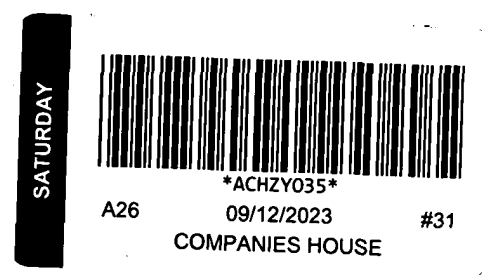


Financial Statements Iridium Topco Limited

For the year ended 31 December 2022

Registered number: 10241406



Iridium Topco Limited

Company Information

Directors

M Bungey
D Conely
R Segal
R Steingraf-Regensburger
K Clarke
T Green
R Shah
R Jameson (Appointed 27th April 2022)

Company secretary

R Verity

Registered number

10241406

Registered office

Allan House
10 John Princes Street
London
W1G 0JW

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Senior Statutory Auditor
Grant Thornton House
30 Finsbury Square
London
EC2A 1AG

Bankers

HSBC Bank Plc
69 Pall Mall
St James'
London
SW1Y 5EY

Iridium Topco Limited

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Iridium Topco Limited

Group strategic report

For the period ended 31 December 2022

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

Principal objectives and strategies

The Group's principal activities during the period were providing technology that transforms advertising workflow for the worldwide media industry.

Business review

The Group's focus is on continued growth in its core businesses and through its policy of developing new cloud based services as well as strategic acquisitions. The Group now works in more than 100 markets.

During the year the Iridium Group turnover was £42m. (2021: £39.4m).

During the year the Iridium Group reported an operating loss of £4.4m (2021: loss £0.9m).

During the year the EBITDA of the Iridium Group was £16.7m (2021: £16.7m)

Principal risks and uncertainties

The principal risk to Group companies arises from its ability to retain clients. The Group has maintained its track record of retaining existing clients and winning new clients.

The Group's Directors are pleased to report that the Group's operations are conducted such that Group companies comply with all legal requirements and especially those relating to the environment and health and safety in respect of which legislation and regulation continue to evolve.

The principal risk to the Group is exposure to changes in interest rates affecting the interest repayable on its bank debt. This risk is reduced through having an interest rate hedging arrangement in place.

The Group has some exposure to foreign currencies due to some selling and purchasing in currencies other than sterling. The risk is reduced through the use of forward currency contracts.

The Group's credit risk is minimised by the number of long established customers and an emphasis on good credit management.

The Group's policy is to ensure continuity of liquidity through effective management of its current assets and liabilities.

Going Concern

After reviewing the Group's forecasts for the period to 31 December 2024 the directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. The group continues to adopt the going concern basis in preparing its financial statements.

Iridium Topco Limited

Financial key performance indicators

Group companies utilise a variety of financial and nonfinancial KPIs to measure their effective performance which include inter alia; EBITDA, return on sales, return on capital employed, gross margin contribution and volume of files delivered. Individual Group companies similarly apply their own criteria to nonfinancial KPIs.

The Group's Directors monitor all relevant KPIs to ensure that they remain relevant to the individual businesses.

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



K Clarke

Director

Date: 6/12/2023.....

Iridium Topco Limited

Directors' report

For the period ended 31 December 2022

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The business review, principal risks and going concern assessment are included in the group strategic report.

Results and dividends

The loss for the period, after taxation, amounted to £24,139k (2021: loss £19,722k).

In the period the group has paid a dividend of £111k (2021: £128k).

During the year the group acquired 60% of byCapeHolding B.V. a company registered in the Netherlands. In May 2023 an additional 20% was purchased.

Directors

The directors who served during the year and up to the date of signing were:

M Bungey
D Conely
T Green
RN Shah
R Segal
R Steingraf-Regensburger
K Clarke
Richard Jameson

Iridium Topco Limited

Directors' report

For the period ended 31 December 2022

Disclosure of information to auditor

The directors confirm that:

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

To the best of our knowledge

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



K Clarke
Director

Date: 6/12/2023.....



Independent auditor's report to the members of Iridium Topco Limited

Opinion

We have audited the financial statements of Iridium Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity and consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



Independent auditor's report to the members of Iridium Topco Limited

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

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Matters on which we are required to report by exception

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



Independent auditor's report to the members of Iridium Topco Limited

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as



Independent auditor's report to the members of Iridium Topco Limited

the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and management. We also discussed the policies and procedures regarding compliance with laws and regulations with the Directors and management.
- The Group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, tax legislation and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.



