

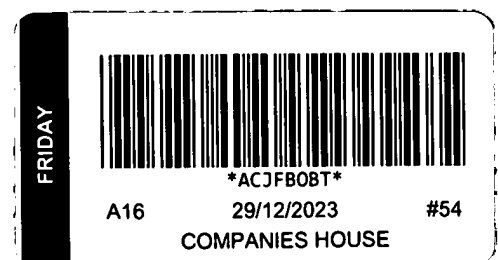
MediaKind Systems UK Ltd

Annual Report and Audited Financial Statements

MediaKind Systems UK Ltd

Registration number: 03695535

For the Year Ended 31 December 2022



MediaKind Systems UK Ltd

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MediaKind Systems UK Ltd

Company Information

Directors	Ronan Terrence Fortune
Registered office	2 Charlotte Place 7 th & 8 th Floors Southampton Hampshire SO140TB United Kingdom
Registered number	03695535
Company secretary	Intertrust (UK) Limited
Bankers	Citibank NA London Citigroup Centre 33 Canada Square London E145LB United Kingdom
Statutory auditors	Grant Thornton Chartered Accountants & Statutory Auditors 13-18 City Quay Dublin 2 D02 ED70 Ireland

MediaKind Systems UK Ltd

Strategic Report

for the Year Ended 31 December 2022

The Directors present their Strategic Report for the year ended 31 December 2022.

Fair review of the business

MediaKind Systems UK Ltd is the market leader in professional video processing solutions, with over 20 years of experience in compression algorithms development. We provide our customers with superior value through business insight, solution performance and technology leadership. We offer an unrivalled customer experience as a trusted and proven partner capable of supporting their business.

The Company's profit for the financial year amounted to £4.7 million (2021: £0.5 million).

The gross margin percentage decreased from 30% to 20%.

The Company had total assets of £66.2 million (2021: £56.0 million) at year end.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are:

We may not be able to properly respond to market trends in the industries in which we operate, including the ongoing convergence of the telecom, data and media industries, which may harm our market position relative to our competitors.

We are affected by market conditions and trends within the industries in which we operate, including the convergence of the telecom, data and media industries. Convergence is largely driven by technological developments for example in software and cloud. This is changing the competitive landscape as well as business models and affects our objective-setting, risk assessment and strategies. Competitors new to our business have entered and may continue to enter this new business context and negatively impact our market share in selected areas. If we fail to understand the market development, or fail to acquire the necessary competencies to develop and sell products, services and solutions that are competitive in this changing business environment, our business, operating results and financial condition will suffer.

MediaKind Systems UK Ltd

Strategic Report

for the Year Ended 31 December 2022 (continued)

We depend upon the development of new products at the group level and enhancements to our existing products, and the success of our substantial research and development investments is uncertain.

Rapid technological and market changes in our industry require us to make significant investments in technological innovation. We invest significantly in new technology, products and solutions. In order for us to be successful, those technologies, products and solutions must be accepted by relevant standardisation bodies and by the industry as a whole. The failure of our research and development efforts to be technically or commercially successful could have adverse effects on our business, operating results and financial condition. If we invest in the development of technologies, products and solutions that do not function as expected, are not adopted by the industry, are not ready in time, or are not successful in the marketplace, our sales may materially suffer. Additionally, it is common for research and development projects to encounter delays due to unforeseen problems. Delays in production and research and development may increase the cost of research and development efforts and put us at a disadvantage against our competition. This could have a material adverse effect upon our business, operating results and financial condition.

Cyber security incidents may have a material adverse effect on our business, financial condition, reputation and brand.

The Company's business operations involve areas that are particularly vulnerable to cyber security incidents that may impact confidentiality, availability or integrity of products, services or solutions. These incidents may include data breaches, intrusions, espionage, know-how and data privacy infringements, leakage, unauthorised or accidental modification of data and general malfeasance. Examples of these areas include, among others, research and development, managed services, usage of cloud solutions, software development, lawful interception, product engineering, IT, finance and HR operations. Any cyber security incident including unintended use, involving our operations, product development, services, our third-party providers or installed product base, could cause severe harm to the Company and could have a material adverse effect on our business, financial condition, reputation and brand. The Company relies heavily on third-parties to whom we have outsourced significant aspects of our IT infrastructure, product development, engineering services, finance and HR operations. While we have taken precautions relating to the selection, integration and ongoing management of these third-parties, any event or incident that is caused as a result of vulnerabilities in their operations or products supplied to us could have a material adverse effect upon the Company, our business, financial condition, reputation and brand, potentially slowing operations, leaking valuable intellectual property or sensitive information or damaging our products which have been installed in our customers' networks.

We must continue to attract and retain highly qualified employees to remain competitive.

We believe that our future success largely depends on our continued ability to hire, develop, motivate and retain engineers and other qualified personnel needed to develop successful new products, support our existing product range and provide services to our customers. Competition for skilled personnel and highly qualified managers in the industries in which we operate remains intense. We are continuously developing our corporate culture, remuneration, promotion and benefits policies as well as other measures aimed at empowering our employees and reducing employee turnover. However, there are no guarantees that we will be successful in attracting and retaining employees with appropriate skills in the future, and failure in retention and recruiting could have a material adverse effect on our business and brand.

MediaKind Systems UK Ltd

Strategic Report

for the Year Ended 31 December 2022 (continued)

Threat actors may target specific employees, or other members of MediaKind's workforce, through technological and non-technological means.

Recent trends have shown that there is a willingness to target end users of technology, rather than enterprises. This has manifested itself in the rise of threats such as ransomware, phishing and other extortion methods. The Company is susceptible to risks of disruption or information loss resulting from large scale attacks towards our employees. This could have a material adverse effect on our business, financial condition, reputation and brand.

Product or service quality issues could lead to reduced revenue and gross margins and declining sales to existing and new customers.

Sales contracts normally include warranty undertakings for faulty products and often include provisions regarding penalties and/or termination rights in the event of a failure to deliver ordered products or services on time or with required quality. Although we undertake a number of quality assurance measures to reduce such risks, product quality or service performance issues may negatively affect our reputation, business, operating results and financial condition. If significant warranty obligations arise due to reliability or quality issues, our operating results and financial position could be negatively impacted by costs associated with fixing software or hardware defects, high service and warranty expenses, high inventory obsolescence expense, delays in collecting accounts receivable or declining sales to existing and new customers.

If our customers' financial conditions decline, we will be exposed to increased credit and commercial risks.

After completing sales to customers, we may encounter difficulty collecting accounts receivables and could be exposed to risks associated with uncollectable accounts receivable. We regularly assess the credit worthiness of our customers and based on that assessment we determine a credit limit for each one of them. Challenging economic conditions have impacted some of our customers' ability to pay their invoices. We may be unable to avoid future losses on our trade receivables. We have also experienced demands for customer financing, and in adverse financial markets or more competitive environments, those demands may increase. Upon the financial failure of a customer, we may experience losses on credit extended and loans made to such customer, losses relating to our commercial risk exposure, and the loss of the customer's ongoing business. If customers fail to meet their obligations to us, we may experience reduced cash flows and losses in excess of reserves, which could materially adversely impact our operating results and financial condition.

