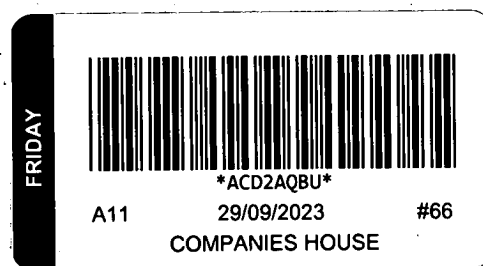


COMPANY REGISTRATION NUMBER 08458656

flashtalking“”

FLASH BIDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



FLASH BIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

PAGE

Governance

Officers and professional advisers	1
Strategic report	2
Directors' report	4
Independent auditors' report to the members of Flash Bidco Limited	6

Financial statements

Income statement	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

FLASH BIDCO LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr W. Wise
Mr N. Galassi

Company secretary

Vistra Company Secretaries Limited

Registered office

Suite 1
7th Floor
50 Broadway
London
SW1H 0BL

Independent auditors

Deloitte LLP
Statutory Auditor
1 Station Square
Cambridge
CB1 2GA

FLASH BIDCO LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report for Flash Bidco Limited (the "Company") for the year ended 31 December 2022. Flash Bidco Limited is an intermediate holding company between Flash Topco Limited and Simplicity Marketing Limited. Simplicity Marketing Limited and its subsidiaries make up the trading entities of the Flashtalking group ("Flashtalking").

REVIEW OF THE BUSINESS

Flashtalking is an independent ad serving, measuring and technology company, providing best-in-class digital advertising products, service and support for online advertisers, key media buying and creative agencies.

Flashtalking's products facilitate the management, delivery and measuring of all forms of digital advertising across desktop, tablet and mobile. Core aspects include display (including standard ads, dynamic, rich media, video, HTML 5 and mobile), search, social and affiliates.

Flashtalking serves billions of ad impressions throughout US, European and international markets for the leading marketers and their advertising agency partners. Regional offices are located in London, Leeds, Connecticut, Cologne, Petah Tikva and Sydney.

On 1 January 2022, there was a change in the accounting policy for accounting for investments in subsidiaries. The Company reverted from the fair value method of accounting (implemented in 2020) back to the historic cost method. This change was applied retrospectively, such that the comparative figures disclosed for each prior period presented were adjusted as if this policy had been in force at those dates. Please see Note 4 for further details.

RESULTS AND PERFORMANCE

The results for the Company, as set out on pages 9 to 21, show a profit on ordinary activities before tax of £120,000 (2021: £1,359,388). The total shareholders' funds of the Company are £187,442,025 (2021 restated: £187,331,174).

The profit has decreased due to no dividends being received during the year (2021: £1,886,723). The profit impact from the dividends received in prior year was partially offset by loan interest of £647,335. There is no loan interest in the current year as a result of the loans being fully repaid in 2021.

As an intermediate holding company, the Company provides services to its wholly owned subsidiary, Simplicity Marketing Limited. The total amount recognised in respect of these services for 2022 was £120,000 (2021: £120,000).

PRINCIPAL RISKS AND UNCERTAINTIES

As an intermediate holding company, there are minimal risks that have a direct impact on the Company. The primary risk affecting the Company is Flashtalking failing to achieve its strategic objectives.

The directors continually review the risks facing Flashtalking and ensures those risks are managed appropriately. The key risks are regularly assessed by the directors and appropriate processes and controls put in place to monitor and mitigate them.

KEY PERFORMANCE INDICATORS ("KPIs")

As the Company is an intermediate holding company, the directors are of the opinion that analysis using KPIs is not necessary.

FLASH BIDCO LIMITED

STRATEGIC REPORT YEAR ENDED 31 DECEMBER 2022

DIRECTORS' SECTION 172 STATEMENT

The directors of the Company must act in accordance with a set of general duties, as detailed in section 172 of the UK Companies Act 2006, summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interest of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the shareholders of the company.'

