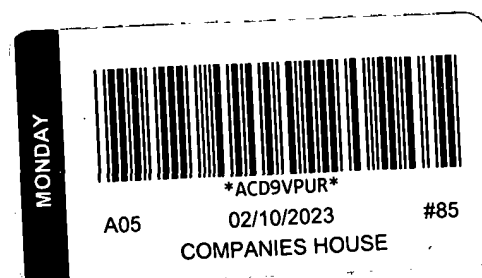


## **Runtime Collective Limited**

**Annual report and financial statements  
for the year ended 31 December 2022**

Registered number: 03898053



## **Runtime Collective Limited**

### **Company Information**

#### **Directors**

N Irshad

#### **Secretary**

N Irshad

#### **Registered Office**

Sovereign House  
Church Street  
1st Floor  
Brighton  
East Sussex  
BN1 1UJ  
United Kingdom

#### **Bankers**

Silicon Valley Bank  
Alphabeta,  
14-18 Finsbury Square  
London  
EC2A 1BR  
United Kingdom

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Statutory Auditor  
40 Clarendon Road  
Watford  
Hertfordshire  
WD17 1JJ  
United Kingdom

## **Runtime Collective Limited**

### **Contents**

	<b>Page</b>
Strategic report	1
Directors' report	6
Independent auditor's report	11
Profit and loss account	14
Statement of comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Notes to the financial statements	18

## Runtime Collective Limited

### Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

#### Review of the business

Revenue increased by 8.3% year on year to £49.0m. This was largely driven by growth in annual recurring revenues as a result of an increase in customer retention levels as well as an expanding customer base. Product price increases also helped to increase revenues.

As presented in the KPI table on the following page, the Company made a net loss of £10.1m (2021: £24.9m loss) which translated into an adjusted EBITDA loss of £5.1m (2021: £3.2m loss). Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation further adjusted for exceptional costs, revaluation of warrants, share option expense and foreign exchange differences.

This loss is driven by the Company's strategy to focus on market share and revenue growth, which has resulted in a growth in turnover, but a net loss overall. This is reflected in the increase in staff numbers, in particular in the sales and marketing team, which grew by 108% to 106 (2021: 51). The production development team also grew during the year, which demonstrates the Company's commitment to investing in internal software development, with expenditure of £5.5m for the year to 31 December 2022 (2021: £nil).

The Company holds cash reserves of £2.0m at the year-end (2021: £1.6m).

The Company is the parent company of Brandwatch Group which was acquired by Castle Intermediate Holding II Ltd, a Cision Group company on 1 June 2021 (the "Acquisition") for a consideration of \$453m. The SVB loan facilities of \$40m, comprising a \$20m revolver and a \$20m term loan were repaid by Castle Intermediate Holdings II Ltd upon acquisition the Company ("Brandwatch") on the acquisition date. The acquisition also triggered full vesting and exercise of all Company share options and the incurrance of professional fees totalling £6.6m. Brandwatch is now strategically positioned within a newly created social division, integrating with Cision's existing Falcon.io business to create a global leader in this fast evolving space.

#### Key performance indicators

Revenue by market	2022 FY £k	2021 FY £k	Growth %
Americas	23,084	23,395	(1.3%)
UK	11,339	9,614	17.9%
Europe	9,509	8,919	6.6%
APAC / Rest of World	5,117	3,354	52.5%
Revenue	49,049	45,282	8.3%

## Runtime Collective Limited

### Strategic report (continued)

	2022 FY £k	2021 FY £k
<b>Reconciliation of Adjusted EBITDA</b>		
Loss for the financial year	(10,079)	(24,853)
Depreciation	381	924
Amortisation	933	138
Interest (net)	(1)	696
Exceptional costs *	2,448	22,382
Revaluation gain on warrants	-	(499)
Tax on loss	1,150	(2,018)
FX differences	37	35
<b>Adjusted EBITDA</b>	<b>(5,131)</b>	<b>(3,195)</b>

\* 2022 Exceptional costs of £2.4m include social business unit integration costs of £2.2m. 2021 Exceptional costs of £22.4m include share based payment expense of £15.1m, professional fees relating to the acquisition by Cision of £6.6m, and offcycle share options payroll of £0.4m. Exceptional costs are classified as non-recurring in nature. Adjusted EBITDA is a key metric for the business as it reflects underlying trade performance.

