

Company Registration No. 12192019

Castle Acquisition Limited

Annual Report and Financial Statements

For the year ended 31 December 2021



Castle Acquisition Limited

Annual report and financial statements for the year ended 31 December 2021

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Castle Acquisition Limited

Annual report and financial statements for the year ended 31 December 2021

Officers and professional advisers

Directors

E Kalawski
I Downie
M Sigler

Registered office

100 New Bridge Street
London
EC4V 6JA
United Kingdom

Independent auditors

PricewaterhouseCoopers LLP
40 Clarendon Road
Watford
WD17 1JJ

Castle Acquisition Limited

Strategic report for the year ended 31 December 2021

The directors present their strategic report and audited financial statements of Castle Acquisition Limited (the "Company") for the year ended 31 December 2021.

Review of the business

The Company is part of the Cision group of companies for which Castle Top Holding Limited is the top company. Castle Top Holding Limited and its subsidiaries together are referred to as the group, or Cision, for the purpose of these financial statements (hereinafter, the "Group").

On 1 June 2021, Castle Intermediate Holding II Limited, an subsidiary of the Company, completed the acquisition of Runtime Collective Limited ("Brandwatch"). The purchase price was \$453.1 million and consisted of \$363.1 million in cash consideration, and the issuance of shares of common stock of Castle Intermediate Holding II Limited valued at \$90.0 million. The addition of Brandwatch enabled the Group to bring social media management to its existing press release and consumer intelligence business. At the date of the acquisition, Brandwatch had over 500 employees with offices in England, France, Spain, Germany, Singapore, Australia, and the United States. Results of operations for Brandwatch will be included in the Group's consolidated financial statements from the date of acquisition.

The Company is an investment holding company that does not carry out a trade. The loss for the year is driven by interest due to group companies, with the interest expense exceeding interest income on intercompany loans. There are also intercompany recharges from Cision Group Limited, another group company. During the year the Company issued 1 ordinary share at a value of \$1.30 per share with a total share premium of \$40,207,963.

At the balance sheet date the Company had net assets of \$847,553,544.

No changes are expected to the performance or position of the Company in the foreseeable future.

Principal Risk and Uncertainties

As an investment holding company the principal risk that the Company is exposed to is the recoverability of its investment values. The directors carry out an annual assessment for indicators of impairment of these investments and regular performance reviews of their underlying businesses.

The potential impact of COVID-19 on the business

The COVID-19 outbreak and resulting measures taken by various governments to contain the virus have negatively affected the economy worldwide over the past two years. Following a successful vaccination programme, the Group is now seeing economic activity stabilising.

The Company and its subsidiaries have not seen a material impact due to COVID-19. The risk to the Company remained low throughout the pandemic as the services of the Group are considered essential by its customers and is not dependent on any one particular client base or industry. The Group continues to follow the guidance applicable in each local region, including remote working, in order to keep its employees safe. The Company has not seen any negative impact on Group liquidity or funding.

The potential impact of the war in Ukraine on the business

Russia's invasion of Ukraine in Q1-2022 continues to evolve as military activity proceeds and additional sanctions are imposed. The Company is complying with all newly imposed legal requirements and sanctions and has paused business services in Russia across all product lines. The Company and its subsidiaries have not seen a material impact as a result of these measures.

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

WRB

M Sigler
Director
Date:

3 October 2022

Castle Acquisition Limited

Directors' report for the year ended 31 December 2021

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

Results and Dividends

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The loss for the year is \$893,249 (2020: \$41,761,171). The loss for the year is driven by interest payable on intercompany debt, and intercompany recharges from Cision Group Limited, another group company.

No dividends were distributed for the year ended 31 December 2021 (2020: nil).

Directors

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

E Kalawski
I Downie
M Sigler

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The entity's ability to continue as a going concern – COVID-19

The Company and its subsidiaries have not seen a material impact due to COVID-19. The risk to the Company remained low throughout the pandemic as the services of the Group are considered essential by its customers and is not dependent on any one particular client base or industry. The Group continues to follow the guidance applicable in each local region, including remote working, in order to keep its employees safe. The Company has not seen any negative impact on Group liquidity or funding.