The directors fulfil these duties as follows:

Risk management

The Company has a long-term strategic plan that effectively identifies, evaluates and mitigates the risks which the Company faces, ensuring they are sufficiently considered and, if applicable, hedged against for the future. The directors will invariably delegate day-to-day management and decision making to executive management, but will ensure that management is acting in accordance with the strategy and plans agreed by the board.

The interest of the Company's employees

The board recognises that employees are central to the long-term success of the Company. The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its prosperity. The Company encourages the involvement of employees by means of regular meetings to keep them informed of the Company's progress. The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or sexual orientation.

Community and environment

The Company's approach is to use its position of strength to ensure it is an asset to the communities and people with which it interacts. The board ensures significant consideration is given to the impact of the Company's operations on the community and environment in their decision-making. The Company strives to create positive change in reducing the environmental impact of its business and to meet the highest level of health and safety and environmental standards, whilst maintaining effective and continuing business practices.

Shareholders

The board recognises the importance of regular and open dialogue with the shareholders and the need to ensure the strategy and goals of the Company are effectively communicated to them. Feedback on these plans and objectives is welcomed by the directors and major business decisions are made closely and with the approval of the shareholders.

Approved by the Board of Directors and signed on their behalf by:

William Wise

Mr W. Wise
28 September 2023

N. Galassi

Mr N. Galassi
28 September 2023

FLASH BIDCO LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

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

RESULTS AND DIVIDENDS

The profit for the year amounted to £110,851 (2021: £1,359,388). There were no dividends paid in the current year (2021: £1,886,723). The directors do not recommend payment of a final dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Flashtalking's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk and liquidity risk. Flashtalking has a risk management programme in place that seeks to limit the adverse effect on its financial performance.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the directors are implemented by Flashtalking's finance department.

Foreign exchange risk

Flashtalking has assets and liabilities denominated in foreign currencies, mainly US Dollar, Euro, and Australian Dollar. Flashtalking does not use derivative financial instruments to manage the risk of fluctuating exchange rates, so no hedge accounting is applied. Flashtalking has in place a foreign exchange policy and will reconsider the appropriateness of this policy should its operations change in size or nature.

Credit risk

Flashtalking has no significant concentration of credit risk. Cash and cash equivalents are deposited within high-credit quality financial institutions and trade debtors are due principally from well-established customers. In spite of the well-established customer base, there is still a risk as the customer may default on the payment of their debts and Flashtalking mitigates this risk by performing credit risk assessments on all of its potential customers, prior to the sale being made.

Liquidity risk

Flashtalking actively manages its finances to ensure that it has sufficient available funds for its operations.

DIRECTORS

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

Mr J. Nardone (resigned on 1 August 2023)

Mr W. Wise (appointed on 9 May 2023)

Mr N. Galassi (appointed on 9 May 2023)

FUTURE DEVELOPMENTS

Flashtalking continues to invest in the development of staff and new technology in order to position the Flashtalking Group for future growth. Flashtalking intends to continue to expand its product capabilities, with investments being made in areas seen as offering strategic importance and growth. Management believes that there are various growth opportunities in the market, both organic and through acquisitions, which they will continue to explore in the year ahead.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

As a subsidiary company within the Flash Topco Group, the company has taken the disclosure exemption in relation to Streamlined Energy and Carbon Reporting ("SECR") where disclosure is made within a parent company's group accounts. These SECR disclosures can be seen in the consolidated financial statements of Flash Topco Limited.

FLASH BIDCO LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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 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.

DIRECTORS' INDEMNITY

As permitted by the Articles of Association, the directors have the benefit of an indemnity, which is a qualifying third-party indemnity as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each director during the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors and Officers liability insurance in respect of itself and its directors.

AUDITORS APPOINTMENT

Deloitte LLP have been appointed as auditors in the year. Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirm that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The financial statements on pages 9 to 21 were approved by the directors on 28 September 2023.

Registered office: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

Approved by the Board of Directors and signed on their behalf by:

William Wise

Mr W. Wise
28 September 2023

N. Galassi

Mr N. Galassi
28 September 2023

FLASH BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLASH BIDCO LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Flash Bidco Limited (the 'Company');

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit 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 balance sheet;
- the statement of changes in equity
- the related notes 1 to 15

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.

