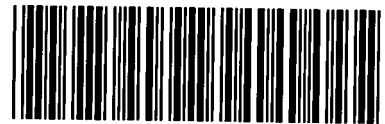


Company registration number 05083841 (England and Wales)

8X8 UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



8X8 UK LIMITED

COMPANY INFORMATION

Directors James Snaddon (Appointed 24 January 2023)
Suzanne Seandel (Appointed 25 January 2023)

Secretary Nicola Frost

Company number 05083841

Registered office Oxford House
Bell Business Park
Smeaton Close
Aylesbury
Buckinghamshire
HP19 8JR

Auditor Mazars LLP
Chartered Accountants
Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

8X8 UK LIMITED

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8X8 UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of business and KPIs

The principal activity of the Company has been the provision of hosted, unified communication services to our customers throughout the period.

Revenue in the year has increased by 5% compared with the previous financial year where revenue growth was 17%. The Directors review the performance of the UK business in conjunction with the rest of the Group. Therefore, other than revenue growth, there are not considered to be any other KPI's for 8x8 UK Limited.

Principal risks and uncertainties

Management continually monitor the key risks facing the Company. The principal risks and uncertainties facing the Company are as follows:

Economic Downturn

Economic downturn could impact the level of new orders that the company receives. If there are less businesses starting up, or existing businesses are not expanding there is a risk that they will be less likely to make changes to the current suppliers and switch to new services. The Company manages these risks by continually updating the products and services offered to ensure the cost saving from adopting our services are available to both existing and new customers.

Competitor pressure

Competitor pressure could also have a negative impact on the revenue the Company generates. If competitors have a superior offering to the products and services that are offered by the Company or they offer significantly lower prices, customers may be tempted to go elsewhere. As with economic downturn, the products and services are continually updated so a more attractive and better service can be offered to customers.

Development and financial performance during the year

As reported in the Company's Statement of Total Comprehensive Income, the loss for the year is £3,905,291, which is a decrease from the previous financial year which had profits of £2,991,476.

Financial position at the reporting date

The Balance Sheet shows that the Company's net assets at the year-end are £15,140,687 which is an increase from the previous year where net assets were £12,805,092.

8X8 UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Section 172(1) statement

Section 172(1) requires Directors to act in a way they consider would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- (a) The likely consequences of any decision in the long term;
- (b) The interest of the company's employees;
- (c) The need to foster the company's business relationships with suppliers, customers and others;
- (d) The impact of the company's operations on the community and the environment
- (e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) The need to act fairly as between members of the company.

The Directors have acted to promote the long-term success of the Company through the initiatives and processes discussed in this report in a way that benefits its members whilst still having due regard to their duties as defined in Section 172(1).

Introduction

Our goal is not only to accelerate how businesses work, connect, and engage with their customers, but to be thoughtful about the impact we have on our shareholders, our customers, our people and the planet. We conduct our business ethically and in a socially responsible manner. We encourage universal human rights and protect the environment. We seek to create a work culture that not only embraces creativity and diversity, but is financially rewarding for the people who believe in us.

The likely consequences of any decision in the long term

The Board of Directors sets high standards for the Company's employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance. Our directors are fully aware of their duties with regards to Section 172(1) of the Companies Act 2006 and continue to promote the success of the company for the benefit of the stakeholders.

8x8 culture is built on three key pillars: Customer first, product first, and team first. We are 100% committed to helping our customers succeed, building the best communications platform in the world, and making it all possible with our diverse team of employees and partners.

8X8 UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Our employees

We firmly believe that the voice of our workforce is essential and is an integral part of a feedback mechanism used to progress the culture at 8x8. We engage our employees in a number of ways including in person and virtual events, all hands meetings and surveys.

We believe that communication and collaboration are essential to increasing employee engagement and satisfaction, and we have made both a priority. In addition to weekly “Notes over Coffee” from our CEO on a broad range of topics, we hold quarterly All Hands meetings where we review our results, celebrate our successes and recognize outstanding achievements. We also conduct “Ask Me Anything” sessions at the local and regional level, giving employees an opportunity to raise questions ranging from long term strategy to post-pandemic return to work policies, with the option of submitting questions anonymously. Functional leaders also conduct team All Hands to ensure Team8s are offered the opportunity to align corporate messaging with their roles, and how their work aligns with corporate goals and objectives.