The potential impact of the war in Ukraine on the business

Russia's invasion of Ukraine in Q1-2022 continues to evolve as military activity proceeds and additional sanctions are imposed. The Company is complying with all newly imposed legal requirements and sanctions and has paused business services in Russia across all product lines. The Company and its subsidiaries have not seen a material impact as a result of these measures.

Future developments

No change to the Company's activity is expected in the foreseeable future.

Financial risk management objectives and policies

As an investment holding company the principal risk that the Company is exposed to is the recoverability of its investment values. The directors carry out annual impairment reviews of these investments and regular performance reviews of their underlying businesses.

Financial instruments

The Company's principal financial instruments comprise amounts owed to and amounts owed by other group companies. The directors consider the risk arising from such assets and liabilities to be immaterial to the financial statements.

Qualifying indemnity provision

The directors benefited from the indemnity provisions contained in the Company's Articles of Association, as well as qualifying third-party indemnity provisions in place during the financial year at the date of this report. In addition, the Company and its controlling parent, Castle Top Holding Limited, have arranged and maintained throughout the year liability insurance for the benefit of the Company, its directors and its officers.

Castle Acquisition Limited

Directors' report for the year ended 31 December 2021 (*continued*)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard ("FRS") 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board

WRB

M Sigler
Director

Date:

3 October 2022

Castle Acquisition Limited

Independent auditors' report to the members of Castle Acquisition Limited

Report on the audit of the financial statements

Opinion

In our opinion, Castle Acquisition Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates. The audit was scoped to ensure all material financial statement line items were included within the audit plan.

Key audit matters

- Impairment of investments

Materiality

- Overall materiality: US\$16,100,000 (2020: US\$15,300,000) based on 1% of total assets.
- Performance materiality: US\$12,000,000 (2020: US\$11,475,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Castle Acquisition Limited

Independent auditors' report to the members of Castle Acquisition Limited (continued)

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment of investments</i></p> <p>The company has investments of \$202 million as at 31 December 2021 which are material to the financial statements. Refer to note 10 of the financial statements. Judgement is required in assessing whether indicators of investment impairment exist.</p> <p>This may be enhanced because the subsidiary may itself be in a net liability position or the carrying value of the investment may exceed the value of the net assets included in the subsidiary's books and records and other qualitative impairment indicators may exist. If such indicators exist, the Directors assess the recoverable amount of the investments during an impairment review. If no indicators exist, no estimation of the recoverable amount is performed.</p> <p>The Directors have concluded that no impairment indicators exist, hence no estimation of the recoverable amount was performed.</p> <p>Investments are material and there is significant judgement involved in determining whether impairment indicators exist and so we consider this to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• Understanding the process related to determining if impairment indicators exist.• Ensuring the completeness and accuracy of the information used in calculating the net assets of the subsidiary that are compared to the carrying value of the investment.• Assessing corroborating or contradictory evidence that indicates the carrying value of the investment may be impaired. This included a review of the qualitative assessment of the overall fair value of the group in comparison to the prior year. <p>Based on the work performed, we noted no material issues from our work.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Castle Acquisition Limited

Independent auditors' report to the members of Castle Acquisition Limited (continued)

<i>Overall company materiality</i>	US\$16,100,000 (2020: US\$15,300,000).
<i>How we determined it</i>	1% of total assets
<i>Rationale for benchmark applied</i>	We believe that total assets is the primary measure used in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to US\$12,000,000 (2020: US\$11,475,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US\$ 800,000 (2020: US\$ 765,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the directors' latest going concern assessment and conclusions with respect to the company's ability to continue as a going concern for at least 12 months from the signing of these financial statements;
- Discussing with management the critical estimates and judgements applied in their latest assessment so we could understand and challenge the rationale underlying factors incorporated; and
- Performing our own sensitivity testing on this assessment.

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Castle Acquisition Limited

Independent auditors' report to the members of Castle Acquisition Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements.