Country	As at 31 December 2022 Headcount	As at 31 December 2021 Headcount	Growth %
UK	324	268	20.9%
Spain	8	4	100.0%
	<b>332</b>	<b>272</b>	<b>22.1%</b>

A breakdown of staff numbers by function is included in note 9 to the financial statements.

## **Runtime Collective Limited**

### **Strategic report (continued)**

#### **Principal risks and uncertainties**

The Company operates in a marketplace that includes a number of successful companies with products that compete directly with Brandwatch's social media monitoring product suite.

The principal risk facing the Company is the threat of increased competition leading to a loss of market share.

The Company is reliant on key data sources to provide content for the product. The relationships with our key suppliers are robust and the Company has long-term contracts in place for the provision of this data. The Board is confident that the current business plan will enable the Company to maintain its product leadership position for the foreseeable future.

Due to the volume of business conducted outside the UK, foreign exchange risk is a risk to the Company. Details of the Company's risk management strategy for foreign exchange are included in the Directors' report.

The Directors in their assessment of risks impacting the Company have considered the risks arising from Britain exiting the EU "Brexit". The Directors do not consider there to be a material impact on the carrying value of the business or future prospects. The Directors have considered the impact of Brexit on the availability of finance and the potential changes in terms of available finance and do not believe that Brexit changes the assessment of the business as a going concern.

The Directors in their assessment of risks impacting the Company have considered the continuing risk arising from Covid-19. Trading conditions have normalised, in our key markets and Management remain confident that the 2023 Budget will be delivered. However, should market conditions deteriorate, Management retain the agility to implement appropriate mitigation levers to support cost reduction and cash conservation.

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

#### **Future developments**

The Company aims to increase revenue and earnings by utilising the product and resources of the combined Group to meet the needs of its existing and prospective clients.

#### *Product innovation and International reach*

The Company is well placed to respond to the market's growing needs for a comprehensive workflow solution. The ability to cross-sell products and services between the US and European companies within the Group has also allowed the company to service the needs of new international clients. Technology remains at the heart of the Group's business and with the combined development resources across the Group, products are able to be developed and brought to market faster.

## **Runtime Collective Limited**

### **Strategic report (continued)**

#### **Future developments (continued)**

##### *Continuing to invest in people*

A key point of differentiation for the Company is the accuracy and quality of the information it provides. This is achieved through a combination of smart technology and human review. The Company and wider Group will continue to invest in the training, development, motivation and culture of the business.

#### **Statement of directors' duties to stakeholders**

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

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

The directors of the Company have sought to balance the needs of its members with the s.172 matters throughout the year, for example in the policies and practices which run through the Company, ensuring that the Company's reputation for high standards of conduct are maintained and in our engagement with our employees.

The Directors of the Company have a duty to promote the success of the Company, and it relies on smooth operations and the support and joint efforts of stakeholders. Thus, effective communication and interaction are indispensable in the Company's business operations. The Company is aware of the importance of stakeholder opinions, and understands and responds to relevant stakeholders and their concerns.

We identified the most important stakeholders based on past stakeholder communications. We contact these stakeholders through regular/ad hoc channels to ensure full communication of every issue.

#### **Engagement with employees**

Employees are the most valuable assets of the Company. We engage with the employees through Company wide meetings, operating meetings, regular and ad hoc meetings, telephone, email and slack channels for the following topics:

- Compensation, welfare and employee care
- Compliance
- Work environment safety and labour health protection
- Strategic and operational matters

## **Runtime Collective Limited**

### **Strategic report (continued)**

#### **Engagement with employees (continued)**

We set up strict selection procedures and standards in place to ensure non-discrimination in our employment policy. We provide employees with comprehensive training and career development opportunities. We conduct departmental and external professional training.