As important as these formal channels of communication are, we place equal value on the ad hoc communication and collaboration enabled by our 8x8 Work app. Company-wide discussion rooms encourage all employees to engage with co-workers and leadership on a wide range of topics, including diversity and inclusion, sustainability, accessibility, work-life balance, and more. We are also revamping our annual Employee Engagement Survey, dividing it into quarterly “chunks” addressing timely and more specific topics.

We recently launched “Team8s”, our employee engagement and branding campaign. Under the Team8s umbrella, we have planned quarterly global activities, a Team8s award program, and Boomerang recognition for employees who left 8x8 and have elected to return.

We strive to provide competitive total rewards packages to hire and retain the key talent we need to achieve our growth and profitability objectives. This includes competitive cash compensation, equity grants of restricted stock units and performance-based stock units. We also offer benefits to care for the total health of our employees and their families, including health and dental insurance, paid medical leave and parental leave. We offer Company-funded mental health services, support for working parents, webinars on financial well-being and other services through our global employee assistance program.

All employees have an opportunity to become stakeholders in 8x8 through our Employee Stock Purchase Plan, which allows employees to purchase up to £20,000 in market value per year of 8x8 stock through payroll deductions.

We support life-long learning for our employees and offer multiple options for personal development and education, as well as mandatory anti-harassment, cybersecurity, and compliance training for every employee. Following an extensive evaluation period, we are in the process of rolling out multiple self-paced educational platforms, including LinkedIn Learning. We also offer an extensive library of online webinars and courses on our products and services, as well as wellness seminars covering financial, physical and mental well-being. Two major initiatives have been rolled out this year to support the growth of leaders and managers. A “Manager Academy” has been developed and will be rolled out beginning in Q2 FY2024. The objective is to train managers on implementing the Company’s manager expectations and ensuring each employee has a productive relationship with their supervisor. For leadership development, all leaders will be included in behavioural assessments, coupled with a coach debrief. The objective is to enable leadership self-awareness and encourage personal growth.

8X8 UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Our Customers

We have a diverse and growing customer base, with users in over 180 countries, including small business, mid-market and enterprise customers, and across a wide range of industries and use cases. No single customer represented 10% or more of our revenue in fiscal 2023, 2022, and 2021.

Our business operates in a new and competitive landscape where solutions are delivered in a cloud-based environment. Unified communications software, or UCaaS (Unified Communications as a Service), provides customers with the opportunity to decouple their business from geographic locations, within a single 8x8 platform. Regardless of their business objectives or size SME to Enterprise, this market demands customer obsession. The Customer Experience is often the foremost differential in the customers selection and supplier retention process.

The Company acknowledges this competitive environment and continues to recruit the very best staff to deliver our customer vision, forming part of our Global Customer Care teams, (who are trained and encouraged to be customer obsessed). We formally monitor critical customer care data and strive for continued improvement, with industry leading Net Promoter Scores and Customer Satisfaction metrics. Putting the customer experience at the forefront of our efforts, our obsession is endemic and shapes our culture and approach to customer care. We regularly engage our customers with satisfaction surveys, social media, blog posts, webinars and in person events.

Our Suppliers

We endeavour to conduct all of our business relationships with our suppliers in a responsible manner and with integrity and transparency and expect this from our suppliers. Our procurement policy expects our suppliers to comply fully with our Anti-Slavery Policy, our Supplier Code of Conduct and our Compliance Reporting Policy. Our procurement team regularly monitors relationships with our suppliers, and the on-boarding of new suppliers requires a rigorous process to be followed. To enhance this operation, in FY24 we will be rolling out new supplier management software which will enable us to improve accuracy and accountability, reduce risks and increase visibility allowing us to simplify our monitoring process.

Environment

In 2023, we took steps to create a structured corporate sustainability program and increase awareness internally and externally for our progress on ESG initiatives through enhanced disclosures.

8x8 is committed to achieving Net Zero greenhouse gas emissions by 2050. To begin this journey we have calculated our baseline carbon footprint in FY2020 (ended March 31, 2020) and an annual measurement of our emissions is now an embedded business process. We have included all seven Kyoto Protocol Greenhouse Gas groups in our emissions calculations and, where necessary, estimates are based on UK Governmental data.

To continue our journey and best manage our sustainability disclosures we engaged outside consultants to help us assess materiality and assist us in defining a multi-year roadmap. To support enhanced disclosure on ESG issues, we evaluated and began implementation of software to collect, track, report, and audit ESG related metrics, including community engagement, DEI initiatives, and climate-related metrics. The software also allows us to align our disclosures to the most relevant global frameworks, including those from the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the EU Corporate Sustainability Reporting Directive (CSRD).