Castle Acquisition Limited

Independent auditors' report to the members of Castle Acquisition Limited (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate accounting entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Gregory Briggs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
3 October 2022

Castle Acquisition Limited

Statement of Comprehensive Income For the year ended 31 December 2021

	Note	Year ended 31 December 2021	Period ended 31 December 2020
		\$	\$
Administrative expenses		(635,926)	(6,513,732)
Operating Loss	4	(635,926)	(6,513,732)
Finance income	5	40,112,089	303,531
Finance costs	6	(40,369,412)	(35,550,970)
Loss before taxation		(893,249)	(41,761,171)
Income tax expense	9	-	-
Loss for the year		(893,249)	(41,761,171)
Total comprehensive loss for the year		(893,249)	(41,761,171)

Castle Acquisition Limited

Balance sheet As at 31 December 2021

	Note	31 December 2021	31 December 2020
Non-current assets		\$	\$
Investments	10	201,631,471	254,163,752
		<u>201,631,471</u>	<u>254,163,752</u>
Current assets			
Trade and other receivables	11	1,410,659,133	1,277,806,797
Cash and cash equivalents		797,255	809,453
		<u>1,411,456,388</u>	<u>1,278,616,250</u>
Creditors: amounts falling due within one year	12	(1,316,748)	(680,821)
Net current assets		<u>1,410,139,640</u>	<u>1,277,935,429</u>
Total assets less current liabilities		1,611,771,111	1,532,099,181
Creditors: amounts falling due after more than one year	13	(764,217,567)	(723,860,352)
Net assets		<u>847,553,544</u>	<u>808,238,829</u>
Equity			
Called up share capital	14	4	3
Share premium account		890,207,960	849,999,997
Retained earnings		(42,654,420)	(41,761,171)
Total Shareholders' funds		<u>847,553,544</u>	<u>808,238,829</u>

The accompanying notes are an integral part of these financial statements. The financial statements of Castle Acquisition Limited on pages 10 to 22 were approved by the Board of Directors and signed on its behalf by:

WRB

M Sigler
Director
Date:

3 October 2022

Castle Acquisition Limited

Statement of changes in equity

	Called up share capital	Share premium account	Retained Earnings	Total shareholders' funds
	\$	\$	\$	\$
Balance at 5 September 2019	-	-	-	-
Proceeds from shares issued	3	849,999,997	-	850,000,000
Total comprehensive expense	-	-	(41,761,171)	(41,761,171)
Balance at 31 December 2020	3	849,999,997	(41,761,171)	808,238,829
Proceeds from shares issued	1	40,207,963	-	40,207,964
Total comprehensive expense	-	-	(893,249)	(893,249)
Balance at 31 December 2021	4	890,207,960	(42,654,420)	847,553,544

Castle Acquisition Limited

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

1. General information

Castle Acquisition Limited (the “Company”) is a private company limited by shares and it is incorporated in United Kingdom. The address of its registered office is 100 New Bridge Street, London, England, EC4V 9JA. The registration no. of the entity is 12192019 (registered in England and Wales).

The Company does not trade and its purpose is to hold the investment in the Cision group of companies (“Cision”). Cision are a leading provider of cloud-based software, media intelligence and distribution services, and other related professional services to the marketing and public relations industry. Communications professionals use Cision’s products and services to identify and connect with media influencers, manage industry relationships, create and distribute content, monitor media coverage, perform advanced analytics and measure the effectiveness of their campaigns. All transactions are denominated in US dollars.

2020 numbers in these financial statements are for the period from the date of incorporation on 10 December 2019 to 31 December 2020.

2. Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (“FRS 101”). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

3. Summary of significant accounting policies

These financial statements are prepared on the going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The particular accounting policies adopted are described below and have been consistently applied throughout the current year.

Basis of preparation

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 3. These financial statements present all activities and results of operations of the year to 31 December 2021.

Going concern

The Company is a holding company with the only ongoing working capital requirements being in relation to intercompany interest. The Company’s investments are profitable and report significant positive cashflows from their operations. The Company expects its investments profitability to continue. As a result of this review, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

The potential impact of COVID-19 on the business

The COVID-19 outbreak and resulting measures taken by various governments to contain the virus have negatively affected the economy worldwide over the past two years. Following a successful vaccination programme, the Group is now seeing economic activity stabilising.

The Company and its subsidiaries have not seen a material impact due to COVID-19. The risk to the Company remained low throughout the pandemic as the services of the Group are considered essential by its customers and is not dependent on any one particular client base or industry. The Group continues to follow the guidance applicable in each local region, including remote working, in order to keep its employees safe. The Company has not seen any negative impact on Group liquidity or funding.

