

# **FIS3 Topco Limited**

**Company Number 14203558**

## **Annual Report - 31 December 2022**



**FIS3 Topco Limited**  
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**31 December 2022**

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**General information**

The financial statements cover both FIS3 Topco Limited as an individual entity and the consolidated group consisting of FIS3 Topco Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Pound sterling, which is FIS3 Topco Limited's functional and presentation currency.

FIS3 Topco Limited is a private company limited by shares, incorporated and domiciled within England in the United Kingdom. Its registered office and principal place of business are:

9 Millars Brook  
Molly Millars Lane  
Wokingham  
Berkshire  
RG41 2AD

**FIS3 Topco Limited**  
**Strategic report**  
**31 December 2022**

The directors present their strategic report on the consolidated group for the period ended 31 December 2022.

**Newly incorporated and acquisition**

On 29 June 2022 FIS3 Topco Limited was incorporated. The period runs from date of incorporation to 31 December 2022.

On 15 July 2022 FIS3 Bidco, a subsidiary company, acquired 100% of the ordinary shares of Argus Topco Limited for the total consideration of £141,894,000 consisting of £123,218,000 cash and £18,676,000 loan note consideration. The transaction with Argus Topco Limited has been accounted for using the principles of acquisition accounting. As a result there are no prior year comparatives and the consolidated results for the period incorporate Argus Topco Limited and its subsidiaries from the point of acquisition.

On 12 August 2022 Argus Bidco, a subsidiary company, acquired 100% of the ordinary shares of AutoSLM Limited for the total consideration of £1,478,000 consisting of £1,362,000 cash and £116,000 deferred consideration. The acquisition also included consideration classified as contingent remuneration with a value of up to £600,000.

On 12 August 2022 Argus Bidco, a subsidiary company, acquired 100% of the ordinary shares of CTS Holdings Limited for the total consideration of £25,180,000 consisting of £22,194,000 cash, £2,986,000 deferred contingent consideration and contingent remuneration with no capped value. The deferred contingent consideration, which has no capped value, was recorded at a fair value of £4,016,000 at the acquisition date before discounting for time value of money.

On 2 September 2022 Argus Bidco, a subsidiary company, acquired 100% of the ordinary shares of Eloweb Limited for the total consideration of £5,794,000 consisting of cash only.

On 12 September 2022 Argus Bidco, a subsidiary company, acquired 100% of the ordinary shares of dealerdesk GmbH for the total consideration of £13,347,000 (£15,371,000), consisting of £9,486,000 (£10,925,000) cash and £3,861,000 (£4,446,000) deferred contingent consideration. The deferred contingent consideration has a value of up to £10,758,000 (£12,390,000) of which £4,872,000 (£5,611,300) was recorded as fair value at the acquisition date before discounting for time value of money.

**Principal activities**

The principal activity of the consolidated group is the development and supply of a range of technology based solutions to the automotive industry, allowing the creation of a more transparent, and easy, car buying and owning experience. The products are used in dealers' showrooms, workshops, websites and body shops.

**Review of operations**

The key performance indicators of the business consist of revenue, operating loss, adjusted EBITDA, cash, net liabilities and subscriber base.

|                 | <b>2022</b><br><b>£'000</b> |
|-----------------|-----------------------------|
| Revenue         | 19,916                      |
| Operating loss  | (10,107)                    |
| Adjusted EBITDA | 1,246                       |
| Cash            | 6,966                       |
| Net liabilities | (21,374)                    |

\* Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation as well as impairments, exceptional costs, share based payments charges, LTIP movements and contingent remuneration.

**Non-financial key performance indicator**

|                                  | <b>2022</b>   |
|----------------------------------|---------------|
| Subscriber base at end of period | <u>17,705</u> |

CitNOW Group offers a market leading end-to-end software solution to the international automotive dealership market, mostly focusing in UK and mainland European markets but also extending further afield to the US and Asia. The subscriber base at end of 2022 was 17,705 dealer groups. Group revenue for the period ended 31 December 2022 was £19.9m and comprised recurring subscription income, variable volume based service income and other one-off activity based income.

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The group has a rich and diverse brand and solution portfolio built through a combination of organic and inorganic means. Brands that still have an earn out associated with them operate on a standalone basis or in a cluster to a cash generating unit (CGU) for accounting purposes. The CGUs within the group each represent unique software solutions to the automotive dealership market and are diverse in both their offering and geographical coverage. CGUs are outlined below, note trading names are used which differ to legal entity names:

- CitNOW, Quik & Autoimaging
- Dealerweb Group & AutoSLM
- Web1on1
- Dealerdesk
- RTC

The group recorded an operating loss of £10m for the period, mainly due to the establishment of the new group structure and the significant acquisition costs. Adjusted EBITDA for the period was £1.2m, a small fraction of the forecast EBITDA expected in 2023.

The net cash inflow of £7m was due largely to operational cash being left in the group post the acquisition of previous Argus Topco Limited group. Significant inflows and outflows arose as a result of the group purchase and the subsequent business combinations, all of which were largely debt funded.

Cash reserves of the consolidated group at the year-end were £7m with a net liability position on the balance sheet of £21m.

**Principal risks and uncertainties**

The consolidated group's operations may expose it to a variety of financial risks that include the market risk, credit risk, operational risk and liquidity risk. The consolidated group, through its Board of Directors, seeks to limit the adverse effects on the financial performance of the consolidated group as follows:

*a) Market risks*

Market risk for the consolidated group encompasses all those market risk factors that impact the value of the consolidated group's assets and liabilities and the expected value in base currency of the consolidated group's revenues and costs. The main risk factors are currency risk, inflation risk and interest rate risk. The consolidated group's policies for managing these are as follows:

*i) Currency risk*

The consolidated group is exposed to translational and transactional foreign exchange risk as it operates in various currencies, including US Dollars and the Euro, which affect the management and levels of working capital.

The consolidated group operates bank accounts in both US dollars and Euros in order to naturally hedge the sales and purchases made within these currencies.

*ii) Inflation risk*

The consolidated group has exposure to the inflationary effect in countries in which it operates. This exposure could affect the consolidated group's cost and/or investment base. The consolidated group's cost base is mainly exposed to the inflation rates and changes in payroll taxes in the UK.

No specific hedging of inflation risk has been carried out although any forecast movement in inflation forecasts is modelled within the consolidated group's financial forecasts for adverse effects and to ensure adequate working capital is available for operations.

*iii) Interest rate risk*

Interest rate risk arises primarily on the consolidated group's borrowings or on its investment of the cash balances. In particular, interest on the consolidated group's borrowing is affected by SONIA and EURIBOR.

Group loss is therefore affected by changes in SONIA and EURIBOR rates. Illustrated below is the impact of an increase in interest rates by 100 basis points or decrease by 100 basis points.

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**Impact on  
loss before  
tax  
2022  
£'000**

**Sensitivity**

Interest rates - increase by 100 basis points

(487)

Interest rates - decrease by 100 basis points

487

The consolidated group finances its operations through retained cash reserves and a loan facility. The policy of the consolidated group is to monitor exposure to interest rate risk and take into account potential movements in interest rates as well as liquidity considerations when selecting methods of financing. During the period the group entered into a number of interest rate caps in order to best mitigate the risk of future interest rate rises.

*b) Credit risk*

Credit risk is the risk that a third party might fail to fulfil its performance obligations under the terms of a financial instrument. For cash and cash equivalents and trade and other receivables, credit risk represents the carrying amount on the balance sheet.

The consolidated group's business will be predominantly with companies with a low inherent bad debt risk. The consolidated group is therefore unlikely to take out credit insurance in the foreseeable future.

The consolidated group will only invest surplus funds in UK bank/building society deposits, denominated in pounds sterling. Furthermore, funds will only be invested with Prudential Regulatory Authority regulated UK financial institutions. In addition, only banks or building societies obtaining a satisfactory rating — at least an A grade (high quality/upper medium grade/strong) — with Standard and Poors, Fitch and Moody's will be selected.

*c) Operational risk*

The consolidated group has numerous operational risks, ranging from control over bank accounts to its processes for delivering and supporting its clients to a required level of quality, safety and on a timely basis and retention and recruitment of key personnel. A key risk, as for any consolidated group, is the reputational risk that might arise from poor execution, non-delivery or late delivery of a high profile project or breach of confidentiality for sensitive data.

The consolidated group's directors regularly review controls over certain aspects of the operation of the consolidated group. In addition, the directors maintain an operational risk register. Such a detailed operation risk review is outside the scope of the policy document but the Board attaches importance to maintaining appropriate internal controls to help identify financial risk and treasury management implications.

*d) Liquidity risk*

Liquidity risk is the risk of loss from not having access to sufficient funds to meet both expected and unexpected cash demands.

The consolidated group seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely as well as profitably. The consolidated group's working capital report shows forecast monthly movements in working capital and cash for the following year. The group maintains a certain level of surplus cash within the group such that it can absorb unforeseen working capital requirements.

The directors have concluded that there are no material uncertainties that lead to significant doubt upon the Group and company's ability to continue in operational existence for the foreseeable future and for at least one year from the approval date of the financial statements. The directors have therefore prepared the financial statements on a going concern basis.

**Future developments**

The directors are pleased with the performance of the consolidated group and are confident that the group will continue to grow its subscriber base and revenues both in the UK and overseas.

**FIS3 Topco Limited**  
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**Section 172(1) statement**

The Group is committed to providing a positive impact to our key stakeholder groups, and undertake a number of initiatives to drive value for our customers, colleagues and communities.

- Our people are central to our success and we support our people in many ways: including training (internally and externally provided), a comprehensive benefits and a high performance culture. We are committed to continuously improving the working environment recognising its impact on wellbeing, health, safety and welfare.
- Employee wellbeing is at the heart of our people strategy, with a number of innovative wellness initiatives such as flexi-time, where employees can vary their start and finish times within our core business hours and/or extend their lunch break by up to 2 hours per day. Employees also benefit from an additional two half days paid leave per year to focus on their personal wellbeing.
- We recognise the development of our people is vital to the ongoing success of the business and proudly promote a culture of continuous learning and improvement, along with opportunities to develop and progress a successful career with us.
- The Group is an equal opportunities employer that celebrates diversity across our international teams. We are passionate about creating an inclusive workplace where everyone's individuality is valued.
- We are underpinned by strong people values and use these as a basis of how we interact with stakeholders, recruit and present ourselves: We are powered by our people; we make it happen; we are one team; we are always learning; we delight our customers.
- Our customers are why we have this business and as in our values our aim is to delight them through our innovative products and service. We actively engage with our customers on a regular basis and undertake Net Promoter Score pulses to understand their pain points to address as part of our Value Proposition.
- The wider community is important to the company as a way of giving back. Each office has a designated charity where we regular raise funds through a combination of events and activities.
- The environment is considered a stakeholder in our business and we actively partake in environmentally friendly initiatives. These include: complying with all applicable environmental legislation and sustainability commitments; Preventing pollution and reducing consumption of resources through waste management strategies that promote waste minimisation re-use, recovery and recycling, for example extending the life of equipment through preventive maintenance scheduling, purchasing and reworking used equipment, etc.; Incorporating energy efficiency measures into the group's facilities and promoting efficient energy use in all areas of business activity; Promoting and continuing to invest in technologies (such as video) that provide alternatives to business travel in our day to day operations, for example meetings or training virtually
- We recognise Shareholders as being stakeholders and maintain a regular dialogue with our shareholders keeping them abreast of significant developments and strategic progress.

The directors confirm that we believe we have acted in good faith to promote the Group's long-term success for all stakeholders' benefit.

This report is made in accordance with a resolution of directors.

On behalf of the board

DocuSigned by:  
  
F6F3CEE66BF244C...

G G Page-Morris  
Director

21 August 2023

**FIS3 Topco Limited  
Directors' report  
31 December 2022**

The directors present their report, together with the financial statements, on the consolidated group consisting of FIS3 Topco Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 31 December 2022.