MediaKind Systems UK Ltd

Strategic Report

for the Year Ended 31 December 2022 (continued)

Financial key performance indicators

The Company's key financial and other performance indicators during the year were as follows:

	2022	2021	
	£000	£000	% Change
Revenue	28,030	31,287	(10%)
Gross profit	5,488	10,271	(47%)
Gross margin %	20%	33%	(35%)
Operating profit	1,597	1,711	(7%)
Operating profit %	6%	5%	14%
Profit before income tax	4,557	680	569%

Revenue by region

	2022	2021	
	£000	£000	% Change
UK	4,055	3,761	8%
Sweden	365	896	(59%)
Rest of Europe	13,238	17,078	(22%)
Asia Pacific	7,158	7,278	(2%)
India and Middle East	3,067	1,943	58%
Other	147	331	(56%)
	28,030	31,287	(10%)

MediaKind Systems UK Ltd

Strategic Report

for the Year Ended 31 December 2022 (continued)

Financial position

The financial position of the Company is presented in the Statement of Financial Position and is summarised as follows:

	2022	2021
	<u>£000</u>	<u>£000</u>
Total equity:		
- Total assets	66,204	56,043
- Total liabilities	<u>(38,631)</u>	<u>(33,122)</u>
	<u>27,573</u>	<u>22,921</u>

Statement by the Directors in relation to Performance of their Statutory Duties in accordance with Section 172(1) Companies Act 2006

When making decisions, the Directors of the Company must act in the way they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole, while also considering the broad range of stakeholders who interact with and are impacted by our business. Throughout the year, while discharging their duties, section 172(1) of the Companies Act 2006 requires a Director to have regard, amongst other matters, to the:

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

In discharging their s.172(1) duties the Directors have had regard to the relevant factors set out above, as well as other factors relevant to the decisions being made. The Directors also acknowledge that the Company is a member of the MediaKind Group and by considering MediaKind's purpose and values, together with the Company's strategic priorities, the Directors aim to ensure that the decisions made are consistent and intended to promote the long term success of the Company and the MediaKind Group.

MediaKind Systems UK Ltd

Strategic Report

for the Year Ended 31 December 2022 (continued)

Statement by the Directors in relation to Performance of their Statutory Duties in relation to Stakeholder engagement and employee engagement

Noting the size and spread of the Company's stakeholders and close alignment with the stakeholders of MediaKind Group, the Company conducted its stakeholder engagement at Group level. Engaging at Group level was deemed the most efficient and effective method of engagement, to help achieve a greater positive impact on environmental, social and other related matters. The MediaKind Group engaged with key stakeholders throughout the year to understand the issues and factors that are significant for these stakeholders, and a number of actions were taken as a result of this engagement at Group level. The Directors' held active meetings throughout the reporting year and reviewed and considered their skills and expertise applicable to their position as Directors' of the Company.

On behalf of the Board

DocuSigned by:
Ronan Fortune
A7901B3795EE480

Ronan Terrence Fortune
Director

[] December 2023

12/29/2023

MediaKind Systems UK Ltd

Directors' Report

for the Year Ended 31 December 2022

The Directors present their annual report on the affairs of MediaKind Systems UK Ltd (the "Company"), together with the audited financial statements for the financial year ended 31 December 2022.

Principal activity

The Company is a limited liability company, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is 2 Charlotte Place, 7th & 8th Floors, Southampton, Hampshire, SO14 OTB, United Kingdom.

The principal activity of the Company comprises the provision of solutions that enable the acquisition, exchange and delivery of video, audio and data across various networks including broadband, cable, satellite, terrestrial and telecommunications. The Company also provides R&D services relating to the compression technology to its fellow group undertaking.

Future developments

The Company will look to leverage its global sales, R&D and distribution forces to continue to develop, distribute and sell the most advanced video compression solutions in the market.

Dividends

The Directors have not declared a final dividend in respect of 2022 (2021: £nil). No interim dividend payment was made in 2022 or 2021.

Subsequent events

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

Research and development

The Company retains its ongoing commitment to technology and innovation and continues to carry out significant R&D which ensures that the Company has access to some of the most advanced, open technology that will enable it to offer a complete best of breed solution to all players in the digital media market. R&D expenditures amounted to £3.4 million (2021: £4.4 million). Levels of expenditure are detailed in note 3 to the financial statements.

Directors and their interests

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

Ronan Terence Fortune (appointed 20 June 2023)

Damien Montessuit (appointed 14 October 2020 and resigned 7 July 2022)

Thomas Walshe (appointed 21 July 2017 and resigned 20 June 2023)

MediaKind Systems UK Ltd

Directors' Report

for the Year Ended 31 December 2022 (continued)

None of the Directors held any interest in the share capital of the Company or that of its parent company, MK Systems Netherlands B.V., at any time during the year. During the year and at the date of approval of the financial statements, the Company held third party indemnity cover in respect of Directors.

The Directors are the only key management personnel of the Company and their remuneration is included in the disclosure in note 18 of the financial statements.

Company Secretary

The Company Secretary who was in office during the year and up to the date of signing the financial statements was as follows:

Intertrust (UK) Limited

Financial risk management

The Company's financial risk management policy is managed by MediaKind Group Treasury. The principal aim is to ensure that appropriate financing is in place to manage the Company's liquidity as well as financial assets and liabilities, and to control financial risk exposures in a manner consistent with underlying business risks and financial policies. The Company does not undertake any local hedging activities.

See Note 15 for further details on foreign exchange, interest rate and liquidity risks.

Employment policies

Applications for employment by disabled persons are fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Going concern

The financial statements have been prepared on a going concern basis. The Directors, after carrying out necessary enquiries, believe that the Company has adequate resources to fund future operations and payment of its expenses and is well placed to manage its business risk successfully.

As a consequence of the above, the Directors have reasonable expectation that the Company has adequate resources and procedures in place to manage its business risks for the foreseeable future. Accordingly, the Company has adopted the going concern basis in the preparation of the financial statements.

Political donations and charitable donations

The Company made no political and charitable donations during the year under review.

MediaKind Systems UK Ltd

Directors' Report

for the Year Ended 31 December 2022 (continued)

Treasury policies

The Company finances its activities with a combination of intercompany loan arrangements, management services and shareholders' equity. Other financial assets and liabilities such as trade debtors and trade creditors, arise directly from the Company's operating activities. The Company does not trade in financial instruments and has no other form of derivatives.

Disclosure of information to the auditor

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

- so far as the Directors are 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.

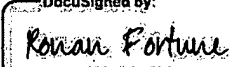
Statement by the Directors in relation to Performance of their Statutory Duties in accordance with Section 172(1) Companies Act 2006

The Section 172 statement, stakeholder engagement and employee engagement have been discussed in the Strategic Report.

Independent auditors

The auditors, Grant Thornton, continue in office in accordance with section 485 of the Companies Act 2006.