We continue to organize management courses to assist managers on effective management for the Company to achieve higher performance.

The Company strives to enhance employee safety and care.

#### **Engagement with suppliers and customers with the Company**

##### *Suppliers*


The Company works with its supplier base to ensure its operations can be carried out as efficiently as possible. We work with suppliers to give them maximum possible vision of our relevant requirements, and ensure that invoices are paid in a timely manner.

##### *Customers*

The Company aims to deliver services that meet and exceed customer expectations, and continue to adapt to changing customer needs.

Approved by the Board of Directors on 27 September 2023.

And signed on behalf of the Board by:

DocuSigned by:  
  
C4090C091FD340B...  
N Irshad  
Director



## **Runtime Collective Limited**

### **Directors' report**

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2022.

#### **Principal activities**

The Company delivers powerful social media monitoring and analytics tools, chosen by pioneering brands and agencies all over the world.

The Strategic report details the board's view of the future development of the business in the year ahead.

#### **Research and development**

During 2022 the Company's project to develop and extend the functionality of its SaaS software offerings continued according to plan.

#### **Existence of branches outside the UK**

The Company, through the branches, as defined in section 1046(3) of the Companies Act 2006, operated outside the UK as follows:

Runtime Collective Limited – Spanish branch.

#### **Going concern**

The Directors of the company have received a letter of support from Castle Intermediate Holding V Ltd (a Cision Group Company) confirming the intention of the shareholders to provide the necessary support to allow the Company to meet its obligations as they fall due for at least 12 months from the issuance of these financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. The impact of Covid 19 trading conditions and the Cision acquisition have been included in this assessment. Further details regarding the adoption of the going concern basis, and the support provided by Cision, can be found in the accounting policies section in Note 3.

#### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes.

#### ***Cash flow risk***

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company does not employ derivatives to manage this risk and uses spot foreign exchange transactions to manage short-term currency cash flow issues and attempts to match local currency expenditure to income for longer-term hedging. The Company is debt free and has access to funding from other Cision Group companies, if required

#### ***Credit risk***

The Company's principal financial assets are bank balances and trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is indication of an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company pays close attention to the credit rating of potential clients and the ageing of its debt in order to mitigate this risk.

## **Runtime Collective Limited**

### **Directors' report (continued)**

#### **Financial risk management objectives and policies (continued)**

##### ***Credit risk (continued)***

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### ***Liquidity risk***

Historically the Company used a mixture of long-term and short-term debt finance in order to maintain liquidity to ensure that sufficient funds were available for ongoing operations and future developments. External borrowings have now been repaid upon acquisition by Cision. The Company continues to actively manages it's cash to ensure it can meet all debts as and when they fall due together with future investment requirements. The Company has access to funding from other Cision Group companies, if required

#### **Dividends**

No dividends will be distributed for the year ended 31 December 2022 (2021: £nil).

#### **Directors**

The directors, who served throughout the year and to the date of this report, were as follows:

N Irshad	(Appointed 31 July 2023)
U Larsen	(Appointed 24 February 2022, Resigned 31 July 2023)
B Goodband	(Appointed 24 February 2022, Resigned 31 July 2023)
K Garrood	(Appointed 24 February 2022, Resigned 31 July 2023)
R Casamento	(Appointed 24 February 2022, Resigned 07 July 2022)
G Palmer	(Resigned 24 February 2022)
D Marvin	(Resigned 24 February 2022)
P Gondipalli	(Resigned 24 February 2022)

#### **Directors' indemnities**

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during this year and last and remain in force at the date of this report.

#### **Disabled employees**

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

## Runtime Collective Limited

### Directors' report (continued)

#### Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company and the Company. This is achieved through formal monthly company meetings, and informal meetings to which all employees of the Company are invited and is recorded for those who are unable to attend. The format of the meetings provides the opportunity for employees to give feedback to the executive team which allows for a free flow of information and ideas. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests by the Company's People Team representatives in each location.

#### Disclosure of information in the strategic report

Matters required by schedule 7 of the large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report in Accordance with S.414c(11) of the Companies Act 2006.