**Directors**

The following persons were directors of FIS3 Topco Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

J L Messer (appointed 15 July 2022)  
G G Page-Morris (appointed 15 July 2022)  
S Peet (appointed 29 June 2022)  
A L Yateman-Smith (appointed 29 June 2022)  
I D Brewer (appointed 15 July 2022 and resigned 23 November 2022)  
G A P Lyons (appointed 22 March 2023)

**Information contained within the strategic report**

The strategic report contains information in relation to Principal activities, Review of operations and Future developments and is included in this report by cross reference.

**Dividends**

There were no dividends paid, recommended or declared during the current financial period.

**Matters subsequent to the end of the financial period**

On 31 May 2023 Argus Bidco Limited, a wholly owned subsidiary, acquired the entire share capital of Vehicle Vision International Limited for an initial consideration of £2,500,000 and contingent consideration of up to £300,000.

**Financial instruments**

Information on the consolidated group's financial instruments are disclosed in the strategic report.

**Research and development**

The consolidated group undertakes research and development in the UK in relation to its range of app-based video and lead management solutions, £1,036,000 was expensed during the period.

**Charitable and political donations**

The Group made charitable donations of £2,330 and no political donations during the period.

**Disabled employees**

Due to the size of the consolidated group, no policy for the employment of disabled persons has been established.

**Going concern**

On 29 June 2022 FIS3 Topco Limited was incorporated. Group activity then commenced with the acquisition of Argus Topco Limited group on the 15 July 2022. The purchase of the group was funded through the issuance of ordinary shares, preference shares, loan notes and new banking facility. Subsequent acquisitions have been funded through combination of cash reserves and draw downs on agreed acquisition facilities.

The recent acquisitions of CTS Holdings Limited, Eloweb Limited, AutoSLM Limited, Web1on1 B.V., dealerdesk GmbH and Vehicle Vision International Limited have continued to strengthen the group's product offering to existing customers and present a real opportunity to improve retention and future cross sell across the enlarged customer base.

Banking Covenants present no challenge to the group at any point in 2023, noting that as the group moves into 2024 we would continue to see covenant headroom increase further. In April 2023 the group enacted the covenant reset as allowed under the facilities agreement ensuring further headroom still.

The directors have forecast various scenarios in considering the going concern status of the group for a period of at least twelve months from the date of approval of these financial statements. The directors have concluded that there are no material uncertainties that lead to significant doubt upon the group's ability to continue as a going concern and therefore have prepared the financial statements on a going concern basis.

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Directors' report  
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**Emissions**

The Group has taken the exemption available to not disclose information regarding emissions as the energy consumed within the UK was less than 40,000 kWh during the period.

**Indemnity of directors**

The group has third party professional indemnity insurance in place for the period and at the time of approval of these financial statements.

**Disclosure of information to the auditors**

*So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the consolidated group's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.*

**Independent auditor**

The auditor BDO LLP continues in office.

This report is made in accordance with a resolution of directors.

On behalf of the directors

DocuSigned by:  
  
F6F3CEE66BF244C  
\_\_\_\_\_  
G G Page-Morris  
Director

21 August 2023



**FIS3 Topco Limited**  
**Directors' responsibilities statement**  
**31 December 2022**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with UK Adopted International Financial Reporting Standards ('IFRS'). 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 consolidated group and the profit or loss of the consolidated 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 UK Adopted International Financial Reporting Standards ('IFRS') 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 consolidated group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the consolidated group's transactions and disclose with reasonable accuracy at any time the financial position of the consolidated 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 consolidated group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**FIS3 Topco Limited**  
**Independent auditors report to the members of FIS3 Topco Limited**  
**31 December 2022**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIS3 TOPCO LIMITED**

**Opinion on the financial statements**

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 period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Fis3 Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the 6 month period ended 31 December 2022 which comprise the group statement of comprehensive income, the group and company statements of financial position, the group and company statements of changes in equity, the group and company statements 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 UK adopted international accounting standards, and as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

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.

**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 Group or 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.

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 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.

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.

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**Independent auditors report to the members of FIS3 Topco Limited**  
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We have nothing to report in this regard.

**Other Companies Act 2006 reporting**

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 period 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 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.

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**

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

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

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

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

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**Independent auditors report to the members of FIS3 Topco Limited**  
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*Extent to which the audit was 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:

Based on:

- Our understanding of the legal and regulatory framework applicable to the Group and industry in which it operates, through discussion with management and audit committee and our knowledge of the industry;
- Enquiring of management and the audit committee, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to identifying, evaluation and complying with laws and regulations and whether they are aware of instances of non-compliance;

We considered the significant laws and regulations to be the applicable accounting framework, relevant tax legislation, and UK Companies Act.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- reading minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance also considered Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Considering our knowledge of the nature of the industry, control environment and business performance including the design of the Group remuneration policies, key drivers for Directors' remuneration and performance targets; and
- Discussing among the engagement team including the component audit team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in revenue recognition, specifically in relation to revenue existence, as well as the potential for management override of controls.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue, capitalised development costs and manual journal entries.

Our procedures in respect of the above included:

- performing a detailed review of the Group's year-end adjusting entries, assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

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- Assessing significant estimates made by management for bias considered to be, fair value of business combinations including valuation of purchase consideration and valuation of acquired intangibles, impairment reviews and the assumptions taken in their preparation and Useful lives of depreciable assets; and
- In addressing the risk for fraud in revenue recognition, testing the appropriateness of the revenue recognition policies and the application of these policies and performing specific procedures over the existence and cut-off of revenue.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
08D8F31DCC5C4CC

21 August 2023

Gavin Crawford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Reading, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**FIS3 Topco Limited**  
**Statements of comprehensive income**  
**For the period ended 31 December 2022**

|                                                       | <b>Note</b> | <b>Group<br/>2022<br/>£'000</b> |
|-------------------------------------------------------|-------------|---------------------------------|
| Revenue                                               | 3           | 19,916                          |
| Cost of sales                                         |             | <u>(3,144)</u>                  |
| Gross profit                                          |             | <u>16,772</u>                   |
| <b>Expenses</b>                                       |             |                                 |
| Administration                                        |             | (26,888)                        |
| Other operating income                                |             | <u>9</u>                        |
| <b>Operating loss</b>                                 |             | (10,107)                        |
| Finance costs                                         | 7           | <u>(14,898)</u>                 |
| <b>Loss before income tax benefit</b>                 |             | (25,005)                        |
| Income tax benefit                                    | 8           | <u>2,754</u>                    |
| <b>Loss after income tax benefit for the period</b>   | 34          | (22,251)                        |
| Other comprehensive income for the period, net of tax |             | <u>-</u>                        |
| <b>Total comprehensive expense for the period</b>     |             | <u><u>(22,251)</u></u>          |

All activities relate to continuing operations.

*The above statements of comprehensive income should be read in conjunction with the accompanying notes*

**FIS3 Topco Limited**  
**Statements of financial position**  
**As at 31 December 2022**

|                                   | Note | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|-----------------------------------|------|------------------------|--------------------------|
| <b>Assets</b>                     |      |                        |                          |
| <b>Current assets</b>             |      |                        |                          |
| Derivative financial assets       | 9    | 1,092                  | -                        |
| Contract assets                   | 10   | 568                    | -                        |
| Income tax debtor                 | 11   | 308                    | -                        |
| Inventories                       | 12   | 20                     | -                        |
| Trade and other receivables       | 13   | 5,884                  | 20                       |
| Cash and cash equivalents         | 14   | 6,966                  | -                        |
| Total current assets              |      | <u>14,838</u>          | <u>20</u>                |
| <b>Non-current assets</b>         |      |                        |                          |
| Intangible assets                 | 15   | 268,939                | -                        |
| Right-of-use assets               | 16   | 1,008                  | -                        |
| Investments                       | 17   | -                      | 67,535                   |
| Property, plant and equipment     | 18   | 466                    | -                        |
| Intercompany loan notes           | 19   | -                      | 9,827                    |
| Trade receivables                 | 20   | 419                    | -                        |
| Total non-current assets          |      | <u>270,832</u>         | <u>77,362</u>            |
| <b>Total assets</b>               |      | <u>285,670</u>         | <u>77,382</u>            |
| <b>Liabilities</b>                |      |                        |                          |
| <b>Current liabilities</b>        |      |                        |                          |
| Trade and other payables          | 21   | 7,025                  | 501                      |
| Contract liabilities              | 22   | 2,291                  | -                        |
| Provisions                        | 23   | 4,442                  | -                        |
| Lease liabilities                 | 24   | 477                    | -                        |
| Income tax creditor               | 25   | 636                    | -                        |
| Total current liabilities         |      | <u>14,871</u>          | <u>501</u>               |
| <b>Non-current liabilities</b>    |      |                        |                          |
| Contract liabilities              | 26   | 1,031                  | -                        |
| Provisions                        | 27   | 3,158                  | -                        |
| Borrowings                        | 28   | 270,759                | 79,618                   |
| Lease liabilities                 | 29   | 531                    | -                        |
| Deferred tax                      | 30   | 16,694                 | -                        |
| Total non-current liabilities     |      | <u>292,173</u>         | <u>79,618</u>            |
| <b>Total liabilities</b>          |      | <u>307,044</u>         | <u>80,119</u>            |
| <b>Net liabilities</b>            |      | <u>(21,374)</u>        | <u>(2,737)</u>           |
| <b>Equity</b>                     |      |                        |                          |
| Issued capital                    | 31   | 8                      | 8                        |
| Share premium account             | 32   | 841                    | 841                      |
| Currency translation reserve      | 33   | 28                     | -                        |
| Accumulated losses                | 34   | (22,251)               | (3,586)                  |
| <b>Total deficiency in equity</b> |      | <u>(21,374)</u>        | <u>(2,737)</u>           |

FIS3 Topco Limited's company number is 14203558.

*The above statements of financial position should be read in conjunction with the accompanying notes*

**FIS3 Topco Limited**  
**Statements of financial position**  
**As at 31 December 2022**

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 period was £3,586,000.

The financial statements on pages 13 to 54 were approved by the Board of Directors on the 21 August 2023 and signed on its behalf by

DocuSigned by:  
  
F6F3CEE66BF244C  
G G Page-Morris  
Director

21 August 2023



**FIS3 Topco Limited**  
**Statements of changes in equity**  
**For the period ended 31 December 2022**

| <b>Group</b>                                          | <b>Issued capital<br/>£'000</b> | <b>Share premium<br/>£'000</b> | <b>Currency translation reserve<br/>£'000</b> | <b>Accumulated losses<br/>£'000</b> | <b>Total deficiency in equity<br/>£'000</b> |
|-------------------------------------------------------|---------------------------------|--------------------------------|-----------------------------------------------|-------------------------------------|---------------------------------------------|
| Balance at 29 June 2022                               | -                               | -                              | -                                             | -                                   | -                                           |
| Loss after income tax benefit for the period          | -                               | -                              | -                                             | (22,251)                            | (22,251)                                    |
| Other comprehensive income for the period, net of tax | -                               | -                              | -                                             | -                                   | -                                           |
| Total comprehensive expense for the period            | -                               | -                              | -                                             | (22,251)                            | (22,251)                                    |
| Currency translation differences                      | -                               | -                              | 28                                            | -                                   | 28                                          |
| <i>Transactions with owners:</i>                      |                                 |                                |                                               |                                     |                                             |
| Issue of new shares                                   | 8                               | 841                            | -                                             | -                                   | 849                                         |
| Balance at 31 December 2022                           | <u>8</u>                        | <u>841</u>                     | <u>28</u>                                     | <u>(22,251)</u>                     | <u>(21,374)</u>                             |
| <b>Company</b>                                        | <b>Issued capital<br/>£'000</b> | <b>Share premium<br/>£'000</b> | <b>Currency translation reserve<br/>£'000</b> | <b>Accumulated losses<br/>£'000</b> | <b>Total deficiency in equity<br/>£'000</b> |
| Balance at 29 June 2022                               | -                               | -                              | -                                             | -                                   | -                                           |
| Loss after income tax benefit for the period          | -                               | -                              | -                                             | (3,586)                             | (3,586)                                     |
| Other comprehensive income for the period, net of tax | -                               | -                              | -                                             | -                                   | -                                           |
| Total comprehensive expense for the period            | -                               | -                              | -                                             | (3,586)                             | (3,586)                                     |
| <i>Transactions with owners:</i>                      |                                 |                                |                                               |                                     |                                             |
| Issue of new shares                                   | 8                               | 841                            | -                                             | -                                   | 849                                         |
| Balance at 31 December 2022                           | <u>8</u>                        | <u>841</u>                     | <u>-</u>                                      | <u>(3,586)</u>                      | <u>(2,737)</u>                              |