Approved by the Board on [] December 2023 and signed on its behalf by:

DocuSigned by:

A7901B3795EE460...
Roman Fortune
Director

[] December 2023
12/29/2023

MediaKind Systems UK Ltd

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

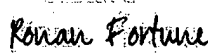
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-Adopted International Accounting Standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company financial statements and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keep or cause to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position of the Company and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements, Directors' Report and Strategic Report comply with the Companies Act 2006 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on [] December 2023 and signed on its behalf by:

DocuSigned by:

A7901B3795EE460
Roman Terrence Fortune
Director

[] December 2023

12/29/2023

MediaKind Systems UK Ltd

Independent Auditor's Report to the Members of MediaKind Systems UK Ltd

Opinion

We have audited the financial statements of MediaKind Systems UK Ltd (the 'Company') which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows for the year ended 31 December 2022, and the related Notes to the Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK-adopted international accounting standards (UK-adopted IAS).

In our opinion, MediaKind Systems UK Ltd's financial statements:

- give a true and fair view in accordance with the UK-adopted IAS of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

MediaKind Systems UK Ltd

Independent Auditor's Report to the Members of MediaKind Systems UK Ltd (continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report and Strategic Report.

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

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

MediaKind Systems UK Ltd

Independent Auditor's Report to the Members of MediaKind Systems UK Ltd (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with the UK - Adopted International Accounting Standards, and for such internal control as Directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Based on our understanding of the Company's industry, we identified that the principal risks of non-compliance with laws and regulations related to Data Privacy laws and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and local tax legislation. 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 journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

MediaKind Systems UK Ltd

Independent Auditor's Report to the Members of MediaKind Systems UK Ltd (continued)

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of board, risk and compliance and legal functions on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's legal correspondence and review of minutes of board of Directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging, assumptions, and judgements made by management in their significant accounting estimates, including revenue recognition, allowance for credit losses, inventory valuation, accounting for taxes, pensions and other provisions; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Murray (Senior Statutory Auditor)

For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Auditors
Dublin 2

Date: 29 December 2023

MediaKind Systems UK Ltd

Statement of Comprehensive Income

for the financial year ended 31 December 2022

	Note(s)	2022 £ 000	2021 £ 000
Revenue from contracts with customers	2	28,030	31,287
Cost of sales		(22,542)	(21,016)
Gross profit		5,488	10,271
Administration and selling expenses		(3,891)	(8,560)
Operating profit	3	1,597	1,711
Gain on purchase acquisition		-	5
Finance income/(expense)	20	2,960	(1,036)
Profit before income tax		4,557	680
Income tax credit/(expense)	5	95	(195)
Profit for the financial year		4,652	485
Other comprehensive income		-	-
Total profit for the financial year		4,652	485

All of the above results relate to continuing activities.

The notes on pages 21 to 50 form an integral part of these financial statements.

MediaKind Systems UK Ltd

Statement of Financial Position

for the financial year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Assets			
Non-current assets			
Property, plant and equipment	6	964	2,415
Deferred tax assets	5	2,278	1,815
Right-of-use asset	14	760	340
Total non-current assets		<u>4,002</u>	<u>4,570</u>
Current assets			
Inventories	7	3,454	2,044
Current income tax receivable	5	1,047	1,495
Contract assets	2	3,021	764
Trade and other receivables	8	52,418	45,229
Cash and cash equivalents	9	2,262	1,941
Total current assets		<u>62,202</u>	<u>51,473</u>
Total assets		<u><u>66,204</u></u>	<u><u>56,043</u></u>
Equity and liabilities			
Equity			
Share capital	12	10,000	10,000
Other reserves	19	2,528	2,528
Retained earnings	13	15,045	10,393
Total equity		<u><u>27,573</u></u>	<u><u>22,921</u></u>

MediaKind Systems UK Ltd

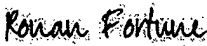
Statement of Financial Position

for the financial year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Non-current liabilities			
Lease liabilities	14	668	-
Current liabilities			
Provisions for other liabilities and charges	11	3,129	4,423
Current income tax payable	5	-	-
Contract liabilities	2	4,462	3,317
Trade and other payables	10	30,372	25,382
Total current liabilities		37,963	33,122
Total equity and liabilities		66,204	56,043

The notes on pages 21 to 50 form an integral part of these financial statements.

Approved by the Board on [] December 2023 and signed on its behalf by:
12/29/2023

DocuSigned by:

 A7801B3795EE460
 Ronan Terrence Fortune
 Director
 Registered No: 03695535

MediaKind Systems UK Ltd

Statement of Changes in Equity

for the Year Ended 31 December 2022

	Share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
Balance at 31 December 2020	10,000	2,528	9,908	22,436
At 1 January 2021	10,000	2,528	9,908	22,436
Profit for the year	-	-	485	485
Balance at 31 December 2021	10,000	2,528	10,393	22,921
At 1 January 2022	10,000	2,528	10,393	22,921
Profit for the year	-	-	4,652	4,652
Balance as at 31 December 2022	10,000	2,528	15,045	27,573

The notes on pages 21 to 50 form an integral part of these financial statements.

MediaKind Systems UK Ltd

Statement of Cash Flow

for the Year Ended 31 December 2022

	Note	2022 £000	2021 £ 000
Cash flows from operating activities			
Profit before income tax		4,557	680
Adjustments for			
Depreciation	6, 14	1,615	2,046
Net finance expense/(income)	20	26	44
(Gain)/loss on foreign exchange	20	(2,986)	992
Write off of ROU		-	103
Loss on disposal of property and equipment	6	909	-
Bad debts recognised on trade receivable		(50)	(53)
Working capital adjustments:			
Inventories	7	(1,411)	(295)
Contract assets	2	(2,257)	1,885
Trade and other receivables	8	(7,139)	(18,921)
Contract liabilities	2	1,146	(244)
Trade and other payables	10	6,456	13,309
Provisions and pension liability	11	456	750
Cash absorbed by operations		1,322	296
Income taxes (paid)/received	5	80	(929)
Net cash flows from/(used in) operating activities		1,402	(633)
Cash flows from investing activities			
Acquisitions of property plant and equipment	6	(711)	(555)
Net cash flows used in investing activities		(711)	(555)
Cash flows from financing activities			
Repayment of finance lease liabilities	14	(427)	(521)
Interest paid on finance lease liabilities	14	(26)	(44)
Net cash flows used in financing activities		(453)	(565)
Net increase/(decrease) in cash and cash equivalents		238	(1,753)
Cash and cash equivalents at 1 January		1,941	3,718
Effect of exchange rate fluctuations on cash held		83	(24)
Cash and cash equivalents at 31 December		2,262	1,941

The notes on pages 21 to 50 form an integral part of these financial statements.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022

1 Accounting policies

Basis of preparation

The Company is a limited liability company, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is Unit 2 Strategic Park, Comines Way, Hedge End, Southampton, Hampshire, SO30 4DA. The Directors have assessed that the Company is a going concern and the financial statements have been prepared on that basis.

The principal activity of the Company comprises the provision of solutions that enable the acquisition, exchange and delivery of video, audio and data across various networks including broadband, cable, satellite, terrestrial and telecommunications. The Company also provides research and development services relating to the compression technology to its fellow group undertakings.