8X8 UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

In 2023 we rolled out the On Hand volunteer and climate impact app which allows employees to source community involvement opportunities and track their activities. When employees complete a mission, On Hand partners with Eden Reforestation Projects to plant a tree that helps rebuild natural landscapes destroyed by deforestation.

Collective action drives results, and we encourage employees to be active participants in achieving our net zero emissions goals by reducing waste, water usage, and electricity. To this end, we facilitate recycling in our offices, encourage employees to limit printing and paper waste, and deploy energy saving devices such as automatic off switches for our lights. We also recycle (or donate, when possible) electronic equipment, and hosted an electronics recycling drive for Earth Day. In 2023 we facilitated the formation of a “Green Team” to engage employees and further identify areas for emissions reduction and climate change education.

Our Communities

Throughout the year we encourage our employees to join fundraising events where we have raised money for various charities such as Mind, The Cake Initiative and Kids Out. We also provide support to the charities and causes that our employees have either created, support or engage with in a voluntary capacity. We aim to showcase and champion the work they do to enhance the lives and environment they live in.

We encourage employees to make a difference in their communities through volunteer activities. We offer employees paid time off to volunteer, and organise 8x8 sponsored events throughout the world. The Social Value Board oversees all charitable donations and Social Value activities. These have ranged from digital literacy training to the donation of Raspberry Pi single board computers to teach computer skills in historically underserved communities.

Acting fairly

We consider ourselves to be an equal opportunities employer. All staff are treated with equal respect and fairness, and action will be taken if a person is unlawfully discriminated against. The company seeks to recruit, train and promote based on experience, skills and performance and provide employees with the necessary tools and equipment to allow them to perform their duties to the best of their abilities. Compensation is regularly evaluated by the Compensation Committee and external experts are used to assess our pay structure for employees.

This year we have undertaken a deeper quantitative and qualitative data analysis of our Gender Pay Gap figures which includes hiring, retention and promotion. We have introduced tools to better capture this data and set up a committee to oversee the creation of a 10 year Action Plan to reduce the gap further.

Summary

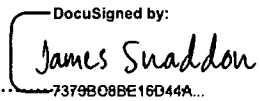
The collective actions outlined above demonstrate our commitment to understanding the consequences of decisions over the long term; taking into account the interests of our employees and our relationships with suppliers, customers and other stakeholders. We are actively engaged with seeking to understand the impact of our operations on the environment and the communities in which we operate whilst ensuring we maintain high standards in our business conduct.

8X8 UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

DocuSigned by:


.....7379B08BE16D44A...

James Snaddon

Director

Date: 20 December 2023

8X8 UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of the provision of hosted, unified, communication services.

Results and dividends

The results for the year are set out on page 17.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Samuel Wilson	(Resigned 25 January 2023)
Matthew Zinn	(Resigned 25 January 2023)
James Snaddon	(Appointed 24 January 2023)
Suzanne Seandel	(Appointed 25 January 2023)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the 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 involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Future developments

The Directors consider that trading conditions will continue to be challenging in the market where there is increasing competition.

Auditor

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

8X8 UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Energy and carbon report

As we predominantly deal with cloud-based solutions, our environmental impact is minimal and our journey to carbon net zero is at a good starting point. 8x8 is fully committed to minimising the impact that running our business has on the environment and encourage our clients, suppliers and other stakeholders to do the same.

We believe good corporate citizenship and sustainable business practices go hand-in-hand with our mission of enabling better customer and employee experiences through a unified communications platform and AI-enabled technology. As a leader and innovator in cloud-native UCaaS and CCaaS, we have embraced sustainable business practices from our inception and strive to have a positive impact on the environment and in our communities.

8x8 UK Ltd. is committed to achieving Net Zero greenhouse gas emissions by 2050. To begin this journey we have calculated our baseline carbon footprint in fiscal 2020 (ended March 31, 2020) and an annual measurement of our emissions is now an embedded business process. We have included all seven Kyoto Protocol Greenhouse Gas groups in our emissions calculations and where necessary, estimates are based on UK Government data. The scope of our calculations covers our two UK offices and all of our UK operations. The methodology used is the Greenhouse Gas Protocol, using UK Government conversion factors produced by the Department for Business, Energy & Industrial Strategy.