*The above statements of changes in equity should be read in conjunction with the accompanying notes*

**FIS3 Topco Limited**  
**Statements of cash flows**  
**For the period ended 31 December 2022**

|                                                                    | Note | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|--------------------------------------------------------------------|------|------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                        |      |                        |                          |
| Loss before income tax benefit                                     |      | (25,005)               | (3,586)                  |
| Adjustments for:                                                   |      |                        |                          |
| Finance costs                                                      |      | 14,898                 | 3,106                    |
| Foreign exchange differences - loan                                |      | 1,470                  | -                        |
| Depreciation and amortisation                                      |      | 3,630                  | -                        |
| Profit from disposal of fixed assets                               |      | (21)                   | -                        |
|                                                                    |      | (5,028)                | (480)                    |
| Change in operating assets and liabilities:                        |      |                        |                          |
| Decrease in trade and other receivables                            |      | 1,252                  | -                        |
| Decrease in contract assets                                        |      | 51                     | -                        |
| Increase in inventories                                            |      | (18)                   | -                        |
| Decrease in trade and other payables                               |      | (7,862)                | 480                      |
| Decrease in contract liabilities                                   |      | (1,003)                | -                        |
| Taxation paid                                                      |      | (219)                  | -                        |
| Net cash used in operating activities                              |      | (12,827)               | -                        |
| <b>Cash flows from investing activities</b>                        |      |                        |                          |
| Payment for purchase of business                                   | 40   | (162,054)              | -                        |
| Payments for property, plant and equipment                         | 18   | (40)                   | -                        |
| Payments for intangibles                                           | 15   | (770)                  | -                        |
| Proceeds from disposal of fixed assets                             |      | 21                     | -                        |
| Cash acquired with subsidiary undertaking                          | 40   | 7,565                  | -                        |
| Subscription for share capital in subsidiary                       |      | -                      | (67,535)                 |
| Purchase of derivative financial instrument                        |      | (2,355)                | -                        |
| Net cash used in investing activities                              |      | (157,633)              | (67,535)                 |
| <b>Cash flows from financing activities</b>                        |      |                        |                          |
| Proceeds from issue of shares                                      | 31   | 746                    | 746                      |
| Proceeds from borrowings (net of fees)                             |      | 72,504                 | -                        |
| Additional drawdowns - existing facility (net of fees)             |      | 35,838                 | -                        |
| Repayment of acquisition loans - principal and interest            |      | (42,634)               | -                        |
| Bank loan interest paid                                            |      | (3,051)                | -                        |
| RCF arrangement fees                                               |      | (300)                  | -                        |
| Issue of preference shares                                         |      | 66,789                 | 66,789                   |
| Issue of loan notes                                                |      | 66,789                 | -                        |
| Repayment of acquisition loan notes                                |      | (19,101)               | -                        |
| Repayment of lease liabilities                                     |      | (298)                  | -                        |
| Net cash from financing activities                                 |      | 177,282                | 67,535                   |
| Net increase in cash and cash equivalents                          |      | 6,822                  | -                        |
| Cash and cash equivalents at the beginning of the financial period |      | -                      | -                        |
| Effects of exchange rate changes on cash and cash equivalents      |      | 144                    | -                        |
| Cash and cash equivalents at the end of the financial period       | 14   | 6,966                  | -                        |

*The above statements of cash flows should be read in conjunction with the accompanying notes*

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies**

The financial statements cover both FIS3 Topco Limited as an individual entity and the consolidated group consisting of FIS3 Topco Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Pound Sterling, which is FIS3 Topco Limited's functional and presentation currency. The accounts are presented in £000's.

FIS3 Topco Limited is a private company limited by shares, incorporated and domiciled within England in the United Kingdom.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated group.

The following Accounting Standards and Interpretations are most relevant to the consolidated group:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to: IFRS 3 Business Combinations
- Annual Improvements to IFRSs (2018-2020 Cycle): IFRS 1
- Annual Improvements to IFRSs (2018-2020 Cycle): IFRS 9
- Annual Improvements to IFRSs (2018-2020 Cycle): Illustrative Examples accompanying IFRS 16
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**Going concern**

On 29 June 2022 FIS3 Topco Limited was incorporated. Group activity then commenced with the acquisition of Argus Topco Limited group on the 15 July 2022. The purchase of the group was funded through the issuance of ordinary shares, preference shares, loan notes and new banking facility. Subsequent acquisitions have been funded through combination of cash reserves and draw downs on agreed acquisition facilities.

The recent acquisitions of CTS Holdings Limited, Eloweb Limited, AutoSLM Limited, Web1on1 B.V., dealerdesk GmbH and Vehicle Vision International Limited have continued to strengthen the group's product offering to existing customers and present a real opportunity to improve retention and future cross sell across the enlarged customer base.

Banking Covenants present no challenge to the group at any point in 2023, noting that as the group moves into 2024 we would continue to see covenant headroom increase further. In April 2023 the group enacted the covenant reset as allowed under the facilities agreement ensuring further headroom still.

The directors have forecast various scenarios in considering the going concern status of the group for a period of at least twelve months from the date of approval of these financial statements. The directors have concluded that there are no material uncertainties that lead to significant doubt upon the group's ability to continue as a going concern and therefore have prepared the financial statements on a going concern basis.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with UK Adopted International Financial Reporting Standards ('IFRS') and the Companies Act 2006, as appropriate for-profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated group's and company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

*Exemption from audit by parent guarantee*

Under Section 479A of the Companies Act 2006, exemptions from an audit of the accounts for the year ended 31 December 2022 have been taken by the subsidiary companies stated below:

- FIS3 Midco 1 Limited (14203756)
- FIS3 Midco 2 Limited (14203794)
- FIS3 Bidco Limited (14203834)
- Argus Topco Limited (11143188)
- Argus Midco Limited (11143771)
- Argus Bidco Limited (11143830)
- CitNow Video Limited (09720206)
- 8 Technology Group Limited (10859806)
- CitNow Limited (10413331)
- Reef Business Systems Limited (06273256)
- Auto Imaging Limited (10116854)
- Eloweb Limited (12180188)
- Autoslm Ltd (08015530)
- Real Time Communications Limited (11997736)
- CTS Holdings Limited (12066001)
- CTS Automotive Insights Limited (13412524)

Under section 479C of the Companies Act 2006, FIS3 Topco Limited, registration number 14203558, being the parent undertaking of the above companies has given a statutory guarantee of all the outstanding liabilities to which the companies are subject as at 31 December 2022.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of FIS3 Topco Limited ('company' or 'parent entity') as at 31 December 2022 and the results of all subsidiaries for the period then ended. FIS3 Topco Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated group'.

Subsidiaries are all those entities over which the consolidated group has control. The consolidated group controls an entity when the consolidated group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated group.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Foreign currency translation**

The financial statements are presented in Pound sterling, which is FIS3 Topco Limited's functional and presentation currency.

*Foreign currency transactions*

Foreign currency transactions are translated into Pound sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

*Foreign operations*

The assets and liabilities of foreign operations are translated into Pound sterling using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Pound sterling using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

**Revenue recognition**

For each contract with a customer, the consolidated group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Transaction price is determined based on central rate card prices maintained by the business with consideration of discounts given on agreed contracts and invoices.

The consolidated group has five key revenue streams, subscription revenue, configuration revenue, training revenue, hardware revenue and other revenue. The consolidated group's performance obligations and revenue recognition policy for each revenue stream is noted below.

*Subscription and configuration revenue*

Subscription and configuration revenue are treated as a single performance obligation as the customer cannot benefit from each separately.

The revenue is recognised on a straight-line basis over the term of the contract.

*Training revenue*

Training revenue is treated as a separate performance obligation as the customer can benefit from this separately.

The revenue is recognised at the point of delivery of the training.

*Hardware revenue*

Hardware revenue is treated as a separate performance obligation as the customer can benefit from this separately.

The revenue is recognised on a straight line basis over the period of the agreement, typically 2 years.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days, where customers are invoiced for periods in advance greater than one month the terms of settlement can vary.

The consolidated group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Contract assets**

Contract assets are recognised when the consolidated group has transferred goods or services to the customer but where the consolidated group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

**Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial assets of the Group include cash and cash equivalents, trade and other receivables, and favourable derivative financial instruments. Financial liabilities of the Group include trade and other payables, borrowings and unfavourable derivative financial instruments.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

*Initial recognition and measurement*

Financial assets and liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual obligations of the instrument.

The Group classifies its financial assets in the following measurement categories:

- Those to be measured at amortised cost; and
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit and loss).

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies its financial assets when and only when its business model for managing those assets changes.

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, other financial liabilities at amortised cost or as derivatives.

Financial liabilities are recognised at fair value plus, in the case of financial instruments not at fair value through profit and loss (i.e. loans and receivables and other financial liabilities), transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs directly attributable to financial liabilities which are measured at fair value (i.e. fair value through profit and loss or derivatives) are recognised in the income statement as incurred.

*Subsequent measurement*

Subsequent to recognition, financial assets and liabilities are measured according to the category to which they are classified.

(a) Financial assets

Subsequent measurement of financial assets depends on the Group's business model for managing those financial assets and the cash flow characteristics of those financial assets. The Group only has financial assets classified at amortised cost. These assets are those held for contractual collection of cash flows, where those cash flows represent solely payments of principal and interest and are held at amortised cost. Any gains or losses arising on derecognition is recognised directly in profit or loss.

(b) Financial liabilities at fair value through profit and loss

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement.

(c) Other financial liabilities

Trade and other payables and borrowings (including amounts due to related parties) are classified as other financial liabilities and are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest rate method (see below).

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income and expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

*Derecognition*

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

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

*Impairment of a financial asset*

The Group assesses on a forward looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. For trade receivables the Group applies the simplified approach permitted by IFRS9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. For other receivables the Group applies the three stage model to determine expected credit losses.

*Fair value of financial instruments*

Fair value amounts disclosed in these financial statements represent the Group's estimate of the price at which a financial instrument could be exchanged in an arm's length market transaction between knowledgeable, willing parties who are under no compulsion to act. They are point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Fair value is determined by reference to quoted prices in the most advantageous active market for that instrument to which the Group has immediate access. However, where there is no active market for the Group's financial instruments, the Group determines fair value based on internal or external valuation models, such as stochastic models, option-pricing models and discounted cash flow models. These calculations represent management's best estimates based on a range of methods and assumptions. Since they are based on estimates the fair values may not be realised in an actual sale or immediate settlement of the instruments.

*Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

|                       |            |
|-----------------------|------------|
| Plant and Equipment   | 33% to 50% |
| Fixtures and Fittings | 10% to 33% |
| Motor Vehicles        | 25%        |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.



**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

*Research and development*

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated group is able to use or sell the asset; the consolidated group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 3 and 10 years.

*Customer relationships*

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 10 and 18 years.

*Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 1 and 8 years.

*Brand*

Brand value acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 1 and 20 years.

**Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Contract liabilities**

Contract liabilities represent the consolidated group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated group has transferred the goods or services to the customer.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Provisions**

Provisions are recognised when the consolidated group has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Acquisition costs**

Acquisitions costs are those costs directly associated with the acquisition of a new entity.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

**Exceptional costs**

Exceptional costs are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the company's financial performance.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Issued 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.

**Business combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

**Value-Added Tax ('VAT') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

**Rounding of amounts**

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated group for the annual reporting period ended 31 December 2022. The consolidated group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

The consolidated group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

The consolidated group has considered sensitivity on the useful lives assigned and for the key assets, being the intangible assets, an increase in one year to each of the useful lives would result in a decrease of amortisation charge for the period of £104,000. Whereas a decrease in one year to each of the useful lives would result in an increase of amortisation charge for the period of £362,000.