The potential impact of the war in Ukraine on the business

Russia’s invasion of Ukraine in Q1-2022 continues to evolve as military activity proceeds and additional sanctions are imposed. The Company is complying with all newly imposed legal requirements and sanctions and has paused business services in Russia across all product lines. The Company and its subsidiaries have not seen a material impact as a result of these measures.

Castle Acquisition Limited

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

3. Summary of significant accounting policies *(continued)*

Exemptions for qualifying entities under FRS 101

FRS 101 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated

As a qualifying entity, the Company has taken advantage of the following exemptions:

- International Financial Reporting Standards ("IFRS") 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of International Accounting Standard ("IAS") 1, 'Presentation of financial statements': - 10(d) (statement of cash flows); - 16 (statement of compliance with all IFRS); - 38A (requirement for minimum of two primary statements, including cash flow statements); - 38B-D (additional comparative information); - 111 (statement of cash flows information); and - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

Consolidation

The Company is a subsidiary of Castle Top Holding Limited, a company incorporated in England and Wales. The registered number of Castle Top Holding Limited is 12357407 and the registered address of Castle Top Holding Limited is 100 New Bridge Street, London, United Kingdom, EC4V 6JA. Results of the Company are included in the consolidated financial statements of Castle Top Holding Limited, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividend income is recognised when the right to receive payment is established.

Share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Castle Acquisition Limited

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

3. Summary of significant accounting policies *(continued)*

Financial assets and liabilities

Financial assets and liabilities are initially recorded at fair value including, where permitted by IFRS 9, any directly attributable transaction costs.

For those financial assets that are not subsequently held at fair value, the Company assesses whether there is evidence of impairment at each balance sheet date. The Company classifies its financial assets and liabilities into the following categories: financial assets and liabilities at amortised cost, financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income. Where financial assets or liabilities are eligible to be carried at either amortised cost or fair value the Company does not apply the fair value option.

Amounts owed by group undertakings

Amounts owed by group undertakings are initially measured at fair value and are subsequently reported at amortised cost. Non-interest-bearing trade receivables are stated at their nominal value as they are due on demand. Allowances for expected credit losses are made based on the risk of non-payment, taking into account ageing, previous experience, economic conditions and forward-looking data. Such allowances are measured as either 12-month expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

Amounts owed to group undertakings

Amounts owed to group undertakings are initially measured at fair value and are subsequently reported at amortised cost. Non-interest bearing trade payables are stated at their nominal value as they are due on demand. For a number of loans owed to other group companies, the Company has a contractual right of payment beyond one year from the balance sheet date and therefore these amounts are disclosed as non-current liabilities.

Other financial liabilities

Other financial liabilities are carried at amortised cost unless they are part of a fair value hedge relationship. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the income statement over the contractual terms using the effective interest rate method.

Investments in subsidiaries

Investments in subsidiaries are stated at historical cost less impairment provisions for any permanent decrease in value. The carrying amounts of the Company's investments are reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. Losses are recognised in the statement of comprehensive income and reflected in an allowance against the carrying value. Where an event results in the asset's recoverable amount being higher than the previously impaired carrying value, the original impairment may be reversed through the statement of comprehensive income in subsequent periods.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Castle Acquisition Limited

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

3. Summary of significant accounting policies *(continued)*

Taxation (continued)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Value of investment

The most significant judgement that management have made in the process of applying the Company's accounting policies is in respect of identifying possible impairment indicators in the investment in a subsidiary undertaking.

The Directors have concluded that no impairment indicators exist, hence, no estimation of recoverable amount was performed.

Had the Company determined an impairment indicator existed, an impairment review would have been undertaken to estimate the recoverable amount of the amount investment in subsidiary.

4. Operating loss

	2021 \$	2020 \$
Administrative expenses	654,097	6,471,599
Foreign exchange	(18,171)	42,133
	<hr/>	<hr/>

Castle Acquisition Limited

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

5. Finance income

	2021 \$	2020 \$
Interest receivable from Group undertakings	40,112,089	303,531
	<u>40,112,089</u>	<u>303,531</u>

The increase in interest receivable in 2021 is due to a full year of interest being charged on this loan. The loan is for \$1,230,985,238 with Castle Intermediate Holding V Limited, with an interest rate of 3%.

