Maze 3 Limited
Company number 08325025

Maze 3 Limited

Reports and Financial Statements for the Financial Year ended 31 December 2021

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Maze 3 Limited
Company number 08325025

Contents

Directors and other information

Directors
Ariette Van Strien
Doaa Fathallah
Andrew Gravatt
Jeffrey Firestone

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107 Power Road
Chiswick
London
W4 5PY

Independent Auditors
Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Solicitors
Clyde and Co LLP
Beaufort House
15 St Botolph Street
London
EC3A 7AR

Directors' report

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

Results and dividends

	Year ended 31 December 2021 €'000	Year ended 31 December 2020 €'000
Profit/ (loss) for the financial year	**56**	(37)

The Directors have not recommended the payment of a dividend *(2020: Nil)*.

Principal activities, business review and future developments

Principal activities

The Company's principal activity is that of a holding Company and it is the intention of the Directors to continue as a holding Company for the foreseeable future.

Business review

The Company was incorporated in England, United Kingdom on 10 December 2012, and is a fully owned subsidiary of Maze 2 Limited. It is a private Company limited by shares and is domiciled in the United Kingdom. It was set up together with Maze 2 Limited, to acquire Iridium France S.A.S. and its subsidiaries ('Iridium') by the syndicate of lenders to the vendor of Iridium.

On 21 December 2016, UPS Corporate Finance Sarl, a Luxembourg resident entity, purchased Maze 1 Limited, the then ultimate parent of Maze 3 Limited.

On 5 March 2019, 166,539,087 Ordinary shares were issued to Maze 2 Limited to settle a loan with the Maze group Parent Company UPS Corporate SARL.

Going concern

The Directors have prepared the financial statements on a going concern basis. More details can be found in Note 2 to these financial statements.

The Company has support from the ultimate Parent Company, United Parcel Service, Inc. ('UPS') a publicly listed Company in the United States of America, which has confirmed that there is no intention to ask for repayment of amounts due to itself and other group companies in the foreseeable future, and not less than twenty months from the date of signing the financial statements. The Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

COVID-19 impact

In the beginning of 2020, the COVID-19 outbreak became a global pandemic, and it has had a significant negative effect on the global economy and financial markets as many countries have during 2020, and continuing into 2021, enforced lockdowns of varying degrees and length in an effort to slow down the spread of the virus. The virus as well as the measures taken to combat it have together had an impact on supply chain operations, demand for products and services, access to financing as well as the health and well-being of employees.

The impact of COVID-19 on Company's operations in 2021 was relatively limited. The operating model of the Company remains unchanged.

Directors' report (continued)

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Ariette Van Strien
Doaa Fathallah
Andrew Gravatt
Joseph Mozalli (resigned 1 September 2021)
Jeffrey Firestone (appointed 1 September 2021)

Financial risk management

The Group's operations expose it to a variety of financial risks including the effects of changing retail and commodity prices and interest rates, unpredictability of credit and liquidity in the financial markets, volatile foreign exchange rates as well as geo-political risks in the various markets in which it operates.

Due to the Company's operations, it is not exposed to many of these financial risks, with the exception of foreign currency risk arising on its non-Euro denominated loan balances. The exposure to foreign exchange risk within the Company is monitored and managed closely by the Directors.

Employees

There were no employees directly employed by the Company during the year ended 31 December 2021. (2020: none)

Political contributions

The Company made no political donations nor incurred any political expenditure during the year. (2020: none)

Brexit

The Group is well-positioned to withstand any negative impact of Brexit in respect of labour mobility, regulatory and other government policies, as well as inward investment to the UK and the overall macroeconomic situation, as it is a fully international business with a diverse global customer base.

Strategic report

The Company is also exempt from the requirement to prepare a strategic report as it meets the definition of a small Company under the Companies Act 2006.

Streamlined Energy and Carbon Reporting (SECR)

Streamlined Energy and Carbon Reporting (SECR) requirements are not mandatory for the Company as it does not meet the definition of a large Company under the Companies Act 2006.