*Goodwill and other indefinite life intangible assets*

The consolidated group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The consolidated group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

*Business combinations*

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

**Note 3. Revenue**

|                                   | <b>Group<br/>2022<br/>£'000</b> |
|-----------------------------------|---------------------------------|
| Major product lines:              |                                 |
| Subscription income               | 14,881                          |
| Training and configuration income | 4,681                           |
| Hardware income                   | 96                              |
| Other                             | 258                             |
|                                   | <u>19,916</u>                   |
|                                   | <b>Group<br/>2022</b>           |
| Geographical regions:             |                                 |
| United Kingdom                    | 10,358                          |
| Europe                            | 8,010                           |
| United States of America          | 818                             |
| Rest of world                     | 730                             |
|                                   | <u>19,916</u>                   |

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 3. Revenue (continued)**

|                                | Subscription<br>revenue<br>2022<br>£'000 | Configuration<br>revenue<br>2022<br>£'000 | Training<br>revenue<br>2022<br>£'000 | Hardware<br>revenue<br>2022<br>£'000 | Other<br>revenue<br>2022<br>£'000 | Total<br>revenue<br>2022<br>£'000 |
|--------------------------------|------------------------------------------|-------------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| Timing of revenue recognition: |                                          |                                           |                                      |                                      |                                   |                                   |
| At a point in time             | -                                        | -                                         | 4,312                                | 96                                   | 258                               | 4,666                             |
| Over time                      | 14,881                                   | 369                                       | -                                    | -                                    | -                                 | 15,250                            |
|                                | <u>14,881</u>                            | <u>369</u>                                | <u>4,312</u>                         | <u>96</u>                            | <u>258</u>                        | <u>19,916</u>                     |

**Note 4. Loss before income tax benefit**

|                                                                          | Group<br>2022<br>£'000 |
|--------------------------------------------------------------------------|------------------------|
| Loss before income tax includes the following specific expenses:         |                        |
| <i>Depreciation</i>                                                      |                        |
| Plant & Machinery                                                        | 44                     |
| Fixtures and fittings                                                    | 31                     |
| Buildings right-of-use assets                                            | 232                    |
| Motor vehicles right-of-use assets                                       | 46                     |
| Office equipment right-of-use assets                                     | 1                      |
| Total depreciation                                                       | <u>354</u>             |
| <i>Amortisation</i>                                                      |                        |
| Software                                                                 | 1,739                  |
| Customer relationships                                                   | 1,331                  |
| Brand                                                                    | 206                    |
| Total amortisation                                                       | <u>3,276</u>           |
| Total depreciation and amortisation                                      | <u>3,630</u>           |
| <i>Acquisition related costs</i>                                         |                        |
| Acquisition costs (note 40)                                              | <u>7,248</u>           |
| <i>Employee benefits expense</i>                                         |                        |
| Wages and salaries                                                       | 9,670                  |
| Social security costs                                                    | 853                    |
| Pension costs - defined contribution                                     | 185                    |
| Purchase consideration treated as remuneration (contingent remuneration) | 407                    |
| Total employee benefits expense                                          | <u>11,115</u>          |
| <i>Research costs</i>                                                    |                        |
| Research costs                                                           | <u>1,036</u>           |

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 5. Average number of employees and employee benefits expense**

The average number of employees during the period was as follows:

|                             | <b>Group<br/>2022</b> |
|-----------------------------|-----------------------|
| Managerial                  | 75                    |
| Sales                       | 25                    |
| Administrative              | 151                   |
|                             | <hr/>                 |
| Average number of employees | <b>251</b>            |

The employee benefits expense during the period was as follows:

|                                                                          | <b>Group<br/>2022<br/>£'000</b> |
|--------------------------------------------------------------------------|---------------------------------|
| Wages and salaries                                                       | 9,670                           |
| Social security costs                                                    | 853                             |
| Pension costs - defined contribution                                     | 185                             |
| Purchase consideration treated as remuneration (contingent remuneration) | 407                             |
|                                                                          | <hr/>                           |
| Total employee benefits expense                                          | <b>11,115</b>                   |

**Note 6. Directors' remuneration**

Details of directors' remuneration is set out below:

|                                                                                               | <b>Group<br/>2022</b>           |
|-----------------------------------------------------------------------------------------------|---------------------------------|
| Number of directors accruing benefits under pension schemes in respect of qualifying services | 1                               |
|                                                                                               | <hr/>                           |
|                                                                                               | <b>Group<br/>2022<br/>£'000</b> |
| Aggregate remuneration in respect of qualifying services                                      | 306                             |
| Aggregate amounts of contributions to pension schemes in respect of qualifying services       | 7                               |
| Loss of office                                                                                | 126                             |
| Highest paid director - aggregate remuneration                                                | 184                             |
| Highest paid director - accrued pension at the end of the period                              | 7                               |

The directors pension contributions related to defined contributions scheme.

The highest paid director exercised no share options in the period.

*Company only*

The remuneration of directors during the current period were paid by other group companies for services to the group as a whole, and the directors received no separate remuneration for their services to this company. The directors consider the services provided to the company to be incidental.

No recharge for any of these services was made to the company.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
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**Note 7. Finance costs**

|                                              | <b>Group<br/>2022<br/>£'000</b> |
|----------------------------------------------|---------------------------------|
| Bank loan interest                           | 4,154                           |
| Loan note interest                           | 3,543                           |
| Amortised loan fees                          | 196                             |
| Preference share interest                    | 3,543                           |
| Fair value movements through profit and loss | 1,732                           |
| Lease liability interest                     | 35                              |
| Arrangement fees                             | 1,053                           |
| Unwinding of deferred consideration          | 637                             |
| Other interest                               | 5                               |
|                                              | <u>14,898</u>                   |

The fair value movement through profit and loss of £1,732,000 relates to the movement in fair value of both non current contract assets and interest rate caps between point of purchase and period end.

**Note 8. Income tax benefit**

|                                                                                      | <b>Group<br/>2022<br/>£'000</b> |
|--------------------------------------------------------------------------------------|---------------------------------|
| <i>Income tax benefit</i>                                                            |                                 |
| Current tax                                                                          | 62                              |
| Deferred tax - origination and reversal of temporary differences                     | (2,976)                         |
| Foreign tax                                                                          | 138                             |
| Withholding taxes                                                                    | 22                              |
| Aggregate income tax benefit                                                         | <u>(2,754)</u>                  |
| Deferred tax included in income tax benefit comprises:                               |                                 |
| Decrease in deferred tax liabilities (note 30)                                       | <u>(2,976)</u>                  |
| <i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>  |                                 |
| Loss before income tax benefit                                                       | <u>(25,005)</u>                 |
| Tax at the statutory tax rate of 19%                                                 | (4,751)                         |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: |                                 |
| Fixed asset differences                                                              | (114)                           |
| Expenses not deductible for tax purposes                                             | 3,268                           |
| Income not taxable for tax purposes                                                  | (111)                           |
| Other permanent differences                                                          | (262)                           |
| Difference in overseas tax rates                                                     | (94)                            |
| Deferred tax not recognised                                                          | (72)                            |
| Utilisation of tax losses                                                            | 155                             |
| Remeasurement of deferred tax for changes in tax rates                               | (773)                           |
| Income tax benefit                                                                   | <u>(2,754)</u>                  |



**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 8. Income tax benefit (continued)**

The standard rate of UK corporation tax changed from 19% to 25% with effect from 1 April 2023. The increase in the UK tax rate which is applicable from April 2023 had been substantively enacted at the balance sheet date. As such, a rate of 25% has been applied for the purposes of UK deferred tax balances to the extent the underlying temporary differences are expected to unwind after 1 April 2023. To the extent any temporary differences are expected to unwind between 1 January 2023 and 31 March 2023, a rate of 19% has been applied.

The group also operates in a number of overseas jurisdictions. The only material overseas temporary differences and associated deferred tax balances arise in Germany (for which a 30% rate has been applied, as a reasonable approximation of German corporate income taxes, which are comprised of corporate income tax, trade tax, and a solidarity surcharge) and Netherlands (for which a 25.8% rate has been applied, being the prevailing headline rate of corporate income tax).

**Note 9. Current assets - Derivative financial assets**

|                    | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|--------------------|------------------------|--------------------------|
| Interest rate caps | 1,092                  | -                        |

Refer to note 36 for further information on interest rate risk within financial instruments.

Interest rate caps entered during the period were as follows:

| Rate    | Notional    | Cap Rate | Term    | Trade Date |
|---------|-------------|----------|---------|------------|
| SONIA   | £15,000,000 | 5.00%    | 3 years | 29/09/2022 |
| SONIA   | £15,000,000 | 4.50%    | 3 years | 14/10/2022 |
| EURIBOR | €40,000,000 | 3.00%    | 3 years | 29/09/2022 |
| EURIBOR | €13,000,000 | 3.00%    | 3 years | 29/09/2022 |

Interest caps operate such that for any period where SONIA or EURIBOR exceeds the cap rate on the during the calendar quarter, for the specified debt, the additional interest is reimbursed to the group.

**Note 10. Current assets - contract assets**

|                 | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|-----------------|------------------------|--------------------------|
| Contract assets | 568                    | -                        |

*Reconciliation*

Reconciliation of the written down values at the beginning and end of the current financial period are set out below:

|                                         |      |   |
|-----------------------------------------|------|---|
| Opening balance                         | -    | - |
| Additions through business combinations | 619  | - |
| Movement in the period                  | 23   | - |
| Transfer to trade receivables           | (74) | - |
| Closing balance                         | 568  | - |

**FIS3 Topco Limited**  
**Notes to the financial statements**  
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**Note 11. Current assets - income tax debtor**

|                   | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|-------------------|---------------------------------|-----------------------------------|
| Income tax debtor | 308                             | -                                 |

**Note 12. Current assets - inventories**

|                         | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|-------------------------|---------------------------------|-----------------------------------|
| Stock on hand - at cost | 20                              | -                                 |

**Note 13. Current assets - trade and other receivables**

|                                            | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|--------------------------------------------|---------------------------------|-----------------------------------|
| Trade receivables                          | 4,911                           | -                                 |
| Less: Allowance for expected credit losses | (65)                            | -                                 |
|                                            | 4,846                           | -                                 |
| Prepayments and accrued income             | 921                             | 6                                 |
| Other debtors                              | 117                             | 14                                |
|                                            | 5,884                           | 20                                |

*Allowance for expected credit losses*

The consolidated group has recognised a loss of £42,000 in profit or loss in respect of the expected credit losses for the period ended 31 December 2022.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

| <b>Group</b>         | <b>Expected<br/>credit loss<br/>rate<br/>2022<br/>%</b> | <b>Carrying<br/>amount<br/>2022<br/>£'000</b> | <b>Allowance for<br/>expected<br/>credit losses<br/>2022<br/>£'000</b> |
|----------------------|---------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------|
| Current              | -                                                       | 2,771                                         | -                                                                      |
| Less than 30 days    | 1%                                                      | 1,530                                         | 15                                                                     |
| 30 - 60 days         | 2%                                                      | 498                                           | 10                                                                     |
| 60 - 90 days         | 6%                                                      | 255                                           | 15                                                                     |
| Greater than 90 days | 9%                                                      | 276                                           | 25                                                                     |
|                      |                                                         | 5,330                                         | 65                                                                     |

Carrying amount of trade debtors of £5,330,000 includes £4,911,000 current and £419,000 non-current.