Independent auditor's report to the members of Iridium Topco Limited

- We assessed the susceptibility of Iridium Topco and its subsidiaries' Financial Statements to material misstatement, including how fraud might occur, by making enquires of management and those charged with governance. We utilised internal and external information to corroborate these enquiries and to perform a fraud risk assessment for the entity. We considered the risk of fraud to be higher through the potential for management override of controls.
 - Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions
 - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
 - Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
 - In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the applicable statutory provisions
 - the rules and interpretative guidance issued by the Financial Conduct Authority
- the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and



Independent auditor's report to the members of Iridium Topco Limited

resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

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.

Grant Thornton

Nicholas Page
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

6/12/2023

Iridium Topco Limited

Consolidated statement of comprehensive income

For the period ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	4	42,064	39,400
Cost of sales		(7,441)	(6,727)
Gross profit		34,623	32,673
Administrative expenses		(39,250)	(33,630)
Other operating income	5	192	102
Operating loss	6	(4,435)	(855)
Income from shares in group undertakings		170	170
Interest receivable and similar income	8	2	3
Interest payable and expenses	9	(19,392)	(15,465)
Impairment		(53)	(2,726)
Loss before taxation		(23,707)	(18,873)
Tax on loss	10	(431)	(849)
Loss for the financial period		(24,139)	(19,722)
Attributable to:			
Non controlling interest		295	254
Group		(24,434)	(19,976)
		(24,139)	(19,722)

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

There was no other comprehensive income for 2022 or 2021.

The notes on pages 18 to 42 form part of these financial statements.

Iridium Topco Limited

Consolidated statement of financial position

As at 31 December 2022

	Note	2022 £,000	2021 £,000
Fixed assets			
Intangible assets	11	63,090	68,370
Tangible assets	12	530	701
Investments	13	273	178
		<u>63,893</u>	<u>69,249</u>
Current assets			
Debtors: amounts falling due within one year	14	13,167	11,848
Cash at bank and in hand	15	6,458	6,444
		<u>19,624</u>	<u>18,300</u>
Creditors: amounts falling due within one year	16	(17,593)	(12,209)
Net current assets		<u>2,031</u>	<u>6,091</u>
Total assets less current liabilities		<u>65,924</u>	<u>75,340</u>
Creditors: amounts falling due after more than one year	17	(183,656)	(167,361)
Deferred taxation	19	(4,891)	(6,355)
		<u>(4,891)</u>	<u>(6,355)</u>
Net liabilities		<u>(122,624)</u>	<u>(98,376)</u>
Capital and reserves			
Share capital	20	26	26
Share premium	21	799	799
Non-Controlling interests		1,030	845
Other reserves	21	(2,859)	(2,859)
Retained earnings	21	(121,620)	(97,186)
		<u>(122,624)</u>	<u>(98,376)</u>

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



K Clarke

Director

Date: 6/12/2023

The notes on pages 18 to 42 form part of these financial statements.

Iridium Topco Limited

Company statement of financial position

As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	13	3,099	3,099
		<u>3,099</u>	<u>3,099</u>
Current assets			
Debtors: amounts falling due within one year	14	13,071	12,007
Creditors: amounts falling due after more than one year	17	(21,861)	(19,183)
Net liabilities		<u>(5,691)</u>	<u>(4,077)</u>
Capital and reserves			
Share capital	20	26	26
Share premium	21	800	800
Retained earnings	21	(6,517)	(4,903)
		<u>(5,691)</u>	<u>(4,077)</u>

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



K Clarke
Director

Date: 6/12/2023....

The notes on pages 18 to 42 form part of these financial statements.

Iridium Topco Limited

Consolidated statement of changes in equity

For the period ended 31 December 2022

	Share capital	Share premium	Non controlling interest	Other reserves	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2022	26	799	845	(2,859)	(97,187)	(98,376)
Comprehensive income for the period						
Shares issued	-	-	-	-	-	-
Loss for the period	-	-	295	-	(24,434)	(24,139)
Dividends paid to Non controlling interest	-	-	(111)	-	-	(111)
At 31 December 2022	26	799	1,030	(2,859)	(121,620)	(122,624)

	Share capital	Share premium	Non controlling interest	Other reserves	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2021	25	691	719	(2,858)	(77,210)	(78,633)
Comprehensive income for the period						
Shares issued	1	108				109
Loss for the period	-	-	254	(1)	(19,977)	(19,724)
Movement to Other reserves	-	-	-	-	-	-
Non controlling interests	-	-	(128)		-	(128)
At 31 December 2021	26	799	845	(2,859)	(97,187)	(98,376)

The notes on pages 18 to 42 form part of these financial statements.