Declaration to the auditor

In the case of each Director in office at the date the Directors' report is approved:

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

Independent auditors

The auditors, Deloitte Ireland LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Andrew Gravatt
Director
22 July 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZE 3 LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Maze 3 Limited (the 'company'):
- give a true and fair view of the state of the company's affairs as at 31st December, 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 12, including a summary of significant accounting policies as set out in note 2.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZE 3 LIMITED

Other information (continued)

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

We have nothing to report in this regard.

Responsibilities of directors

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, 2006 and tax legislation and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

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

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZE 3 LIMITED

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.

Sinéad McHugh

Sinéad McHugh, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte Ireland LLP
Statutory Auditor
Dublin, Ireland

26 July 2022

Profit or Loss Statement

For the year ended 31 December 2021

	Note	**Year ended 31 December 2021 €000**	Year ended 31 December 2020 €000
Operating (expense)/income	*3*	**(56)**	37
Operating (loss)/profit		**(56)**	37
Interest payable and similar expenses	*5*	**-**	-
(Loss)/Profit before taxation		**(56)**	37
Tax charge	*6*	**-**	-
(Loss)/Profit for the financial year		**(56)**	37

All results derive from continuing operations.

The notes on pages 13 to 21 form part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2021

	Year ended 31 December 2021 €000	Year ended 31 December 2020 €000
(Loss)/ profit for the financial year	(56)	37
Total comprehensive (expense)/income for the year	(56)	37

The notes on pages 13 to 21 form part of these financial statements.

Maze 3 Limited
Company number 08325025

Statement of Financial Position
As at 31 December 2021

	Note	2021 €000	2020 €000
Non-current asset			
Investments	*7*	**15,540**	15,540
Current asset			
Debtors	*8*	**293**	2,610
Current liability			
Creditors: amounts falling due within one year	9	**(10,124)**	(12,385)
Net current liabilities		**(9,831)**	(9,775)
Net assets		**5,709**	5,765
Capital and reserves			
Called up share capital	*10*	**166,539**	166,539
Revaluation reserve		**(62)**	(62)
Accumulated losses		**(160,768)**	(160,712)
Total Shareholders' equity		**5,709**	5,765

The notes on pages 13 to 21 form part of these financial statements.

The accounts have been prepared in accordance with the provisions applicable to Companies subject to the small Company's regime.

The financial statements were approved by the Board on 22 July 2022 and signed on its behalf by:

Andrew Gravatt
Director
22 July 2022

Statement of Changes in Equity
For the year ended 31 December 2021

	Called up share capital	Revaluation reserve	Accumulated losses	Total shareholders' equity
	€000	€000	€000	€000
Balance as at 1 January 2020	166,539	(62)	(160,749)	5,728
Total comprehensive loss for the financial year	-	-	37	37
Balance as at 31 December 2020	**166,539**	**(62)**	**(160,712)**	**5,765**
Total comprehensive income for the financial year	-	-	(56)	(56)
Balance as at 31 December 2021	**166,539**	**(62)**	**(160,768)**	**5,709**

Notes to the financial statements
For the year ending 31 December 2021

1 General information

Maze 3 Limited (the Company) is a private Company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 2 to 3.

These financial statements are presented in Euros which is the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the Group accounts of UPS and the accounts are filed with the Companies House. The Group accounts of UPS are available to the public and can be obtained as set out in note 11.

New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2020, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements

- Amendment to IFRS 16 "Leases" – Covid-19 related rent concessions (effective 1 June 2020);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective on or after 1 January 2021 with early application permitted); and
- Amendments to IFRS 17 and IFRS 4 "insurance contracts", deferral of IFRS 9, as amended June 2020 (effective on or after 1 January 2021).

None of the amendments to the above standards had a material impact on the Financial Statements.

There are a number of new standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group. The future introduction of these standards is not expected to have a material impact on the Financial Statements of the Group.