The carrying amounts of the consolidated group's and parent company's trade and other receivables are denominated in the following currencies:

**FIS3 Topco Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 13. Current assets - trade and other receivables (continued)**

|                   | <b>Consolidated<br/>2022<br/>£'000</b> |
|-------------------|----------------------------------------|
| Currency:         |                                        |
| UK pound sterling | 4,420                                  |
| US dollar         | 144                                    |
| Euro              | 1,663                                  |
| Danish Krone      | 75                                     |
|                   | <u>6,302</u>                           |

**Note 14. Current assets - cash and cash equivalents**

|              | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|--------------|---------------------------------|-----------------------------------|
| Cash at bank | <u>6,966</u>                    | <u>-</u>                          |

**Note 15. Non-current assets - intangible assets**

|                                  | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|----------------------------------|---------------------------------|-----------------------------------|
| Goodwill - at cost               | 186,390                         | -                                 |
| Brand - at cost                  | 8,711                           | -                                 |
| Less: Accumulated amortisation   | (206)                           | -                                 |
|                                  | <u>8,505</u>                    | <u>-</u>                          |
| Customer relationships - at cost | 44,687                          | -                                 |
| Less: Accumulated amortisation   | (1,331)                         | -                                 |
|                                  | <u>43,356</u>                   | <u>-</u>                          |
| Software - at cost               | 32,427                          | -                                 |
| Less: Accumulated amortisation   | (1,739)                         | -                                 |
|                                  | <u>30,688</u>                   | <u>-</u>                          |
|                                  | <u>268,939</u>                  | <u>-</u>                          |

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

| <b>Group</b>                            | <b>Goodwill<br/>£'000</b> | <b>Brand<br/>£'000</b> | <b>Customer<br/>relationships<br/>£'000</b> | <b>Software<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-----------------------------------------|---------------------------|------------------------|---------------------------------------------|---------------------------|------------------------|
| Balance at 29 June 2022                 | -                         | -                      | -                                           | -                         | -                      |
| Additions                               | -                         | -                      | -                                           | 770                       | 770                    |
| Additions through business combinations | 186,390                   | 8,711                  | 44,687                                      | 31,657                    | 271,445                |
| Amortisation expense                    | -                         | (206)                  | (1,331)                                     | (1,739)                   | (3,276)                |
| Balance at 31 December 2022             | <u>186,390</u>            | <u>8,505</u>           | <u>43,356</u>                               | <u>30,688</u>             | <u>268,939</u>         |

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**Note 15. Non-current assets - intangible assets (continued)**

Amortisation expense for intangible assets of £3,276,000 is included within Administrative expenses within the Statement of comprehensive income.

**The allocation of goodwill to each CGU is as follows:**

|                            | <b>£000's</b>  |
|----------------------------|----------------|
| CitNOW, Quik & Autoimaging | 119,521        |
| Dealerweb Group & AutoSLM  | 36,341         |
| Web1on1                    | 4,678          |
| Dealerdesk                 | 7,727          |
| RTC                        | 18,123         |
|                            | <u>186,390</u> |

| <b>Key assumptions for the value in use - 31 December 2022</b> | <b>Long term<br/>growth rate<br/>%</b> | <b>Discount rate<br/>%</b> | <b>Average<br/>revenue<br/>growth<br/>%</b> |
|----------------------------------------------------------------|----------------------------------------|----------------------------|---------------------------------------------|
| CitNow, Quik & Autoimaging                                     | 3.0%                                   | 11.2%                      | 16.7%                                       |
| Dealerweb Group & AutoSLM                                      | 3.0%                                   | 16.4%                      | 15.7%                                       |
| Web1on1                                                        | 3.0%                                   | 24.2%                      | 35.5%                                       |
| Dealerdesk                                                     | 3.0%                                   | 19.9%                      | 17.5%                                       |
| RTC                                                            | 3.0%                                   | 21.4%                      | 13.8%                                       |

The key assumptions for the value in use calculations are those regarding discount rates and revenue growth rates. All of these assumptions have been reviewed during the period. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risk specific to each CGU. This has resulted in a range of discount rates being used within the value in use calculations.

**Determination of key assumptions**

The long-term growth rate is the rate applied to determine the terminal value on year five cash flows. This rate is determined by managements view that the growth rates in year 5 and onwards are expected to continue significant levels of growth with the groups increased market presence and capitalising on trends in the automotive sector.

The discount rate is the pre-tax discount rate calculated by management based on a series of inputs supported by 3rd party independent valuer discount rates calculated on the acquisitions of CGUs during the period with updates applied to factor in the movement in risk free rates and equity market risk premium to the period end.

Revenue growth is the average annual increase in revenue over the five year projection period. The revenue growth rate is determined by management based on the most recently prepared budgets for future periods and adjusted for longer term developments and plans, where such developments are known and possible to reliably forecast.

As part of the value in use calculation, management prepares cash flow forecasts derived from the most recent financial budgets, approved by the Board of Directors for the next 12 months, and extrapolates the cash flows for a period of four years. These are based on management's best estimates for the expected growth rate of the market in which the CGU operates.

The group has conducted a sensitivity analysis on the value in use of each of the CGUs. Based on the result of the value in use calculations undertaken, the directors conclude that the recoverable amount of each CGU exceeds its carrying value.

In performing the assessment of the carrying value of goodwill, the directors believe there are two CGUs where reasonably possible changes to the underlying assumptions exist that would give rise to an impairment. These CGU's are Dealerweb Group & AutoSLM and Web1on1.

For Dealerweb Group & AutoSLM, a sensitivity analysis has been performed for this cash generating unit and the recoverable amount exceeds the carrying value by £10,281,000. An increase in the post-tax discount rate of 200 basis points from 16.4% to 18.4% or a decrease in average revenue growth of 3.3% would lead to the recoverable amount of Dealerweb Group & AutoSLM equalling its carrying amount.

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**Note 15. Non-current assets - intangible assets (continued)**

For Web1on1, a sensitivity analysis has been performed for this cash generating unit and the recoverable amount exceeds the carrying value by £594,000. An increase in the post-tax discount rate of 110 basis points from 24.1% to 25.2% or a decrease in average revenue growth of 1.2% would lead to the recoverable amount of Web1on1 equalling its carrying amount.

The directors believe there are no other cash-generating units where reasonably possible changes to the underlying assumptions exist that would give rise to impairment.

**Note 16. Non-current assets - right-of-use assets**

|                                   | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|-----------------------------------|---------------------------------|-----------------------------------|
| Land and buildings - right-of-use | 1,032                           | -                                 |
| Less: Accumulated depreciation    | (232)                           | -                                 |
|                                   | <u>800</u>                      | <u>-</u>                          |
| Motor vehicles - right-of-use     | 250                             | -                                 |
| Less: Accumulated depreciation    | (46)                            | -                                 |
|                                   | <u>204</u>                      | <u>-</u>                          |
| Office equipment - right-of-use   | 5                               | -                                 |
| Less: Accumulated depreciation    | (1)                             | -                                 |
|                                   | <u>4</u>                        | <u>-</u>                          |
|                                   | <u><u>1,008</u></u>             | <u><u>-</u></u>                   |

Land and buildings right-of-use assets relate to a number of rented office spaces with expected term length of 5 years or less.

Motor vehicles right-of-use assets relate to a number of rented vehicles with expected term length of 3 years or less.

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

| <b>Group</b>                            | <b>Right of use<br/>Property<br/>£'000</b> | <b>Right of use<br/>Motor vehicle<br/>£'000</b> | <b>Right of use<br/>Office<br/>Equipment<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-----------------------------------------|--------------------------------------------|-------------------------------------------------|--------------------------------------------------------|------------------------|
| Opening balance                         | -                                          | -                                               | -                                                      | -                      |
| Additions through business combinations | 1,032                                      | 250                                             | 5                                                      | 1,287                  |
| Depreciation expense                    | (232)                                      | (46)                                            | (1)                                                    | (279)                  |
| Balance at 31 December 2022             | <u>800</u>                                 | <u>204</u>                                      | <u>4</u>                                               | <u>1,008</u>           |

**Note 17. Non-current assets - investments**

|                                          | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|------------------------------------------|---------------------------------|-----------------------------------|
| Shares in FIS3 Midco 1 Limited - at cost | <u>-</u>                        | <u>67,535</u>                     |

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**Note 17. Non-current assets - investments (continued)**

**Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries held by the company in accordance with the accounting policy described in note 1:

| <b>Name</b>                                 | <b>Principal place of business /<br/>Country of incorporation</b>                                        | <b>Holding</b>  | <b>Proportion<br/>held<br/>%</b> |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------|-----------------|----------------------------------|
| FIS3 Midco 1 Limited <sup>1</sup>           | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| FIS3 Midco 2 Limited* <sup>1</sup>          | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| FIS3 Bidco Limited* <sup>1</sup>            | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| Argus Topco Limited* <sup>1</sup>           | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| Argus Midco Limited* <sup>1</sup>           | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| Argus Bidco Limited* <sup>1</sup>           | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| CitNow Video Limited* <sup>1</sup>          | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| Zype TV Limited*                            | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| CitNow GmbH*                                | Germany - Unter den Linden 10, D-10117,<br>Berlin                                                        | Ordinary shares | 100.00%                          |
| CitNow Inc*                                 | United States - 555 North Point Center<br>East, Suite 400, Alpharetta, GA 30022                          | Ordinary shares | 100.00%                          |
| CitNow Video Italy SRL*                     | Italy - Via Paola Barison 42, Ed 12 - B5,<br>Roma (RM) 00142                                             | Ordinary shares | 100.00%                          |
| CitNow Video Benelux B.V.*                  | Netherlands - De Cuserstraat 93, 1081<br>CN, Amsterdam                                                   | Ordinary shares | 100.00%                          |
| CitNow Video France SARL*                   | France - 47 Boulevard Georges<br>Clemenceau, 92415 Courbevoie CEDEX                                      | Ordinary shares | 100.00%                          |
| CitNow Video Iberia SLU*                    | Spain - Calle, Orense 34, Planta 8, 28020<br>Madrid                                                      | Ordinary shares | 100.00%                          |
| CitNow Nordics A/S*                         | Denmark - Nymøllevej 50, 2800 Kgs.<br>Lyngby, Danmark                                                    | Ordinary shares | 100.00%                          |
| CitNow Canada Inc.*                         | Canada - 1055 West Georgia Street, 1500<br>Royal Centre, P.O. Box 11117, Vancouver<br>BC V6E 4N7, Canada | Ordinary shares | 100.00%                          |
| 8 Technology Group Limited* <sup>1</sup>    | UK - Centenary House Peninsula Park,<br>Rydon Lane, Exeter, Devon, United<br>Kingdom, EX2 7XE            | Ordinary shares | 100.00%                          |
| Eight Technology Limited*                   | UK - Centenary House Peninsula Park,<br>Rydon Lane, Exeter, Devon, United<br>Kingdom, EX2 7XE            | Ordinary shares | 100.00%                          |
| CitNow Limited* <sup>1</sup>                | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| Falamar Limited*                            | Ireland - John F. Kennedy Drive, Naas<br>Road, Dublin 12, D12T320                                        | Ordinary shares | 100.00%                          |
| Quik Video LLC*                             | USA - 100 Cummings Center Suite 427-J,<br>Beverly, MA 01915, USA.                                        | Ordinary shares | 100.00%                          |
| Reef Business Systems Limited* <sup>1</sup> | UK - Triune Court Monks Cross Drive,<br>Huntington, York, England, YO32 9GZ                              | Ordinary shares | 100.00%                          |
| Auto Imaging Limited* <sup>1</sup>          | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |
| Eloweb Limited* <sup>1</sup>                | UK - 9 Millars Brook, Molly Millars Lane,<br>Wokingham, Berkshire, RG41 2AD                              | Ordinary shares | 100.00%                          |

**FIS3 Topco Limited**  
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**Note 17. Non-current assets - investments (continued)**

|                                                |                                                                                          |                 |         |
|------------------------------------------------|------------------------------------------------------------------------------------------|-----------------|---------|
| Autoslm Ltd* <sup>1</sup>                      | UK - Turing Building Babbage Way, Clyst Honiton, Exeter, England, EX5 2FN                | Ordinary shares | 100.00% |
| Dealerdesk*                                    | Haus C4-6, Essener Str. 4, 22419 Hamburg, Germany                                        | Ordinary shares | 100.00% |
| Real Time Communications Limited* <sup>1</sup> | UK - 6 Clarence Terrace, Warwick Street, Leamington Spa, Warwickshire, England, CV32 5LD | Ordinary shares | 100.00% |
| CTS Holdings Limited* <sup>1</sup>             | UK - 6 Clarence Terrace, Warwick Street, Leamington Spa, Warwickshire, England, CV32 5LD | Ordinary shares | 100.00% |
| CTS Automotive Insights Limited* <sup>1</sup>  | UK - 6 Clarence Terrace, Warwick Street, Leamington Spa, Warwickshire, England, CV32 5LD | Ordinary shares | 100.00% |
| Web1on1 B.V.*                                  | Netherlands - Transistorsstraat 7, 1322 CJ, Almere                                       | Ordinary shares | 100.00% |
| Web1on1 DE B.V.*                               | Netherlands - Transistorsstraat 7, 1322 CJ, Almere                                       | Ordinary shares | 100.00% |

\* Indirect holdings

<sup>1</sup> The group is taking the available exemption from audit for these subsidiaries and further details are provided in note 39 or the Company accounts

The principal activities of FIS3 Midco 1 Limited, FIS3 Midco 2 Limited, FIS3 Bidco Limited, Agrus Topco Limited, Argus Midco Limited, Argus Bidco Limited, CitNow Video Limited, Falamar Limited, 8 Technology Group Limited, Eloweb Limited, CTS Holdings Limited and Web1on1 DE B.V. for the period were all that of holding companies. All other entities were trading in line with consolidated entities principal activities.

