part of the measurement approach, the discount rate applied is assessed based on the underlying asset that the lease relates to and the economic conditions of the geographical region that the lease asset is situated. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group recognises a right-of-use-asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis in the Consolidated Statement of Profit and Loss over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

#### *i) Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property and vehicles—3 to 15 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies section on impairment.

#### *ii) Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the interest charge and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are shown separately on the Statement of Financial Position (note 12). Lease payments are presented in the financing section of the Statement of Cash Flow while the interest portion is presented in the operating section of the Statement of Cash Flow.

*iii) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

*iv) COVID-19-related rent concessions*

In May 2020, the IASB issued COVID-19 Related Rent Concessions—Amendment to IFRS 16 Leases (the amendment). The Board amended the standard to provide an optional relief to lessees from applying IFRS 16's guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The Group has not received any rent concessions from landlords related to COVID-19.

**Finance expenses**

Financial expenses consist of interest payable on various forms of debt. It is recognised in the Statement of Profit or Loss under the effective interest rate method. Finance expenses are shown in the operating section in the Statement of Cash Flows.

**Taxation**

The tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit and is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the year end date. Taxable profit differs from net profit as reported in the Statement of Profit or Loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Deferred income tax is provided in full, using the liability method on an undiscounted basis, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affect neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted at the year-end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled. Deferred tax is charged or credited in the profit and loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis.

**Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets measured at amortised cost**

The Group determines the classification of its financial assets at initial recognition. From 1 April 2018 the requirements of IFRS 9 for classification and subsequent measurement have been applied which require financial assets to be classified based on the Group's business model for managing the asset, and contractual cash flow characteristics of the asset.

Trade receivables are measured at amortised cost. The Group uses the simplified approach for measuring the loss allowance. The Group's history of low credit losses as a result of strong customer relationships and trade receivable controls indicates a low risk exposure for the portfolio looking forward.

**Trade and other receivables**

Trade receivables are unconditional amounts of consideration receivable by the Group. Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less loss allowance. Trade receivables are written-off when amounts are determined not be collectible.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost. The Group has not designated any financial liabilities as at fair value through profit or loss.

*Initial recognition*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Derivative financial instruments are held at fair value. Changes in fair value of the derivative financial instruments that do not qualify for hedge accounting are recognised in loss as they arise. At present, the Group does not have any derivative financial instruments.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

**Trade and other payables**

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

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets, and settle the liabilities simultaneously.

**Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost using the effective interest rate method so that any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit and loss over the period of the borrowings. Details of the Group's borrowings are included in note 16.

**Borrowing costs**

The Group expenses borrowing costs in the period the costs are incurred. Where borrowing costs are attributable to the acquisition, construction or production of a qualifying asset, such costs are capitalised as part of the specific asset and amortised over the estimated useful life of the asset. Details of the Group's borrowings are included in note 16.

**Debt modification**

Debt restructurings are evaluated to determine if the transaction should be treated as a modification of debt or extinguishment of debt in accordance with IFRS 9. The Group uses two tests to determine if the modification is considered substantial – qualitative and quantitative. A substantial modification of the terms and conditions, results in Group accounting for the debt restructure as an extinguishment of debt and recognition of a new liability at fair value whereas a non-substantial modification of terms and conditions results in debt modification accounting in which the existing liability is restated at net present value of revised cash flows.

**Pension costs***Defined contribution pension schemes*

The Group operates a number of defined contribution pension schemes. For defined contribution schemes the amount charged to profit or loss represents the contributions payable to the plans in the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount of the provision is the best estimate of the consideration required to settle the present obligation at the Statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of the cash flows.

**Investments**

Investments are included in the Statement of Financial Position at cost less amounts written off, representing impairment in value. Impairment charges are recorded if events or changes in circumstances indicate that the carrying value may not be recoverable and are charged to the income statement.

**Share based payments**

The Group operates equity-settled restricted share plan for its senior managers. The fair value of the employee services received in exchange for the share awards is recognised as a share-based payment expense. The fair value of employees' services is determined indirectly by reference to the fair value of the shares purchased under the plan. This fair value is appraised at the purchase date and excludes the impact of the non-market vesting condition. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The Group recognises the impact of the revision to original estimates, if any, in the Statement of Comprehensive Income, with a corresponding adjustment to equity.

**Critical judgements and estimates**

The preparation of the Group's consolidated financial statements in conforming with international accounting standards in conformity with the requirements of the Companies Act 2006 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the historical financial information. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated. Information about such judgements and estimation is contained in the accounting policies and/or notes to the consolidated financial statements and the key areas are summarised below:

**Critical judgements**

The following judgements have had the most significant effect on amounts recognised in the consolidated financial statements:

*Classification of exceptional costs*

The Group incurs costs and earns income that is non-recurring, or non-trading in nature or that, in the Directors' judgement, need to be disclosed separately by virtue of their size and incidence in order for users of the consolidated financial statements to obtain a proper understanding of the financial information and the underlying performance of the business. Significant exceptional costs which have been classified as exceptional are detailed in note 3.

*Capitalized development*

The Group undertakes development activities and capitalises certain expenditures as internally generated intangible assets when certain criteria are met. Judgement is required to determine when accumulation of costs to be capitalised begins and ends as well as determining the appropriate amortisation period. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2021, the carrying amount

of capitalised development costs was \$21.6m (2020: \$15.7m). If a product is determined to become obsolete in a future period, the unamortised balance would need to be written off.

#### *Recognition of deferred tax asset*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on taxes are disclosed in note 18.

#### *Critical estimates*

The following estimates are dependent upon assumptions which could change in the future and have a material effect on the carrying amount of assets and liabilities recognised at the Statement of Financial Position date:

#### *Goodwill*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, management uses the discounted cash flow model which requires estimating the future financial results and an appropriate discount rate. Determining the carrying value of an asset or CGU requires the use of estimates of future cash flows and discount rates in order to calculate the present value of the cash flows. Note 10 provides additional information on the carrying values as well as sensitivities performed regarding estimate.

#### *Leases—Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in leases, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates. The IBR is reassessed when there is a reassessment of the lease liability or a lease modification. Note 12 lists the IBRs used by the Group as well as sensitivities performed to highlight possible scenarios related to changes in the estimates.

## **2. Revenue**

IFRS 15 requires the Group to disaggregate revenue by

	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
<b>Revenue by type</b>		
Recurring	137.3	127.6
Non-recurring	40.2	40.0
<b>Total revenue</b>	<b>177.5</b>	<b>167.6</b>
	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
<b>Revenue by geographical region</b>		
Americas	98.5	95.4
EMEA	65.5	62.9
APAC	13.5	9.3
<b>Total revenue</b>	<b>177.5</b>	<b>167.6</b>

Recurring revenue consists of Software-as-a-Service (SaaS), Logistics-as-a-Service (LaaS), and maintenance revenue. Non-recurring revenue consists of license and professional services revenue. All revenue is recognised over time except for license revenue which is recognised at a point in time, which is \$3.6m for the year (2020: \$3.2m). The Americas region is North America and South America. EMEA is Europe, Middle East, and Africa. APAC is Asia and the Pacific region (including Australia and New Zealand). The Group does not have any customers whose revenue is greater than 10% of the Group's total revenue in all the periods presented in this historical financial information.

Information on trade receivables arising from customer contracts is detailed in Note 14, and information on deferred revenue from customer contracts is detailed in note 26.

### 3. Expense analysis

Overall operating costs are managed on a Group basis. The Group's Board measures the overall performance of the Group by reference following non-GAAP measures:

- Adjusted EBITDA before IFRS 16 and capitalised employee development costs – which is defined as earnings before interest, tax, depreciation, amortisation and impairment of intangible assets, exceptional items, share based payments expense, realized foreign exchange gains/losses, loss on disposal of fixed assets, management fees, leases as if not IFRS 16 was not applied and software development costs as if they were not capitalised.
- Adjusted EBITDA - which is defined as earnings before interest, tax, depreciation, amortisation and impairment of intangible assets, exceptional items, share based payments expense, foreign exchange gains/losses, loss on disposals and management fees.