	2023	2022
<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Electricity purchased	188,448	182,527
	<u>188,448</u>	<u>182,527</u>
	2023	2022
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	-	-
- Fuel consumed for owned transport	-	1.44
	<u>-</u>	<u>1.44</u>
Scope 2 - indirect emissions		
- Electricity purchased	37.22	37.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	-	-
	<u>37.22</u>	<u>38.44</u>
Total gross emissions	<u>37.22</u>	<u>38.44</u>
<i>Intensity ratio</i>		
KWH converted to Kg CO2e	39,023	38,756
	<u>39,023</u>	<u>38,756</u>

8X8 UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Intensity measurement

The intensity measurement is KgCO₂ per square foot of office space. For 2022 this is 1.62 and for 2023 this is 1.64.

Energy efficiency actions undertaken

In FY23 we engaged outside consultants to help us assess materiality and assist us in defining a multi-year roadmap. To support enhanced disclosure on ESG issues, we evaluated and began implementation of software to collect, track, report, and audit ESG related metrics, including community engagement, DEI initiatives, and climate-related metrics. The software also allows us to align our disclosures to the most relevant global frameworks, including those from the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the EU Corporate Sustainability Reporting Directive (CSRD).

We have taken steps to create a structured corporate sustainability program and increase awareness internally and externally for our progress on ESG initiatives through enhanced disclosures. We formalised ESG oversight at the Board level under the Nominating and Governance Committee and appointed a Global ESG Coordinator to track our regional ESG initiatives.

We continue to engage with our employees and other stakeholders to discover ways to reduce emissions and increase awareness of environmental issues. These are some examples of initiatives undertaken:

- The roll out of the On Hand volunteer and climate impact app which allows employees to source community involvement opportunities and track their activities. When employees complete a mission, On Hand partners with Eden Reforestation Projects to plant a tree that helps rebuild natural landscapes destroyed by deforestation;
- Formation of “Green Teams” to collaborate and find solutions to reduce emissions through advocacy and action;
- Increased approval process for air travel causing a significant reduction in emissions from aviation;
- Employee “Happy Hours” with a focus on environmental issues such as recycling education;
- Virtual sustainability suggestion boxes;
- Promotion of sustainable travel benefits.

What we will do

- In the first quarter of FY24 we were externally accredited with ISO14001 Environmental Management System. This has increased the monitoring of our environmental impacts, increases our efficiency and sets us on a path for continuous improvement. This system is actively managed by the Environment Manager and overseen by our internal audit function with executive sponsorship from the EMEA Financial Controller and the Managing Director.
- The first quarter of FY24 also saw a move to a Ofgem certified green renewable tariff for our UK offices, we will continue to take environmental considerations in all of our Facilities purchasing;
- 8x8 has appointed Auditel, specialists in Carbon Solutions to measure our GHG emissions in accordance with the government's PPN06/21. We will be working together to create a data improvement plan to increase our accuracy and environment related disclosures;
- We have begun to take action in oversight of our suppliers sustainability credentials and have started to improve our data collection in our procurement process. Later in FY24 we will be rolling out new supplier management software which will enable us to improve overall monitoring of our supply chain, breach of environment regulations and environmental certification monitoring.

8X8 UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

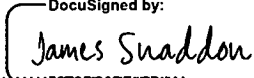
Matters covered in the strategic report

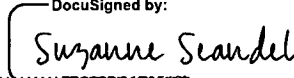
As permitted in paragraph 1A of schedule 7 to Large and Medium-sized Companies and Groups (accounts and reports Regulations 2008 certain matters are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report on pages 1 to 4. These matters relate to the Principal activity and business review, Principal risks and uncertainties, Future developments and Key performance indicators.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

.....7373BC8BE18D#4A...
James Snaddon
Director

DocuSigned by:

.....A77C60DC4E05#87...
Suzanne Seandel
Director

Date: 20 December 2023 .

8X8 UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF 8X8 UK LIMITED**

Opinion

We have audited the financial statements of 8x8 UK Limited (the 'company') for the year ended 31 March 2022 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF 8X8 UK LIMITED

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF 8X8 UK LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF 8X8 UK LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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

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. Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Employment Law, Health and Safety Act, Bribery Act 2010, GDPR.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006, UK tax legislation and UK pension legislation.

In addition, we evaluated the directors' and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, significant one-off or unusual transactions and revenue recognition which we pinpointed to the cut-off assertion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF 8X8 UK LIMITED

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of our report

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

TCooke

Thomas Cooke (Senior statutory auditor)

20 December 2023
Date:

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Blvd
Milton Keynes
MK9 1FF

8X8 UK LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2023**

		2023	2022
	Notes	£	£
Turnover	3	83,191,674	78,864,348
Cost of sales		(28,544,982)	(19,398,097)
Gross profit		54,646,692	59,466,251
Administrative expenses		(58,551,028)	(56,560,655)
Operating (loss)/profit	4	(3,904,336)	2,905,596
Interest receivable and similar income	7	90	18
Interest payable and similar expenses	8	(2,089)	(3,477)
(Loss)/profit before taxation		(3,906,335)	2,902,137
Tax on (loss)/profit	9	1,044	89,339
(Loss)/profit for the financial year		(3,905,291)	2,991,476

The profit and loss account has been prepared on the basis that all operations are continuing operations.