#### Energy and emissions report

As a large, unquoted organisation, Runtime Collective Limited is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 because it meets the thresholds for reporting.

Energy use and carbon emissions are reported for the Company only. Other UK subsidiaries in the Company do not meet the thresholds for reporting and are not required to report. Overseas subsidiaries in the Company are not required to include energy and carbon information under this legislation.

<b>Greenhouse gas (GHG) emissions and energy use data for the year:</b>	<b>2022</b>	<b>2021</b>
UK energy consumption used to calculate emissions in kWh:	108,073	266,660
Emissions from purchased electricity (scope 2) in kg CO <sub>2</sub> e:	41,171	101,587
Intensity ratio (kg CO <sub>2</sub> e/ m <sup>2</sup> )	19.6	40.5

#### Methodology

The data detailed in this table represents energy use and emissions for which the Company is responsible for the year 1 January 2022 to 31 December 2022. It includes the sub-metered electricity used in the Company's offices which is procured by the landlord.

The Company has used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as an emissions calculation methodology. The methodology recommends that emissions are calculated by multiplying activity data (energy use is kWh) by an appropriate conversion factor. The company has used the UK government GHG conversion factors for company reporting 2022 to calculate emissions.

Our emissions intensity is reported by floor area (m<sup>2</sup>) of our offices. This is because the amount of office space we occupy is directly related to our business activities, as increased business may result in a corresponding requirement for more office space.

## **Runtime Collective Limited**

### **Directors' report (continued)**

#### **Energy and emissions report (continued)**

##### ***Methodology (continued)***

Reporting our emissions by m2 of office space also allows us to detail how efficient our offices are compared to typical and best practice office use in the Real Estate Environmental Benchmark (REEB) developed by the Better Buildings Partnership. This is a publicly available operational benchmark of environmental performance for commercial property in the UK. It is one of the only benchmarks based on the performance of buildings 'in use' and is used by investors, fund managers and property owners to compare the performance of their assets with other similar assets from portfolios across the UK.

#### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

## **Runtime Collective Limited**

### **Directors' report (continued)**


#### **Directors' confirmations**

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

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

Approved by the Board of Directors on 27 September 2023.

And signed on behalf of the Board by:

DocuSigned by:  
  
C4090C091FD340B...

N Irshad  
Director

## **Runtime Collective Limited**

# **Independent auditors' report to the members of Runtime Collective Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Runtime Collective Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Profit and loss account, the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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

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

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

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

### **Reporting on other information**

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

## **Runtime Collective Limited**

# **Independent auditors' report to the members of Runtime Collective Limited (Continued)**

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

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

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

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

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

## **Independent auditors' report to the members of Runtime Collective Limited (continued)**

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

- enquiry of management and those charged with governance around any instances of non-compliance with laws and regulations;
- assessing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with the provisions of relevant laws and regulations described as having a direct effect on the financial statements; and
- communicating relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and reminding them to be alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

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

## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Gregory Briggs (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
27 September 2023



## Runtime Collective Limited

### Profit and loss account

For the year ended 31 December 2022

	Note	2022 £	2021 £
<b>Turnover</b>	4	49,049,298	45,282,443
Cost of sales		(19,191,471)	(16,264,848)
<b>Gross profit</b>		29,857,827	29,017,595
Administrative expenses		(36,339,567)	(33,552,210)
Exceptional items		(2,448,477)	(22,381,668)
<b>Operating loss</b>		(8,930,217)	(26,916,283)
Interest receivable and similar income	5	1,482	-
Interest payable and similar expenses	6	-	(696,499)
Other gains	7	-	742,455
<b>Loss before taxation</b>	8	(8,928,735)	(26,870,327)
Tax on loss	11	(1,149,989)	2,017,583
<b>Loss for the financial year</b>		(10,078,724)	(24,852,744)

All amounts above relate to continuing operations.