These profit measures are applied by the Board to understand the earnings trend of the Group and are considered the most meaningful measure under which to assess the true operating performance of the Operating Group. Adjusted EBTIDA before IFRS 16 and capitalised employee development costs is reconciled to Adjusted EBTIDA and Adjusted EBTIDA is reconciled to Operating profit.

	Year ended 31 March 2021 \$m	Year ended 31 March 2020 \$m
<b>Adjusted EBITDA before IFRS 16 and capitalised employee development costs</b>	52.4	44.1
Leases adjustment for IFRS 16	3.7	4.1
Capitalised development costs	10.3	9.3
<b>Adjusted EBITDA</b>	66.4	57.5
Intercompany with parent company	0.6	—
Loss on disposal of fixed assets	—	(0.3)
Management fees (see note 23)	(0.7)	(0.7)
Exceptional items	(2.9)	(6.6)
Foreign exchange gain / (loss)	3.4	(2.8)
Depreciation	(3.8)	(3.3)
Depreciation on right of use assets	(3.3)	(3.8)
Amortisation	(16.7)	(15.9)
Impairment loss on goodwill and other intangibles	(15.4)	—
<b>Operating profit</b>	27.6	24.1

Operating profit is stated after charging/(crediting):

	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
Staff costs		
Direct staff costs	47.5	43.6
Sales & marketing staff costs	13.9	13.2
Research & development staff costs	23.9	23.3
General & administrative staff costs	13.9	9.9
Marketing program costs	2.4	4.6
Direct costs, excluding staff costs	10.8	12.0
IT costs, excluding staff costs	4.1	5.0
Other costs, excluding staff costs	7.4	11.9
<b>Sub-total</b>	<b>123.9</b>	<b>123.5</b>
Less:		
Capitalised development costs	(10.3)	(9.3)
Lease expense, finance leases under IFRS 16	(3.7)	(4.1)
<b>Sub-total</b>	<b>109.9</b>	<b>110.1</b>
Amortisation expense	16.7	15.9
Depreciation expense right of use assets	3.3	3.8
Depreciation expense	3.8	3.3
Impairment loss on goodwill and other intangibles	15.4	—
Loss on disposal of fixed assets	—	0.3
Foreign exchange gain / (loss)	(3.4)	2.8
Exceptional items	2.9	6.6
Intercompany with parent company	0.6	—
Management fees (note 23)	0.7	0.7
<b>Operating Expenses</b>	<b>149.9</b>	<b>143.5</b>

	Year ended 31 March 2021 \$m	Year ended 31 March 2020 \$m
Analysis of auditor's remuneration:		
- Fees payable to the Company's auditor for the audit of the Company's annual accounts	0.1	0.1
- Fees payable to the Company's auditor for other services		
• Audit of the Company's subsidiaries	0.6	0.4
	0.7	0.5
• Taxation, book-keeping and payroll services	0.1	0.1

#### Exceptional items

	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
Acquisition	0.1	1.2
Exceptional and restructuring	2.8	5.4
<b>Exceptional items</b>	<b>2.9</b>	<b>6.6</b>

Exceptional costs for the year ended 31 March 2021 mainly relate to consulting costs for a revenue system implementation. In FY20, most of the exceptional costs were related to significant worldwide restructuring activity, both before and after the Expedient, Blackbay, CSF, Grosvenor, and Era acquisitions, undertaken in order to

streamline operations and invest in new and improved business processes. These costs include consultancy and other professional charges along with redundancy payments. Acquisition costs are related to either completed acquisitions or potential acquisitions.

#### 4. Cost of contracts – commissions

The Group has determined that commissions payable to employees are incremental, recoverable costs incurred to obtain or fulfil contracts with customers. These amounts are included in the trade and other receivables on the Consolidated Statement of Financial Position. These costs are recognised as an asset and amortised over the average contract length.

	<b>Commissions</b>
	<b>\$m</b>
31 March 2019	1.9
Commissions recognized as an asset	2.8
Amortisation expense	(1.3)
Foreign exchange	(0.1)
<b>31 March 2020</b>	<b>3.3</b>
Commission recognised as an asset	4.4
Amortisation expense	(2.5)
Foreign exchange	0.2
<b>31 March 2021</b>	<b>5.4</b>

#### 5. Finance expense

	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>
	<b>\$m</b>	<b>\$m</b>
Interest on bank debt	(23.8)	(26.0)
Amortisation of capitalised fees	(1.5)	(1.4)
Interest on lease liabilities – note 12	(0.8)	(0.6)
Interest charge on loan from parent	(2.2)	(2.0)
<b>Total finance expense</b>	<b>(28.3)</b>	<b>(30.0)</b>

#### 6. Key management and directors

The remuneration of Directors of the Group and Company and key management is set out below.

	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>
	<b>\$m</b>	<b>\$m</b>
<b>Key management and directors</b>		
Salaries and wages	4.6	3.2
Other benefits	0.3	0.2
Post-employment benefits	0.1	—
	<b>5.0</b>	<b>3.4</b>
<b>Directors</b>		
Salaries and wages	0.7	0.3
Other benefits	0.1	—
	<b>0.8</b>	<b>0.3</b>



Highest paid director

Salaries and wages

Other benefits

0.7	0.3
0.1	—
0.8	0.3

The key management compensation figures above include a total of 20 (2020: 17) personnel, comprising directors and senior functional management.

During the year, the directors and key management are employed by subsidiaries of BluJay Solutions Group Holdings Limited.

## 7. Employee information

The average monthly number of employees (including directors) employed by the Group during the period was:

	Year ended 31 March 2021	Year ended 31 March 2020
	No.	No.
Technical and sales	1,127	1,091
Administrative	141	136
	1,268	1,227

The aggregate payroll costs of these employees charged in the Statement of profit and loss was as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
Wages and salaries	83.1	73.8
Social security costs	12.8	13.1
Other pension costs	3.3	3.1
<b>Gross employee costs</b>	<b>99.2</b>	<b>90.0</b>
Less capitalised development costs	(10.1)	(9.3)
<b>Net employee costs</b>	<b>89.1</b>	<b>80.7</b>

During the year, employees are employed by subsidiaries of BluJay Solutions Group Holdings Limited.

## 8. Taxation

	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
<b>Current tax</b>		
Current income tax charge	2.8	2.4
Adjustments in respect of prior periods	0.9	(0.6)
<b>Deferred tax</b>		
Origination and reversal of temporary differences	1.3	(0.9)
Adjustment in respect of prior year	(3.0)	0.5
<b>Total taxation charge</b>	<b>2.0</b>	<b>1.4</b>

	Year ended 31 March 2021 \$m	Year ended 31 March 2020 \$m
<b>Reconciliation of tax</b>		
Loss before tax	0.7	5.9
Nominal tax charge at UK corporation tax rate of 19% (2020 -19%)	(0.1)	(1.1)
<b>Factors affecting charge for the year</b>		
Effect of higher and lower tax rates on earnings overseas	1.9	—
Adjustments to tax charge in respect of prior periods	(2.1)	(0.1)
Acquisition costs not deductible for tax purposes	0.4	0.3
Other expenses not deductible for tax purposes	2.4	0.4
Current year losses not recognised	0.3	0.2
Utilisation in year of previously unrecognised losses	—	(0.2)
Non-deductible interest	1.3	2.0
Transfer from unrecognised deferred tax assets	(2.5)	(0.4)
Withholding taxes paid and expensed	0.1	—
Losses surrendered	0.3	0.3
	<b>2.0</b>	<b>1.4</b>

#### Factors that may affect future tax charges

The Group's future tax charge and effective tax rate could be affected by several factors, including changes in tax laws and their interpretation, proposed changes in tax rates which are yet to be enacted, the continuing OECD international tax reform work, as well as the impact of acquisitions, disposals and any restructuring of our businesses

## 9. Pension

### Defined contribution scheme

The Group operates a number of defined contribution pension schemes in the United Kingdom and overseas. The total contributions payable in respect of these schemes amounted to \$3.5m (31 March 2020: \$3.5m).

## 10. Goodwill and intangibles

### Goodwill

	\$m
At 1 April 2019	177.1
Acquisition of Expedient group	7.1
Foreign exchange	(2.8)
<b>At 31 March 2020</b>	<b>181.4</b>
Loss on impairment of goodwill	(14.6)
Foreign exchange	6.8
<b>At 31 March 2021</b>	<b>173.6</b>

Goodwill recognised as at 1 April 2019 arose from acquisitions in previous fiscal years.