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.

FLASH BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLASH BIDCO LIMITED

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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

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 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.

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 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.

FLASH BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLASH BIDCO LIMITED

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 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.

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.

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.

Matthew Hall

Matthew Hall FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
28 September 2023

FLASH BIDCO LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

		31 December 2022 £	31 December 2021 £
Revenue		<u>120,000</u>	<u>120,000</u>
Operating profit		120,000	120,000
Finance costs	8	-	(647,335)
Other income	9	-	<u>1,886,723</u>
Profit before income tax		120,000	1,359,388
Income tax expense	10	<u>(9,149)</u>	
Profit for the financial year attributable to owners of the Company		<u>110,851</u>	<u>1,359,388</u>

All of the activities of the Company are classed as continuing.

There were no comprehensive income or expenses for 2022 or 2021 (restated - see Note 4) other than those included in the income statement.

FLASH BIDCO LIMITED

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2022

		31 December 2022 £	31 December 2021 (Restated) £
Non-current assets	Note		
Investments in subsidiaries	4	187,153,933	187,153,933
		<u>187,153,933</u>	<u>187,153,933</u>
Current assets			
Trade and other receivables	5	300,000	180,000
		<u>300,000</u>	<u>180,000</u>
Total assets		187,453,933	187,333,933
Current liabilities			
Trade and other payables	6	2,759	2,759
Corporation tax payable	10	9,149	-
		<u>11,908</u>	<u>2,759</u>
Net current assets		288,092	177,241
Total assets less current liabilities		187,442,025	187,331,174
NET ASSETS		187,442,025	187,331,174
Capital and reserves			
Share capital and share premium	7	13,196,230	13,196,230
Capital contribution and other reserves	7	100,847,529	100,847,529
Retained earnings	7	73,398,266	73,287,415
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		187,442,025	187,331,174

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

The comparative period has been restated, please see Note 4 for further details.

The financial statements on pages 9 to 21 were approved and authorised for issue by the directors on 28 September 2023.

William Wise

Mr W. Wise
28 September 2023

N. Galassi

Mr N. Galassi
28 September 2023

Company registration number: 08458656

FLASH BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2022

	Note	Share capital and share premium £	Capital contribution and other reserves £	Retained earnings £	Total equity £
Balance at 1 January 2021		13,196,230	39,676,197	73,814,750	126,687,177
Fair value adjustment due to change in accounting policy	2.6, 4	-	(39,676,197)	-	(39,676,197)
Restated balance at 1 January 2021		13,196,230	-	73,814,750	87,010,980
Profit for the year		-	-	1,359,388	1,359,388
Total comprehensive income for the year		-	-	1,359,388	1,359,388
Capital contribution	4	-	100,847,529	-	100,847,529
Dividends paid (£0.03 per share)		-	-	(1,886,723)	(1,886,723)
Restated balance at 31 December 2021		13,196,230	100,847,529	73,287,415	187,331,174
Profit for the year		-	-	110,851	110,851
Total comprehensive income for the year		-	-	110,851	110,851
Balance at 31 December 2022		13,196,230	100,847,529	73,398,266	187,442,025

FLASH BIDCO LIMITED

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

1. GENERAL INFORMATION

Flash Bidco Limited is an intermediate holding company between Flash Topco Limited and Simplicity Marketing Limited. Simplicity Marketing Limited and its subsidiaries make up the trading entities of the Flashtalking group.

The operating businesses within Flashtalking, are independent ad serving, measuring and technology companies providing best-in-class digital advertising products, service and support for online advertisers, key media buying and creative agencies.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied.

2.1. BASIS OF PREPARATION

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC. Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions in respect of the following disclosures:

- Cashflow statement and related notes
- Certain disclosures in respect of capital risk management required by IAS 1
- Certain disclosures in respect of financial instruments required by IFRS 7
- Certain disclosures in respect of fair value measurements required by IFRS 13
- Certain disclosures in respect of contract with customers required by IFRS 15
- Certain disclosures in respect of transactions with wholly owned subsidiaries
- Certain disclosures in respect of share-based payments
- The effect of new but not yet effective accounting standards

Where required, equivalent disclosures are given in the consolidated financial statements of Flash Topco Limited.