**Note 18. Non-current assets - property, plant and equipment**

|                                 | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|---------------------------------|---------------------------------|-----------------------------------|
| Plant and equipment - at cost   | 351                             | -                                 |
| Less: Accumulated depreciation  | (111)                           | -                                 |
|                                 | <u>240</u>                      | <u>-</u>                          |
| Fixtures and fittings - at cost | 248                             | -                                 |
| Less: Accumulated depreciation  | (31)                            | -                                 |
|                                 | <u>217</u>                      | <u>-</u>                          |
| Motor vehicles - at cost        | 9                               | -                                 |
|                                 | <u>466</u>                      | <u>-</u>                          |

**FIS3 Topco Limited**  
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**Note 18. Non-current assets - property, plant and equipment (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

| Group                                   | Plant and<br>Equipment<br>£'000 | Fixtures and<br>Fittings<br>£'000 | Motor<br>Vehicles<br>£'000 | Total<br>£'000 |
|-----------------------------------------|---------------------------------|-----------------------------------|----------------------------|----------------|
| Balance at 29 June 2022                 | -                               | -                                 | -                          | -              |
| Additions                               | 13                              | 27                                | -                          | 40             |
| Additions through business combinations | 271                             | 221                               | 11                         | 503            |
| Disposals                               | -                               | -                                 | (2)                        | (2)            |
| Depreciation expense                    | (44)                            | (31)                              | -                          | (75)           |
| Balance at 31 December 2022             | <u>240</u>                      | <u>217</u>                        | <u>9</u>                   | <u>466</u>     |

**Note 19. Non-current assets - Intercompany loan notes**

|                         | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|-------------------------|------------------------|--------------------------|
| Intercompany loan notes | <u>-</u>               | <u>9,827</u>             |

**Note 20. Non-current assets - trade receivables**

|                   | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|-------------------|------------------------|--------------------------|
| Trade receivables | <u>419</u>             | <u>-</u>                 |

**Note 21. Current liabilities - trade and other payables**

|                                    | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|------------------------------------|------------------------|--------------------------|
| Trade payables                     | 1,823                  | -                        |
| Accrued expenses                   | 4,441                  | 97                       |
| Other creditors                    | 761                    | -                        |
| Amounts owed by group undertakings | <u>-</u>               | <u>404</u>               |
|                                    | <u>7,025</u>           | <u>501</u>               |

Refer to note 36 for further information on financial instruments.

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



**FIS3 Topco Limited**  
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**Note 22. Current liabilities - contract liabilities**

|                                                                                                                       | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|
| Contract liabilities                                                                                                  | <u>2,291</u>                    | <u>-</u>                          |
| <i>Reconciliation</i>                                                                                                 |                                 |                                   |
| Reconciliation of the written down values at the beginning and end of the current financial period are set out below: |                                 |                                   |
| Opening balance                                                                                                       | -                               | -                                 |
| Additions through business combinations                                                                               | 3,857                           | -                                 |
| Additions                                                                                                             | 455                             | -                                 |
| Transfer to revenue - performance obligations satisfied in previous periods                                           | <u>(990)</u>                    | <u>-</u>                          |
| Closing balance                                                                                                       | <u>3,322</u>                    | <u>-</u>                          |

*Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was £3,322,000 as at 31 December 2022 and is expected to be recognised as revenue in future periods as follows:

|                  | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|------------------|---------------------------------|-----------------------------------|
| Within 12 months | 2,291                           | -                                 |
| 12 to 24 months  | <u>1,031</u>                    | <u>-</u>                          |
|                  | <u>3,322</u>                    | <u>-</u>                          |

**Note 23. Current liabilities - provisions**

|                        | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|------------------------|---------------------------------|-----------------------------------|
| Deferred consideration | <u>4,442</u>                    | <u>-</u>                          |

Refer to note 27 for further information on deferred consideration payable.

**Note 24. Current liabilities - lease liabilities**

|                 | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|-----------------|---------------------------------|-----------------------------------|
| Lease liability | <u>477</u>                      | <u>-</u>                          |

Refer to note 36 for further information on financial instruments.

The Group operates as a lessee.

**FIS3 Topco Limited**  
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**Note 24. Current liabilities - lease liabilities (continued)**

|                                        | <b>Group<br/>2022<br/>£'000</b> |
|----------------------------------------|---------------------------------|
| Opening balance                        | -                               |
| Additions                              | -                               |
| Additions due to business combinations | 1,271                           |
| Lease payments                         | (298)                           |
| Interest expense                       | 35                              |
|                                        | <u>1,008</u>                    |
| Closing balance                        | <u>1,008</u>                    |

|                                 | <b>Group<br/>£'000<br/>2022</b> |
|---------------------------------|---------------------------------|
| <b>Maturity analysis</b>        |                                 |
| Within 1 year                   | 477                             |
| Between 2 and 5 years (note 29) | 531                             |
|                                 | <u>1,008</u>                    |

**Note 25. Current liabilities - income tax creditor**

|                     | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|---------------------|---------------------------------|-----------------------------------|
| Income tax creditor | <u>636</u>                      | <u>-</u>                          |

**Note 26. Non-current liabilities - contract liabilities**

|                      | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|----------------------|---------------------------------|-----------------------------------|
| Contract liabilities | <u>1,031</u>                    | <u>-</u>                          |

**Note 27. Non-current liabilities - provisions**

|                        | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|------------------------|---------------------------------|-----------------------------------|
| Deferred consideration | <u>3,158</u>                    | <u>-</u>                          |

*Deferred consideration*

The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability.

The key assumptions vary by acquisition but are all significantly dependent on future business performance, EBITDA/results as defined within each individual purchase agreement. All of these assumptions have been reviewed during the period.

The timings of payments are set out within financial instruments note 36.

**FIS3 Topco Limited**  
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**Note 27. Non-current liabilities - provisions (continued)**

*Movements in provisions*

Movements in each class of provision during the current financial period, other than employee benefits, are set out below:

Deferred consideration of £7,600,000 includes £4,442,000 current and £3,158,000 non-current.

|                                                 | Deferred<br>consideration<br>£'000 |
|-------------------------------------------------|------------------------------------|
| <b>Group - 2022</b>                             |                                    |
| Carrying amount at the start of the period      | -                                  |
| Additions through business combinations note 40 | 6,963                              |
| Unwinding of discount                           | 637                                |
|                                                 | <hr/>                              |
| Carrying amount at the end of the period        | <u>7,600</u>                       |

**Note 28. Non-current liabilities - borrowings**

|                   | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|-------------------|------------------------|--------------------------|
| Bank loans        | 111,523                | -                        |
| Loan notes        | 79,618                 | -                        |
| Preference shares | 79,618                 | 79,618                   |
|                   | <hr/>                  | <hr/>                    |
|                   | <u>270,759</u>         | <u>79,618</u>            |

Refer to note 36 for further information on financial instruments.

The bank loan was taken out on the 15 July 2022 and terminates on 06 July 2029. Interest accrues at margin plus base rate. Margin can vary between 3.25% and 10.5% depending on the level of leverage and the part of facility being assessed. Base rates relate to EURIBOR and SONIA.

An amendment and restatement on the loan agreement was agreed on 21 October 2022 resulting in the establishment a further £6,000,000 acquisition facility and £4,000,000 revolving credit facility.

Further acquisition facility drawdowns occurred on 12 August 2022 and 09 September 2022 both of which terminate on 07 July 2029. Interest accrues at margin plus base rate. Margin can vary between 5.75% and 6.75% depending on the level of leverage and the part of facility being assessed. Base rates relate to EURIBOR.

The preference shares were issued on 15 July 2022 and are redeemable at par together with any accrued interest on 15 July 2032. All preference shares accrue interest at 10% fixed rate and compound each financial year.

The carrying value is deemed to approximate fair value for all balances contained within borrowings.

*Assets pledged as security*

The bank loan is secured by a debenture issue by FIS3 Bidco Limited and fellow group companies over all assets.

The external loan notes issued by the company are secured by both fixed and floating charges over the assets of the company.

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**Note 28. Non-current liabilities - borrowings (continued)**

|              | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|--------------|---------------------------------|-----------------------------------|
| A Loan notes | 69,899                          | -                                 |
| B Loan notes | 9,719                           | -                                 |
|              | <u>79,618</u>                   | <u>-</u>                          |

The loan notes were issued on 15 July 2022 and are redeemable at par together with any accrued interest on 15 July 2032. All loan notes accrue interest at 10% fixed rate and compound each financial year end.

**Note 29. Non-current liabilities - lease liabilities**

|                 | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|-----------------|---------------------------------|-----------------------------------|
| Lease liability | <u>531</u>                      | <u>-</u>                          |

Refer to note 36 for further information on financial instruments.

**Note 30. Non-current liabilities - deferred tax**

|                                                                                | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|--------------------------------------------------------------------------------|---------------------------------|-----------------------------------|
| <i>Deferred tax liability comprises temporary differences attributable to:</i> |                                 |                                   |
| Amounts recognised in profit or loss:                                          |                                 |                                   |
| Fixed asset timing differences                                                 | 378                             | -                                 |
| Short term timing differences                                                  | (18)                            | -                                 |
| Intangible fixed asset timing differences                                      | 20,165                          | -                                 |
| Losses and other deductions                                                    | (3,831)                         | -                                 |
| Deferred tax liability                                                         | <u>16,694</u>                   | <u>-</u>                          |
| <i>Movements:</i>                                                              |                                 |                                   |
| Opening balance                                                                | -                               | -                                 |
| Credited to profit or loss (note 8)                                            | (2,976)                         | -                                 |
| Additions through business combinations                                        | 19,670                          | -                                 |
| Closing balance                                                                | <u>16,694</u>                   | <u>-</u>                          |

Deferred tax assets have been recognised at entity level in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered. Additional deferred tax assets are recognised based on there being sufficient deferred tax liabilities arising on intangible fixed assets acquired by way of business combinations, existing at the end of the period. The intangible fixed assets will unwind over their remaining useful lives, generating taxable profits to support the recognition of deferred tax assets.

The group has gross trading losses of £2,500,000 and restricted interest of £3,200,000 on which no deferred tax asset is recognised. The group also has capital losses of £100,000 on which no deferred tax asset is recognised.

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**Note 31. Equity - issued capital**

|                          | <b>Number<br/>2022</b> | <b>Nominal<br/>value (£)<br/>2022</b> | <b>Share<br/>premium (£)<br/>2022</b> | <b>Total value<br/>(£)<br/>2022</b> |
|--------------------------|------------------------|---------------------------------------|---------------------------------------|-------------------------------------|
| Ordinary £0.01 A1 shares | 729,575                | 7,296                                 | 722,280                               | 729,576                             |
| Ordinary £0.01 A2 shares | 16,666                 | 166                                   | 16,499                                | 16,665                              |
| Ordinary £0.01 B shares  | 103,757                | 1,038                                 | 102,719                               | 103,757                             |
|                          | <u>849,998</u>         | <u>8,500</u>                          | <u>841,498</u>                        | <u>849,998</u>                      |

On 29th June 2022 company incorporated with 1 £1 ordinary share which was subsequently redesignated on 15 July as part of the share issues made.