The goodwill recognised during the year ended 31 March 2020 related to the acquisition of Expedient. Refer to section below in this note for details on the Expedient acquisition. Goodwill is allocated to cash generating units (CGU), which are noted in the acquisition descriptions below.

#### Impairment assessment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which requires the use of assumptions. The calculations use cash flow forecasts for 5 years and are estimated based on the annual budget approved by management. An impairment is recorded when the recoverable amount is less than the carrying value.

For the purposes of carrying out impairment tests, the Group's total goodwill has been allocated to a number of CGU's and each of these CGU's has been separately assessed and tested. The CGU's are the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows from other assets or groups of assets.

Goodwill by CGU	31 March 2021 \$m	31 March 2020 \$m
US	105.4	105.4
UK	24.5	22.2
Benelux	6.1	5.7
Germany	24.7	23.3
Denmark	2.9	2.7
India	0.5	0.5
Southeast Asia	—	13.8
Era	1.3	1.2
Expedient	8.2	6.6
	<u>173.6</u>	<u>181.4</u>

All CGU's were tested for impairment. During the year ended 31 March 2021 an impairment loss was recorded on the Southeast Asia goodwill of \$14.6m. The loss was recorded as a result of the impact on value-in-use calculations due to operational changes in the Southeast Asia CGU. These changes did not adversely affect any other CGU, and thus no other CGU was impaired.

#### Significant judgements, assumptions and estimates

All CGU's recoverable amounts are measured using value in use. At each period end forecasting for the following five years is performed based on the most recent approved financial budget for the next fiscal year. Management considers forecasting over this period to appropriately reflect the business cycle of the CGU's.

In determining the value in use of CGU's it is necessary to make a series of assumptions to estimate the present value of future cash flows. In each case, these key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

#### Operating cash flows and long-term growth rates

The main assumptions within forecast operating cash flow include the achievement of future growth in revenue, the cost structure of each CGU, the impact of foreign currency rates and the levels of capital expenditure. Each year management prepares a budget for the upcoming fiscal year. This budget is used as the basis for the impairment analysis. Management then reviews the growth rates for revenue and EBTIDA to determine appropriate amounts to use for EBTIDA and cash flow growth. For the impairment analysis for the current year, cash flows beyond the budget year are extrapolated using a revenue and EBTIDA growth rate of 5% for the next four years, after which a growth rate of 2% is used in perpetuity. The growth rates are based on past experience as well as the Group's expected performance. The Group does not experience significant variances in growth in each region; thus, a different growth rates by region have not been used.

#### Pre-tax risk adjusted discount rates

This rate reflects the specific risks relating to each CGU. The discount rate reflects the return that market participants would expect from the CGU based on its specific risks and the time value of money. A country premium was added to the UK, India and Italy (Era) CGU's to be consistent with market calculations.

	31 March 2021	31 March 2020
US	10.4%	9.3%
UK	11.0%	9.82%
Benelux	10.4%	9.3%
Germany	10.4%	9.3%
Denmark	10.4%	9.3%
India	13.1%	9.3%
Southeast Asia	10.4%	9.3%
Era	13.1%	11.6%
Expedient	10.4%	9.3%

*Goodwill sensitivity analysis*

The results of the Group's impairment tests are dependent upon estimates and judgements made by management, particularly in relation to the key assumptions described above. Management has performed sensitivity analysis on the key assumptions of discount rates and growth rates. Significant changes to these key assumptions would have to occur before the carrying value exceeds the recoverable amount. In the growth rate sensitivity, growth would have to decrease to 2.5% for the 3 years after the budget period and no growth after this period for one CGU, Expedient CGU, to reach the point where the carrying value exceeds the recoverable amount. Based on the Group's historical and expected performance, the no growth scenario is a remote possibility. If the discount rates increase by 1% all of the CGU's maintain positive headroom except Expedient, which is impaired by \$1.1m. Management does not feel that this change in discount rate is likely and is not a reason to impair the Expedient CGU based on its projected growth.

**Intangibles**

	Intellectual Property \$m	Brand names \$m	Customer Relationships \$m	Non- complete agreements \$m	Capitalised Development costs \$m	Total \$m
<b>Cost</b>						
<b>At 1 April 2019</b>	<b>92.6</b>	<b>11.6</b>	<b>49.5</b>	<b>9.1</b>	<b>11.7</b>	<b>174.5</b>
Acquisition of Expedient	2.0	0.1	2.2	—	—	4.3
Capitalised in the year	—	—	—	—	9.7	9.7
Foreign exchange	(1.8)	(0.2)	(0.9)	(0.1)	(0.3)	(3.3)
<b>At 31 March 2020</b>	<b>92.8</b>	<b>11.5</b>	<b>50.8</b>	<b>9.0</b>	<b>21.1</b>	<b>185.2</b>
Capitalised in the year	—	—	—	—	10.3	10.3
Loss on impairment of intangible	—	—	(0.8)	—	—	(0.8)
Foreign exchange	4.2	(1.6)	2.4	—	1.4	6.4
<b>At 31 March 2021</b>	<b>97.0</b>	<b>9.9</b>	<b>52.4</b>	<b>9.0</b>	<b>32.8</b>	<b>201.1</b>
<b>Accumulated amortisation</b>						
<b>At 1 April 2019</b>	<b>81.1</b>	<b>11.6</b>	<b>33.3</b>	<b>8.7</b>	<b>2.2</b>	<b>136.9</b>
Charge for the year	5.9	—	6.4	0.4	3.2	15.9
Foreign exchange	(1.6)	(0.2)	(0.6)	(0.1)	—	(2.5)
<b>At 31 March 2020</b>	<b>85.4</b>	<b>11.4</b>	<b>39.1</b>	<b>9.0</b>	<b>5.4</b>	<b>150.3</b>
Charge for the year	4.7	—	6.4	—	5.6	16.7
Foreign exchange	3.5	(1.5)	1.5	—	0.2	3.7
<b>At 31 March 2021</b>	<b>93.6</b>	<b>9.9</b>	<b>47.0</b>	<b>9.0</b>	<b>11.2</b>	<b>170.7</b>
<b>Net book value</b>						
31 March 2021	3.4	—	5.4	—	21.6	30.4
31 March 2020	7.4	0.1	11.7	—	15.7	34.9

All amortisation and impairment charges in the period are included in operating expenses in the Statement of Profit and Loss.

Intellectual property, customer relationships, trademarks and non-competes are the intangibles valued as part of acquisitions. With each acquisition, management has a third party valuation firm perform a valuation of the intangibles acquired. These intangibles are recorded as part of the acquisition and then amortized over the life determined by the valuation. Annually, the intangible assets are reviewed by management to determine if any impairment indicators have been triggered. For the 2021 annual assessment, management noted that the loss of

a customer caused an impairment indicator to be triggered. Management determined that a loss needed to be recorded on the Blackbay customer relationship intangible asset. Thus, a loss of \$0.8m was recorded in the year.

Details of the acquisitions are provided in the section below.

#### Acquisition of Expedient Software

On 20 December 2019, BluJay Group entered into a Share Sale Deed with Gavin Millman & Associates (Aust.) Pty Ltd. On 28 February 2020, the BluJay group completed the acquisition and changed the name to Expedient Software Pty Limited (Expedient). Expedient is a leading provider of customs and forwarding software for the logistics market in Australia and New Zealand. With the acquisition, BluJay broadens its customs and forwarding technology offerings, along with its presence in the Asia-Pacific region.

Cash consideration was AU\$12m (\$7.8m), less cash acquired of AU\$2.8m (\$1.8m). Share consideration was AU\$3m (\$2.0m), which was issued by the Company. Additional consideration of AU\$2.5m (\$1.6m) was paid in June 2020 based on a working capital analysis and completion statement. For this consideration, BluJay acquired the entity based in Australia.

The acquisition was financed by additional term loans of \$4.1m, issuing shares in the Company of \$1.95m and cash.