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 Flash Topco Limited. The group accounts of Flash Topco Limited are available to the public and can be obtained as set out in Note 13.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates

FLASH BIDCO LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Going concern

The parent company, Flash Topco Limited, has provided guarantees of ongoing financial support.

The directors, having assessed the Company's financial position, have no reason to believe that a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

In reaching their assessment, the directors have considered, among other things, the following:

- the Company has access to support from the Flashtalking Group,
- the Company has been issued with a letter of support from Flash Topco Limited, which states that Flash Topco Limited will provide whatever financial support is required to enable the Company to meet, in full, its financial obligations as they fall due for a period of 12 months from the date of the financial statements being signed

Based on their assessment of the Company's financial position and of the enquiries made, the directors expect that the Company will be able to continue in operational existence for at least 12 months from the date of signing of the financial statements, and the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in accounting policy and disclosures

(a) Change in accounting policy

In January 2022, there was a change in the policy for accounting for investments in subsidiaries. The Company reverted from the fair value method of accounting, back to the historic cost method (see Note 2.6 for further details).

The impact on the Company financial statements is disclosed in Note 4.

(b) New and amended standards and interpretations effective in the year for the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2022:

- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The above new standards and amendments applicable for the year are not deemed to have a material impact on the financial statements of the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

FLASH BIDCO LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 REVENUE RECOGNITION

Revenue represents fees which the Company charges to its subsidiary, Simplicity Marketing Limited, for management services within the United Kingdom. The revenue is recognised on the satisfaction of the performance obligations of these services. The transaction price is determined by the agreed terms of the contract.

2.3 TAXATION

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

FLASH BIDCO LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectable, it is written off against the provision account in trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivable.

2.5 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.6 INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

On 1 January 2022, there was a change in the accounting policy for accounting for investments in subsidiaries. The Company reverted from the fair value method of accounting (implemented in 2020) back to the historic cost method. This change was applied retrospectively, such that the comparative figures at 1 January 2021 and 31 December 2021 were updated accordingly as if this policy had been in force at those dates (see Note 4).

The acquisition of the Flashtalking group by Mediaocean LLC in 2021 resulted in a significant change in the Company's circumstances and the fair value method of accounting was no longer deemed to be fit for purpose. The change in policy is considered to provide more relevant and reliable information to users of the financial statements in accordance with the requirements of IAS 8, by more accurately reflecting the value of the Company's investments. By carrying the investments at historic cost, it mitigates against large swings in their valuation and avoids the market fluctuations in what is a volatile industry.

The change in policy will also allow greater consistency across the wider Mediaocean group of companies, by having all subsidiaries adopt the historic cost accounting policy. This will ensure that the ultimate parent company of the Flashtalking group (see Note 13) will prepare consolidated financial statements using uniform accounting policies, in accordance with the requirements of IFRS 10.

FLASH BIDCO LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each balance sheet date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.8 TRADE PAYABLES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 FINANCE INCOME AND EXPENSES

Interest income and expenses are recognised on a time-proportion basis using the effective interest method.

2.10 PARTICULARS OF EMPLOYEES

During the year, the Company had no employees (2021: None).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Company's accounting policies, which are described in Note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements or key sources of estimation uncertainty that the directors have made in applying the Company's accounting policies, which have a significant effect on the amounts recognised in the current or prior year financial statements.

FLASH BIDCO LIMITED

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

4. INVESTMENTS IN SUBSIDIARIES

	£
Balance at 1 January 2021	135,248,222
Fair value adjustment on investments	(39,676,197)
Restated balance at 1 January 2021	95,572,025
Capital contribution	91,581,908
Restated balance at 31 December 2021 and at 31 December 2022	187,153,933

The Company is the sole investor in and owner of Simplicity Marketing Limited. The investments in all other companies listed are indirect in that those companies are all wholly owned by Simplicity Marketing Limited.