- Amendments to IFRS 3 – Business Combinations (effective 1 January 2022);
- Amendments to IAS 16 – Property, Plant and Equipment (effective 1 January 2022);
- Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (effective 1 January 2022);
- Amendments to IAS 1, Practice statement 2 and IAS 8 – Accounting policies, Changes in Accounting Estimates and Errors (effective 1 January 2022);
- Annual improvements to IFRS standards 2018-2020 – IFRS 1, IFRS 9, IAS 41 (effective 1 January 2022); and
- Amendments to IAS 1 – Presentation of Financial Statements on Classification of Liabilities (effective 1 January 2023).

Work will continue in the new financial year to assess the impact of the new standards and interpretations on the Group's Financial Statements. The Company does not believe adoption of the above standards will have a material impact on the financial statements.

2 Accounting policies

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

Basis of preparation

The financial statements of Maze 3 Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

Notes to the financial statements (continued)

For the year ending 31 December 2021

2 Accounting policies (continued)

Basis of preparation (continued)

The Company is exempt by virtue of s.401 of the Companies Act 2006 from the requirement to prepare group financial statements as its results are included within the consolidated financial statements of its ultimate parent United Parcel Services Inc., which are filed with the Companies House and are publicly available (see note 11). These financial statements therefore present financial information about the Company as an individual undertaking and not about its group.

The Company is also exempt from the requirement to prepare a strategic report as it meets the definition of a small Company under the Companies Act 2006.

Streamlined Energy and Carbon Reporting (SECR) requirements are not mandatory for the Company as it does not meet the definition of a large Company under the Companies Act 2006.

As the Company is a wholly owned subsidiary of United Parcel Services Inc., the Company has taken advantage of the disclosure exemptions permitted by FRS 101. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 134 (d) – 134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- the requirements of IFRS 3 paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 [FRS 101: 8(b)]
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical judgements required when preparing the Company's financial statements are as follows:

(i) Impairment of investments – Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recovered. When a review for impairment is conducted the recoverable amount of an asset or cash-generating unit is determined based on the higher of fair value, less costs to sell, and value in use calculations prepared on the basis of management's assumptions and estimates. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the cash generating unit and the choice of a suitable discount rate in order to calculate the present value.

Going concern

The Company has support from the ultimate Parent Company, United Parcel Service, Inc. which has confirmed that there is no intention to ask for repayment of amounts due to itself and other Group companies in the foreseeable future, and not less than twenty months from the date of signing the audit report. The Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The financial statements do not reflect any adjustment should the going concern basis not be appropriate.

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

2 Accounting policies (continued)

Impairment of investments

The carrying amounts of the Company's investments are reviewed for impairment annually or when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. A reversal of an impairment loss is recognised whenever there is an indication that an impairment loss previously recognised in a previous period no longer exists or has decreased. Impairment losses and reversals are recognised in the income statement.

Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Euro' (€), which is also the Company's functional currency. Transactions in currencies other than the Company's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions.

At each year-end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items denominated in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement during the period.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the year-end date.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are anticipated to reverse.

Deferred tax assets and liabilities are not discounted.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are reflected in the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

<u>Financial assets</u>

All recognised financial assets are measured subsequently in their entirety at amortised cost.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the financial statements (continued)

For the year ending 31 December 2021

2 Accounting policies (continued)

Financial instruments (continued)

The Company includes in this category amounts owed by group undertakings and other short-term receivables.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Impairment of financial assets

The Company only holds receivables at amortized cost, with no significant financing component and which have maturities of less than 12 months and as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on lifetime ECLs at each reporting date.

The carrying value of interest receivable, receivables on unsettled trades and other short-term receivables, measured at amortized cost less any expected loss, is an approximation of fair value given their short-term nature.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the income statement.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The Company includes in this category amounts owed to parent and group undertakings and other short-term payables.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Notes to the financial statements (continued)
For the year ending 31 December 2021

2 **Accounting policies** (continued)

Financial instruments (continued)

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the income statement.

When the Company exchanges with the existing lender one debt instrument for another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in the income statement as the modification gain or loss within other gains and losses.