On 15 July 2022 729,575 Ordinary £0.01 A1 shares were issued for a total value of £729,576.

On 15 July 2022 16,666 Ordinary £0.01 A2 shares were issued for a total value of £16,665.

On 15 July 2022 103,757 Ordinary £0.01 B shares were issued for a total value of £103,757.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Holders of the A1 ordinary shares carry one vote per share.

Holders of the A2 ordinary shares carry no voting rights.

Holders of the B ordinary shares carry one vote per share.

*Capital risk management*

The consolidated group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

**Note 32. Equity - share premium account**

|                       | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|-----------------------|---------------------------------|-----------------------------------|
| Share premium reserve | <u>841</u>                      | <u>841</u>                        |

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**Note 33. Equity - currency translation reserve**

|                  | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|------------------|---------------------------------|-----------------------------------|
| Foreign exchange | <u>28</u>                       | <u>-</u>                          |

**Note 34. Equity - accumulated losses**

|                                                           | <b>Group<br/>2022<br/>£'000</b> | <b>Company<br/>2022<br/>£'000</b> |
|-----------------------------------------------------------|---------------------------------|-----------------------------------|
| Retained profits at the beginning of the financial period | -                               | -                                 |
| Loss after income tax benefit for the period              | <u>(22,251)</u>                 | <u>(3,586)</u>                    |
| Accumulated losses at the end of the financial period     | <u>(22,251)</u>                 | <u>(3,586)</u>                    |

**Note 35. Equity - dividends**

There were no dividends paid, recommended or declared during the current financial period.

**Note 36. Financial instruments**

***Financial risk management objectives***

The Group's operations may expose it to a variety of financial risks that include the market risk, credit risk, operational risk and liquidity risk. The Group, through its Board of Directors, seeks to limit the adverse effects on the financial performance of the Group as follows:

***Market risk***

***Foreign currency risk***

The Group is exposed to translational and transactional foreign exchange risk as it operates in various currencies, including US Dollars and the Euro, which affect the management and levels of working capital.

The Group operates bank accounts in both US dollars and Euros in order to naturally hedge the sales and purchases made within these currencies.

***Inflation risk***

The Group has exposure to the inflationary effect in countries in which it operates. This exposure could affect the Group's cost and/or investment base. The Group's cost base is mainly exposed to the inflation rates and changes in payroll taxes in the UK.

No specific hedging of inflation risk has been carried out although any forecast movement in inflation forecasts is modelled within the Group's financial forecasts for adverse effects and to ensure adequate working capital is available for operations.

***Interest rate risk***

Interest rate risk arises primarily on the Group's borrowings or on its investment of the cash balances. In particular, interest on the Group's borrowing is affected by SONIA and EURIBOR.

Group loss is therefore effected by changes in SONIA and EURIBOR rates. Illustrated below is the impact of an increase in interest rates by 100 basis points or decrease by 100 basis points.

**FIS3 Topco Limited**  
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**Note 36. Financial instruments (continued)**

**Impact on  
loss  
before tax  
2022  
£'000**

**Sensitivity**

Interest rates - increase by 100 basis points

(487)

Interest rates - decrease by 100 basis points

487

The consolidated group finances its operations through retained cash reserves and a loan facility. The policy of the Group is to monitor exposure to interest rate risk and take into account potential movements in interest rates as well as liquidity considerations when selecting methods of financing. During the period the group entered into a number of interest rate caps in order to best mitigate the risk of future interest rate rises.

**Credit risk**

Credit risk is the risk that a third party might fail to fulfil its performance obligations under the terms of a financial instrument. For cash and cash equivalents and trade and other receivables, credit risk represents the carrying amount on the balance sheet.

The Group's business will be predominantly with companies with a low inherent bad debt risk. The Group is therefore unlikely to take out credit insurance in the foreseeable future.

The Group will only invest surplus funds in UK bank/building society deposits, denominated in pounds sterling. Furthermore, funds will only be invested with Prudential Regulatory Authority regulated UK financial institutions. In addition, only banks or building societies obtaining a satisfactory rating — at least an A grade (high quality/upper medium grade/strong) — with Standard and Poors, Fitch and Moody's will be selected.

**Liquidity risk**

Liquidity risk is the risk of loss from not having access to sufficient funds to meet both expected and unexpected cash demands.

The Group seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely as well as profitably. The Group's working capital report shows forecast monthly movements in working capital and cash for the following year. It is planned to secure a short-term overdraft facility to be used, for example, to bridge any time gap between day-to-day cash requirements and the release of cash from deposit accounts with notice.

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**Note 36. Financial instruments (continued)**

*Remaining contractual maturities*

The following tables detail the consolidated group's and company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as *remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.*

| <b>Group - 2022</b>                | Weighted<br>average<br>interest rate<br>% | 1 year or less<br>£'000 | Between 1<br>and 2 years<br>£'000 | Between 2<br>and 5 years<br>£'000 | Over 5 years<br>£'000 | Remaining<br>contractual<br>maturities<br>£'000 |
|------------------------------------|-------------------------------------------|-------------------------|-----------------------------------|-----------------------------------|-----------------------|-------------------------------------------------|
| <b>Non-derivatives</b>             |                                           |                         |                                   |                                   |                       |                                                 |
| <i>Non-interest bearing</i>        |                                           |                         |                                   |                                   |                       |                                                 |
| Trade payables                     | -                                         | 1,823                   | -                                 | -                                 | -                     | 1,823                                           |
| Other creditors                    | -                                         | 761                     | -                                 | -                                 | -                     | 761                                             |
| Accrued expense                    | -                                         | 4,441                   | -                                 | -                                 | -                     | 4,441                                           |
| Contract liabilities               | -                                         | 2,291                   | 1,031                             | -                                 | -                     | 3,322                                           |
| Deferred consideration             | -                                         | 4,442                   | 3,158                             | -                                 | -                     | 7,600                                           |
| <i>Interest-bearing - variable</i> |                                           |                         |                                   |                                   |                       |                                                 |
| Bank loans                         | 9.00%                                     | 8,064                   | 8,072                             | 24,168                            | 148,747               | 189,051                                         |
| Loan notes                         | 10.00%                                    | -                       | -                                 | -                                 | 197,789               | 197,789                                         |
| Preference shares                  | 10.00%                                    | -                       | -                                 | -                                 | 197,789               | 197,789                                         |
| Other                              | -                                         | 8                       | 17                                | -                                 | -                     | 25                                              |
| <b>Total non-derivatives</b>       |                                           | <b>21,830</b>           | <b>12,278</b>                     | <b>24,168</b>                     | <b>544,325</b>        | <b>602,601</b>                                  |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Operational risk**

The Group has numerous operational risks, ranging from control over bank accounts to its processes for delivering and supporting its clients to a required level of quality, safety and on a timely basis and retention and recruitment of key personnel. A key risk, as for any Group, is the reputational risk that might arise from poor execution, non-delivery or late delivery of a high profile project or breach of confidentiality for sensitive data.

The Group's directors regularly review controls over certain aspects of the operation of the Group. In addition, the directors maintain an operational risk register. Such a detailed operation risk review is outside the scope of the policy document but the Board attaches importance to maintaining appropriate internal controls to help identify financial risk and treasury management implications.

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated group and company are as follows:



**FIS3 Topco Limited**  
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**Note 36. Financial instruments (continued)**

*Financial instrument by category*

| <b>Group</b>                    | <b>2022<br/>Carrying<br/>amount<br/>£'000</b> |
|---------------------------------|-----------------------------------------------|
| <i>Assets</i>                   |                                               |
| Cash at bank                    | 6,966                                         |
| Trade receivables current       | 4,911                                         |
| Other receivables               | 117                                           |
| Trade receivables - non current | 419                                           |
| Derivative financial assets     | 1,092                                         |
|                                 | <u>13,505</u>                                 |
| <i>Liabilities</i>              |                                               |
| Trade payables                  | 1,823                                         |
| Other payables                  | 5,202                                         |
| Deferred consideration          | 7,600                                         |
| Bank loans                      | 114,285                                       |
| Loan notes                      | 79,618                                        |
| Preference shares               | 79,618                                        |
|                                 | <u>288,146</u>                                |

All the consolidated group's financial assets and liabilities are at amortised cost.

At the end of the reporting period, there are no significant concentrations of credit risk for loans and receivables. The carrying amount reflected above represents the Group's maximum exposure to credit risk.

**Note 37. Auditor remuneration**

During the financial period the following fees were paid or payable for services provided by BDO LLP, the auditor of the company, and its associates:

|                                   | <b>Group<br/>2022<br/>£'000</b> |
|-----------------------------------|---------------------------------|
| <i>Audit services</i>             |                                 |
| Audit of the financial statements | <u>288</u>                      |
| <i>Other services</i>             |                                 |
| Preparation of the tax return     | 65                              |
| Thin capitalisation review        | <u>21</u>                       |
|                                   | <u>86</u>                       |
|                                   | <u><u>374</u></u>               |

**Note 38. Related party transactions**

*Parent entity*

FIS3 Topco Limited is the parent entity.

*Ultimate controlling party*

The ultimate controlling party is Livingbridge 7 Global LP.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
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**Note 38. Related party transactions (continued)**

*Key management personnel*

Key management personnel have been identified as the Executive directors, with their remuneration being disclosed in note 6 to the financial statements.

*Loans to/from related parties and key management*

Loan notes of £9,719,000 in issue as at 31 December 2022 are owned by management, including previous management team members. Interest of £433,000 accumulated in the period on these, the amounts that were not paid during the period were compounded on the 31 December 2022 and therefore included in the principal loan note balance.

Loan notes of £1,561,000 in issue as at 31 December 2022 are owned by Barings and affiliated entities. Interest of £69,000 accumulated in the period on these, the amounts that were not paid during the period were compounded on the 31 December 2022 and therefore included in the principal loan note balance.

Preference shares of £9,719,000 in issue as at 31 December 2022 are owned by management, including previous management team members. Interest of £433,000 accumulated in the period on these, the amounts that were not paid during the period were compounded on the 31 December 2022 and therefore included in the principal loan note balance.

Preference shares of £1,561,000 in issue as at 31 December 2022 are owned by Barings and affiliated entities. Interest of £69,000 accumulated in the period on these, the amounts that were not paid during the period were compounded on the 31 December 2022 and therefore included in the principal loan note balance.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 39. Commitments and contingencies**

As per note 17, FIS3 Topco Limited has taken the audit exemption for a number of subsidiaries by virtue of s479A of the Companies Act. A Parent Company guarantee has been provided for these entities under s479C of the Companies Act.

**FIS3 Topco Limited**  
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**Note 40. Business combinations**

*Argus Topco Limited*

On 15 July 2022 Fis3 Bidco, a subsidiary company, acquired 100% of the ordinary shares of Argus Topco Limited for the total consideration of £141,894,000 consisting of £123,218,000 cash and £18,676,000 loan note consideration. The acquired business contributed revenues of £19,927,000 and loss before tax of £1,261,000 to the consolidated group for the period from 15 July 2022 to 31 December 2022. If the acquisition occurred on 1 January 2022, the full year contributions would have been revenues of £45,533,000 and loss before tax of £3,007,000. The values identified in relation to the acquisition of Argus Topco Limited are final as at 31 December 2022.

