

Company registration number 09966402 (England and Wales)

SATIFY UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

SATIFY UK LIMITED

COMPANY INFORMATION

Directors	M Burko S Margolis D Willetts N Barkan	(Appointed 15 June 2023)
Company number	09966402	
Registered office	Spectrum Point 279 Farnborough Road Farnborough Hampshire GU14 7LS	
Auditor	Alliotts LLP 3 London Square Cross Lanes Guildford GU1 1UJ	

SATIFY UK LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 27

SATIFY UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Principal activities

The principal activity of the company continued to be that of the development of satellite communication technology.

We are a vertically integrated satellite communications systems provider using our own semiconductors, focused on designing chips and systems that serve the entire satellite communications value chain — from the satellite's antenna payload to user terminals. We design chip technologies capable of enabling satellite-based broadband delivery to markets around the world.

Review of the business

- **Total Revenues:** £4 million, reflecting a 29% decrease compared to £5.5 million in 2022.
- **Gross Profit:** £2.5 million, a 46% Increase from \$1.7 million in 2022. The increase in gross profit and margin is due to the Company's engagement in 2023 in projects which carry higher gross margins compared to 2022.
- **Operating Loss:** £8.9 million, compared to £2.5 million profit for 2022. The increase in loss is mainly attributed to one off \$5 million income from Insurance claim in 2022.
- **Expenses Breakdown:**
- **Research and Development (R&D):** £6.9 million, compared to £0.96 million for 2022. The increase in R&D expenses was mostly driven by the significant effort the Company invested into the development of its space grades Application Specific Integrated Circuit ("ASICs") in order to bring the ASICs to maturity.
- **General and Administrative:** £6.3 million, compared to £3.6 million for 2022. The increase was primarily driven by an impairment settlement of £2.6 million and FX Loss of £0.6 million compared to gain of £1.1 million in 2022.
- **Finance expenses:** £0.78 million, compared to £0.07 million for 2022. The increase was primarily driven by an increase in intercompany interest.

Principal risks and uncertainties

- SatixFy has limited capital currently available and will need to raise additional capital in the immediate future to fund its operations and develop its technology and chips and satellite communications systems.
- SatixFy generates a significant percentage of its revenue from certain key customers and anticipates this concentration will continue for the foreseeable future, and the loss of one or more of its key customers could negatively affect its business and operating results.
- SatixFy relies on third parties for manufacturing of its products. SatixFy does not have long-term supply contracts with its foundry or most of its third-party manufacturing vendors, and they may not allocate sufficient capacity to SatixFy at reasonable prices to meet future demands for its solutions.
- SatixFy relies on its intellectual property and proprietary rights and may be unable to adequately obtain, maintain, enforce, defend or protect its intellectual property and proprietary rights, including against unauthorized use by third parties.

SATIFY UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Development and performance

In September 2023 SatixFy signed with a confidential customer a \$4 million Phase 1 software development and provision of initial Prime2 engineering samples agreement. The delivery of both parts of the agreement was completed during 2021.

In October 2023 SatixFy's parent company signed an agreement with MDA. As part of this agreement, SatixFy received an advance payment of \$20 million on account of future revenue, in addition to \$10 million advance payment received in 2022 by a related company and transferred to SatixFy as part of the deal. Prior to this agreement, the IP of the SX4000 and Prime2 chips was transferred to SatixFy from a related company.

Most of the R&D efforts during 2023 was focused on SX4000 and Prime2 chips, together with a small group which concentrated its efforts on Aero products.

Key performance indicators

Management consider the following to be key performance indicators on which they measure the performance of the business:

1. Achieving Revenue Growth based on milestones
2. Completion of Prime2 Tapeout
3. Signing new agreements with customers
4. Keeping Net Cash level

On behalf of the board

M Burko
Director

4 December 2024

SATIFY UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Results and dividends

The results for the year are set out on page 9.

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:

M Burko	
R Grizman-Erlichman	(Resigned 16 May 2023)
S Gat	(Resigned 1 May 2023)
S Margolis	
D Willetts	
I Gur	(Appointed 1 May 2023 and resigned 15 June 2023)
N Barkan	(Appointed 15 June 2023)

Statement of directors' responsibilities

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;
- 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.