Iridium Topco Limited

Company statement of changes in equity

For the period ended 31 December 2022

	Share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2022	25	800	(4,902)	(4,077)
Comprehensive income for the period				
Shares issued	-	0	-	0
Loss for the period	-	-	(1,615)	(1,615)
At 31 December 2022	25	800	(6,517)	(5,691)

	Share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2021	25	691	(3,253)	(2,537)
Comprehensive income for the period				
Loss for the period	-	-	(1,650)	(1,650)
Contributions by and distributions to owners				
Shares issued during the period	-	109	-	109
At 31 December 2021	25	800	(4,902)	(4,077)

The notes on pages 18 to 42 form part of these financial statements.

Iridium Topco Limited

Consolidated statement of cash flows

For the period ended 31 December 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Loss for the financial period		(24,139)	(19,722)
Adjustments for:			
Amortisation of intangible assets	11	16,361	16,064
Depreciation of tangible assets	12	406	241
Impairment and disposal of intangibles	11	-	2,262
Impairment of goodwill	11	-	463
Disposal of investments	13	-	80
Share of profit from joint ventures	13	(170)	(170)
Research and development tax credit		(192)	(102)
Foreign exchange (gain) /loss on revaluation of loans		1,108	(1,631)
Interest payable	9	19,287	15,465
Tax credit in the consolidated statement of comprehensive income	10	431	849
(Increase)/Decrease in debtors		(1,318)	(1,436)
Increase in creditors		151	959
Corporation tax paid		(208)	(943)
Other			5
Net cash generated from operating activities		11,717	12,384
Cash flows from investing activities			
Purchase of intangible fixed assets	11	(4,675)	(4,149)
Purchase of tangible fixed assets	12	(237)	(672)
Proceeds from sale of investments			7
Deferred Consideration		(182)	
Net cash paid on business combinations	13	(3,083)	(18,217)
Dividends received from joint ventures	13	75	763
Dividend paid to NCI		(111)	(128)
Net cash from investing activities		(8,213)	(22,396)
Cash flows from financing activities			
Bank debt cost		(409)	(364)
Issue of ordinary shares and share premium		-	108
New secured loans		29,075	20,123
Repayment of loans		(21,491)	(5,700)
Interest paid		(10,664)	(2,526)
Net cash used in / generated from financing activities		(3,489)	11,641

Iridium Topco Limited

Consolidated statement of cash flows (continued)

For the period ended 31 December 2022

	2022 £000	2021 £000
Net increase in cash and cash equivalents	14	1,629
Cash at bank and in hand at the start of the period	6,444	4,815
Net increase in cash and cash equivalents	14	1,629
Cash and cash equivalents at the end of period	6,458	6,444
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	6,458	6,444
	6,458	6,444

Analysis of changes in net debt:

	At 1 January 2022 £000	Cashflows £000	Other non- cash changes £000	At 31 December 2022 £000
Cash	6,444	14	-	6,458
Borrowings				
Debt due within one year	(3,717)	(3,492)	295	(6,914)
Debt due after one year	(167,361)	412	(14,074)	(181,023)
Total	(171,078)	(3,080)	(13,779)	(187,937)

The notes on pages 18 to 42 form part of these financial statements.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

1. General information

Iridium Topco Limited is a private company limited by shares, registered and incorporated in England. The company's registered office is Allan House, 10 John Princes Street, London, W1G 0JW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £1,615k (2021 loss of £1,650k).

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

The following principal accounting policies have been applied:

2.2 Going Concern

After reviewing the Group's forecasts for the period to 31 December 2024, the directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future. Note 18 & 26 outlines the bank facilities and financial instruments in place to achieve these plans. The negative net assets of the Group includes £72m of loan notes which were in part repaid in March 2022. The remaining loan note interest is accrued and is not due for repayment until 31st December 2025 or upon sale or listing. The directors also expect to be able comply with bank covenants in the forecast period.

2.3 Basis of consolidation

The group financial statements consolidate the financial statements of Iridium Topco Limited and all its subsidiary undertakings drawn up to 31 December each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group.

The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except for intangibles other than goodwill which has been included within the goodwill unless the intangible asset arises from contractual or other legal rights. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment

2.4 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.5 Revenue

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

Revenue from non-recurring projects is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

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Notes to the financial statements

For the period ended 31 December 2022

2.6 Intangible assets and amortisation

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Intangible assets are amortised on a straight line basis over their estimated useful. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets is between 2 and 10 years.