6. Finance costs

	2021 \$	2020 \$
Interest payable to Group undertakings	40,369,412	35,550,970
	<u>40,369,412</u>	<u>35,550,970</u>

7. Auditors' remuneration

The auditors' remuneration in the year was borne by another Group company, however no recharge was made to the Company.

8. Information regarding directors

The directors of the Company did not receive remuneration during the periods ended 31 December 2021 and 2020 and are not entitled to remuneration under the current governance structure.

9. Income tax expense

Recognised in the profit and loss account

	2021 \$	2020 \$
<i>United Kingdom ("UK") corporation tax</i>		
Current tax on income for the year	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	-
<i>Deferred tax</i>		
Total deferred tax	-	-
	<u>-</u>	<u>-</u>
Tax on loss	-	-
	<u>-</u>	<u>-</u>

Castle Acquisition Limited

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

9. Income tax expense *(continued)*

Reconciliation of tax expense

The tax in the income statement for the year is calculated on rate of corporation tax in the UK of 19.00% (2020: 19.00%).

	2021 \$	2020 \$
Loss before taxation	(893,249)	(41,761,171)
Tax using the UK corporation tax rate of 19.00% (2020: 19%)	(169,717)	(7,934,622)
Effect of:		
Expenses not deductible for tax purposes	-	1,108,253
Group interest disallowance	-	3,538,293
Group relief surrendered	169,717	3,288,076
Total tax charge / (credit)	-	-

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

In the Spring budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This was substantively enacted on 24 May 2021. Considering there is no deferred tax, no impact is included in these financial statements.

10. Investments

	2021 \$	2020 \$
<i>Cost</i>		
At beginning of year	254,163,752	-
Additions	40,207,964	254,163,752
Disposals	(92,740,245)	-
At 31 December	201,631,471	254,163,752

On 1 June 2021, Castle Intermediate Holding II Limited, an affiliate of the Company, completed the acquisition of Runtime Collective Limited ("Brandwatch"). Following the acquisition, Castle Intermediate Holding II Limited sold the shares of Brandwatch to Cision Limited. As part of this transaction, the Company made an additional investment in Cision Limited, with the issuance of 1 ordinary share at a value of \$1.30 per share with a total share premium of \$40,207,963.

Castle Acquisition Limited

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

10. Investments *(continued)*

During the year there was a loan note distributed from Canyon UK Americas Limited to the Company, resulting in an increase in the loan receivable from Castle Intermediate Holding V Limited, and a reduction in the overall investment value held by the Company of \$92,740,245.

The investments in Group companies are as follows:

Name of company	Registered Office	Proportion of ordinary shares held		Principal activity
		Directly	Indirectly	
Cision Limited	P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman KY1-1104	100%	-	Intermediate parent/holding company
Cision Canyon Limited	2nd Floor Sir Walter Raleigh House 48-50 Esplanade St Helier Jersey JE2 3QB	-	100%	
Canyon UK Investments Ltd	5 Churchill Place, London, England, E14 5HU	-	100%	
Canyon UK Americas Limited	5 Churchill Place, London, England, E14 5HU	-	100%	
PWW International Limited	5 Churchill Place, London, England, E14 5HU	-	100%	
PWW Acquisition International II Limited	5 Churchill Place, London, England, E14 5HU	-	100%	
Falcon.io Holdings ApS	H. C. Andersens Blvd. 27, 1553 København V, Denmark	-	100%	
Canyon UK Ventures Ltd	5 Churchill Place, London, England, E14 5HU	-	100%	
Cision Group Limited	5 Churchill Place, London, England, E14 5HU	-	100%	Journalist database, media monitoring and analysis; holding company of IP and Trademark
PR Newswire Asia	Flat/RM 1607-8 16/F, China Resources Building, 26 Harbour Road WanChai, Hong Kong	-	100%	News Distribution
PR Newswire Europe	5 Churchill Place, London, E14 5HU	-	100%	
ANP Pers Support B.V.	WTC The Hague, Toren C, Prinses Beatrixlaan 582 2595 BM, The Hague	-	50%	
PWW Distribution India Private Ltd	Unit 1104, 11th Floor, Level 2 Indiabulls Finance Centre, Senapati Bapat Marg, Mumbai, India	-	100%	
PRN Business Consulting (Shanghai) Co., Ltd	Unit 1806-09 Tian An Center, 338 West Nanjing Xi Road, Shanghai, China	-	100%	
PRN Business Consulting (Shanghai) Co., Ltd Beijing Branch	Room 1808, No. 338 Nanjing West Road, Huangpu District, Shanghai, China	-	-	
PR Newswire S de RL de CV	Avenida Monterrey No. 150, Office 601, Col. Roma, Deleg. Cuauhtémoc, C.P. 06700, Mexico	-	100%	
PR Newswire Ltda	Av. Paulista, 688, 12th floor, Bela Vista, São Paulo, ZIP Code 01310-100	-	100%	
PRN Argentina SA	25 de Mayo 168, 6th Floor, Buenos Aires	-	100%	
Notilog PRN Argentina SA	25 de Mayo 168, 6th Floor, Buenos Aires	-	100%	
PRN Middle East Ltd	Unit 504, Level 5, Index Tower, DIFC, PO Box 507073, Dubai, UAE	-	100%	
PR Newswire GmbH	Innere Kanalstraße 15, c/o Osborne Clarke, 50823 Köln	-	100%	
PR Newswire Benelux Ltd	5 Churchill Place, London, England, E14 5HU	-	100%	
PWW International Ltd (Malaysia Branch)	823A, Level 28, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	-	100%	
PWW International Ltd (Singapore Branch)	1 Raffles Place, #20-61, One Raffles Place Tower 2, Singapore 048616	-	100%	
PWW International Ltd. Taiwan Branch	15F, No. 159, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	-	100%	
PT PRN Newswire Indonesia	Sahid Sudirman Center 56th Floor, Jl. Jend Sudirman No.86, Jakarta 10220, Indonesia	-	100%	