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.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

SATIFY UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

On behalf of the board

M Burko
Director

4 December 2024

SATIFY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATIFY UK LIMITED

Opinion

We have audited the financial statements of Satify UK Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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.

Emphasis of matter

The company's current liabilities exceeds its current assets by £18,721,242, of which £14,681,793 is owed to related parties.

We draw attention to note 1.2 in the financial statements, which indicates that the parent company of the company has confirmed in writing that it is willing to support the company through its development phase and repayment of the outstanding balances will be made to the parent company as long as it will not affect the current operation of the company.

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.

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.

SATIFY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SATIFY UK LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

SATIFY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SATIFY UK LIMITED

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of directors;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

SATIFY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SATIFY UK LIMITED

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.

Christopher Cairns BSc FCA
Senior Statutory Auditor
For and on behalf of Alliot's LLP

4 December 2024

Chartered Accountants
Statutory Auditor

3 London Square
Cross Lanes
Guildford
GU1 1UJ

SATIFY UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	3,916,150	5,572,606
Cost of sales		(1,371,112)	(3,832,499)
Gross profit		2,545,038	1,740,107
Administrative expenses		(13,223,811)	(4,559,959)
Other operating income		1,804,433	5,276,614
Operating (loss)/profit	5	(8,874,340)	2,456,762
Interest payable and similar expenses	9	(789,089)	(71,653)
(Loss)/profit before taxation		(9,663,429)	2,385,109
Tax on (loss)/profit	10	830,233	-
(Loss)/profit for the financial year		(8,833,196)	2,385,109

Included in administrative expenses are £371,873 (2022: £1,050,581) of financial expenses and foreign exchange losses.

SATIFY UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		3,973,835		-
Tangible assets	12		60,798		17,767
Investments	13		4,544		4,544
			<u>4,039,177</u>		<u>22,311</u>
Current assets					
Debtors	16	21,807,737		13,446,108	
Cash at bank and in hand		1,056,389		2,042,648	
		<u>22,864,126</u>		<u>15,488,756</u>	
Creditors: amounts falling due within one year	17	<u>(41,585,368)</u>		<u>(21,868,251)</u>	
Net current liabilities			<u>(18,721,242)</u>		<u>(6,379,495)</u>
Total assets less current liabilities			<u>(14,682,065)</u>		<u>(6,357,184)</u>
Provisions for liabilities					
Provisions	18	75,000	(75,000)	-	-
		<u>75,000</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>
Net liabilities			<u>(14,757,065)</u>		<u>(6,357,184)</u>
Capital and reserves					
Called up share capital	23		100		100
Profit and loss reserves			<u>(14,757,165)</u>		<u>(6,357,284)</u>
Total equity			<u>(14,757,065)</u>		<u>(6,357,184)</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 4 December 2024 and are signed on its behalf by:

M Burko
Director

Company registration number 09966402 (England and Wales)

SATIFY UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2022		100	(8,791,468)	(8,791,368)
Year ended 31 December 2022:				
Profit and total comprehensive income		-	2,385,109	2,385,109
Credit to equity for equity settled share-based payments	22	-	49,075	49,075
Balance at 31 December 2022		100	(6,357,284)	(6,357,184)
Year ended 31 December 2023:				
Loss and total comprehensive income		-	(8,833,196)	(8,833,196)
Credit to equity for equity settled share-based payments	22	-	433,315	433,315
Balance at 31 December 2023		100	(14,757,165)	(14,757,065)

SATIXFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Satixfy UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Spectrum Point, 279 Farnborough Road, Farnborough, Hampshire, GU14 7LS.

1.1 Accounting convention

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 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 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 of the company are consolidated in the financial statements of Satixfy Communications Limited. These consolidated financial statements are available from its registered office, 12 Hamada Street, Rehovot 7670316, Israel and at sec.gov.

1.2 Going concern

The company has net current liabilities of £18.7m as at the balance sheet date, of which £14.7m relates to amounts due to group companies.

The directors have considered the cash flow requirements of the business for the next twelve months and the availability of various sources of finance through group facilities and based on their assessment they consider the company to be a going concern.

The parent company has confirmed continuing support for the company through the current development phase until such time as it achieves profitability and will not require repayment of liabilities for at least 12 months from the date of signing these accounts.