The fair value of the financial assets includes trade receivables with a gross contractual value of \$0.5m, which is also the best estimate of fair value.

The goodwill of \$7.1m arising from the acquisition includes the value attributed to the workforce. There was also considered to be material value in the growth prospects of Expedient and its ability to foster new customer relationships. All these factors are reflected in the goodwill balance. None of the goodwill is expected to be deductible for tax purposes.

Acquisition-related costs amounted to \$1.2m in FY20 (note 3).

Expedient contributed revenue in FY20 was \$0.2m with no profit. Expedient would have contributed revenue of \$3.2m in revenue and profit of \$0.7m in FY20 if it had been acquired at the beginning of the year.

The identifiable assets acquired and liabilities assumed upon the acquisition during the year are set out in the table below:

		2020
		Expedient
		Fair
		Value
	Note	\$m
Other intangible assets	10	4.3
Property, plant and equipment	11	0.1
Deferred tax assets	18	0.1
Trade and other receivables – gross value		0.5
Trade and other payables		(0.9)
Deferred tax liabilities	18	(1.6)
Cash		1.8
<b>Net assets acquired</b>		<b>4.3</b>
Goodwill	10	7.1
<b>Total consideration</b>		<b>11.4</b>
<b>Satisfied by:</b>		
Cash		9.4
Shares issued by parent company		2.0
		<b>11.4</b>
Cash consideration paid		7.8
Less: cash acquired		(1.8)
Net cash outflow arising upon acquisition		6.0
Additional consideration as noted above		1.6
		<b>7.6</b>

#### Capitalised development costs

Capitalised development costs represent internally-generated intangible assets arising from the Group's product development, as recognised in accordance with IAS 38.

**11. Property, plant and equipment**

	Leasehold improvements	Furniture, fittings and equipment	Assets not yet in service	Total
	\$m	\$m	\$m	\$m
<b>Cost or valuation</b>				
<b>At 1 April 2019</b>	1.1	18.3	—	19.4
Acquisitions	—	0.1	—	0.1
Additions	—	2.6	—	2.6
Disposals	(0.8)	(2.9)	—	(3.7)
Foreign exchange	0.1	—	—	0.1
<b>At 31 March 2020</b>	0.4	18.1	—	18.5
Additions	0.6	3.0	0.8	4.4
Disposals	(0.2)	(4.7)	—	(4.9)
Foreign exchange	—	0.6	—	0.6
<b>At 31 March 2021</b>	0.8	17.0	0.8	18.6
<b>Accumulated depreciation</b>				
<b>At 1 April 2019</b>	0.5	11.7	—	12.2
Charge for the year	0.1	3.1	—	3.3
Disposals	(0.6)	(2.8)	—	(3.5)
Foreign exchange	0.1	—	—	0.1
<b>At 31 March 2020</b>	0.1	12.0	—	12.1
Charge for the year	0.1	3.7	—	3.8
Disposals	(0.2)	(4.7)	—	(4.9)
Foreign exchange	—	0.5	—	0.5
<b>At 31 March 2021</b>	—	11.5	—	11.5
<b>Net book value</b>				
At 31 March 2021	0.8	5.5	0.8	7.1
At 31 March 2020	0.3	6.1	—	6.4

Details of the acquisitions are provided in note 10.

Right of use assets and accumulated amortisation related to leases capitalised under IFRS 16 are disclosed in note 12.

**12. Leases**

The Group adopted IFRS 16 (Leases) as of 1 April 2019. IFRS 16 introduces significant changes to accounting for leases by removing the distinction between operating and finance leases and requiring the recognition of right of use assets and lease liabilities. The Group has used practical expedients in respect of leases of less than 12 months duration and leases for low value items (i.e. below \$5,000) and has excluded them from capitalisation under IFRS 16. Leases payments for these leases are recognised straight-line over the lease term. See note 24 for minimum lease payments due.

Leases are negotiated on an individual basis and contain varying terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used for security for borrowing purposes. The Group leases office space. The rental agreements for office space are typically for fixed periods up to 10 years but may have extension or termination options as described below. The Group has determined that its datacentre agreements have a lease component. The Group leases specific, dedicated space in datacentres, which are typically for fixed periods up to 5 years. Additionally, the Group also leases cars, which are typically for fixed periods up to 5 years. The leases for office space and datacentre space is disclosed in property below while the car leases are disclosed as vehicles.

The Group recognises an asset and liability at the lease commencement date. The asset is recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made before the commencement date, plus any initial direct costs incurred or any costs to dismantle and remove the underlying asset. The right of use asset is subsequently depreciated using a straight-line method from commencement date to the earlier of the end of the useful life of the right of use asset or end of the lease term. Property consists of office space and data centres. The lease liability is initially measured as the present value of the lease payments that are not paid at commencement date, discounted using the incremental borrowing rate.

If extension or termination options are included in leases, the options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). These options are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Upon adoption of IFRS 16 the Group applied the following practical expedients as permitted under the standard.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

#### Right of use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during this period:

	Property \$m	Vehicles \$m	Total \$m
<b>Cost or valuation</b>			
<b>At 31 March 2019</b>	—	—	—
Transition to IFRS 16	8.0	1.0	9.0
Additions	5.1	0.4	5.5
<b>At 31 March 2020</b>	<b>13.1</b>	<b>1.4</b>	<b>14.5</b>
Additions	2.1	1.1	3.2
Changes in lease term	(2.7)	—	(2.7)
Foreign exchange	0.4	0.1	0.5
<b>At 31 March 2021</b>	<b>12.9</b>	<b>2.6</b>	<b>15.5</b>
<b>Depreciation</b>			
<b>At 31 March 2019</b>	—	—	—
Depreciation charge for the year	3.2	0.6	3.8
<b>At 31 March 2020</b>	<b>3.2</b>	<b>0.6</b>	<b>3.8</b>
Depreciation charge for the year	2.7	0.6	3.3
Foreign exchange	(0.1)	—	(0.1)
<b>At 31 March 2021</b>	<b>5.8</b>	<b>1.2</b>	<b>7.0</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>7.1</b>	<b>1.5</b>	<b>8.5</b>
<b>At 31 March 2020</b>	<b>9.9</b>	<b>0.8</b>	<b>10.7</b>

#### Lease liabilities

Operating lease commitments at 31 April 2019 were \$13.1m. Lease liabilities recognised at 1 April 2019 on transition to IFRS 16 using the incremental borrowing rate were \$9.0m.

When measuring lease liabilities, the Group discounts lease payments using its incremental borrowing rate. On adoption of IFRS 16 on 1 April 2019, the weighted-average rate applied is 7.9%. The incremental borrowing rate has been calculated with reference to the margin the Group pays on its senior bank debt with the variable element of the interest being converted into the equivalent fixed rate of interest by taking the average of the 2, 3 and 5 year relevant swap rates. When determining whether the senior bank debt is appropriate to determine the incremental borrowing rate, the following factors were assessed: creditworthiness of the lessee, term, security, level of funds and economic environment. Incremental borrowing rates have been calculated for the United States, the UK and Europe. The Group considers the US incremental borrowing rate appropriate to use for leases in the Asia Pacific region. The incremental borrowing rate for new leases in the current year is 7.0%.