Castle Acquisition Limited

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

10. Investments *(continued)*

Name of company	Registered Office	Proportion of ordinary shares held		Principal activity
		Directly	Indirectly	
Cision SA	8 Avenue du Stade de France, 9320 Saint-Denis, Paris, France	-	100%	Journalist database, media monitoring and analysis
Cision Sverige AB	Box 24194, 104 51 Stockholm, Sweden	-	100%	
Cision Finland OY	Salomonkatu 17 B, 00100 HELSINKI	-	100%	
Cision Norge AS	CISION NORGE AS, c/o RTB AS, Stortingsgata 10, 0161 OSLO	-	100%	
Cision Germany GmbH	Westhafenplatz 1 60227 Frankfurt, Germany	-	100%	
Cision Portugal	Avenida Fontes Pereira de Melo, n° 21, 5°, 1050-116 Lisbon, parish of Avenidas Novas, Lisbon	-	100%	
Falcon.io ApS	H. C. Andersens Blvd. 27, 1553 København V, Denmark	-	100%	
Falcon.io EOOD	Todor Aleksandrov Blvd. floor 2, 1000 Sofia, Bulgaria	-	100%	
Falcon.io kft.	1016, Krisztina Körút 99, Budapest, Hungary	-	100%	
Falcon.io Pty Limited	c/o, TMF Corporate Services, Level 16, 201 Elizabeth Street, Sydney, Australia	-	100%	
Falcon.io GmbH	Wattstraße 11, 13355 Berlin, Germany	-	100%	
Prime Research AG	Badenerstrasse 549, 8048 Zürich, Schweiz	-	100%	
Prime opinion analysis INDIA PRIVATE LTD	1st Floor Harbans Bhawan-II, Commercial complex – Nangal Rai, New Delhi 110046	-	100%	
Prime Brazil Pesquisas de Midia LTDA.6	Rua Verbo Divino, 1488, 3 Andar, Chacara Sto Antonio, Sao Paulo, Brazil	-	100%	
PRIME.com GmbH	Kaiserstrasse 22, 55118 Mainz, Germany	-	100%	
Prime Research UK Limited	5 Churchill Place, London, England, E14 5HU	-	100%	
Prime Holding GmbH	Kaiserstr. 22, 55116 Mainz, Germany	-	100%	
Prime Research International GmbH & Co. KG	Kaiserstr. 22, 55116 Mainz, Germany	-	100%	
Prime Consult GmbH	Kaiserstr. 22, 55116 Mainz, Germany	-	100%	
Runtime Collective Ltd.	Sovereign House, Church Street, 1st Floor, Brighton, United Kingdom, BN1 1UJ	-	100%	
Registered Spanish Branch	c/ Entenca, 325-335, 1st Floor, 08029, Barcelona	-	100%	
Brandwatch International (Australia) Pty Ltd	Suite 302, 12 Help Street, Chatswood, New South Wales, 2067	-	100%	
Brandwatch GmbH	Leuschnerstr. 12, 70174 Stuttgart, Germany	-	100%	
Brandwatch Pte. Ltd	8 Wilkie Road, 03-01 Wilkie Edge, Singapore 228095	-	100%	
Peer Index Ltd.	Sovereign House, Church Street, 1st Floor, Brighton, United Kingdom, BN1 1UJ	-	100%	
BuzzSumo Ltd.	Sovereign House, Church Street, 1st Floor, Brighton, United Kingdom, BN1 1UJ	-	100%	
Brandwatch France Sarl	26 rue Cambaceres 75008, Paris, France 75016	-	100%	
Brandwatch Canada Inc.	Suite 3000 RBC Waterpark Place 88 Queens Quay West, Toronto, Ontario M5J 0B8	-	100%	
Crimson Hexagon Ltd.	Sovereign House, Church Street, 1st Floor, Brighton, United Kingdom, BN1 1UJ	-	100%	
Qriously Ltd.	Sovereign House, Church Street, 1st Floor, Brighton, United Kingdom, BN1 1UJ	-	100%	
Brandwatch LLC	200 Vesey St New York, NY 10281-5525	-	100%	
Crimson Hexagon, Inc.	200 Vesey St New York, NY 10281-5525	-	100%	
Qriously, Inc.	Sovereign House, Church Street, 1st Floor, Brighton, United Kingdom, BN1 1UJ	-	100%	
Filter Acquisition Pty Ltd	Level 5, 20 Bond Street, Sydney, NSW 2000 Australia	-	100%	