8X8 UK LIMITED

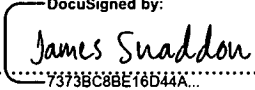
**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

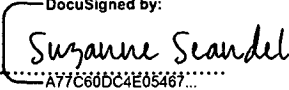
	2023	2022
	£	£
(Loss)/profit for the year	(3,905,291)	2,991,476
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(3,905,291)</u>	<u>2,991,476</u>

8X8 UK LIMITED**BALANCE SHEET****AS AT 31 MARCH 2023**

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10		532,747		538,346
Tangible assets	11		606,399		1,094,799
Investments	12		1		1
			<u>1,139,147</u>		<u>1,633,146</u>
Current assets					
Stocks	14	129,197		6,947	
Debtors	15	18,510,463		15,190,317	
Cash at bank and in hand		20,206,721		13,757,123	
		<u>38,846,381</u>		<u>28,954,387</u>	
Creditors: amounts falling due within one year	16	<u>(23,685,447)</u>		<u>(16,145,263)</u>	
Net current assets			<u>15,160,934</u>		<u>12,809,124</u>
Total assets less current liabilities			<u>16,300,081</u>		<u>14,442,270</u>
Creditors: amounts falling due after more than one year	17		<u>(1,159,394)</u>		<u>(1,637,178)</u>
Net assets			<u><u>15,140,687</u></u>		<u><u>12,805,092</u></u>
Capital and reserves					
Called up share capital	20		570,000		570,000
Share premium account	21		15,186,776		15,186,776
Other reserves	21		8,335,386		2,094,500
Profit and loss reserves	21		(8,951,475)		(5,046,184)
Total equity			<u><u>15,140,687</u></u>		<u><u>12,805,092</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

DocuSigned by:

7373BC88E16D44A...
James Snaddon
Director

DocuSigned by:

A77C60DC4E05467...
Suzanne Seandel
Director

Company registration number 05083841 (England and Wales)

8X8 UK LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital	Share premium account	Share compensati on reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 April 2021	570,000	15,186,776	3,115,841	(8,037,660)	10,834,957
Year ended 31 March 2022:					
Profit and total comprehensive income for the year	-	-	-	2,991,476	2,991,476
Share based payments charge	-	-	10,856,689	-	10,856,689
Amounts recharged to Parent Company	-	-	(11,878,030)	-	(11,878,030)
Balance at 31 March 2022	570,000	15,186,776	2,094,500	(5,046,184)	12,805,092
Year ended 31 March 2023:					
Loss and total comprehensive income for the year	-	-	-	(3,905,291)	(3,905,291)
Share based payments charge	-	-	8,946,436	-	8,946,436
Amounts recharged to Parent Company	-	-	(2,705,550)	-	(2,705,550)
Balance at 31 March 2023	570,000	15,186,776	8,335,386	(8,951,475)	15,140,687

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

General information.

8x8 UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Oxford House, Bell Business Park, Smeaton Close, Aylesbury, Buckinghamshire, HP19 8JR. The Company number is 05083841.

The principal activity of the Company is that of the provision of hosted, unified, communications services.

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 3 'Financial Statement Presentation' paragraph 3.17(d);
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 12 'Other Financial Instruments' paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements present information about the company as an individual entity and not about its group. Consolidated accounts have not been prepared because consolidation is done by the ultimate holding company 8X8 Inc. 8x8 UK Limited is a wholly owned subsidiary of 8X8 Inc. These consolidated financial statements are available from its registered office, 675 Creekside Way, Campbell, California, CA 95008.

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.2 Going concern

8x8 UK Limited is wholly owned by 8x8 International Holding Co. Additional funding in the form of intercompany loans or additional capital will be provided by the Company's parent undertaking during the forthcoming year to support working capital. The ultimate parent undertaking has confirmed it will continue to make available sufficient funds to enable the Company to continue for at least 12 months from the date of signing these financial statements, and that it will not demand repayment of any trading or loan account, until such time that the Company is in a position to repay the loan. Accordingly, these financial statements have been prepared on a going concern basis.