1.3 Turnover

Turnover is recognised based upon the percentage of a project completed at the year end based upon the Fair Value of the contract consideration.

Percentage completion is determined based upon the understanding of the project stage completion and cost incurred to date as opposed to total costs budget. Additional costs anticipated are adjusted for in terms of percentage completion prospectively.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

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.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

Patents & licences	10 years straight-line
--------------------	------------------------

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 land and buildings	Over the period of the lease
Fixtures and fittings	5 years straight-line
Computers	3 years straight-line
Motor vehicles	5 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.

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.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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 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.

1.9 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.

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.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

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.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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.

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 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.13 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.

1.14 Retirement benefits

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

1.15 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.16 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.

1.17 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.

1.18 RDEC

RDEC receivable represents the amounts determined as repayable under the RDEC scheme for research and development credits. The credit is treated as a government grant and is therefore recorded as other operating income 'above the line'.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Contingent liability

As referred to in note 19, the company received amounts in relation to advance payments for future expected sales of its Prime2 and SX4000 chips. In the event that the advance payments cannot be utilised against such sales, interest payable will accrue at a rate of 12% per annum. Management are of the opinion that all of the advance amounts will be utilised against future sales and therefore no interest will be charged. As such no interest has been accrued in respect of these amounts.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Project stage of completion

Revenue is recognised in relation to certain projects based on the stage of completion which is determined based on the overall estimate of the engineering progress achieved in the project. This requires estimation on managements part to determine the progress at year end. In making this determination, management utilise engineering time incurred against budgeted, milestone completion and other relevant information.

Intangible valuation

In assessing the carrying value of the intangible asset for impairments, management are required to estimate the future economic benefits expected to be received as a result of the technology. This requires a high degree of estimation by management and takes into account expectations of future sales forecasts, the expected lifetime of the technology and required costs to complete development.

IP useful economic life

Management have determined the expected useful economic life of the IP held in its Prime2 and SX4000 chips as being ten years. This is based on management's expectation of the lifecycle of the technology and its anticipated future sales.

3 Turnover

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover analysed by class of business		
Satellite development	3,916,150	5,572,606

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3	Turnover	(Continued)	
		2023	2022
		£	£
	Turnover analysed by geographical market		
	Israel	907,430	1,746,472
	UK	610,514	2,915,389
	United States	1,052,412	910,745
	Canada	1,345,794	-
		<u>3,916,150</u>	<u>5,572,606</u>
4	Exceptional item	2023	2022
		£	£
	Income		
	Loan insurance income	-	(4,665,064)
	In the prior year, £4,665,064 was received as loan insurance income held on life insurance for Yoel Gat.		
5	Operating (loss)/profit	2023	2022
		£	£
	Operating (loss)/profit for the year is stated after charging/(crediting):		
	Exchange (gains)/losses	(614,581)	1,050,581
	Research and development costs	6,939,637	960,297
	Fees payable to the company's auditor for the audit of the company's financial statements	13,750	10,500
	Depreciation of owned tangible fixed assets	14,857	11,082
	Loss on disposal of tangible fixed assets	5,334	-
	Share-based payments	433,315	49,075
	Operating lease charges	319,409	345,744
		<u>6,999,282</u>	<u>2,425,279</u>
6	Auditor's remuneration	2023	2022
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the company	13,750	10,500
		<u>13,750</u>	<u>10,500</u>
7	Employees		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		2023	2022
		Number	Number
		46	45
		<u>46</u>	<u>45</u>

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Employees (Continued)

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	4,477,604	3,379,633
Social security costs	463,775	418,930
Pension costs	439,799	404,356
	<u>5,381,178</u>	<u>4,202,919</u>

8 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	269,330	144,960
Company pension contributions to defined contribution schemes	10,045	10,569
	<u>279,375</u>	<u>155,529</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	190,753	-
Company pension contributions to defined contribution schemes	5,086	-
	<u>195,839</u>	<u>-</u>

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	-	566
Interest payable to group undertakings	789,089	71,087
	<u>789,089</u>	<u>71,653</u>

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	(830,233)	-
	<u>(830,233)</u>	<u>-</u>