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

2.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

The estimated useful lives range as follows:

Fixtures and fittings	- 3 years straight line
Computer equipment	- 2 to 3 years straight line

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Operating leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

2.10 Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the reporting date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2.11 Foreign currencies

Company

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the year end. All differences are taken to the income statement.

Group

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the year end. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

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Notes to the financial statements

For the period ended 31 December 2022

2.12 Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development the asset is tested for impairment annually.

2.13 Pensions

The company contributes to personal pension plans of employees. Charges are made to the income statement in the year they become payable.

2.14 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

2.15 Debtors

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

2.16 Cash and cash equivalents

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

2.17 Financial instruments

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

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

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

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

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

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

2.18 Creditors

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

2.19 Finance costs

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

2.20 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

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Notes to the financial statements

For the period ended 31 December 2022

2.21 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the period in which they are incurred.

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

The following are significant management judgements in applying the accounting policies of the group that have the most significant effect on the financial statements.

Development

Management monitors progress of internal research and development projects. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Amortisation is charged on development intangibles over their deemed useful life. This period has been determined via a review of each asset, considering both historic and future factors. The directors believe the amortisation periods applied appropriately reflect the estimated useful life of the assets.

Business combinations

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life. Goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the synergies of the combination. If a subsidiary, associate or business is subsequently sold or discontinued, any goodwill arising on acquisition that has not been amortised through the income statement is taken into account in determining the profit or loss on sale or discontinuance.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Iridium Topco Limited group exchanging a fixed amount of cash or other assets for a fixed number of the group's own equity instruments.

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For the period ended 31 December 2022

Allowance for doubtful debts

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carry amount may not be recoverable. Management specifically analysed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance of doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4. Turnover

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	13,669	13,785
Rest of Europe	14,385	13,107
Rest of the world	14,010	12,509
	<u>42,064</u>	<u>39,400</u>

5. Other operating income

	2022 £000	2021 £000
Other operating income	192	102
	<u>192</u>	<u>102</u>

6. Operating loss

The operating loss is stated after charging:

	Note	2022 £000	2021 £000
Depreciation of tangible fixed assets	12	406	248
Amortisation of intangible assets, including goodwill	11	16,361	16,064
Auditor's remuneration - for audit services		109	88
Auditor's remuneration - for non - audit services		24	39
Exchange differences		1,178	(1,267)
Other operating lease rentals		<u>856</u>	<u>745</u>

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

7. Staff costs

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

	2022 £000	2021 £000
Wages and salaries	12,976	11,733
Social security costs	1,297	1,299
Cost of defined contribution scheme	451	386
	<u>14,724</u>	<u>13,418</u>

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

	2022 No.	2021 No.
	262	238
	2022 No.	2021 No.
General and Admin	53	51
Sales	76	74
Support	60	57
Product and development	73	56

Directors' remuneration:

	2022 £000	2021 £000
Directors' emoluments	1,278	1,196
Company contributions to defined contribution schemes	36	34
	<u>1,314</u>	<u>1,230</u>

During the year, 2 director accrued retirement benefits £36k (2021: £34k) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £353k (2021: £330k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2021 £nil).

Under FRS102, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The directors are considered to be key management.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

8. Interest receivable

	2022 £000	2021 £000
Other interest receivable	2	3
	<u>2</u>	<u>3</u>

9. Interest payable and similar charges

	2022 £000	2021 £000
Bank interest payable	5,987	4,328
Amortisation of arrangement fees	834	654
Preference share redemption cost	2,380	-
Loan note interest	7,249	7,940
Expense from shares in Dividend payable	106	
Interest on preference shares	2,836	2,543
	<u>19,392</u>	<u>15,465</u>

10. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	211	(588)
Adjustments in respect to previous periods	57	101
	<u>268</u>	<u>(486)</u>

Foreign tax

Foreign tax on income for the year	1,531	1,417
	<u>1,531</u>	<u>1,417</u>
Total current tax	<u>1,799</u>	<u>931</u>

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For the period ended 31 December 2022

Deferred tax

Origination and reversal of timing differences	(1,457)	(68)
Adjustments in respect of prior years	89	(14)
	<u>(1,368)</u>	<u>(82)</u>
Total deferred tax		
	<u>432</u>	<u>849</u>
Taxation on profit on ordinary activities		

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
(Loss) on ordinary activities before tax	<u>(23,707)</u>	<u>(18,873)</u>
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(4,505)	(3,587)