	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
Non-current	6.0	8.6
Current	3.3	2.4
	<u>9.3</u>	<u>11.0</u>

	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
<b>Contractual undiscounted cash flows</b>		
Less than 1 year	3.4	3.1
1 to 5 years	6.8	8.3
Greater than 5 years	—	2.3
	<u>10.2</u>	<u>13.7</u>
Total lease cash outflows for year	3.7	4.1

Set out below are the carrying amounts of lease liabilities under right of use assets and the movements during this period:

	Property \$m	Vehicles \$m	Total \$m
<b>At 31 March 2019</b>			
Operating lease commitments at 31 March 2019	11.8	1.3	13.1
Effect of discounting	(1.2)	(0.1)	(1.3)
Short-term leases	(0.2)	—	(0.2)
Lease renewals not exercised <sup>(1)</sup>	(1.2)	—	(1.2)
Timing of lease signing <sup>(2)</sup>	(2.4)	—	(2.4)
	<u>6.8</u>	<u>1.2</u>	<u>8.0</u>
Datacentre discounted lease liabilities <sup>(3)</sup>	1.0	—	1.0
Discounted lease liabilities at 1 April 2019	<u>7.8</u>	<u>1.2</u>	<u>9.0</u>
Additions	5.1	0.4	5.5
Payments	(3.4)	(0.6)	(4.0)
Interest	0.5	—	0.5
<b>At 31 March 2020</b>	<u>10.0</u>	<u>1.0</u>	<u>11.0</u>
Additions	2.1	1.2	3.3
Revisions in current year	(2.7)	—	(2.7)
Payments	(3.0)	(0.7)	(3.7)
Interest	0.6	0.1	0.7
Foreign exchange	0.6	0.1	0.7
<b>At 31 March 2021</b>	<u>7.6</u>	<u>1.7</u>	<u>9.3</u>

- (1) At 31 March 2019, the renewal options for certain leases were considered in the minimum lease commitments schedule. However, during FY20 it was determined that these leases would not be renewed.
- (2) At 31 March 2019 the lease payments were not included in the minimum lease commitments scheduled since two leases were signed subsequent to year-end. For IFRS 16 transition, the lease was considered an addition in FY20 since it was signed during FY20.
- (3) The leasing component of the datacentre agreements was not included in minimum lease commitments at 31 March 2019 since these agreements were not deemed operating leases under IAS 17. However, under IFRS 16 a leasing component was identified.

#### Profit and loss amounts and total cash flow amounts

The following are the amounts recognised in profit or loss:

	Year ended 31 March 2021	Year ended 31 March 2020
	\$m	\$m
Depreciation expense of right of use assets	3.3	3.8
Interest expense on lease liabilities	0.8	0.6
Expense relating to short-term leases	—	0.2
Expense relating to low value leases	—	3.4



**13. Investments****Company**

	2021 \$m	2020 \$m
<b>Investments in shares in subsidiary undertakings</b>		
At 1 April	0.01	0.01
Exchange differences	—	—
<b>At 31 March</b>	<u>0.01</u>	<u>0.01</u>

The full list of subsidiary undertakings as at 31 March 2021 is as follows: The financial performance and financial position of these undertakings have been consolidated.

<b>Trading</b>	<b>Address of registration</b>	<b>Country of incorporation / registration</b>
BluJay Solutions Ltd	Blue Tower, 14th Floor MediaCityUK Salford Quays, M50 2ST United Kingdom	UK
BluJay Solutions Inc.	915 E 32nd Street, Suite B Holland, MI 49423 United States	USA
BluJay Solutions Inc.	66 Wellington Street West Suite 5300, TD Bank Tower Toronto, Ontario Canada	Canada
BluJay Solutions B V	Stationsweg 45, 3331 LR Zwijndrecht, Netherlands	Netherlands
BluJay Solutions N.V.	Bredabaan 859, 2930 Brasschaat Belgium	Belgium
BluJay Solutions GmbH	Marienbader Platz 1, D-61348 Bad Homburg Germany	Germany
BluJay Solutions A/S	Slevtvej 2E, 1.th, 8310 Tranbjerg J, Denmark	Denmark
BluJay Solutions SA	Calle Zurbarán 9 local derecha A Madrid, Spain	Spain
BluJay Solutions (India) Private Ltd	Sy No 83/1, 9th Floor, Unit 2B, Octave Block, Knowledge City, Pacel 4, Raidurg, Panmaktha, Serilingampally, Hyderabad, Rangareddy, Telangana, 500081 India	India
BluJay Solutions Pte Ltd	298 Tiong Bahru Road #11-01/02, Central Place Singapore 168730	Singapore
BluJay Solutions Ltd	Unit 10268, 10th Floor, Kowloonbay International Trade and Exhibition Centre ("KITEC") 1 Trademart Drive Kowloon Bay, Hong Kong	Hong Kong
BluJay Solutions Co. Limited	No 8, Floor 9, 1468 Nan Jing Xi Lu, Jing'an District Shanghai, China 200070	China
BluJay Solutions K K	c/o TA Lawyers GKJ, Shiroyama Trust Tower 9th Floor, 4-3-1 Toranomon, Minato-ku, Tokyo, 105-6009 Japan	Japan
BluJay Solutions Pty Ltd	Suite 05, Level 2, 56 Berry Street North Sydney NSW 2060 Australia	Australia
BluJay Solutions (New Zealand) Limited	c/o Quigg Partners, Level 7 The Bayleys Building 36 Brandon Street Wellington, 6011 New Zealand	New Zealand
BluJay Solutions (Australia) Pty Ltd	First Floor 722 Mt. Alexander Road, Moonee Ponds VIC, 3039 Australia	Australia

BluJay Solutions S.r.l.	Via Federico Avio 1/11 16151 Genova Italy	Italy
Expedient Software Australia Pty Ltd	First Floor 722 Mt. Alexander Road, Moonee Ponds VIC, 3039 Australia	Australia
<b>Non-trading / sub-holding companies</b>		
BluJay Solutions Holdings Ltd	Blue Tower, 14th Floor MediaCityUK Salford Quays, M50 2ST United Kingdom	UK
BluJay Solutions Holding B.V.	Stationsweg 45, 3331 LR Zwijndrecht Netherlands	Netherlands
BluJay Solutions Nordics Holding B.V.	Slevtvej 2E, 1.th 8310 Tranbjerg J Denmark	Netherlands
BluJay Solutions (Germany) Holdings GmbH	Marienbader Platz 1, D-61348 Bad Homburg Germany	Germany
Blackbay Limited	Blue Tower, 14th Floor MediaCityUK Salford Quays, M50 2ST United Kingdom	UK
Grosvenor International Systems Limited	Blue Tower, 14th Floor MediaCityUK Salford Quays, M50 2ST United Kingdom	UK

Apart from BluJay Solutions Holdings Ltd, which is owned directly, all shares in the other entities above are owned indirectly by subsidiary undertakings of BluJay Solutions Group Holdings Ltd. The ordinary shares of each entity are owned 100%.

The above companies operated principally in their countries of incorporation / registration and, apart from BluJay Co Limited (formerly Kewill Co. Limited), have 31 March year-ends.

The principal nature of business of trading subsidiary undertakings is the development and/or distribution of computer software and associated services.

There have been no changes to addresses or shares from prior year.

#### 14. Trade and other receivables

	<b>Group As at 31 March 2021 \$m</b>	<b>Group As at 31 March 2020 \$m</b>	<b>Company As at 31 March 2021 \$m</b>	<b>Company As at 31 March 2020 \$m</b>
Trade receivables	31.7	33.1	—	—
Less: loss allowance	(2.1)	(2.5)	—	—
Trade receivable, net	29.6	30.6	—	—
Amounts owed by subsidiary undertakings	—	—	43.7	37.5
Other receivables	5.0	7.2	—	—
Prepayments	10.9	9.2	—	—
Accrued income	1.9	1.8	—	—
	<b>47.4</b>	<b>48.8</b>	<b>43.7</b>	<b>37.5</b>

Trade and other receivables are denominated in the following currencies:

	<b>Group As at 31 March 2021 \$m</b>	<b>Group As at 31 March 2020 \$m</b>	<b>Company As at 31 March 2020 \$m</b>	<b>Company As at 31 March 2020 \$m</b>
Sterling	10.8	7.4	43.7	37.5
US Dollars	19.3	21.6	—	—
Euro	7.7	10.1	—	—
Singapore Dollars	1.0	1.5	—	—
Other	8.6	8.2	—	—
	<b>47.4</b>	<b>48.8</b>	<b>43.7</b>	<b>37.5</b>

All trade and other receivables are expected to be recovered within 12 months of the year end date. The fair value of trade and other receivables is the same as the carrying values shown above. Loss allowance in respect of trade receivables are expensed as operating expenses. The carrying value of trade receivables and accrued income represents the maximum exposure to credit risk. The Group does not hold any collateral as security.