**Runtime Collective Limited****Statement of comprehensive income**  
For the year ended 31 December 2022

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(10,078,724)	(24,852,744)
Currency translation difference on foreign currency net investments	(54,926)	(319,026)
<b>Other comprehensive gain/(loss)</b>	(54,926)	(319,026)
<b>Total comprehensive loss</b>	(10,133,650)	(25,171,770)

## Runtime Collective Limited

### Balance sheet

At 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
<b>Fixed assets</b>			
Intangible assets	13	5,314,608	514,745
Tangible assets	14	397,134	491,417
Investments	15	126,057,325	126,057,325
		<u>131,769,067</u>	<u>127,063,487</u>
<b>Current assets</b>			
Debtors - due within one year	16	66,296,428	42,632,263
Debtors - due after more than one year		-	1,549,985
Cash at bank and in hand		<u>1,970,815</u>	<u>1,636,620</u>
		68,267,243	45,818,868
<b>Creditors: amounts falling due within one year</b>	17	(106,469,875)	(69,182,270)
<b>Net current liabilities</b>		<u>(38,202,632)</u>	<u>(23,363,402)</u>
<b>Total assets less current liabilities</b>		<u>93,566,435</u>	<u>103,700,085</u>
<b>Net assets</b>		<u>93,566,435</u>	<u>103,700,085</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,246	1,246
Share premium account		193,452,070	193,452,070
Profit and loss account		<u>(99,886,881)</u>	<u>(89,753,231)</u>
<b>Total shareholders' funds</b>		<u>93,566,435</u>	<u>103,700,085</u>

The financial statements of Runtime Collective Limited (Registered Number 03898053) were approved by the board of directors and authorised for issue on 27 September 2023. They were signed on its behalf by:

DocuSigned by:

*Nabitali Irshad*

C4090C091FD340B...

N Irshad

Director

## Runtime Collective Limited

### Statement of changes in equity

For the year ended 31 December 2022

	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
Balance at 1 January 2021		1,049	139,617,076	(51,983,815)	87,634,310
Additional share capital	20	197	53,834,994	-	53,835,191
Credit to equity for equity-settled share based payment	12	-	-	15,129,271	15,129,271
Extinguishment of equity-settled share-based payment		-	-	(27,726,917)	(27,726,917)
Loss for the financial year		-	-	(24,852,744)	(24,852,744)
Other comprehensive loss		-	-	(319,026)	(319,026)
Balance at 31 December 2021		1,246	193,452,070	(89,753,231)	103,700,085
Loss for the financial year		-	-	(10,078,724)	(10,078,724)
Other comprehensive income		-	-	(54,926)	(54,926)
Balance at 31 December 2022		1,246	193,452,070	(99,886,881)	93,566,435

## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

#### **1. General information**

Runtime Collective Limited is a private Company limited by shares incorporated in England under the Companies Act 2006. The address of the registered office is given on the Company information page at the start of these financial statements. The nature of the Company's operations and its principal activities are set out in the directors' report.

#### **2. Statement of compliance**

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and 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

#### **3. Summary of significant accounting policies**

These financial statements are prepared on the going concern basis and in accordance with the Companies Act 2006 and FRS 102 in the United Kingdom. The particular accounting policies adopted are described below and have been consistently applied throughout the current year and preceding financial year.

#### **Basis of preparation**

The financial statements are prepared in sterling, which is the functional currency of the entity. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in this note under the heading judgements and key sources of estimation uncertainty.

#### **Consolidated financial statements**

The financial statements contain information about Runtime Collective Limited as an individual company and do not contain consolidated financial statements of any Group of companies. The Company has taken advantage of the exemptions available under section 400 of the Companies Act from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of intermediate holding company, Castle Top Holding Ltd.

## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

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

##### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report further describes the financial position of the Company; its cash flows and liquidity position; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

Since the acquisition of the Company and its subsidiaries by Cision Group, the new shareholders have had to bridge temporary funding requirements of the Company.

The Company has been strategically positioned within a newly created social business unit within the Cision Group, who are fully committed to its success. The shareholders have provided the Directors with a letter of support confirming a) the intention of the shareholders to provide the necessary support to allow the Company to meet its obligations as they fall due and b) the shareholders' ability to provide this support. This support will be available for a period of not less than 12 months from the date of these financial statements. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Intangible assets**

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Company is expected to benefit. This period is between three and five years. Provision is made for any impairment.