The rate of UK corporation tax changed from 1 April 2023 from 19% to 25%

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Taxation

(Continued)

The actual (credit)/charge 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	(9,663,429)	2,385,109
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	(2,272,839)	453,171
Tax effect of expenses that are not deductible in determining taxable profit	105,636	9,324
Change in unrecognised deferred tax assets	1,279,050	(651,489)
Effect of change in corporation tax rate	(75,695)	156,357
Permanent capital allowances in excess of depreciation	255	(129)
Research and development tax credit	19,034	32,766
Surrender of tax losses for R&D tax credit	1,815,310	-
SME tax credit	(830,233)	-
Additional deduction for R&D expenditure	(870,751)	-
Taxation credit for the year	(830,233)	-

Deferred tax assets relating to carried forward losses of £10,329,777 have not been recognised as it is not certain in short to medium term that sufficient taxable profits will be generated to utilise these losses.

11 Intangible fixed assets

	Patents & licences £
Cost	
At 1 January 2023	-
Additions	3,973,835
At 31 December 2023	3,973,835
Amortisation and impairment	
At 1 January 2023 and 31 December 2023	-
Carrying amount	
At 31 December 2023	3,973,835
At 31 December 2022	-

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2023	29,993	5,407	68,306	16,490	120,196
Additions	43,235	-	19,987	-	63,222
Disposals	(6,400)	-	-	-	(6,400)
At 31 December 2023	66,828	5,407	88,293	16,490	177,018
Depreciation and impairment					
At 1 January 2023	29,993	3,357	59,185	9,894	102,429
Depreciation charged in the year	2,149	1,444	7,966	3,298	14,857
Eliminated in respect of disposals	(1,066)	-	-	-	(1,066)
At 31 December 2023	31,076	4,801	67,151	13,192	116,220
Carrying amount					
At 31 December 2023	35,752	606	21,142	3,298	60,798
At 31 December 2022	-	2,050	9,121	6,596	17,767

13 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	14	4,544	4,544

14 Subsidiaries

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

Name of undertaking	Registered office	Class of shares held	% Held Direct
Satify Bulgaria	149 Tsarigradsko shose Blvd., fl. 3, Sofia 1784, Bulgaria	Ordinary	100.00

15 Joint ventures

Details of the company's joint ventures at 31 December 2023 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
Jet-Talk Limited	Spectrum Point, 279 Farnborough Road, Hampshire, UK, GU14 7LS	Ordinary	51.00

Satify UK holds a 51% shareholding in Jet-Talk Limited, however due to a legal agreement in place, all decisions regarding the entity must be made unanimously between the two parties, and therefore it should be accounted in accordance with the equity method.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Debtors	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	2,392,476	188,506
Gross amounts owed by contract customers	1,006,160	1,028,484
Corporation tax recoverable	1,169,761	1,295,710
Amounts owed by group undertakings	625,903	4,054,095
Amounts owed by undertakings in which the company has a participating interest	58,926	53,261
Other debtors	12,733,771	39,687
Prepayments and accrued income	3,820,680	6,786,365
	<u>21,807,737</u>	<u>13,446,108</u>

17 Creditors: amounts falling due within one year	2023	2022
Notes	£	£
Trade creditors	781,198	273,254
Amounts owed to group undertakings	14,681,793	14,408,338
Taxation and social security	194,727	132,753
Deferred income	20 3,325,330	4,746,956
Other creditors	21,730,915	2,176,989
Accruals and deferred income	871,405	129,961
	<u>41,585,368</u>	<u>21,868,251</u>

18 Provisions for liabilities	2023	2022
	£	£
Dilapidations provision	<u>75,000</u>	<u>-</u>
Movements on provisions:		Dilapidations provision
		£
Additional provisions in the year		<u>75,000</u>

Management have provided for amounts relating to the re-instatement of the office space which it rents under an operating lease which runs until 2026.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Contingent liability

During the year, the company received amounts in advance relating to a pre-sale agreement with a customer. Amounts totalling \$25m were received and are included in other creditors.

Under the terms of the agreement if the pre-sale amounts are not utilised against future orders placed and delivered by the company within 48 months of the date of the agreement then interest will accrue at a rate of 12% per annum on any utilised amounts.