Expected credit losses are calculated based on a combination of factors, including the ageing of the receivable balances, historical experience of groupings customer segments that have similar loss patterns, current credit status of the customer and forward-looking information such as current economic conditions. The Group considers concentrations of credit risk with respect to trade receivables and accrued income limited due to the Group's customer base being large and unrelated. The credit risk is managed on a Group basis through the Group's credit risk management policies and procedures. The on-going credit risk is managed through regular review of ageing analysis.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

Movements on the loss allowance are as follows:

	<b>As at 31 March 2021 \$m</b>	<b>As at 31 March 2020 \$m</b>
At 1 April	(2.5)	(1.6)
Foreign exchange	—	0.1
Receivables written off as uncollectible	0.9	0.4
New provisions created	(0.5)	(1.4)
	<b>(2.1)</b>	<b>(2.5)</b>

#### Expected credit loss

##### 31 March 2021

	<b>Not past due</b>	<b>&lt;30 days</b>	<b>31-60 days</b>	<b>60-90 days</b>	<b>90-120 days</b>	<b>120-180 days</b>	<b>180-360 days</b>	<b>&gt;360 days</b>	<b>Total</b>
Expected credit loss rate	0.2%	0.3%	0.4%	2.0%	4.2%	9.3%	50.0%	100%	
Estimated gross carrying amount at default	20.6	5.9	2.4	1.3	0.9	0.6	0.7	1.2	33.6
Loss Allowance	(0.1)	(0.1)	—	(0.1)	(0.1)	(0.1)	(0.4)	(1.2)	(2.1)

**31 March 2020**

	Not past due	<30 days	31-60 days	60-90 days	90-120 days	120-180 days	180-360 days	>360 days	Total
Expected credit loss rate	0.6%	0.7%	1.5%	2.4%	4.2%	9.3%	43.9%	100%	
Estimated gross carrying amount at default	22.0	5.0	2.4	1.0	1.3	0.8	0.7	1.7	34.9
Loss Allowance	(0.2)	(0.1)	—	—	(0.1)	(0.1)	(0.3)	(1.7)	(2.5)

**15. Trade and other payables**

	Group As at 31 March 2021 \$m	Group As at 31 March 2020 \$m	Company As at 31 March 2021 \$m	Company As at 31 March 2020 \$m
<b>Current</b>				
Trade payables	2.2	4.7	—	—
Other tax and social security costs	5.3	5.1	—	—
Accruals	12.3	11.1	—	—
Deferred income	38.5	35.0	—	—
Amounts owed to parent undertaking	45.3	39.6	43.9	39.6
	<u>103.6</u>	<u>95.5</u>	<u>43.9</u>	<u>39.6</u>

Trade and other payables are denominated in the following currencies:

	Group As at 31 March 2021 \$m	Group As at 31 March 2020 \$m	Company As at 31 March 2021 \$m	Company As at 31 March 2020 \$m
Sterling	59.4	49.5	43.9	39.6
US Dollars	26.6	26.0	—	—
Euro	8.9	11.8	—	—
Singapore Dollars	1.8	1.2	—	—
Other	6.9	7.0	—	—
	<u>103.6</u>	<u>95.5</u>	<u>43.9</u>	<u>39.6</u>

All trade and other payables are expected to be settled within 12 months of the year end date. The fair value of trade and other payables is the same as the carrying values shown above.

**16. Borrowings**

Total borrowings comprise:

	As at 31 March 2021 \$m	As at 31 March 2020 \$m
Term loans	326.8	314.3
Revolving credit facility	—	17.6

These obligations are presented in the Group's Statement of Financial Position as follows:

	As at 31 March 2021 \$m	As at 31 March 2020 \$m
Included in current liabilities	—	17.6
Included in non-current liabilities	326.8	314.3
	<u>326.8</u>	<u>331.9</u>

Maturity profile of the group's bank loans is as follows:

	Excluding capitalised fees \$m	Capitalised Fees \$m	Net Amount \$m
In 1 year or less	—	(1.4)	(1.4)
In more than 1 year, but not more than 2 years	—	(1.4)	(1.4)
In more than 2 years, but not more than 5 years	320.5	(3.4)	317.1
In more than 5 years	—	—	—
<b>31 March 2020</b>	<b>320.5</b>	<b>(6.2)</b>	<b>314.3</b>
In 1 year or less	—	(1.5)	(1.5)
In more than 1 year, but not more than 2 years	—	(1.5)	(1.5)
In more than 2 years, but not more than 5 years	331.8	(2.0)	329.8
In more than 5 years	—	—	—
<b>31 March 2021</b>	<b>331.8</b>	<b>(5.0)</b>	<b>326.8</b>

The credit facilities are provided through a syndicate led by TPG Specialty Lending Europe I Advisors Ltd. The term loan facilities includes US dollar denominated loans totalling \$170m, pounds sterling denominated loans totalling £35.2m and euro denominated loans totalling €96.9m. The repayment of the terms loans is due in September 2024. The revolving credit facilities comprise an available facility of \$20,000,000. The loans are secured by fixed and floating charges over the shareholdings in the principal subsidiary undertakings as well as over the assets of the principal subsidiaries. The loans are subject to standard commercial loan covenants for which the group was fully in compliance throughout the year and to the date of this report.

The interest payable on the credit facilities is fixed in advance, for various time periods up to 3 months by reference to official market rates (e.g. LIBOR) plus a margin. The margin applicable to the term loans is 6.5% and margin applicable to the revolving credit facility is 3%. Under the terms of the Senior Credit Facility Agreement the official market rate used to calculate the rate of interest for the term loan interest period cannot be less than 0.5%. A commitment fee of 1.05% is payable on the portion of the revolving credit facility which is undrawn.

During the year ended 31 March 2021, the average interest rate charged on the bank loans was approximately 7% (2020: 8.10%). The total interest expense in the period on these borrowings, excluding amortisation of capitalised fees, was \$23.8m (2020: \$25.7m).

	Sterling loan \$m	Euro Loan \$m	USD loan \$m	Total Loans \$m	Borrowing cost \$m	Total \$m
<b>Balance 1 April 2019</b>	<b>45.9</b>	<b>104.5</b>	<b>170.0</b>	<b>320.4</b>	<b>(7.6)</b>	<b>312.8</b>
New loans – cash	—	4.1	—	4.1	—	4.1
Borrowing costs for new loans-cash	—	—	—	—	(0.1)	(0.1)
Amortisation of borrowing cost-non-cash	—	—	—	—	1.4	1.4
Exchange differences	(2.2)	(1.8)	—	(4.0)	0.1	(3.9)
<b>Balance 31 March 2020</b>	<b>43.7</b>	<b>106.8</b>	<b>170.0</b>	<b>320.5</b>	<b>(6.2)</b>	<b>314.3</b>
Amortisation of borrowing cost-non-cash	—	—	—	—	1.5	1.5
Exchange differences	4.6	6.7	—	11.3	(0.3)	11.0
<b>Balance 31 March 2021</b>	<b>48.3</b>	<b>113.5</b>	<b>170.0</b>	<b>331.8</b>	<b>(5.0)</b>	<b>326.8</b>
Margin	6.5%	6.5%	6%			
Base rate	LIBOR	EURIBOR	LIBOR			

## Revolving credit facility

	As at 31 March 2021 \$m	As at 31 March 2020 \$m
Available credit facility	20.0	20.0
Drawn amount	—	(17.6)
Amount available to be drawn	20.0	2.4

## Movement revolving credit facility

	Credit facility \$m
<b>Balance 1 April 2019</b>	<b>9.9</b>
Drawings on credit facility – cash	14.4
Repayments on credit facility-cash	(6.4)
Exchange differences	(0.3)
<b>Balance 31 March 2020</b>	<b>17.6</b>
Repayments on credit facility-cash	(13.4)
Exchange differences	(4.2)
<b>Balance 31 March 2021</b>	<b>—</b>

## 17. Provisions and long-term liabilities

## Provisions

	Dilapidations liability \$m	Restructure costs \$m	Total costs \$m
As at 1 April 2019	0.1	0.1	0.2
Provided for during the year	—	—	—
<b>As at 30 March 2020</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
Utilised for during the year	(0.1)	(0.1)	(0.2)
<b>As at 30 March 2021</b>	<b>—</b>	<b>—</b>	<b>—</b>

	As at 31 March 2021 \$m	As at 31 March 2020 \$m
Analysed as:		
Current liabilities . . . . .	—	0.1
Non-current liabilities . . . . .	—	0.1

## Long-term liabilities

The long-term liability for 31 March 2020 relates to deferred consideration for the Era acquisition which closed in October 2018.