3 **Operating income/ (expenses)**

	Year ended 31 December 2021 €000	Year ended 31 December 2020 €000
Foreign exchange (loss)/gains	**(58)**	38
Other operating income/ (expenses)	**2**	(1)
	(56)	37

The average number of persons employed by the Company during the year (including Directors) was nil *(2019: nil)*.

The auditors' remuneration for the audit of these financial statements is borne by another group undertaking.

4 **Remuneration of Directors**

The Directors' remuneration is borne by another group undertaking in the current and prior year.

5 **Interest payable and similar expenses**

	Year ended 31 December 2021 €000	Year ended 31 December 2020 €000
Interest payable	**-**	-
	-	-

Notes to the financial statements (continued)
For the year ending 31 December 2021

6 Tax charge

	2021 **€000**	2020 €000
Current tax	-	-

Factors affecting the current charge and the reconciliation

The tax charge for the year differs from the standard rate or corporation tax in the UK of 19:00% (2020:19:00%).

The differences are explained below:

	2021 **€000**	2020 €000
Current tax reconciliation		
(Loss)/profit before taxation	(56)	37
Tax at the standard rate of corporation tax 19:00%	(11)	7
Effects of:		
Group relief for nil consideration	11	(7)
Expenses not deductible for tax purposes	-	-
Total tax charge for the year	-	-

Factors affecting the future tax charge

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019: 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end.

Notes to the financial statements (continued)
For the year ending 31 December 2021

7 Investments

	2021 €000	2020 €000
Cost		
Beginning of the financial year	**15,540**	15,540
End of the financial year	**15,540**	15,540

The net book value of the investment as at 31 December 2021 is €15,539,955 (2019: €15,539,955).

On 21 December 2012, Maze 3 Limited paid a total consideration of £1 to acquire 100% of the ordinary shares of Iridium France S.A.S. Included below are all the subsidiaries that fall below Maze 3 Limited as a result of this purchase.

On 8 December 2014, Maze 3 Limited assumed the rights and obligations of the €135,000 senior term debt agreement originally held by Iridium France S.A.S. in exchange for an unsecured loan note of €135,000. On the same date, Iridium France S.A.S. issued 135,000 shares with a par value of €1 to Maze 3 Limited, which were paid by offsetting the above-mentioned unsecured loan note. The investment of €135,000 was recognised initially at fair value at €15,540.

A call option agreement was entered into between Maze 3 Limited and UPS (UK) Limited, whereby Maze 3 Limited granted UPS (UK) Limited a 5-year option to purchase Iridium SAS at fair market value, effective from 25th October 2017.

The subsidiary undertakings at 31 December 2021 were:

Subsidiary name and address of registered office	Country of incorporation/ registration	Nature of business	Ordinary shares directly held by the Company (%)	Ordinary shares directly held by the Group (%)
Iridium France SAS. 11-15 Quai Dc Dion Bouton, 92800 Puteaux, France	France	Intermediate holding Company	100%	
Platinum France Investissements S.A.S. 11-15 Quai Dc Dion Bouton, 92800 Puteaux, France	France	Intermediate holding Company		100%
Marken France S.A.S. 11-15 Quai Dc Dion Bouton, 92800 Puteaux, France	France	Trading Company		100%
Marken Services Limited Ground Floor, 107 Power Road, Chiswick, London W4 SPY	UK	Head office financing Company		100%
De Facto 1341 Limited Ground Floor, 107 Power Road, Chiswick, London W4 SPY	UK	Intermediate holding Company		100%
Marken Time Critical Express SA (Argentina) Suipacha 268, floor 12, 1008 - Buenos Aires, Argentina	Argentina	Trading Company	1.61%	98.39%
Marken Brasil Servicos de Cadeia de Suprimentos Ltda. Avenida Vereador Joao de Luca, 1.810, Vila Prudencia, 04381-001, Sao Paulo, Brazil	Brazil	Trading Company		100%
Marken Limited Ground Floor, 107 Power Road, Chiswick, London W4 SPY	UK	Trading Company		100%
Marken Switzerland AG Baarerstrasse 112,6302 Zug, Switzerland	Switzerland	Trading Company		100%
Marken Time Critical Express GmbH 11-15 Monchhofallee 13, 65451 Kelsterbach Germany	Germany	Intermediate holding Company		100%