The financial statements have been prepared in accordance with UK-Adopted International Accounting Standards and in accordance with the provisions of the UK Companies Act 2006 applicable to companies reporting under IFRSs. Therefore, the Company financial statements comply with the International Accounting Standards Regulations. The financial statements are prepared in Pound Sterling ("£"), the primary currency in which the Company operates ('Functional currency').

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

The financial statements have been prepared under the historical cost convention except as described in the accounting policy on financial instruments and plan assets related to defined benefit pension plans.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies.

For disclosure about new standards and amendments applied as from 1 January 2022, see below.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022

1 Accounting policies (continued)

Adoption of new and revised standards

Amendments to IFRSs that are mandatory effective for the current year

Some accounting pronouncements which have become effective from 1 January 2022 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

Standard	Narrative	Effective Date: Annual periods beginning on or after
IFRS 3	References to the Conceptual Framework	01 January 2022
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	01 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds Before Intended Use	01 January 2022
Annual Improvements to IFRS Standards 2018-2020	Annual Improvements to IFRS Standards 2018-2020 Cycle IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)	01 January 2022
Amendments to IFRS 16	COVID-19 – Related Rent Concessions beyond 30 June 2021	01 January 2022

New and revised IFRSs in issue but not yet effective

As at the date of authorisation of these financial statements, the following key standards and amendments were in issue but not yet effective. The Company has not applied these standards and interpretations in the preparation of these financial statements.

Standard	Narrative	Effective Date: Annual periods beginning on or after*
IFRS 17	Insurance contract	01 January 2023
Amendments to IFRS 17 and IFRS 4)	Amendments to IFRS 17 'Insurance Contracts'	01 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	01 January 2023
(Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	01 January 2023
IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	01 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	01 January 2023

* Where new requirements are endorsed, the IASB's effective date is disclosed as above. For un-endorsed standards, Page 22

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

amendments and interpretations, the IASB's effective date is noted as above.

The Directors anticipate that the adoption of the new standards, interpretations and amendments that were in issue at the date of authorisation of these financial statements, but not yet effective, will have no material impact on the financial statements of the Company in the year of the initial application.

The Directors intend to adopt each of these standards when they become effective.

None of the standards, interpretations and amendments listed above are expected to have a material effect on the financial statements.

Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method. Cash and cash equivalents consist of cash, bank, and short-term investments that are highly liquid monetary financial instruments with a remaining maturity of three months or less at the date of acquisition.

Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Expenses

All items of expenses are recognised on an accrual basis.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Revenue recognition

IFRS 15, "Revenue from Contracts with Customers" is a principle-based model of recognising revenue from customer contracts. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

Revenue from rendering of services is recognised upon percentage of completion. The Company uses the input method of revenue recognition; using the ratio of incurred actual costs to the planned cost and applying that percentage to the contract price.

Revenue from contracts with customers is recognised using the following five steps:

- (1) Identify the contract(s) with a customer;
- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company's principal sources of revenue are from software license and software support contracts.

Hardware

Under IFRS 15, an entity can only recognise revenue when it has satisfied its performance obligation by transferring control of the promised goods to the customer. Control also includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

In assessing transfer of control, the Company has concluded that none of the following over time indicators are met for hardware:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Accordingly, transfer of control over hardware is considered satisfied at a point in time. Transfer of control over hardware is strongly tied to the related shipping terms. Shipping and handling is considered a fulfilment activity and not a performance obligation, as such the transfer of control occurs upon the legal transfer of title utilising contractual shipment terms.

Software

Software is considered fully functional without the software maintenance (access to technical support, error correction and unspecified upgrades to the software on a when and if available basis). In addition, there are no promised features that the customer must deploy at a later date to maintain the functionality of the software. Therefore, transfer of control is deemed to have occurred at a point in time. Revenue from software license sales is generally recognized when control has transferred to the customer, which is typically upon shipment, electronic delivery, or when the software is available for download by the customer.

Professional Services

The Company's professional services generally include commissioning or installation, configuration, and system assessments.

The Company recognises revenue when the Company's performance creates or enhances an asset that the

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

customer controls as the asset is created or enhanced. The Company satisfies each of its performance obligations (that is, fulfils its promises to the customer) by transferring control of the promised good or service underlying that performance obligation to the customer. Control is generally deemed transferred when the customer has a present obligation to pay; physical possession of the asset(s); legal title; risks and rewards of ownership; and/or accepted the asset(s).

Revenue for over-time contracts is recognised on a time-and-materials basis as the services are provided and costs are expensed as incurred. Amounts remaining unbilled at the end of a reporting period are presented in the Statement of Financial Position as accounts receivable if only the passage of time is required before payment of these amounts will be due or as contract assets if payment is conditional on future performance.

Support

The Company's product support performance obligation includes access to technical support, error correction and unspecified upgrades to the product on a when and if available basis. The unspecified upgrades can also include enhancements of capabilities, deletion of obsolete capabilities and optimisation.

The Company has no discernible pattern of providing updates. The nature of the Company's promise is fundamentally one of providing the customer with assurance that any upgrades or updates developed by the Company during the period will be made available because the Company stands ready to transfer updates or upgrades when and if they become available (stand-ready).

Because the Company's obligation is to stand-ready, it is considered to meet the first criteria for when to recognise revenue over time: The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs. Accordingly, product support shall be recognised over the support term.

Cost of Sales

Cost of sales for product and services in the Statement of Comprehensive Income primarily consists of costs related to third party product manufacturing and related expenses, direct labor and benefits, hardware, third-party cloud hosting fees and royalties. Product costs are generally recognised at the point in time control of the products is transferred to the customer and the associated revenue is recognised. Service costs are generally recognised as incurred over the support term.

Trade and other receivables

Trade receivables are initially measured at fair value and held at amortised cost less provisions for impairment. Provisions for impairment represent an allowance for doubtful debts that is estimated, based upon current observable data and historical trends.

Unbilled amounts for client work are initially measured at fair value and held at amortised cost less provisions for impairment.

The carrying value of trade and other receivables in the Company is consistent with fair value in the current year and prior period.

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the settlement date. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Separate assets or liabilities are recognised if any rights and obligations are created or retained in the transfer. The Company classifies its financial assets in the following categories: at amortised cost, at fair value through other comprehensive income (FVOCI), and at fair value through profit or loss (FVTPL). The classification depends on the characteristics of the asset and the business model in which it is held. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income. The fair values of quoted financial investments and derivatives are based on quoted market prices or rates. If official rates or market prices are not available, fair values are calculated by discounting the expected future cash flows at prevailing interest rates.

The Company currently has no financial assets at fair value.

Financial assets at amortised cost

Financial assets are classified as amortised cost if the contractual terms give rise to payments that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows. These assets are subsequently measured at amortised cost using the effective interest method, minus impairment allowances. Interest income and gains and losses from financial assets at amortised cost are recognised in financial income.