The Company has investments in the following subsidiary undertakings at 31 December 2022:

Company name	Ordinary shares	Nature of activity	Registered office
Flashtalking Inc.	100% (subsidiary of Simplicity Marketing Limited)	Internet advertising	142 W. 36th Street, 10th Floor, New York, NY 10018, USA
Spongecell Inc.	100% (subsidiary of Flashtalking Inc.)	Internet advertising	142 W. 36th Street, 10th Floor, New York, NY 10018, USA
Flashtalking GmbH	100% (subsidiary of Simplicity Marketing Limited)	Internet advertising	Schanzenstraße 35, 51063 Cologne, Germany
Flashtalking Pty Ltd	100% (subsidiary of Simplicity Marketing Limited)	Internet advertising	Studio 6, 8 Hercules Street, Surry Hills, Sydney NSW 2010, Australia
Flashtalking Brasil Marketing Ltda	100% (subsidiary of Simplicity Marketing Limited)	Internet advertising	448, Conj 82 B Portaria 454, Rua Rego Freitas, Republika, Sao Paulo, 01220-010, Brazil
Flashtalking Pte Ltd	100% (subsidiary of Simplicity Marketing Limited)	Internet advertising	135 Cecil Street, #10-01, Singapore, 069536
Protected Media Limited (Israel)	100% (subsidiary of Simplicity Marketing Limited)	Advertising fraud detection specialists	12 Halapid Street, Petah Tikva, Israel
Simplicity Marketing Limited	100%	Internet advertising	Suite 1, 7th Floor, 50 Broadway, London, United Kingdom, SW1H 0BL

FLASH BIDCO LIMITED

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

4. INVESTMENTS (CONTINUED)

Capital contribution

In August 2021, Mediaocean LLC completed the acquisition of the Flash Topco Limited group. £100,847,529 was received by Flash Bidco Limited as capital contribution from Flash Topco Limited. £9,265,621 was used by Flash Bidco Limited to repay the external borrowing, with the remaining £91,581,908 reinvested in Simplicity Marketing Limited. The £91,581,908 is not expected to be repaid and has therefore been treated as an investment in subsidiary.

Protected Media Inc.

Protected Media Inc., a wholly owned subsidiary of Protected Media Limited, was dissolved in December 2022.

Valuation method

On 1 January 2022, there was a change in the accounting policy for accounting for investments in subsidiaries. The Company reverted from the fair value method of accounting (implemented in 2020) back to the historic cost method.

This change was applied retrospectively, such that the comparative figures disclosed for each prior period presented have been updated accordingly as if this policy had been in force at those dates.

The retrospective impact of the change, to unwind the fair value gains previously recognised, is summarised below:

	2021 as previously stated £	Adjustment £	2021 restated £
Balance sheet			
Investments	351,922,275	(164,768,342)	187,153,933
Capital contribution and other reserves	265,615,871	(164,768,342)	100,847,529
Statement of comprehensive income			
Investments in subsidiaries held at fair value	125,092,145	(125,092,145)	

5. TRADE AND OTHER RECEIVABLES

	31 December 2022 £	31 December 2021 £
Amounts owed by subsidiary undertakings	300,000	180,000
	300,000	180,000

The Company provides services to its wholly owned subsidiary, Simplicity Marketing Limited. The total amount due for these services for 2022 was £240,000 (2021: £120,000).

The amounts recoverable from group undertakings are unsecured, interest free, and repayable on demand.

The fair value of trade and other receivables approximate to the values shown above.

FLASH BIDCO LIMITED

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

6. TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
	£	£
Amounts owed to parent undertaking	2,759	2,759
	<u>2,759</u>	<u>2,759</u>

Amounts owed to parent undertaking are unsecured, interest free, and repayable on demand. The amount relates to £2,759 of unpaid dividends due to Flash Topco Limited (2021: £2,759).

The fair value of creditors falling due within one year approximate to the values shown above.