Effects of:

Capital allowances for the period in excess of depreciation	(20)	(60)
Temporary differences not provided for	896	470
Withholding taxes	201	221
Other timing differences	-	4
Expenses not deductible for tax purposes	2,909	1,676
Losses carried forward	(354)	(891)
Intangibles capitalised allowable for tax purposes	(83)	(33)
Prior year RDEC adjustment	18	-
Difference in tax rates	314	211
Impact of difference in deferred tax/ corporation tax rates	(330)	1,444
Adjustment in respect of prior periods	147	87
Consolidation adjustments	(16)	29
Goodwill on consolidation	1,254	1,277
	<u>432</u>	<u>849</u>
Total tax credit for the period		

Other Factors that may affect future tax charges

No other factors to be disclosed.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

11. Intangible assets

Group

	Development £000	Brands £000	Goodwill £000	Total £000
Cost				
At 1 January 2022	21,038	52,081	62,369	135,488
Additions from acquisition	-	-	6,706	6,706
Additions	4,675	-	-	4,675
Adjustments to goodwill	-	-	(306)	(306)
Disposal	-	-	-	-
Removal of fully amortised goodwill	-	-	-	-
At 31 December 2022	25,713	52,081	68,769	146,563
Amortisation				
At 1 January 2022	16,059	27,506	23,547	67,112
Charge for the year	4,632	5,208	6,520	16,361
Removal of fully amortised goodwill	-	-	-	-
At 31 December 2022	20,692	32,714	30,067	83,473
At 31 December 2022	5,020	19,367	38,703	63,090
At 31 December 2021	4,979	24,575	38,816	68,370

Adjustments to goodwill reflect reassessment of deferred and contingent consideration that was previously provided for and for which the directors consider will no longer become due to related consideration hurdles not being met.

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12. Tangible fixed assets

Group

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 January 2022	432	896	1,328
Additions	70	168	238
Disposals	(107)	(22)	(129)
At 31 December 2022	395	1,042	1,437
Depreciation			
At 1 January 2022	86	541	627
Charge for the period	215	191	406
Disposals	(106)	(21)	(127)
At 31 December 2022	195	712	907
Net book value			
At 31 December 2022	<u>200</u>	<u>330</u>	<u>530</u>
At 31 December 2021	<u>346</u>	<u>355</u>	<u>701</u>

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Notes to the financial statements

For the period ended 31 December 2022

13. Fixed asset investments

Group

	Investments in associates £000
Cost or valuation	
At 1 January 2022	178
Share of profits of joint ventures	170
Disposal	-
Distributions by joint ventures	(75)
At 31 December 2022	<u>273</u>
Net book value	
At 31 December 2022	<u><u>273</u></u>
At 31 December 2021	<u><u>178</u></u>

Acquisition of byCape Holdings.BV

On the 23rd of May 2022, the group acquired 60% of byCape Holdings BV for an initial consideration of £3.1m. There are further put and call options to acquire the remaining 40%. On 17th May 2023 IMD purchased 20% of the equity of byCape Holdings B.V for £1.3m consideration with the remaining 20% deemed extremely likely to be exercised. The remaining 40% equity at year end has been treated as a contingent consideration. No non-controlling interest has been recognised.

Details of the book and fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

byCape Holdings.BV – Assets and liabilities recognised at acquisition

	£000
Fixed Assets	50
Debtors: amounts falling due within one year	201
Cash	58
Creditors: amounts falling due within one year	(285)
Total Net Assets Acquired	<u>24</u>
Goodwill	<u>6,706</u>
Total Purchase Consideration	<u><u>6,730</u></u>

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Notes to the financial statements

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byCape Holdings.BV – Consideration

	£000
Consideration paid (Cash)	3,141
Cost of business combination	3,588
Total Purchase Consideration	<u>6,730</u>

Fixed asset investments (continued)**Subsidiary and associated undertakings**

The following were subsidiary or associated undertakings of the Company:

Name	Class of shares	Holding	Incorporation
IMD Media Limited	Ordinary	100%	England
Optimad Media Systems Limited*	Ordinary	100%	England
IMD Media Limited*	Ordinary	100%	Ireland
IMD Media Limited*	Ordinary	100%	New Zealand
IMD Media Pte. Ltd.*	Ordinary	100%	Singapore
EI Media Network Pvt. Ltd.*	Ordinary	100%	India
Yi Chuan Information Technology (Shanghai) Co. Ltd*	Ordinary	100%	China
IMD Media PTY. Ltd.*	Ordinary	100%	Australia
IMD Global Media Spain S.L.*	Ordinary	100%	Spain
Mediatel Audiotrack Limited*	Ordinary	50%	England
Honeycomb.tv Limited*	Ordinary	100%	England
Transmision Y Almacenamiento A Mas V S.A.*	Ordinary	100%	Chile
Group IMD Co Ltd*	Ordinary	100%	Japan
A+ V (Peru) SAC*	Ordinary	60%	Peru
A Mas V SAS*	Ordinary	60%	Colombia
AMASV Zarpa Transmissao e Armazenamento de Dados S.A.*	Ordinary	99.9%	Brazil
AMÁSV Brasil Transmissão e Armazenamento de Dados Ltda.*	Ordinary	99.9%	Brazil
Trasmisión y Almacenamiento A+V Sociedad Anonima de Capital Variable*	Ordinary	60%	Mexico
Transmisión y Almacenamiento A Mas V AVTransmisión S.A.*	Ordinary	55%	Ecuador
Transmisión y Almacenamiento A Mas V S.R.L.*	Ordinary	60%	Argentina
Adtoox AB*	Ordinary	100%	Sweden
Adtoox srl*	Ordinary	100%	Italy
Advalidation AB*	Ordinary	100%	Sweden
Adtoox International AB*	Ordinary	100%	Sweden

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Notes to the financial statements

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Fixed asset investments (continued)

Adtoox Soluciones Technologies LTDA.*	Ordinary	100%	Brazil
Adtoox SP Zoo*	Ordinary	100%	Poland
byCape Holding B.V.	Ordinary	60%	Netherlands
ByCape B.V.*	Ordinary	100 %	Netherlands
ProductsbyCape B.V.*	Ordinary	100 %	Netherlands

*indicates indirect holding. 50% of EI Media Network Pvt. Ltd is owned by IMD Media Pte. Ltd.

Principal subsidiary undertakings

1) Adtoox AB (Nordics)

The main business activity of Adtoox AB is the electronic distribution of video and radio advertisements on behalf of advertisers in Sweden to broadcasters in Europe.

2) Optimad Media Systems Limited (UK)

The main business activity of Optimad Media systems Limited is the provision of technology applications and services to the advertising media buying and sales market and video broadcasters.

3) IMD Media Pty. Ltd

The main business activity of IMD Media Ptv. Ltd is the electronic distribution of video and radio advertisements on behalf of advertisers in Australia.

4) Transmision Y Almacenamiento A Mas V S.A

The main business activity of Transmision Y Almacenamiento A Mas V S.A is the electronic distribution of video and radio advertisements on behalf of advertisers in South America to broadcasters in South America.

5) Group IMD Co Ltd (Japan)

The main business activity of Group IMD Co Ltd is the electronic distribution of video and radio advertisements on behalf of advertisers in Japan.

All other subsidiaries are in the business of electronic delivery of video advertisements to broadcasters on behalf of advertisers.

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Notes to the financial statements

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Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	3,099
Interest due on preference shares	-
At 31 December 2022	<u>3,099</u>
Net book value	
At 31 December 2022	<u><u>3,099</u></u>
At 31 December 2021	<u><u>3,099</u></u>

14 Debtors

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Trade debtors	8,808	-	8,415	-
Other debtors	327	-	332	-
Amount owed by related parties	-	13,071	-	12,007
Prepayments and accrued income	4,032	-	3,101	-
	<u>13,167</u>	<u>13,071</u>	<u>11,848</u>	<u>12,007</u>

Amounts owed by related parties are unsecured, have no fixed date of repayment and are payable on demand. Interest is received at rates between 2% to 10%, depending on the related party the amounts are due from.

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Notes to the financial statements

For the period ended 31 December 2022

15 Cash and cash equivalents

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Cash at bank and in hand	6,458	-	6,444	-
	6,458	-	6,444	-

16. Creditors: Amounts falling due within one year

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Bank loans	6,545	-	3,717	-
Deferred and contingent consideration	1,734	-	1,916	-
Trade creditors	1,196	-	1,125	-
Other taxation and social security	2,140	-	1,199	-
Corporate Tax Liability	262	-	124	-
Other creditors	719	-	996	-
Accruals and deferred income	4,997	-	3,132	-
	17,593		12,209	

17. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Bank loans	87,120	-	61,786	-
Deferred Consideration	2,264	-	-	-
Loan notes	72,411	-	86,390	-
Share capital treated as debt (note 20)	21,861	21,861	19,183	19,183
	183,656	21,861	167,361	19,183