Financial liabilities

Financial liabilities are recognised when the Company becomes bound to the contractual obligations of the instrument. Financial liabilities are derecognised when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

Business combinations

At the acquisition of a business, the cost of the acquisition, being the purchase price, is measured as the fair value of the assets given, and liabilities incurred or assumed at the date of exchange, including any cost related to contingent consideration. Transaction costs attributable to the acquisition are expensed as incurred. The acquisition cost is allocated to acquired assets, liabilities and contingent liabilities based upon appraisals made, including assets and liabilities that were not recognised on the acquired entity's Statement of Financial Position, for example intangible assets such as customer relations, brands, patents and financial liabilities. Goodwill arises when the purchase price exceeds the fair value of recognisable acquired net assets. Final amounts are established within one year after the transaction date at the latest.

For business combination involving entities under common control, predecessor value method was applied which involves accounting for the assets and liabilities of the acquired entity using existing carrying values. The difference between the acquirer's cost of investment and the acquiree's equity is presented as other reserves within equity in other reserves. The result and statement of financial position of the acquired business are incorporated prospectively from the date on which the business combination occurred.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation and any impairment charges are included in administration and selling expenses. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, at the following annual rate:

Leasehold buildings - Term of lease

Plant and machinery - 2 to 5 years

The assets residual values and useful lives are reviewed and adjusted as appropriate at the end of each reporting period. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Gains and losses on disposal are determined by comparing the proceeds less costs to sell with the carrying amount and are recognised within administration and selling expenses in the Statement of Comprehensive Income.

Trade payables

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

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

Inventory

Inventory is stated at the lower of cost or market. Cost is determined using standard costs, which approximates the average cost. We determine net realisable value using our best estimates of future use or recovery, considering the aging and composition of inventory balances, the effects of technological and/or design changes, forecasted future product demand based on firm or near-firm customer orders and alternative means of disposition of excess or obsolete items. We recognise losses within Cost of Sales in the Statement of Comprehensive Income when we determine that the cost of inventory and commitments to purchase inventory exceed net realisable value.

Research and development

Research and development expenditure is charged to the Statement of Comprehensive Income as incurred under cost of sales.

Income tax

Income taxes in the financial statements include both current and deferred taxes. Income taxes are reported in the Statement of Comprehensive Income unless the underlying item is reported directly in equity or OCI. For those items, the related income tax is also reported directly in equity or OCI. A current tax liability or asset is recognised for the estimated taxes payable or refundable for the current year or prior years.

Deferred tax is recognised for temporary differences between the book values of assets and liabilities and their tax values. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses carried forward can be utilised. Deferred tax is not recognised for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or when it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted by the reporting date. An adjustment of deferred tax asset/liability balances due to a change in the tax rate is recognised in the Statement of Comprehensive Income, unless it relates to a temporary difference earlier recognised directly in equity or OCI, in which case the adjustment is also recognised in equity or OCI.

The measurement of deferred tax assets involves judgment regarding the deductibility of costs not yet subject to taxation and estimates regarding sufficient future taxable income to enable utilisation of unused tax losses in different tax jurisdictions. All deferred tax assets are subject to annual review of probable utilisation.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Provisions

Provisions are made when there are legal or constructive obligations as a result of past events and when it is probable that an outflow of resources will be required to settle the obligations and the amounts can be reliably estimated. When the effect of the time value of money is material, discounting is made of estimated outflows. However, the actual outflows as a result of the obligations may differ from such estimates.

The provisions are mainly related to warranty commitments, dilapidations, customer projects and other obligations and claims or obligations as a result of patent infringement and other litigations.

Product warranty commitments consider probabilities of all material quality issues based on historical performance for established products and expected performance for new products, estimates of repair cost per unit, and volumes sold still under warranty up to the reporting date.

Project related provisions include estimated contractual penalties and undertakings.

Certain present obligations are not recognised as provisions as it is not probable that an economic outflow will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Such obligations are reported as contingent liabilities.

Pensions

Pensions are classified as defined contribution plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount to a separate entity (a pension trust fund) with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditures for defined contribution plans are recognised as expenses during the period when the employee provides service.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

Critical accounting estimates and judgments

The preparation of financial statements and application of accounting standards often involve management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. However, other results may be derived with different judgments or using different assumptions or estimates, and events may occur that could require a material adjustment to the carrying amount of the asset or liability affected. Examples of this could occur at change of strategy or restructuring. Judgements for accounting policies to be applied as well as estimates may also be impacted due to this. Following are the most important accounting policies subject to such judgments and the key sources of estimation uncertainty that the Company believes could have the most significant impact on the reported results and financial position.

A: Judgements made in relation to accounting policies applied

Revenue recognition

The Company uses estimates and judgments in determining the amount and timing of revenue under IFRS 15, particularly when determining the transaction price and its allocation to performance obligations identified under the contract. Transaction price may consist of variable elements such as discounts, performance related price and contract penalties. Transaction price, including variable considerations, is estimated at the commencement of the contract (and periodically thereafter). Judgment is used in the estimation process based on historical experience with the type of business and customer.

IFRS 15 also requires revenue to be allocated to each performance obligations by reference to their standalone selling prices. The Company considers that an adjusted market assessment approach should be used to estimate stand-alone selling prices for its products and services for the purposes of allocating transaction price. These estimates are comprised of prices set for similar customer and circumstances, adjusted to reflect appropriate profit margins for the market. Discounts relating to specific performance obligations are included in their respective standalone selling prices. The method of allocating transaction price to each performance obligations based on their respective standalone selling prices means that discounts that do not relate to specific performance obligations will be allocated proportionately to each performance obligations.

Deferred taxes

Deferred tax assets are recognised for temporary differences between the carrying amounts for financial reporting purposes of assets and liabilities and the amounts used for taxation purposes. The valuation of deferred tax assets is based upon management's estimates of future taxable income in different tax jurisdictions. Refer to Note 5.

Accounting for income tax, VAT and other taxes

Accounting for these items is based upon evaluation of income, value added and other tax rules in all jurisdictions where we perform activities. The complexity of rules related to taxes and the accounting for these require management's involvement in judgments regarding classification of transactions and in estimates of probable outcomes of claimed deductions and/ or disputes.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

B. Key sources of estimation uncertainty

Management applies judgment when assessing the customer's ability and intention to pay in a contract. The assessment is based on the latest customer credit standing and the customer's past payment history. This assessment may change during the contract execution, and if there is evidence of deterioration in the customer's ability or intention to pay, then under IFRS 15 no further revenue shall be recognised until the collectability criteria is met. Conversely, this assessment may also change favourably over time, upon which revenue shall now be recognised on a contract that did not initially meet the collectability criteria.

Trade and customer finance receivables

The Company monitors the financial stability of its customers and the environment in which they operate to make estimates regarding the likelihood that the individual receivables will be paid. Credit risks for outstanding customer finance credits are regularly assessed as well, and allowances are recorded for estimated losses. Refer to Note 8.

Inventory valuation

Inventories are valued at the lower of cost and net realisable value. Estimates are required in relation to forecasted sales volumes and value of inventory balances. In situations where excess inventory balances are identified, estimates of net realisable values for the excess volumes are made. Refer to note 7.