7. SHARE CAPITAL AND SHARE PREMIUM

Authorised, called up and fully paid:

	No. of shares	Nominal value £
Ordinary shares @ £0.10	55,166,667	5,516,667
Share premium	-	7,679,563
	<u>55,166,667</u>	<u>13,196,230</u>

Details of the company's other reserves are as follows:

- Capital contribution and other reserves contains funds invested in the Company by Flash Topco Limited, who are the sole investor in and owner of the Company. In the prior year financial statements, the capital contribution reserve was disclosed separately from the other reserves. Both reserves have been combined together in these financial statements for presentation reasons.
- Retained earnings represents cumulative profits or losses.

8. FINANCE COSTS

	31 December 2022	31 December 2021
	£	£
Interest on subordinated debt	-	647,335
	<u>-</u>	<u>647,335</u>

FLASH BIDCO LIMITED

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

9. MATERIAL PROFIT OR LOSS ITEMS

The Company has identified items which are material due to the significance of the nature and/or amount. These are listed separately below in order to provide a better understanding of the financial performance of the Company.

	31 December 2022	31 December 2021
	£	£
Dividend income	-	1,886,723
	<u>-</u>	<u>1,886,723</u>

Dividends are recognised as other income when the right to receive the payment is established. The dividend income in prior year, relates to dividends received from Simplicity Marketing Limited, a subsidiary of Flash Bidco Limited. This dividend income is included within 'other income' in the income statement.

10. INCOME TAX

	31 December 2022	31 December 2021
	£	£
Current tax		
Corporation tax for the year	9,149	-
Total tax charge	<u>9,149</u>	<u>-</u>

	31 December 2022	31 December 2021
	£	£
Factors affecting current tax charge		
Profit/(loss) before income tax (after deducting dividend income)	120,000	(527,335)
Profit/(loss) before income tax at the standard rate of tax in the United Kingdom of 19% (2021: 19%)	22,800	(100,194)
Group relief	(13,651)	100,194
Total tax charge	<u>9,149</u>	<u>-</u>

The tax assessed on the profit on ordinary activities for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

The Company earns its profits primarily in the UK. Therefore, the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 19%.

In the Finance Bill 2021, the UK Government announced that from 1 April 2023 the corporation tax would increase to 25%. This new law was substantively enacted on 24 May 2021.

FLASH BIDCO LIMITED

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

11. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions, in the ordinary course of business, with related parties. Those transactions with directors are disclosed in Note 12. The company has taken advantage of the exemption available under FRS 101 not to disclose transactions with fellow group companies.

12. DIRECTORS' REMUNERATION

Directors' remuneration and short-term benefits were paid through Flashtalking Inc., a wholly owned subsidiary of Simplicity Marketing Limited. For the year ended 31 December 2022, John Nardone received remuneration totalling £505,898 in respect of services provided to the Company and its subsidiaries (2021: £3,015,400).

There was no remuneration or short-term benefits paid through the Company in the financial years ended 31 December 2022 or 31 December 2021.

In the year ended 31 December 2021, all of the directors' share options were cancelled as a result of the acquisition by Mediaocean LLC.

13. ULTIMATE PARENT COMPANY

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

The smallest group that these financial statements have been consolidated into is that compiled by Flash Topco Limited. Copies of the Flash Topco Limited consolidated financial statements can be obtained from the company's business address: Blue Fin Building, 110 Southwark Street, SE1 0TA, London, United Kingdom.

The Company's ultimate parent and controlling party is OceanKey (U.S.) II Corp., a limited liability company incorporated in the United States of America.

The largest group that these financial statements have been consolidated into is that compiled by OceanKey (U.S.) II Corp. Copies of OceanKey (U.S.) II Corp. consolidated financial statements can be obtained from the company's business address: 120 South Riverside Plaza, Suite 1900, Chicago, Illinois, 60606, United States of America.

14. AUDITORS' REMUNERATION

The audit fees for the Company were settled by Simplicity Marketing Limited as disclosed in the annual report of that company. The total amount of auditors' remuneration for the Flashtalking group, for audit services, for the financial year ended 31 December 2022 was £295,000 (2021: £252,159).

There were no amounts receivable by the auditors in relation to non-audit services.

15. SUBSEQUENT EVENTS

Based upon managements evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the financial statements.