Management are of the opinion that the amounts will be fully utilised against future sales and therefore it is not probable that any interest will be payable. As such no interest has been accrued in respect of these amounts.

20 Deferred income

	2023	2022
	£	£
Other deferred income	3,325,330	4,746,956
	<u>3,325,330</u>	<u>4,746,956</u>

21 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	310,794	404,356
	<u>310,794</u>	<u>404,356</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.

22 Share-based payment transactions

The company participates in an approved EMI share option scheme operated by its immediate parent company. Under this scheme share options are granted over certain of parent's (Satify Communications Limited) non-redeemable ordinary shares for nil cost at exercise prices of between \$1.10 and \$2.50. Options granted vest in equal tranches over three or four years from the grant date.

Under the rules of the scheme, share options only become sellable upon an exit event. An exit event is defined as the sale or transfer of the whole of the undertaking or assets of the company and its subsidiaries or a successful listing on a recognised stock exchange. An exit event was completed in October 2022 as a result of the public listing of Satify Communications Ltd and therefore a charge has been recognised in the financial statements in respect of these options.

If the share options remain unexercised after a period of ten years from the date of grant the share options will automatically lapse and cease to be exercisable. In the event that an employee leaves the employment of the company or its group, for whatever reason (including death), all share options are forfeited immediately. All share options granted are non-assignable under the rules of the scheme and any ordinary shares ultimately acquired on the exercise of a share option are subject to certain restrictions as stipulated in the company's articles of association.

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Share-based payment transactions (Continued)

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 \$	2022 \$
Outstanding at 1 January 2023	382,308	456,498	1.70	1.33
Granted	-	38,753	-	2.50
Transfer	10,587			
Forfeited	(17,150)	(100,343)	1.68	1.39
Exercised	-	(12,600)	-	1.44
Outstanding at 31 December 2023	<u>375,745</u>	<u>382,308</u>	<u>1.70</u>	<u>1.70</u>
Exercisable at 31 December 2023	<u>324,791</u>	<u>277,443</u>	<u>1.57</u>	<u>1.47</u>

The options outstanding at 31 December 2023 had an exercise price ranging from \$1.10 to \$2.50, and a remaining contractual life of between 4 and 8 years.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

Group share-based payments

In 2023 the Company granted for the first time Restricted Stock Units ("RSU") in the ultimate parent company Satify Communications Ltd, to employees and subcontractors. The RSUs represent the right to receive Ordinary Shares at a future time and vest over a period of four years with 1 year cliff and thereafter a quarterly vesting over the remaining of 3 years.

The company has applied the exemption as a qualifying entity under FRS 102 1.12 reduced disclosures and has chosen not to present a detailed disclosure note in this regard.

23 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 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	201,195	329,629
Between two and five years	352,091	-
	<u>553,286</u>	<u>329,629</u>

25 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases 2023	Purchases 2022
	£	£
Entities under common control or significant influence	76,833	226,347
Key management personnel	-	(12,000)
	<u>76,833</u>	<u>214,347</u>

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	7,444,821	4,243,348
Entities under common control or significant influence	7,065,746	10,103,680
Entities over which the entity has control, joint control or significant influence	-	2,012,623
Key management personnel	353,796	-
	<u>14,864,363</u>	<u>16,359,651</u>

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due from related parties		
Entities under common control or significant influence	625,963	3,986,320
Entities over which the entity has control, joint control or significant influence	58,926	59,727
	<u>684,889</u>	<u>4,046,047</u>

SATIFY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Related party transactions

(Continued)

The following amounts were recognised as an expense in the period in respect of bad and doubtful debts due from related parties:

	2023	2022
	£	£
Entities over which the entity has control, joint control or significant influence	2,624,292	-

Terms of repayment

The parent company has confirmed in writing to the Board of Directors that the group's outstanding balances have not yet been settled and the group companies will make repayments based on their cashflow position and as long as such payments do not have a negative impact on their cashflow management.

26 Ultimate controlling party

At the year end, the parent company and ultimate controlling party of Satify UK Limited was Satify Communications Limited. Satify Communications Limited prepared consolidated accounts, available from its registered office: 12 Hamada Street, Rehovot 7670316, Israel.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.