Provisions

Provisions for product warranties are based on current volumes of products sold, still under warranty and on historic quality rates for mature products, as well as estimates and assumptions on future quality rates for new products and estimates of costs to remedy the various qualitative issues that might occur.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

2 Revenue from contracts with customers

All revenue is derived from one continuing activity. The Company's revenue disaggregated by primary geographical markets is as follows:

	2022	2021
	£000	£000
UK	4,055	3,761
Sweden	365	896
Rest of Europe	13,238	17,078
Asia Pacific	7,158	7,278
India and Middle East	3,067	1,943
Other	147	331
	<u>28,030</u>	<u>31,287</u>

The Company's revenue disaggregated by pattern of revenue recognition is as follows:

	2022	2021
	£000	£000
Hardware	7,644	9,321
Support	10,312	10,690
Software	7,628	8,495
Professional Services	2,446	2,781
	<u>28,030</u>	<u>31,287</u>

Assets and liabilities related to contracts with customers:

	2022	2021
	£000	£000
Contract assets	3,021	764
Contract liabilities	4,462	3,317

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

2 Revenue from contracts with customers

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

Revenue recognised in the year

	2022	2021
	£000	£000
Revenue recognised in the year related to the opening contract liability balance	<u>2,297</u>	<u>2,393</u>

Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from contracts:

	2022	2021
	£000	£000
Unsatisfied long-term contracts	<u>4,462</u>	<u>3,317</u>

Management expects that the transaction price allocated to unsatisfied contracts as of 31 December 2022 and 2021 will be recognised as revenue during the next reporting period, respectively.

3 Operating profit

This is stated after charging:

	Note	2022	2021
		£000	£000
Depreciation	6, 14	1,615	2,046
Director's remuneration	18	181	194
Research and development expenditure		3,433	4,361
Interest accretion on lease liability	20	26	44
Auditors' remuneration - for audit of the Company's financial statements		<u>125</u>	<u>111</u>

Audit remuneration relates to audit of entity's financial statements. It includes non-audit service – preparation of financial statements – to the value of £28,000 (2021: £21,000).

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

4 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2022	2021
	£000	£000
Wages and salaries	13,818	14,638
Social security costs	1,387	1,446
Other pension costs		
- Defined contribution	961	863
	16,166	16,947

The monthly average number of employees during the year was as follows:

	2022	2021
	No.	No.
Production	14	17
Engineering	98	101
Sales and marketing	24	23
Administration	32	36
	168	177

5 Income tax expense and deferred tax

	2022	2021
	£000	£000
Current tax		
UK current income tax (credit)/expense	367	99
Deferred tax (benefit)/ expense	(462)	96
Total income tax (credit)/expense	(95)	195

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

5 Income tax expense and deferred tax (continued)

	2022	2021
	£000	£000
Deferred taxation		
Origination and reversal of temporary differences	(462)	96
Total deferred tax (benefit)/ expense	(462)	96
Current income tax receivable	1,047	1,495

The UK standard rate of tax is 19%. The actual tax charge for the current and previous year varies from the charge using the standard rate for reasons set out in the following reconciliation:

	2022	2021
	£000	£000
Profit before tax	4,557	680
Tax effective rate 19%	869	129
Effects of:		
Permanent difference	(502)	(30)
Temporary difference	(462)	96
Income tax (credit) expense	(95)	195

Deferred tax assets are only recognised where the Company expects to be able to generate corresponding taxable income in the future to benefit from tax reductions. The unrecognised deferred tax asset on losses at 31 December 2022 amounted to £4.6 million (2021: £4.9 million).

Factors affecting current and future tax charges

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which was published on 11 March 2021, states that this rate is to be increased from 19% to 25% from 1 April 2023. These proposed changes had not been substantively enacted at the Statement of Financial Position date and consequently their effects are not included in these financial statements. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds.

Deferred tax at the Statement of Financial Position date has been measured using the enacted tax rates.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

5 Income tax expense and deferred tax (continued)

The Company's future tax charge is likely to be lower than the standard rate of corporation tax due to continuing permanent differences and pension adjustments.

6 Property, plant and equipment

	Lease Buildings £000	Plant Machinery £000	Total £000
Cost			
At 1 January 2021	9,295	13,206	22,501
Additions	51	504	555
Write-off	-	(7,986)	(7,986)
At 1 January 2022	9,346	5,724	15,070
Additions	442	269	711
Write-off	(9,346)	(4,405)	(13,751)
At 31 December 2022	442	1,588	2,030
Depreciation			
At 1 January 2021	6,198	12,903	19,101
Charge for the year	1,058	482	1,540
Write off	-	(7,986)	(7,986)
At 1 January 2022	7,256	5,399	12,655
Charge for the year	773	481	1,254
Write off	(7,972)	(4,871)	(12,843)
As at 31 December 2022	57	1,009	1,066
Net book value			
At 31 December 2022	385	579	964
At 31 December 2021	2,090	325	2,415

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

7 Inventories

	2022	2021
	£000	£000
Raw materials and consumables	3,009	1,486
Finished goods and goods for resale	445	558
	<u>3,454</u>	<u>2,044</u>

No information is held to enable cost of sales to be split into inventory purchases and direct labour costs. The above balance includes an allowance for obsolescence £1,582,000 (2021: £1,614,000).

8 Trade and other receivables

	2022	2021
	£000	£000
Trade receivables	8,886	6,317
Provision for impairment of trade receivables	(294)	(708)
Net trade receivables	8,592	5,609
Amounts owed by group undertakings	41,395	38,782
Prepayments	422	240
Input VAT, net	2,009	598
Total current trade and other receivables	<u>52,418</u>	<u>45,229</u>

All inter-company balances are due to normal trade and are receivable on group standard payment terms (30 days net) with no extended credit.

Movement in allowances for impairment

	2022	2021
	£000	£000
Balance at 1 January	(708)	(835)
Additions	(294)	-
Write-off	708	127
Balance at 31 December	<u>(294)</u>	<u>(708)</u>

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

8 Trade and other receivables (continued)

Aging analysis as at 31 December 2022

	Trade receivables days past due (days)			Total £000
	Current £000	Less than 90 £000	90 or more £000	
Trade receivables	7,537	818	531	8,886
Allowances for impairment	-	-	(294)	(294)
Net trade receivables	<u>7,537</u>	<u>818</u>	<u>237</u>	<u>8,592</u>

Aging analysis as at 31 December 2021

	Trade receivables days past due (days)			Total £000
	Current £000	Less than 90 £000	90 or more £000	
Trade receivables	5,090	509	718	6,317
Allowances for impairment	-	-	(708)	(708)
Net trade receivables	<u>5,090</u>	<u>509</u>	<u>10</u>	<u>5,609</u>

Credit risk in trade receivables

Credit risk is divided into three categories: credit risk in trade receivables, customer finance risk and financial credit risk.

Credit risk in trade receivables is governed by a policy applicable for all legal entities in the MediaKind Group. The purpose of the policy is to:

- Avoid credit losses through establishing internal standard credit approval routines in all MediaKind legal entities;
- Ensure monitoring and risk mitigation of defaulting accounts, i.e. events of non-payment and/or delayed payments from customers;
- Ensure efficient credit management within the Company and thereby improve Days Sales Outstanding and cash flow;
- Ensure payment terms are commercially justifiable;
- Define escalation path and approval process for payment terms and customer credit limits.