1.3 Turnover

As described below, significant management judgments and estimates must be made and used in connection with the recognition of revenue. Material differences may result in the amount and timing of our revenue if management were to make different judgments or utilize different estimates.

The Company recognizes revenue using a five-step model as follows:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company identifies performance obligations in contracts with customers, which may include subscription services and related usage, product revenue, and professional services. The transaction price is determined based on the amount we expect to be entitled to receive in exchange for transferring the promised services or products to the customer. The transaction price in the contract is allocated to each distinct performance obligation in an amount that represents the relative amount of consideration expected to be received in exchange for satisfying each performance obligation. Revenue is recognized when performance obligations are satisfied, based on the transaction price, excluding amounts collected on behalf of third parties such as sales and telecommunication taxes, which are collected on behalf of and remitted to governmental authorities. We generally bill our customers on a monthly basis. Contracts typically range from annual to multi-year agreements with payment terms of net 45 days or less. We occasionally allow a 30-day period to cancel a subscription and return products shipped for a full refund.

The Company records reductions to revenue for estimated sales returns and customer credits at the time the related revenue is recognized. Sales returns and customer credits are estimated based on its historical experience, current trends and its expectations regarding future experience. The Company monitors the accuracy of its sales reserve estimates by reviewing actual returns and credits and adjusts them for its future expectations to determine the adequacy of its current and future reserve needs. If actual future returns and credits differ from past experience, additional reserves may be required.

When the Company's services do not meet certain service level commitments, customers are entitled to receive service credits, and in certain cases, refunds, each representing a form of variable consideration. The Company historically has not experienced any significant incidents affecting the defined levels of reliability and performance as required by our subscription contracts. Accordingly, the amount of any estimated refunds related to these agreements in the financial statements is not material during the periods presented.

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Service revenue from subscriptions to the Company's cloud-based technology platform is recognized ratably over the contractual subscription term, beginning on the date that the platform is delivered to the customer until the end of the contractual period. Payments received in advance of subscription services being rendered are recorded as deferred revenue; revenues recognized for services rendered in advance of payments received are recorded as contract assets. Usage fees, when bundled, are billed in advance and recognized over time on a ratable basis over the contractual subscription term, which is usually the monthly contractual billing period. Non-bundled usage fees are recognized as actual usage occurs.

Other revenue comprises primarily product revenue and professional services revenue.

The Company recognizes product revenue for telephony equipment at the point in time when transfer of control has occurred, which is generally upon shipment. Sales returns are recorded as a reduction to revenue estimated based on historical experience. Professional services for deployment, configuration, system integration, optimization, customer training or education are primarily billed on a fixed-fee basis and are performed by the Company directly. Professional services revenue is recognized as services are performed or upon completion of the deployment.

Contract Assets

Contract assets are recorded for contract consideration not yet invoiced but for which the performance obligations are completed. The revenue is recognized when the customer receives services or equipment for a reduced consideration at the onset of an arrangement, for example, when the initial month's services or equipment are discounted. Contract assets are included in other current assets or other assets in the Company's balance sheet, depending on if their reduction will be recognized during the succeeding twelve-month period or beyond.

Deferred Revenue

Deferred revenue represents billings or payments received in advance of revenue recognition and are recognized upon transfer of control. Balances consist primarily of annual plan subscription services and professional and training services not yet provided as of the balance sheet date. Revenue that will be recognized during the twelve month period in which the Company is providing services are recorded as deferred revenue, current in the consolidated balance sheets, with the remainder recorded as other liabilities, non-current in the Company's balance sheet.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years straight line
Internally generated software	3 years straight line

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	<i>Straight line over the shorter of 5 years and the remaining lease term</i>
Fixtures and fittings	3-5 years straight line
Computers	2-3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

The estimation of variable consideration for each performance obligation requires the Company to make subjective judgments. The Company has service-level agreements with customers warranting defined levels of uptime reliability and performance. Customers may get credits or refunds if the Company fails to meet such levels. If the services do not meet certain criteria, fees are subject to adjustment or refund representing a form of variable consideration. The Company may impose minimum revenue commitments ("MRC") on its customers at the inception of the contract. Thus, in estimating variable consideration for each of these performance obligations, the Company assesses both the probability of MRC occurring and the collectability of the MRC, both of which represent a form of variable consideration.