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Notes to the financial statements

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18. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £000	Group 2021 £000
Within 1 year	6,545	3,717
Between 1 - 2 years	181,392	167,361
Between 2 - 5 years	-	-
More than 5 years	-	-
	<u>187,937</u>	<u>171,078</u>

19. Deferred taxation

Group	2022 £000	2021 £000
At 1 January 2022	(6,352)	(5,740)
Charged to profit and loss account	1,368	82
Prior year adjustment	3	48
Deferred tax arising on acquisition	-	(745)
At end of year	<u>(4,981)</u>	<u>(6,355)</u>

The deferred taxation balance is made up as follows:

	Group 2022 £000	Group 2021 £000
(Decelerated) capital allowances	(19)	(52)
Other timing differences	(4,962)	(6,303)
	<u>(4,981)</u>	<u>(6,355)</u>

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

20. Share capital

	2022 £000	2021 £000
Shares classified as equity		
Allotted, called up and fully paid		
3,503,176 - A ordinary shares of £0.001 each	4	4
371,823 - B ordinary shares of £0.001 each	0	0
78,500- C1 ordinary shares of £0.1 each	8	8
743,470- C2 ordinary shares of £0.001 each	1	1
212,068- C3 ordinary shares of £0.001 each	0	0
4,597- C4 ordinary shares of £0.001 each	0	0
38,000- C5 ordinary shares of £0.1 each	4	4
360,942- C6 ordinary shares of £0.001 each	0	0
2 - C7 ordinary shares of £0.001 each	0	0
1- C8 ordinary shares of £0.001 each	0	0
1,417,101 Ordinary shares D of £0.001 each	1	1
7,737,006 – Deferred Shares of £0.001 each	8	8
	<u>26</u>	<u>26</u>

As regards income

Subject to the payment of any Preference Share Dividends and redemption of any Preference Shares due for redemption and Investor Approval, any profits which the Company may determine to distribute in respect of any financial year shall be applied amongst the holders of the Equity Shares (pari passu as if the same class of share).

As regards capital

As regards capital on an Exit Event or on a return of assets on liquidation, reduction of capital or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied in the following order of priority:

Payment of issue price to A Preference Shareholders

Payment of issue price and accrued dividends to B Preference Shareholders

Payment of accrued dividends to A Preference shareholders.

Payments to each holder of Equity Shares (pari passu as if they constituted a single class of Share)

In the event that that a pari passu distribution amongst Equity shareholders results in the holders of A Ordinary Shares achieving greater than a 2.5x Money Multiple then any proceeds in excess of this threshold shall be shared such that holders of C3, C4, C5 and C6 Ordinary Shares will be entitled to receive 20% of proceeds above this level and holders of A, B, C1, C2 and D Ordinary Shares shall together be entitled to receive 80% of proceeds above this level.

Above a3x Money Multiple the proportion of proceeds distributable to holders of C3, C4, C5 and C6 Ordinary Shares shall be 42.9% with the remaining 57.1% distributable to holders of A, B, C1, C2 and D Ordinary Shares.

The maximum entitlement holders of HC A Preference Shares, B Preference Shares, C3, C4, C5, C6 and C7 Ordinary Shares can receive in total is capped at 35.9% of total proceeds.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

20. Share capital (continued)

C7 Ordinary Shares have the sole entitlement of receiving a distribution as a reallocation of the HC A shareholders returns on certain profitability criteria being met. C8 Ordinary shareholders have the sole entitlement of receiving a distribution as a reallocation of the A shareholders returns on certain profitability criteria being met.

As regards to voting

Holders of A, B, C1 and C5 Ordinary shares have the right to receive notice of and attend and vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company. In the case of A and B Ordinary shares one vote for each share held by the holder and in the case of C1 and C5 shares six votes for each share held.

Holders of other C shares and D shares do not have the right to receive notice of, attend, vote or speak at any general meeting of the Company.

	2022 £000	2021 £000
Shares classified as debt		
Allotted, called up and fully paid		
1,576,306,528 - preference shares of £0.00001 each	<u>13,239</u>	<u>13,239</u>
	2022	2021
Share options classified as debt	£000	£000
20,265,444 - B3 Preference options	414	414
	<u>414</u>	<u>414</u>

21. Reserves

Retained earnings

Includes all current and prior period retained profit and losses.