The credit risk of all customers is regularly assessed. Through credit management system functionality, credit checks are performed every time a sales order or an invoice is generated in the source system. These are based on the credit risk set on the customer. Credit blocks appear if past due receivables are higher than permitted levels. Release of a credit block requires authorisation.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

8 Trade and other receivables (continued)

Letters of credit are used as a method for securing payments from customers operating in emerging markets, in particular in markets with unstable political and/or economic environment. By having banks confirming the letters of credit, the political and commercial credit risk exposures to MediaKind are mitigated.

Impairment of trade receivables and contract assets

Trade receivables and contract assets are assessed for impairment under a unified model. The Company has determined that credit risk largely depends on both the risk in the country where the customer resides (e.g. ability to make cross border payments) as well as the payment pattern of the customer. Therefore, impairments are calculated using a provision matrix that specifies a fixed rate depending both on the number of days past due and the country risk rating. The country risk ratings depend on the ratings used by all Export Credit Agencies within the OECD. The rates defined in the provision matrix are based on historical loss patterns for that grouping of customers. These rates are adjusted for current conditions as well as management expectations for changes to political risks and payment patterns in the future. The provision rates are higher on high risk countries compared to low risk countries and also higher on amounts that remain unpaid for longer periods of time. There were no significant changes to the model during the year.

Trade receivables and contract assets together amounted to £11.6 million as of 31 December 2022 (2021: £6.4 million). Provisions for expected credit losses on trade receivables and contract assets amounted to £294 thousand as of 31 December 2021 (2021: £708 thousand). The Company's write-offs have historically been low. The allowance decreased during 2022 due to write-offs and reversals.

9 Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank	2,262	1,941

For the purpose of cash flows, the cash and cash equivalents at the end of the year include amounts held in foreign currencies £1.3 million (2021: £1.1 million).

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

10 Trade and other payables

	Note	2022 £000	2021 £000
Trade payables		4,757	2,832
Amounts due to related parties	18	21,356	18,381
Other payables		127	-
Accrued expenses		3,907	3,819
Lease liability	14	225	350
		<u>30,372</u>	<u>25,382</u>

All inter-company balances are payable on group standard repayment terms (30 days net) with no extended credit and no interest is earned.

11 Provisions for other liabilities and charges

	Property £000	Product Warranty £000	Other Provisions £000	UK Medical Disability £000	Total £000
At 1 January 2021	1,750	812	-	1,111	3,673
Additions	-	-	867	-	867
Utilisation	-	(113)	-	(4)	(117)
At 31 December 2021	1,750	699	867	1,107	4,423
Additions	-	-	564	-	564
Utilisation	-	(62)	-	(46)	(108)
Reversal	(650)	-	-	-	(650)
Reclassification	(1,100)	-	-	-	(1,100)
At 31 December 2022	-	637	1,431	1,061	3,129

Property Provision

The provision is in respect of potential dilapidation costs for current office space. The liability was reclassified to trade and other payables as the Company has already identified the actual amount to be settled and no longer meets the definition of a provision under the relevant standard. As at 31 December 2022, dilapidation liability, recorded as part of accrued expenses, amounted to £1.1 million.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

11 Provisions for other liabilities and charges (continued)

Product Warranty provision

Warranty provisions are based on historic quality rates for established products as well as estimates regarding quality rates for new products and costs to remedy the various types of faults predicted. A provision is recognised for expected warranty costs on products sold during the past 12 months. It is expected that these costs will continue to be incurred in future periods.

Other Provisions

There is uncertainty regarding certain input credits that were claimed for VAT in the years 2019 and 2020. These related to certain import of goods into the UK for which VAT was paid, for which the VAT originated in other countries.

UK Medical Disability provision

The provision is in respect of payments to an individual with multiple sclerosis (MS).

12 Share capital and other reserves

Allotted, called up and fully paid shares

	2022		2021
	No. 000	£ 000	No. 000
Ordinary shares of £1 each	10,000	10,000	10,000

Other reserves

On 31 December 2020, the business decided to have one entity to operate in UK hence MK Technologies UK Limited was merged with MediaKind Systems UK limited. The movement due to the combination reflect the impact on the Equity under Other reserves amounting to £2.5 million as disclosed in note 19.

14 Leases

Movement in right of use assets is presented below:

	2022	2021
	£000	£000
At 1 January	340	829
Additions	781	-
Depreciation charge for the year	(361)	(489)
At 31 December	760	340

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

Lease liabilities are due as follows:

	2022	2021
	£000	£000
Current	(225)	(350)
Non-current	(668)	-
	<u>(893)</u>	<u>(350)</u>

The lease liabilities are secured by the related underlying assets.

The Company's lease of office space with F&C Commercial holdings has already expired. The Company then entered in a new lease agreement with Charlotte Place for new office space for 5 years and Green Colo for colocation and data facility for 3 years.

Leases of office space and colocation facility are typically subject to rent reviews at specified intervals and provide for the lessee to pay all maintenance and repair costs as well as part of the insurance costs.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2022	2021
	£000	£000
Interest expense	26	44
Depreciation charge of right-of-use asset	361	489
	<u>387</u>	<u>533</u>

The Company has a lease with a remaining 4 and 2-year term.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

14 Leases (continued)

The lease liabilities are secured by the related underlying assets.

2022	Within 1 year	1-2 Years	Total
Lease payments	262	727	989
Finance charges	(37)	(59)	(96)
Net present value	225	668	893
<hr/>			
2021			
Lease payments	361	-	361
Finance charges	(11)	-	(11)
Net present value	350	-	350
<hr/>			

15 Financial risk management and impairment of financial assets

The Company's capital and financial risk management policies are governed at the MediaKind Group level.

Capital Management

MediaKind Group defines its managed capital as the total of a Company's equity. Therefore, uses Equity/Total Assets ratio as a measure of determining the appropriate capital structure of its group companies.

The capital structure is managed by balancing equity, inter-company loans and liquidity in such a way that the Company secures funding of its operations in a cost-effective way for the MediaKind Group.

The Company achieves its funding needs solely through MediaKind Group Treasury and does not negotiate any external borrowing independently. This provides financial flexibility and independence to operate and manage variations in working capital needs as well as to capitalise on business opportunities.

The Company strives to finance growth, normal capital expenditures and dividends to the MediaKind Group by generating sufficient positive cash flows from operating activities.

Capital objectives information:

	2022	2021
	£000	£000
Equity	27,573	22,921
Total assets	66,204	56,043
Equity ratio	42%	41%
Cash inflow/(outflow)from operating activities	1,402	(633)

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

15 Financial risk management and impairment of financial assets (continued)

Financial Management

The Company's financial risk management policy is primarily driven by MediaKind Group Treasury. The principal aim is to ensure that appropriate financing is in place to manage the Company's liquidity as well as financial assets and liabilities, and to control financial risk exposures in a manner consistent with underlying business risks and financial policies. The Company does not undertake any local hedging activities.