The Company enters into contracts with customers that regularly include promises to transfer multiple services and products, such as subscriptions, products, and professional services. For arrangements with multiple services, the Company evaluates whether the individual services qualify as distinct performance obligations. In its assessment of whether a service is a distinct performance obligation, the Company determines whether the customer can benefit from the service on its own or with other readily available resources, and whether the service is separately identifiable from other services in the contract. This evaluation requires the Company to assess the nature of each individual service offering and how the services are provided in the context of the contract, including whether the services are significantly integrated, highly interrelated, or significantly modify each other, which may require judgment based on the facts and circumstances of the contract.

When agreements involve multiple distinct performance obligations, the Company allocates arrangement consideration to all performance obligations at the inception of an arrangement based on the relative standalone selling prices ("SSP") of each performance obligation. Usage fees deemed to be variable consideration meet the allocation exception for variable consideration. Where the Company has standalone sales data for its performance obligations which are indicative of the price at which the Company sells a promised good or service separately to a customer, such data is used to establish SSP. In instances where standalone sales data is not available for a particular performance obligation, the Company estimates SSP by the use of observable market and cost-based inputs. The Company continues to review the factors used to establish list price and will adjust standalone selling price methodologies as necessary on a prospective basis.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Rendering of services	81,125,306	77,232,439
Sale of goods	2,066,368	1,631,909
	<u>83,191,674</u>	<u>78,864,348</u>

8X8 UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****3 Turnover and other revenue (Continued)**

	2023	2022
	£	£
Turnover analysed by geographical market		
UK	78,903,220	64,825,348
Europe	3,865,517	3,515,187
Rest of World	422,937	10,523,813
	<u>83,191,674</u>	<u>78,864,348</u>
	2023	2022
	£	£
Other revenue		
Interest income	90	18
	<u>90</u>	<u>18</u>

4 Operating (loss)/profit

	2023	2022
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange gains	(36,600)	(14,110)
Fees payable to the company's auditor for the audit of the company's financial statements	85,000	62,500
Depreciation of owned tangible fixed assets	807,260	1,118,705
(Profit)/loss on disposal of tangible fixed assets	(9,571)	21,925
Amortisation of intangible assets	5,599	22,615
Operating lease charges	872,813	862,471
	<u>872,813</u>	<u>862,471</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
	364	361
	<u>364</u>	<u>361</u>

8X8 UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****5 Employees****(Continued)**

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	43,102,444	42,877,004
Social security costs	4,828,962	5,962,373
Pension costs	1,257,966	1,245,424
	<u>49,189,372</u>	<u>50,084,801</u>

6 Directors' remuneration

Remuneration paid to key management personnel of the Company totalled £3,477,216 (2022: £5,286,861).

In the year ending 31 March 2023, one director was employed by and remunerated by the parent company, and one director was employed by and remunerated by the company. The highest paid director of the company received remuneration of £325,995 (2022: Nil)

In the year ending 31 March 2023, all key management personnel are considered to be those employed by and remunerated through the company with the exception of one director who is remunerated by the parent company.

7 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	90	18
	<u>90</u>	<u>18</u>

8 Interest payable and similar expenses

	2023	2022
	£	£
Other interest payable	2,089	3,477
	<u>2,089</u>	<u>3,477</u>

9 Taxation

	2023	2022
	£	£
Current tax		
Foreign current tax on profits for the current period	-	14,985
	<u>-</u>	<u>14,985</u>

8X8 UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****9 Taxation****(Continued)**

	2023	2022
	£	£
Deferred tax		
Origination and reversal of timing differences	(1,044)	(104,324)
	<u>(1,044)</u>	<u>(104,324)</u>
Total tax credit	(1,044)	(89,339)
	<u>(1,044)</u>	<u>(89,339)</u>

Changes in tax rates and factors affecting the future tax charge

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. This was substantively enacted at the reporting date and the effects are included within these financial statements.

The actual credit for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
(Loss)/profit before taxation	(3,906,335)	2,902,137
	<u>(3,906,335)</u>	<u>2,902,137</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(742,204)	551,406
Tax effect of expenses that are not deductible in determining taxable profit	1,750,194	2,094,678
Deferred tax adjustments in respect of prior years	129,295	(765,623)
Fixed asset differences	(10,478)	(14,147)
Other permanent differences	(588,078)	(2,027,590)
Deferred tax not recognised	(539,773)	56,953
Other difference leading to an increase (decrease in the tax charge)	-	14,984
	<u>(1,044)</u>	<u>(89,339)</u>
Taxation credit for the year	(1,044)	(89,339)
	<u>(1,044)</u>	<u>(89,339)</u>