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 if the fair value can be measured reliably and if the intangible assets arise from contractual or other legal rights and are separable.

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

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

##### Intangible assets (continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values on a straight-line basis over their useful lives, as follows:

Software	5 years
Internally developed software	3 years
Customer relationships	3 years

##### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Improvements to short leasehold property	Over the shorter of 4 years or the remaining lease period
Fixtures and fittings	4 years
Computer equipment	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

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

##### **Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments

##### *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **Investments**

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.



## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

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

##### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment, such as obsolescence due to new technology, at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

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

##### **Taxation (continued)**

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

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

##### **Turnover**

Turnover is measured at fair value of the consideration received or receivable and is stated net of VAT and other sales taxes or duty.

Turnover is recognised only to the extent that it is probable the economic benefits will flow to the Company and can be reliably measured. The following specific revenue recognition criteria must also be met before turnover is recognised.

##### *Revenue from software subscriptions and service contracts*

The Company sells software subscriptions and service contracts of fixed periods of duration, and where sold together are usually coterminous. Where there is a multi-element arrangement, the turnover is allocated to each element based on the separate prices stated within the contract. Turnover from these subscriptions and service contracts where there are no additional performance obligations are recognised equally over the period to which the subscriptions and service contracts relate.

##### *Revenue from fixed term service contracts*

The Company also sells service contracts which are shorter term in nature related to setup and onboarding of new customers, training, and for the provision of one-off research reports. Turnover from these contracts is recognised only to the extent that performance obligations under each contract have been met. Where a contract contains multiple performance obligations and has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the separable performance obligations met at the balance sheet date.

Accrued and deferred revenue arising on both software subscriptions and service contracts is included in receivables as accrued income, and in creditors due within one year as deferred revenue as appropriate.

##### **Exceptional items**

The Company classifies certain one-off charges or credits that have a material impact on the group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company. These items include social business unit integration costs of £2.2m, severance costs of £0.003m and office costs of £0.2m

## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

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

##### **Employee benefits**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Foreign Currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

##### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, or until the break-point of longer leases where it is anticipated that the break clause will be exercised by management during the lease term.

## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

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

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The items referred to below pertain to both the Company and the Company

##### **a) Key sources of estimation uncertainty**

###### *Investments in subsidiaries*

The cost of the investment in the Company's financial statements has been reviewed for impairment.

The Directors are confident that the carrying amount of intangible assets and investments are fairly stated. The directors consider that the estimates and judgements applied in their assessment that no impairment review is required are reasonable, however variances in inputs could materially impact the carry value of these items.

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 4. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the Company. An analysis of the Company's turnover by geographical market is set out below:

	2022 £	2021 £
Americas	23,084,074	23,395,462
United Kingdom	11,338,956	9,613,828
Europe	9,508,884	8,918,600
APAC / Rest of World	5,117,384	3,354,553
	<u>49,049,298</u>	<u>45,282,443</u>

#### 5. Interest receivable and similar income

	2022 £	2021 £
Bank interest	<u>1,482</u>	<u>-</u>

#### 6. Interest payable and similar expenses

	2022 £	2021 £
Bank loans and overdrafts	<u>-</u>	<u>696,499</u>

#### 7. Other gains

	2022 £	2021 £
Fair value gains on warrants	-	498,933
Dividends received	<u>-</u>	<u>243,522</u>
	<u>-</u>	<u>742,455</u>

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 8. Loss before taxation

Loss before taxation is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	380,762	923,734
Amortisation of intangible assets	932,663	138,276
Bad debt writte off and allowance for bad debt	112,691	427,326
Auditors' remuneration	78,400	95,000
Operating lease rentals:		
- plant and machinery	5,486	2,155
- office buildings	593,187	824,308
Research and development expenditure	327,030	97,050
Realised foreign exchange loss	36,854	35,051
Exceptional items:		
Share based payment expense	-	15,129,271
Professional fees relating to the acquisition by		
Cision	-	6,552,637
Offcycle share options payroll	-	357,692
Severance costs	3,231	-
Social Business Unit integration costs	2,206,050	-
Other exceptional costs	239,196	342,068
	<u>78,400</u>	<u>95,000</u>