	\$m
As at 1 April 2019	0.2
Provided for during the year	—
<b>As at 30 March 2020</b>	<b>0.2</b>
Utilised for during the year	(0.2)
<b>As at 30 March 2021</b>	<b>—</b>

**18. Deferred taxes**

Deferred tax asset recognised

	Deferred tax in respect of losses recognized	Accelerated amortisation and depreciation	Other temporary differences	Total
	\$m	\$m	\$m	\$m
As at 1 April 2019	8.4	1.8	1.1	11.3
<i>Recognised in the year</i>				
Adjustment in respect of prior periods	(1.5)	(1.1)	1.0	(1.6)
On temporary differences for the period	(1.5)	—	0.2	(1.3)
Acquisition of Expedient	—	—	0.1	0.1
Exchange differences	0.1	—	(0.3)	(0.2)
<b>As at 31 March 2020</b>	<b>5.5</b>	<b>0.7</b>	<b>2.1</b>	<b>8.3</b>
<i>Recognised in the year</i>				
Adjustment in respect of prior periods	6.2	(0.1)	3.1	9.2
On timing differences for the period	(3.5)	0.5	(1.2)	(4.2)
Exchange differences	0.6	0.1	(0.5)	0.2
<b>As at 31 March 2021</b>	<b>8.8</b>	<b>1.2</b>	<b>3.5</b>	<b>13.5</b>

	As at 31 March 2021 \$m	As at 31 March 2020 \$m
Amount of deferred tax asset expected to be recovered within one year	7.9	4.2
Amount of deferred tax asset expected to be recovered in greater than one year	5.6	4.1

Deferred tax asset unrecognised

	As at 31 March 2021 \$m	As at 31 March 2020 \$m
Unrecognised deferred tax asset in respect of:		
Trading losses	1.7	1.3
Non-trading losses	5.8	5.3
Capital losses	1.3	1.1
Other assets	5.7	2.3
	<b>14.5</b>	<b>10.0</b>

These deferred tax assets have not been recognised as the utilisation of the non-trading losses is restricted and the precise incidence of future profits in the relevant countries and legal entities cannot be predicted accurately at this time. The tax charge in future periods will be reduced by the utilisation of brought forward trading losses.

Deferred tax liability

Deferred tax liability is comprised of the following

	Intangible assets	Accelerated amortisation and depreciation	Other temporary differences	Total
	\$m	\$m	\$m	\$m
As at 1 April 2019	7.1	—	—	7.1
Acquisitions (note 10)	1.2	—	—	1.2
Released / charged to income	(4.0)	—	0.6	(3.4)
Exchange rates	(0.1)	—	—	(0.1)
<b>As at 31 March 2020</b>	<b>4.2</b>	<b>—</b>	<b>0.6</b>	<b>4.8</b>
Acquisitions (note 10)	0.2	—	—	0.2
Released to income	(2.5)	5.6	0.2	3.3
Exchange rates	0.3	—	—	0.3
<b>As at 31 March 2021</b>	<b>2.2</b>	<b>5.6</b>	<b>0.8</b>	<b>8.6</b>

	As at 31 March 2021 \$m	As at 31 March 2020 \$m
Amount of deferred tax liability expected to be crystallised within one year	1.8	3.2

**19. Current tax liability**

	As at 31 March 2021 \$m	As at 31 March 2020 \$m
Current tax liability	—	0.1
Overseas tax liability	0.6	0.4
	<u>0.6</u>	<u>0.5</u>

**20. Called up share capital**

	Number	31 March 2021 \$m	Number	31 March 2020 \$m
<b>Issued, allotted, called up and fully paid</b>				
A Ordinary shares of £1 each	10,000	<u>.016</u>	10,000	<u>.016</u>
		.016		.016

**21. Reserves**

The following describes the nature and purpose of each reserve within equity:

Reserve	Description
Called up share capital	Nominal value of subscribed shares.
Cumulative translation reserve	Includes translation gains or losses on translation of Group's subsidiaries from the functional currencies to the presentational currency.
Retained deficit	All other net gains and losses and transactions with owners (e.g., dividends) not recognised elsewhere.

**22. Dividends**

No ordinary dividends were declared in the years or periods presented.

**23. Related party transactions**

Transactions with related parties

The Company has not undertaken any trading transactions with its subsidiaries. The Company has loans outstanding from subsidiary undertakings which are subject to interest and upon which a loan rate of 5.5% has been applied for the year 31 March 2021 (2020: 5.5%).

During the year, the group received advisory and support services from Francisco Partners for which a management charge of \$0.7m (31 March 2020: \$0.7m) was paid. At 31 March 2021, the Group owed Francisco partners \$0.3m (2020: \$0.2m).

Key management disclosures as well as director wages and salaries are in note 6.

**24. Financial commitments and contingencies**

Total future minimum lease payments (not discounted) under non-cancellable lease rentals are payable as follows:



The Group has used practical expedients in respect of leases of less than 12 months duration and leases for low value items (i.e. below \$5,000) and has excluded them from capitalisation under IFRS 16. The minimum lease payments for these leases are:

	<b>Land and buildings</b>
	<b>\$m</b>
<b>1 April 2019 (after IFRS 16)</b>	<b>0.2</b>
Within 1 year	0.2
<b>31 March 2020</b>	<b>0.2</b>

Other assets primarily include computer hardware and photocopiers.

The minimum lease payments due within one year as at 31 March 2021 are less than \$0.1m.

## 25. Financial instruments

IFRS 13 requires the classification of financial instruments measured at fair value to be determined by reference to the source of inputs used to derive fair value. The fair values of all financial instruments in all periods are equal to their carrying value. The Group's financial instruments comprise cash and liquid resources, along with various items such as trade receivables, trade payables, and accruals. The Group policy does not permit entering into speculative trading of financial instruments and this policy has continued to be applied throughout the year.

Financial instruments by category for Group

Assets per statement of financial position

	<b>31 March 2021</b>		
	<b>Receivables at amortised cost \$m</b>	<b>Fair value through comprehensive income \$m</b>	<b>Total \$m</b>
Cash and cash equivalents	31.5	—	31.5
Trade receivables	31.7	—	31.7
Other receivables	5.0	—	5.0
Accrued income	1.9	—	1.9
	<b>70.1</b>	<b>—</b>	<b>70.1</b>

Liabilities per statement of financial position

	<b>31 March 2021</b>		
	<b>Liabilities at amortised cost \$m</b>	<b>Fair value through comprehensive income \$m</b>	<b>Total \$m</b>
Trade payables	2.2	—	2.2
Accruals	12.3	—	12.3
Other payables	5.3	—	5.3
Bank borrowings	331.8	—	331.8
Lease liabilities	9.3	—	9.3
	<b>360.9</b>	<b>—</b>	<b>360.9</b>

## Assets per statement of financial position

	31 March 2020		
	Receivables at amortised cost \$m	Fair value through comprehensive income \$m	Total \$m
Cash and cash equivalents	29.0	—	29.0
Trade receivables	33.1	—	33.1
Other receivables	7.2	—	7.2
Accrued income	1.8	—	1.8
	71.1	—	71.1

## Liabilities per statement of financial position

	31 March 2020		
	Liabilities at amortised cost \$m	Fair value through comprehensive income \$m	Total \$m
Trade payables	4.7	—	4.7
Accruals	11.1	—	11.1
Other payables	5.1	—	5.1
Bank borrowings	320.5	—	320.5
Credit facility drawn	17.6	—	17.6
Lease liabilities	11.0	—	11.0
	370.0	—	370.0

## Financial instruments by category for the Company

## Assets per statement of financial position

	31 March 2021		
	Receivables at amortised cost \$m	Fair value through comprehensive income \$m	Total \$m
Amounts owed by subsidiary undertakings	43.7	—	43.7
	43.7	—	43.7

	31 March 2020		
	Receivables at amortised cost \$m	Fair value through comprehensive income \$m	Total \$m
Amounts owed by subsidiary undertakings	37.5	—	37.5
	37.5	—	37.5

The currency profile of the cash and cash equivalents was:

	<b>Group As at 31 March 2021 \$m</b>	<b>Group As at 31 March 2020 \$m</b>	<b>Company As at 31 March 2021 \$m</b>	<b>Company As at 31 March 2020 \$m</b>
Sterling	3.3	1.7	—	—
USD	15.3	5.7	—	—
Euro	4.0	15.9	—	—
Danish Kroner	0.9	1.1	—	—
Singapore Dollar	0.4	0.4	—	—
Chinese Yuan Renminbi	0.2	0.1	—	—
Japanese Yen	0.6	0.1	—	—
Indian Rupee	2.4	0.7	—	—
Other	4.4	3.3	—	—
<b>Total cash at bank</b>	<b>31.5</b>	<b>29.0</b>	<b>—</b>	<b>—</b>

Floating rate cash earns interest based on relevant national interest rates ranging from 0.1% to 0.8%.