Share premium

Includes only premiums received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

22. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Within 1 year	486	-	493	-
Between 2 and 5 years	119	-	452	-
After more than 5 years	-	-	-	-
	<u>605</u>	<u>-</u>	<u>945</u>	<u>-</u>

23. Capital commitments, pension commitments and contingent liabilities

At 31 December 2022 the group had the following capital commitments:

	2022 £000	2021 £000
Property, Plant & Equipment	<u>0</u>	<u>0</u>

As at 31 December 2022, the Group and the Company did not have any pension commitments or contingent liabilities.

24. Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard No 102 Section 33 "Related Party Disclosures" and has not disclosed any intra group related party transactions.

25. Controlling party

Iridium Topco Limited is the immediate parent undertaking of Iridium Midco Limited.

Iridium Topco Limited, a company incorporated in England and Wales, is the ultimate parent company of the group. The issued share capital of Iridium Topco Limited is held in majority by Inflexion Buyout Fund IV LP. Inflexion Buyout Fund IV is managed by Inflexion Buyout Fund IV General Partner Guernsey Limited and is deemed to be the ultimate controlling party.

The smallest group for which the entity is consolidated in to is Iridium Midco Limited and the largest group undertakings is that headed by the ultimate parent company, Iridium Topco Limited. Consolidated accounts are available from the company's registered office at Allan House, 10 John Princes Street, London, W1G 0JW.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

26. Post year end events

On the 12th May 2023 the Group obtained additional financing from our banks and extended the termination date of the bank loans until 19th April 2025.

On the 17th May 2023 IMD Media Limited purchased 20% of the equity of byCape Holding B.V for £1.3M consideration taking the Group's holding from 40% to 60%.

On the 7th November 2023 the Group issued additional Loan Notes with Inflexion and received additional support from our banks through amendments to the banking terms.

27. Registered addresses of the group

Iridium Midco Ltd/ Iridium Bidco Ltd/ Independent Media Distribution Ltd/ Optimad Media Systems Ltd/
Honeycomb.tv Ltd
Allan House
10 John Princes Street
London
W1G 0JW

IMD Media Limited (Ireland)
18 Railway Road
Cavan
H12 RW22
Ireland

IMD Media Pte. Ltd
3 Fusionopolis Place
Galaxis #04-52/53.
138523
Singapore

EI Media Network Pvt. Ltd
Platina, C-59, G-Block Bandra Kurla Complex
Bandra (East)
Mumbai – 400051
India

IMD Media Limited (New Zealand)
MGI Auckland Limited, Level 2, Fidelity House
81 Carlton Gore Road
Auckland 1023
New Zealand

Yi Chuan Information Technology (Shanghai) Co. Ltd
G/F, No.10, Lane 227 Taixing Road
Jing'an District
Shanghai 200041
P.R. China.

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

27. Registered addresses of the group (continued)

IMD Media Pty Ltd
Suite 510
50 Holt St, Surry Hills
Sydney, NSW 2010
Australia

IMD Global Media Spain S.L.
Av. de Europa 19 – Parque Emp. La Moraleja,
Planta 3ª- 28108
Alcobendas
Spain

Group IMD Co Ltd
4F Akasaka Kouyuu Building
2-8-13 Akasaka, Minato-ku
Tokyo 107-0052
Japan

Mediatel Audiobook Ltd
130 Shaftesbury Avenue
London, United Kingdom
W1D 5EU

Transmision Y Almacenamiento A Mas V S.A
El Gobernador 020 Of. 402 Providencia
Santiago
Chile

Adtoox AB
Sankt Göransgatan 84
112 38
Stockholm
SWEDEN

Adtoox srl
Corso Giuseppe Garibaldi 49
20121 MILANO (MI)
ITALY

Adtoox spoo
ul. Chłodna 52
00-872 WARSZAWA
POLAND

Adtoox Brazil
Rua PEDROSO ALVARENGA, 1046 - 9º andar
São Paulo, SP - Brazil
CEP 04531- 004

Iridium Topco Limited

Notes to the financial statements

For the period ended 31 December 2022

27. Registered addresses of the group (continued)

Adtoox international
Sankt Göransgatan 84
112 38
Stockholm
SWEDEN

Advalidation AB
Box 6153
102 33 Stockholm
SWEDEN

byCape Holding B.V.
Spijkerkade 2 Unit D,
1021 JS Amsterdam
Netherlands

ByCape B.V.
Spijkerkade 2 Unit D,
1021 JS Amsterdam
Netherlands

ProductsbyCape B.V.
Spijkerkade 2 Unit D,
1021 JS Amsterdam
Netherlands