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Intangible fixed assets

	Software £	Internally generated software £	Total £
Cost			
At 1 April 2022	2,290,495	1,024,998	3,315,493
Disposals	(131,578)	(1,024,998)	(1,156,576)
At 31 March 2023	2,158,917	-	2,158,917
Amortisation and impairment			
At 1 April 2022	1,752,149	1,024,998	2,777,147
Amortisation charged for the year	5,599	-	5,599
Disposals	(131,578)	(1,024,998)	(1,156,576)
At 31 March 2023	1,626,170	-	1,626,170
Carrying amount			
At 31 March 2023	532,747	-	532,747
At 31 March 2022	538,346	-	538,346

11 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2022	1,779,124	221,814	3,823,325	12,610	5,836,873
Additions	-	-	321,312	-	321,312
Disposals	(8,902)	(4,925)	(63,493)	(12,610)	(89,930)
At 31 March 2023	1,770,222	216,889	4,081,144	-	6,068,255
Depreciation and impairment					
At 1 April 2022	1,117,338	221,814	3,393,815	9,107	4,742,074
Depreciation charged in the year	204,096	-	602,113	1,051	807,260
Eliminated in respect of disposals	(8,902)	(4,925)	(63,493)	(10,158)	(87,478)
At 31 March 2023	1,312,532	216,889	3,932,435	-	5,461,856
Carrying amount					
At 31 March 2023	457,690	-	148,709	-	606,399
At 31 March 2022	661,786	-	429,510	3,503	1,094,799

8X8 UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****12 Fixed asset investments**

	Notes	2023 £	2022 £
Investments in subsidiaries	13	1	1

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
DXI Limited	Oxford House, Bell Business Park, Smeaton Close, Aylesbury, Buckinghamshire, HP19 8JR	Ordinary A Shares	100.00

14 Stocks

	2023 £	2022 £
Finished goods and goods for resale	129,197	6,947

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	8,895,280	6,344,740
Other debtors	2,153,639	2,333,591
Prepayments and accrued income	3,723,872	3,431,853
	14,772,791	12,110,184
Deferred tax asset (note 18)	438,370	437,326
	15,211,161	12,547,510

8X8 UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

15 Debtors	(Continued)	
	2023	2022
	£	£
Amounts falling due after more than one year:		
Trade debtors	-	208,724
Other debtors	3,299,302	2,434,083
	<u>3,299,302</u>	<u>2,642,807</u>
Total debtors	<u>18,510,463</u>	<u>15,190,317</u>

16 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	2,353,156	2,021,423
Amounts owed to group undertakings	6,007,709	950,675
Taxation and social security	1,620,889	1,439,108
Other creditors	1,551,225	7,457
Accruals and deferred income	12,152,468	11,726,600
	<u>23,685,447</u>	<u>16,145,263</u>

Included in amounts owed to group undertakings are unsecured loans, which are interest free and have no fixed repayment terms.

17 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Accruals and deferred income	<u>1,159,394</u>	<u>1,637,178</u>

8X8 UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****18 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2023 £	Assets 2022 £
Balances:		
Accelerated capital allowances	438,370	437,326
	<u>438,370</u>	<u>437,326</u>
Movements in the year:		2023 £
Asset at 1 April 2022		(437,326)
Credit to profit or loss		(1,044)
		<u>(438,370)</u>
Asset at 31 March 2023		<u>(438,370)</u>

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,257,966	1,245,424
	<u>1,257,966</u>	<u>1,245,424</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	570,000	570,000	570,000	570,000
	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>

The company has one class of ordinary shares which carry voting rights but no right to fixed income.

21 Reserves**Share premium**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

8X8 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Reserves

(Continued)

Stock compensation reserve

This reserve represents the amounts recognized directly in profit or loss in the current and previous periods relating to the share based payment transactions granted under the Company's share option schemes.

Profit & Loss account

This reserve represents cumulative profits and losses, less any dividends paid.

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	1,004,095	1,004,095
Between two and five years	3,226,863	3,226,863
	<u>4,230,958</u>	<u>4,230,958</u>

23 Related party transactions

The company is a wholly owned member of 8x8, Inc. and as such has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly owned members of the group.

24 Ultimate controlling party

The immediate parent company is 8x8 International Holding Co, an entity incorporated in Delaware, USA. The registered address is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

The ultimate parent company and controlling party is 8x8, Inc a NASDAQ listed company registered in the state of Delaware, USA with its principal executive offices in Campbell, California, USA. This is the smallest and largest group the Company's results are included in. The consolidated financial statements can be obtained from <http://investors.8x8.com>.