### Group Financial Risk Factors

The Group's activities expose it to a wide variety of financial risks: liquidity risk, credit risk and market risk (including currency risk, fair value interest rate risk, cash flows interest rate risk). The Group monitors these risks primarily through cash flow forecasting and sensitivity analysis, with a central treasury function identifying and evaluating financial risks in close co-operation with the Group's main operational functions. The Board agrees principles for overall risk management.

The use of simple financial derivatives is considered in order to hedge specific financial risk where cost effective to do so. The Group does not enter into, or trade, financial instruments, including derivative financial instruments, for speculative purposes.

### Liquidity risk

This is the risk that the Group will have insufficient funds to meet its financial liabilities, including scheduled repayments of its borrowing facilities, as they fall due. As the Group is strongly cash generative, and, with a high level of recurring income, its liquidity risk is considered to be low. That said, the Group still remains highly alert to liquidity risk and centrally manages its cash. The objective is to provide efficient cash and tax management and cost effective core funding to operating businesses, and this is undertaken by central pooling of surplus funds via the use of intra-group loans. This process also ensures that there are sufficient funds available to meet the scheduled loan repayments, as well as the expected funding requirements of the Group operations and investment opportunities.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom in its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

The table below sets out the contractual maturities (representing undiscounted contractual cash-flows) of loans, borrowings and other financial liabilities:

	<b>31 March 2021</b>			
	<b>Up to 3 months \$m</b>	<b>Between 3 &amp; 12 months \$m</b>	<b>Between 1 &amp; 5 years \$m</b>	<b>More than 5 years \$m</b>
Bank borrowings	—	—	331.8	—
--Interest	5.9	17.6	57.8	—
<b>Total bank loans</b>	<b>5.9</b>	<b>17.6</b>	<b>389.6</b>	<b>—</b>
Lease liabilities	0.3	3.1	6.8	—
Trade & other payables	58.6	—	—	—
	64.8	20.7	396.4	—

	31 March 2020				Total \$m
	Up to 3 months \$m	Between 3 & 12 months \$m	Between 1 & 5 years \$m	More than 5 years \$m	
Bank borrowings	—	—	320.4	—	320.4
--Interest	5.8	17.3	80.0	—	103.1
<b>Total bank loans</b>	<b>5.8</b>	<b>17.3</b>	<b>400.4</b>	<b>—</b>	<b>423.5</b>
Credit facility drawn	17.6	—	—	—	17.6
Lease liabilities	0.3	2.8	8.3	2.3	13.7
Trade & other payables	21.4	—	—	—	21.4
	<b>45.1</b>	<b>20.1</b>	<b>408.7</b>	<b>2.3</b>	<b>476.2</b>

### Credit risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk of their new customers before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Treasury policies in place do not allow concentration of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated below investment grade. Details on the methods, assumptions, and information used to estimate the expected credit loss are disclosed in note 14.

The Group does not have an individual customer with revenues totalling more than 10% of total revenues.

Market risks are inherent in the use of debt capital, interest rate cash flow risk for example, on top of which, in the course of its normal activities, the Group is routinely exposed to a variety of other financial risks. These are discussed further below.

### Market risk

#### Currency risk

The Group's currency risk is risk that arises on financial instruments that are denominated in a foreign currency other than the functional currency. The Group's principal exposure to exchange rate fluctuations arises on the translation of diverse overseas net assets and results into a single presentation currency (currently US dollars) on consolidation. Overseas investments are not hedged, but the level of such balance sheet exposure will be regularly monitored to ensure this remains appropriate. Translation exposures on direct transactions, such as fund transfers between Group countries, will be managed by reviewing movements on exchange rates.

The Group's borrowings are denominated in a mixture of US dollars, pounds sterling and euros. This matches closely the Group's underlying cash generation, so mitigating significantly any economic currency risk on servicing the debt. However, given a US dollar presentation currency for the consolidated financial statements, the group may experience significant non-cash foreign exchange retranslation variances in the presentation of its debt going forwards.

#### Interest rate risk

The Group's interest rate risk arises from US Dollar and non-US Dollar borrowings. During 2021 and 2020 the Group's borrowings were denominated in United States Dollars, Sterling and Euros.

At 31 March 2021 each 0.1% increase in the relevant base above a 0.5% base would add approximately \$0.3m to the total interest expense for the next twelve months (31 March 2020: \$0.3m). The current Euro, USD and GBP base rates are significantly below the 0.5% base and would require relevant base rates increase of around 1.0%, 0.3% and 0.4% respectively before any additional interest charges were due.

The table below approximates the impact on the Group's profit before tax of a +/- 10% exchange rate movement (of US dollars against the specified currency, with all other variables held constant) of the Group's major non-USD trading currencies during the year.

	For the year ended 31 March 2021 \$m	For the year ended 31 March 2020 \$m
Euro + / -	0.5	0.1
Pounds Sterling + / -	1.2	0.8
	<b>1.7</b>	<b>0.9</b>

**Capital risk**

The Group's overall objective when managing capital and other financial risk is to safeguard its and the entities in the Group's ability to continue as a going concern in order to provide returns to shareholders (investors) and benefits to other stakeholders. The overall strategy remains consistent over the fiscal years.

During the period, the Group financed its operations through a mixture of new equity and bank borrowings. At 31 March 2021, the capital structure of the Group primarily consisted of gross debt totalling \$331.8m.

The Group seeks to maintain an optimal level of bank borrowings as part of the long-term capital structure of the entity. The Group will review its capital structure regularly to consider the cost of capital and the risks associated with each class of capital.

**26. Deferred revenue**

Deferred revenue movements related to invoicing and revenue recognition for the period are noted below. Based on the nature of BluJay's business and when the performance obligations will be met, the ending deferred revenue will be recognized within one year from year-end.

	<b>\$m</b>
As at 1 April 2019	<b>33.4</b>
Amounts from acquisitions	0.4
Amounts invoiced	154.4
Revenue recognised	(152.6)
Foreign exchange	(0.6)
<b>As at 31 March 2020</b>	<b>35.0</b>
Amounts invoiced	158.4
Revenue recognised	(156.1)
Foreign exchange	1.2
<b>As at 31 March 2021</b>	<b>38.5</b>

Revenue recognised prior year deferred revenue in the current year was \$35.3m (2020: \$32.9m).

**27. Control**

The ultimate controlling entity is Francisco Partners III L.P., of 1 Letterman Drive, Building C - Suite 410, San Francisco, CA 94109

**28. Subsequent event**

On 4 May 2021, a subsidiary of the Group entered into a Stock Purchase Agreement to acquire Raven Logistics, Inc. for \$15m cash. Raven is a leading logistics management company focused on rail transportation, offering a SaaS Rail TMS solution and managed services for the North American shipper market. Raven is expected to contribute \$4.2M in revenue and \$1m in EBITDA in FY22. Closing date is expected to be 1 July 2021.

On 27 May 2021 E2open Parent Holdings, Inc. (E2open) announced it will acquire BluJay Topco Ltd, the Group's parent company; with completion expect to take place during the calendar year third quarter of 2021, subject to regulatory approvals. This transaction will constitute a change of control under the Group's existing facilities agreement. Under the terms of the acquisition documents E2open has agreed to provide funding for the Group including repaying outstanding amounts under the facilities agreement which will become due and payable on completion.