Castle Acquisition Limited

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

11. Trade and other receivables: due within one year

	2021 \$	2020 \$
Amounts owed by Group undertakings	1,410,659,133	1,277,806,797
Due within one year	1,410,659,133	1,277,806,797

Amounts owed by Group undertakings are made up of two balances. \$46,518,028 (2020: \$46,518,028) relates to trade balances and as such is not interest bearing, has no fixed repayment terms and is payable on demand. \$1,364,141,105 (2020: \$1,231,288,769) relates to a promissory note with fellow group company, Castle Intermediate Holding V Limited. Interest accrues on a quarterly basis at a rate of 3% per annum; there are no fixed repayment terms and is payable on demand. Amounts owed by Group undertakings are unsecured.

12. Creditors: amounts falling due within one year

	2021 \$	2020 \$
Amounts owed to Group undertakings	1,316,748	680,821
Due within one year	1,316,748	680,821

Amounts owed to Group undertakings relate to trade balances and as such are not interest bearing, have no fixed repayment terms and are payable on demand. Amounts shown are unsecured.

13. Creditors: amounts due after more than one year

	2021 \$	2020 \$
Amounts owed to Group undertakings	764,217,567	723,860,352
Due after more than one year	764,217,567	723,860,352

This balance reflects an unsecured loan note which was issued by the group to an affiliated company. Interest accrues at a rate of 5.5% per annum and can either be paid in cash or compounded on the payment date. The maturity date is 31 January 2027. This Eurobond is listed on The International Stock Exchange (TISE). The movement in the year relates solely to interest.

Castle Acquisition Limited

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

14. Share capital

	2021	2020
	\$	\$
Allotted and fully paid		
3 ordinary shares of \$1.30 each (2020: 2 shares)	4	3

15. Controlling parties

The immediate parent undertaking is Castle Intermediate Holding V Limited. Platinum Equity Capital Partners International V (Cayman), L.P. is the ultimate controlling party of the Group. Castle Top Holding Limited is the ultimate parent of the Company.

Group consolidated financial statements are prepared by Castle Top Holding Limited and are publicly available at Companies House.

16. Related party transactions

The Company has made use of the exemption contained in FRS 101, not to disclose related party transactions with other Group companies, as it is a subsidiary of a company, Castle Top Holding Limited, which prepares consolidated financial statements incorporating those transactions.

17. Events after the end of the reporting period

Subsequent to the balance sheet date, there have been no material events in the Company.