Notes to the financial statements (continued)
For the year ending 31 December 2021

7 Investments (continued)

Subsidiary name and address of registered office	Country of incorporation/ registration	Nature of business	Ordinary shares directly held by the Company (%)	Ordinary shares directly held by the Group (%)
Marken Germany GmbH Grossoorring 4,21079 Hamburg, Germany	Germany	Trading Company		100%
Marken (South America) Limited Ground Floor, 107 Power Road, Chiswick, London W4 5PY	UK	Trading Company		100%
Marken Time Critical Express Limited Ground Floor, 107 Power Road, Chiswick, London W4 5PY	UK	Trading Company		100%
Marken Ukraine LLC 3rd Floor, 6, Oleny Telihy Street, Kyiv 04112	Ukraine	Trading Company		100%
Marken Korea LLC 7F KnK Digital Tower 1611, 16th Floor, 220 Yeongsin-ro, Yeongdeungpo-gu, Seoul, 07228	South Korea	Trading Company		100%
Marken LLC (Russia) Room 33, Land plot 24, Vashutinskoe shosse Khimki, 141400, Moscow region, Russian Federation	Russia	Trading Company		100%
Marken Time Critical Express (Beijing) Limited Room 404-B204, F/4, Block No. 1, Courtyard No. 15, Guanghua Road, Chaoyang District, Beijing	China	Trading Company		100%
Marken Taiwan Limited 7F., No.300, Yangguang St., Neihu Dist., Taipei City 11491, Taiwan	Taiwan	Trading Company		100%
Marken Japan Holdings Kabushiki Kaisha Imon Horidome Building 7F, 10-11, Nihonbashi- Horidome-cho 1-chome, Chuo-ku, Tokyo	Japan	Intermediate holding Company		100%
Marken Japan Kabushiki Kaisha Imon Horidome Building 7F, 10-11, Nihonbashi- Horidome-cho 1-chome, Chuo-ku, Tokyo	Japan	Trading Company		100%
PCX International Co. Ltd. Floor, 2 2-21, Shibakoen 2-chome, Minato-ku, Tokyo, 105-0011 Japan	Japan	Trading Company		100%

8 Debtors

	2021	2020
	€000	€000
Amounts owed from group undertakings	-	2,610
Amounts owed from parent	24	-
Corporation tax receivable	269	-
	293	**2,610**

Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements (continued)
For the year ending 31 December 2021

9 Creditors: amounts falling due within one year

	2021	2020
	€000	€000
Amounts owed to group undertakings	**10,049**	12,370
Amounts owed to parent	**40**	15
Other creditors	**35**	-
Accruals and deferred income	**-**	-
	10,124	12,385

10 Called up share capital

	2021	2020
	€000	€000
Allotted, called up and fully paid		
166,539,000 (2019: 166,539,000) Ordinary share of €1 each	**166,539**	166,539

The Company was incorporated on 10 December 2012 and issued 1 ordinary share of €1 for a total consideration of €1.

On 5 March 2019, 166,539,087 ordinary shares were issued at EUR 1.00 each to the immediate Parent Company Maze 2.

11 Ultimate Parent Company

The immediate parent undertaking is Maze 2 Limited, a Company incorporated in the UK. The ultimate Parent Company is United Parcel Service, Inc., a Company incorporated in the United States of America. Maze 3 Limited and its subsidiaries including Iridium France were acquired by UPS on 21st December 2016. Copies of the consolidated financial statements of UPS which is the largest and smallest Group into which the Company is consolidated are available to the public and can be obtained from the Company's website http://www.investors.ups.com.

12 Subsequent events

In June 2022, Maze 3 agreed to sell the entire investment in Iridium France SAS to Maze 1 for a consideration of €15,539,955.

In June 2022, the entire issued share capital of Maze 3 Limited was sold Maze 1 Limited for a consideration of €166,539,088.