Foreign exchange risk

The Company is exposed to foreign exchange risk in the normal course of business for transactions not denominated in Pound Sterling. For inter-company transactions, MediaKind Group Treasury seeks to minimise such risk by dictating the currency of trade between the Company and its group undertakings.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. Financial assets includes cash, trade receivables and receivables from related parties. Financial liabilities includes trade payables and payables to related parties. The amounts shown are those reported to key management translated into Pound Sterling at the closing rate:

	GBP £000	EUR £000	Others £000
31 December 2022			
Financial assets	15,844	19,131	18,151
Financial liabilities	(8,026)	(9,161)	(14,093)
Total exposure	7,818	9,970	4,058
	GBP £000	EUR £000	Others £000
31 December 2021			
Financial assets	4,304	21,198	21,071
Financial liabilities	(8,270)	(1,382)	(10,684)
Total exposure	(3,966)	19,816	10,387

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

15 Financial risk management and impairment of financial assets (continued)

Interest rate risk

The Company is exposed to interest rate risk through market value fluctuations in certain Statement of Financial Position items and through changes in interest revenues and expenses. The net cash position at year end was £2.2 million (2021: £1.9 million). There were no interest-bearing liabilities at year end (2021: £nil).

Cash or overdraft balances are managed through a cash pooling arrangement, subject to floating rates applicable to the cash pooling arrangement with MediaKind Group Treasury. No assets or liabilities are subject to fixed interest rate exposure.

The Company policy is to avoid a significant fixed rate exposure in its assets and liabilities.

Liquidity risk

Liquidity risk is that the Company is unable to meet its short-term payment obligations due to insufficient funds or illiquid cash reserve. The Company minimises the liquidity risk by maintaining a sufficient net cash position and having MediaKind Group Treasury loan facilities in place to meet potential funding needs. The current cash position is deemed to satisfy all short-term liquidity requirements.

During 2022, the net cash balance increased to £2.3 million from £1.9 million.

The entire cash balance is held with reputable financial institutions.

Carrying amounts of financial instruments

The Management consider that the carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair values.

16 Contingent liabilities

Bank guarantees of £200,000 (2021: £200,000) have been made to HMRC and to customers in the ordinary course of business.

There is an intellectual property charge where each chargor charges by way of fixed charge all intellectual property rights including all fees, royalties and other rights of every kind relating to or deriving from such intellectual property rights. The floating charge covers all the property or undertaking or the company.

17 Pension commitments

The Company operate a defined contribution pension scheme. The assets are managed by Legal & General Assurance Society Limited. The Company complies with its pension obligations in relation to pension auto-enrolment under the Pensions Act 2008 through the provision of an occupational defined contribution pension scheme, known as Group Personal Pension Plan ("GPP") provided by Legal & General. Subject to the provisions of the GPP, employees are eligible to participate in and make contributions at such levels as are notified from time to time.

Employees are eligible to receive contributions to it from the Company of such levels that are notified from time to time. The GPP operates under salary sacrifice. Refer to note 4 for pension contribution during the year.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

18 Related party transactions

Parent Entities			2022	2021
Name of related party	Type	Place of incorporation	Ownership interest	
Leone Media Inc.	Ultimate parent company	United States	100%	100%
MK Systems Netherlands B.V.	Parent company	Netherlands	100%	100%

Transactions with key management personnel

Key management personnel are the Directors of the Company. Their compensation comprised the following:

	2022	2021
	£000	£000
Salaries and short-term employee benefits	181	194
Company contribution paid to money purchases pension schemes	14	20
	<u>195</u>	<u>214</u>
Highest paid Director		
Emoluments and amounts receivable under incentive schemes	181	194
Company contribution paid to money purchases pension schemes	14	20
	<u>195</u>	<u>214</u>

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

18 Related party transactions (continued)**Other related party transactions**

	2022	2021
	£000	£000
Transactions with related parties		
A. Nature of transactions - Purchases		
Fellow Subsidiary	1,314	7
Subsidiary/ Associates/ JV	642	-
Other related parties	2,733	172
B. Nature of transaction - Sales		
Fellow subsidiary	-	55
Other related parties	6,220	8,355

The above transaction between the Company and Related parties are governed by respective Intercompany agreement and are at arm length price.

	2022	2021
	£000	£000
Outstanding balances with related parties		
A. Receivable		
Parent company	1,489	1,333
Subsidiaries/ Associates/JV	3,467	1,420
Fellow subsidiaries	-	570
Other related party	18,200	19,072
B. Payable		
Subsidiaries/ associates/JV	-	11
Fellow subsidiaries	4,742	2,594

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

18 Related party transactions (continued)

The above outstanding balance to/from Related Parties are in normal course of business and payable on demand. The Company has not provided for any doubtful debts on account of above balance and are considered recoverable in full.

19 Acquisition

On 31 December 2020, the management decided to have one entity to operate in UK hence MK Technologies UK Limited was merged with Mediakind Systems UK limited.

The table below summarises the net assets acquired and the resulting other reserves arising from merger of the two entities.

	2020
	£000
Purchase consideration	
Promissory note	1,121
Recognised amounts of identifiable net assets	
Fixed asset	120
Non-current assets	120
Contract assets	641
Trade receivables	1,378
Cash and cash equivalents	456
Intercompany receivables	3,329
Other assets	766
Total current assets	6,570
Trade payables	239
Deferred income	516
Other payables	360
Intercompany payables	1,926
Total liabilities	3,041
Identifiable net assets	3,649
Other reserves	2,528

Consideration transferred

Purchase consideration is in the form of a promissory note of £1.1 million to MK Systems Netherlands B.V. The difference between the purchase consideration and net identifiable assets was credited to other reserves. See note 12.

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

19 Acquisition (continued)

Contribution to the Entity results

The acquired entity generated income of £503 thousand between the date of acquisition and reporting date. Revenue generated by the entity acquired from beginning to end of reporting period amounted to £1.4 million.

20 Finance income and costs

	2022 £000	2021 £000
Finance costs		
Interest paid on finance lease liabilities	(26)	(44)
Net foreign exchange gain/(losses)	2,986	(992)
Finance expense	<u>2,960</u>	<u>(1,036)</u>

21 Subsidiary and consolidation

The Company owns 100% of the shares of MK HCSE France SAS with carrying value of £100. MK HCSE France SAS's registered address is Batiment Stanford 1b avenue de Belle Fontaine, Cesson-Sevigne, Ille-et-Vilaine, 35510.

The Company availed of the consolidation exemption under Company Act 2006 paragraph 400.2.

The smallest and largest group in which the results of the group are consolidated is Leone Media Inc, a company incorporated in the United States of America.

22 Analysis of debt

	At 1 Jan 2022 £000	Cash flows £000	At 31 Dec 2022 £000
Cash in bank	1,941	321	2,262
Finance leases	350	(427)	(77)
	<u>2,291</u>	<u>(106)</u>	<u>2,185</u>

MediaKind Systems UK Ltd

Notes to the Financial Statements

for the Year Ended 31 December 2022 (continued)

23 Subsequent events

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

24 Approval of financial statements

The board of Directors approved these financial statements for issue on December [], 2023.
12/29/2023