Details of the acquisition are as follows:

|                                                                           | <b>Book<br/>Value<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Fair<br/>Value<br/>£'000</b> |
|---------------------------------------------------------------------------|---------------------------------|------------------------------|---------------------------------|
| Cash and cash equivalents                                                 | 4,602                           | -                            | 4,602                           |
| Trade receivables                                                         | 5,162                           | -                            | 5,162                           |
| Income tax debtor                                                         | 164                             | -                            | 164                             |
| Other receivables                                                         | 901                             | -                            | 901                             |
| Contract assets                                                           | 619                             | -                            | 619                             |
| Inventories                                                               | 2                               | -                            | 2                               |
| Property, plant and equipment                                             | 448                             | -                            | 448                             |
| Right-of-use assets                                                       | 689                             | -                            | 689                             |
| Software                                                                  | 689                             | 24,361                       | 25,050                          |
| Customer relationships                                                    | -                               | 36,379                       | 36,379                          |
| Brand                                                                     | -                               | 8,213                        | 8,213                           |
| Trade payables                                                            | (2,162)                         | -                            | (2,162)                         |
| Other payables                                                            | (10,934)                        | -                            | (10,934)                        |
| Contract liabilities                                                      | (3,321)                         | 469                          | (2,852)                         |
| Deferred tax liability                                                    | 11                              | (17,061)                     | (17,050)                        |
| Loan notes                                                                | (27,565)                        | -                            | (27,565)                        |
| Bank loans                                                                | (33,929)                        | -                            | (33,929)                        |
| Lease liability                                                           | (689)                           | -                            | (689)                           |
| <b>Net liabilities acquired</b>                                           | <b>(65,313)</b>                 | <b>52,361</b>                | <b>(12,952)</b>                 |
| Goodwill                                                                  |                                 |                              | 154,846                         |
| <b>Acquisition-date fair value of the total consideration transferred</b> |                                 |                              | <b>141,894</b>                  |
| Representing:                                                             |                                 |                              |                                 |
| Cash paid to vendor                                                       |                                 |                              | 123,218                         |
| Loan note consideration                                                   |                                 |                              | 18,676                          |
|                                                                           |                                 |                              | <b>141,894</b>                  |

Acquisition costs of £6,091,000 expensed to profit or loss.

Following the issue of £18,676,000 loan note consideration these were redesignated into £103,000 Ordinary £0.01 B shares, £9,286,000 loan notes and £9,286,000 preference shares.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
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**Note 40. Business combinations (continued)**

*AutoSLM Limited*

On 12 August 2022 Argus Bidco, a subsidiary company, acquired 100% of the ordinary shares of AutoSLM Limited for the total consideration of £1,478,000 consisting of £1,362,000 cash and £116,000 deferred consideration. The acquisition also included consideration classified as contingent remuneration with a value of up to £600,000. The acquired business contributed revenues of £188,000 and profit before tax of £166,000 to the consolidated group for the period from 12 August 2022 to 31 December 2022. If the acquisition occurred on 1 January 2022, the full year contributions would have been revenues of £382,000 and profit before tax of £125,000. The values identified in relation to the acquisition of AutoSLM Limited are final as at 31 December 2022.

Details of the acquisition are as follows:

|                                                                           | <b>Book<br/>Value<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Fair<br/>Value<br/>£'000</b> |
|---------------------------------------------------------------------------|---------------------------------|------------------------------|---------------------------------|
| Cash and cash equivalents                                                 | 27                              | -                            | 27                              |
| Trade receivables                                                         | 77                              | -                            | 77                              |
| Property, plant and equipment                                             | 1                               | -                            | 1                               |
| Right-of-use assets                                                       | 15                              | -                            | 15                              |
| Customer relationships                                                    | -                               | 888                          | 888                             |
| Other payables                                                            | (24)                            | -                            | (24)                            |
| Contract liabilities                                                      | (35)                            | -                            | (35)                            |
| Income tax creditor                                                       | (6)                             | -                            | (6)                             |
| Deferred tax liability                                                    | -                               | (219)                        | (219)                           |
| Bank loans                                                                | (38)                            | -                            | (38)                            |
| Lease liability                                                           | (11)                            | -                            | (11)                            |
| <b>Net assets acquired</b>                                                | <b>6</b>                        | <b>669</b>                   | <b>675</b>                      |
| Goodwill                                                                  |                                 |                              | 803                             |
| <b>Acquisition-date fair value of the total consideration transferred</b> |                                 |                              | <b>1,478</b>                    |
| Representing:                                                             |                                 |                              |                                 |
| Cash paid to vendor                                                       |                                 |                              | 1,362                           |
| Deferred consideration                                                    |                                 |                              | 116                             |
|                                                                           |                                 |                              | <b>1,478</b>                    |

Acquisition costs of £159,000 expensed to profit or loss.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
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**Note 40. Business combinations (continued)**

*CTS Holdings Limited*

On 12 August 2022 Argus Bidco, a subsidiary company, acquired 100% of the ordinary shares of CTS Holdings Limited for the total consideration of £25,180,000 consisting of £22,194,000 cash, £2,986,000 deferred contingent consideration and contingent remuneration with no capped value. The deferred contingent consideration, which has no capped value, was recorded at a fair value of £4,016,000 at the acquisition date before discounting for time value of money. The acquired business contributed revenues of £2,397,000 and loss before tax of £546,000 to the consolidated group for the period from 12 August 2022 to 31 December 2022. If the acquisition occurred on 1 January 2022, the full year contributions would have been revenues of £5,616,000 and profit before tax of £957,000. The values identified in relation to the acquisition of CTS Holdings Limited are final as at 31 December 2022.

Details of the acquisition are as follows:

|                                                                           | <b>Book<br/>value<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Fair<br/>Value<br/>£'000</b> |
|---------------------------------------------------------------------------|---------------------------------|------------------------------|---------------------------------|
| Cash and cash equivalents                                                 | 1,961                           | -                            | 1,961                           |
| Trade receivables                                                         | 757                             | -                            | 757                             |
| Other receivables                                                         | 82                              | -                            | 82                              |
| Property, plant and equipment                                             | 8                               | -                            | 8                               |
| Right-of-use assets                                                       | 304                             | -                            | 304                             |
| Software                                                                  | 692                             | 2,150                        | 2,842                           |
| Customer relationships                                                    | -                               | 3,263                        | 3,263                           |
| Brand                                                                     | 355                             | (112)                        | 243                             |
| Trade payables                                                            | (246)                           | -                            | (246)                           |
| Other payables                                                            | (684)                           | -                            | (684)                           |
| Contract liabilities                                                      | (969)                           | -                            | (969)                           |
| Income tax creditor                                                       | (53)                            | -                            | (53)                            |
| Deferred tax liability                                                    | 1,338                           | (1,385)                      | (47)                            |
| Bank loans                                                                | (100)                           | -                            | (100)                           |
| Lease liability                                                           | (304)                           | -                            | (304)                           |
| <b>Net assets acquired</b>                                                | <b>3,141</b>                    | <b>3,916</b>                 | <b>7,057</b>                    |
| Goodwill                                                                  |                                 |                              | 18,123                          |
| <b>Acquisition-date fair value of the total consideration transferred</b> |                                 |                              | <b>25,180</b>                   |
| Representing:                                                             |                                 |                              |                                 |
| Cash paid to vendor                                                       |                                 |                              | 22,194                          |
| Deferred consideration                                                    |                                 |                              | 2,986                           |
|                                                                           |                                 |                              | <b>25,180</b>                   |

Acquisition costs of £385,000 expensed to profit or loss.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
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**Note 40. Business combinations (continued)**

*Eloweb Limited*

On 02 September 2022 Argus Bidco, a subsidiary company, acquired 100% of the ordinary shares of Eloweb Limited for the total consideration of £5,794,000 consisting of cash only. The acquired business contributed revenues of £500,000 and loss before tax of £11,000 to the consolidated group for the period from 2 September 2022 to 31 December 2022. If the acquisition occurred on 1 January 2022, the full year contributions would have been revenues of £1,509,000 and profit before tax of £76,000. The values identified in relation to the acquisition of Eloweb Limited are final as at 31 December 2022.

Details of the acquisition are as follows:

|                                                                           | <b>Book<br/>Value<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Fair<br/>Value<br/>£'000</b> |
|---------------------------------------------------------------------------|---------------------------------|------------------------------|---------------------------------|
| Cash and cash equivalents                                                 | 8                               |                              | 8                               |
| Trade receivables                                                         | 160                             | -                            | 160                             |
| Property, plant and equipment                                             | 28                              | -                            | 28                              |
| Right-of-use assets                                                       | 48                              | -                            | 48                              |
| Software                                                                  | 236                             | 285                          | 521                             |
| Customer relationships                                                    | -                               | 711                          | 711                             |
| Brand                                                                     | -                               | 54                           | 54                              |
| Trade payables                                                            | (98)                            | -                            | (98)                            |
| Other payables                                                            | (60)                            | -                            | (60)                            |
| Deferred tax liability                                                    | 25                              | (317)                        | (292)                           |
| Bank loans                                                                | (141)                           | -                            | (141)                           |
| Lease liability                                                           | (36)                            | -                            | (36)                            |
| <b>Net assets acquired</b>                                                | <b>170</b>                      | <b>733</b>                   | <b>903</b>                      |
| Goodwill                                                                  |                                 |                              | 4,891                           |
| <b>Acquisition-date fair value of the total consideration transferred</b> |                                 |                              | <b>5,794</b>                    |
| Representing:                                                             |                                 |                              |                                 |
| Cash paid to vendor                                                       |                                 |                              | 5,794                           |
|                                                                           |                                 |                              | <b>5,794</b>                    |

Acquisition costs of £133,000 expensed to profit or loss.

**FIS3 Topco Limited**  
**Notes to the financial statements**  
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**Note 40. Business combinations (continued)**

*Dealerdesk GmbH*

On 12 September 2022 Argus Bidco, a subsidiary company, acquired 100% of the ordinary shares of dealerdesk GmbH for the total consideration of £13,347,000 (€15,371,000), consisting of £9,486,000 (€10,925,000) cash and £3,861,000 (€4,446,000) deferred contingent consideration. The deferred contingent consideration has a value of up to £10,758,000 (€12,390,000) of which £4,872,000 (€5,611,300) was recorded as fair value at the acquisition date before discounting for time value of money. The acquired business contributed revenues of £1,408,000 (€1,652,000) and profit before tax of £108,000 (€127,000) to the consolidated group for the period from 12 September 2022 to 31 December 2022. If the acquisition occurred on 1 January 2022, the full year contributions would have been revenues of £4,351,000 (€5,105,000) and profit before tax of £896,000 (€1,061,000). The values identified in relation to the acquisition of dealerdesk GmbH are final as at 31 December 2022.

Details of the acquisition are as follows:

|                                                                           | <b>Book<br/>Value<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Fair<br/>Value<br/>£'000</b> |
|---------------------------------------------------------------------------|---------------------------------|------------------------------|---------------------------------|
| Cash and cash equivalents                                                 | 967                             | -                            | 967                             |
| Trade receivables                                                         | 461                             | -                            | 461                             |
| Other receivables                                                         | 95                              | -                            | 95                              |
| Property, plant and equipment                                             | 18                              | -                            | 18                              |
| Right-of-use assets                                                       | 231                             | -                            | 231                             |
| Software                                                                  | -                               | 3,244                        | 3,244                           |
| Customer relationships                                                    | -                               | 3,445                        | 3,445                           |
| Brand                                                                     | -                               | 201                          | 201                             |
| Other payables                                                            | (180)                           | -                            | (180)                           |
| Income tax creditor                                                       | (568)                           | -                            | (568)                           |
| Deferred tax liability                                                    | -                               | (2,063)                      | (2,063)                         |
| Lease liability                                                           | (231)                           | -                            | (231)                           |
| <b>Net assets acquired</b>                                                | <b>793</b>                      | <b>4,827</b>                 | <b>5,620</b>                    |
| Goodwill                                                                  |                                 |                              | 7,727                           |
| <b>Acquisition-date fair value of the total consideration transferred</b> |                                 |                              | <b>13,347</b>                   |
| Representing:                                                             |                                 |                              |                                 |
| Cash paid to vendor                                                       |                                 |                              | 9,486                           |
| Deferred consideration                                                    |                                 |                              | 3,861                           |
|                                                                           |                                 |                              | <b>13,347</b>                   |

Acquisition costs of £480,000 expensed to profit or loss.

**Note 41. Events after the reporting period**

On 31 May 2023 Argus Bidco Limited, a wholly owned subsidiary, acquired the entire share capital of Vehicle Vision International Limited for an initial consideration of £2,500,000 and contingent consideration of up to £300,000.