The analysis of auditors' remuneration is as follows:

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the		
Company's annual financial statements	78,400	95,000
	<u>78,400</u>	<u>95,000</u>

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 9. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2022 No.	2021 No.
Production development	121	111
Staff supporting revenue	72	55
Sales and marketing	106	51
General administration	36	37
	<u>335</u>	<u>254</u>

	2022 £	2021 £
Their aggregate remuneration comprised:		
Wages and salaries	24,644,248	18,217,736
Social security costs	3,262,772	2,049,343
Other pension costs	951,721	589,187
	<u>28,858,741</u>	<u>20,856,266</u>

#### 10. Directors' remuneration and transactions

##### Directors' remuneration

	2022 £	2021 £
Emoluments	371,577	474,614
Company contributions to money purchase pension schemes	11,270	11,612
	<u>382,847</u>	<u>486,226</u>
The number of directors who:		
Are members of a money purchase pension scheme	<u>2</u>	<u>2</u>



## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 10. Directors' remuneration and transactions (continued)

##### Remuneration of the highest paid director:

	2022	2021
	£	£
Emoluments	310,283	360,806
Company contributions to money purchase pension schemes	9,470	9,212
	<u>319,753</u>	<u>370,018</u>

The salary of Giles Palmer was borne by Cision US Inc for June 2021 to December 2021.

#### 11. Tax on loss

	2022	2021
	£	£
The tax credit comprises:		
R&D tax credit	(399,996)	(467,598)
Total current tax	<u>(399,996)</u>	<u>(467,598)</u>
Deferred tax	1,549,985	(1,549,985)
Total tax on loss	<u>1,149,989</u>	<u>(2,017,583)</u>

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 11. Tax on loss (continued)

The differences between the total tax credit shown above and the amount calculated by applying the effective rate of UK corporation tax to the loss before tax is as follows:

	2022 £	2021 £
Loss before taxation	(8,928,735)	(26,870,327)
Tax credit on loss before taxation at the effective rate of corporation tax in the UK of 19% (2021: 19%)	(1,696,460)	(5,105,362)
Effects of:		
Expenses not deductible for tax purposes	247,741	3,406,469
R&D tax credit	(399,996)	(467,598)
Current year losses not recognised for deferred tax	1,448,719	1,698,893
Deferred tax adjustments in respect of prior periods	1,549,985	(1,549,985)
Total tax (credit)/charge for year	<u>1,149,989</u>	<u>(2,017,583)</u>

As there are no trading profits to use this against, the deferred tax asset held at 31 December 2021 was written off during the year.

In the Spring budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This was substantively enacted on 24 May 2021.

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 12. Share-based payments

##### *Equity-settled share option schemes*

The Company had a share option scheme for all employees of the Brandwatch Group up to the acquisition by Cision on 1 June 2021. Upon acquisition all options vested and were exercised. The Company took part in this Group share-based payment plan and recognised and measured the entire expense for employees for the pre acquisition period.

Options were exercisable at a price equal to or greater than the estimated fair value of the Company's shares on the date of grant. The vesting period was variable, but is, in general 4 years from date of grant. If the options remain unexercised after a period of ten years from the date of grant, the options expired. Options were forfeited if the employee leaves the Group before the options vest.

Details of the share options movement during the year are as follows:

	2022		2021	
	Number of share options No.	Weighted average exercise price £	Number of share options No.	Weighted average exercise price £
Outstanding at beginning of year	-	-	19,531,037	1.434
Granted	-	-	314,953	1.63
Forfeited	-	-	(81,164)	1.61
Exercised	-	-	(19,764,826)	1.44
Expired	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The Company recognised a debit to administrative expenses of £nil (2021: debit to expense of £15,129,271) relating to equity-settled share-based payment transactions. Under FRS 102, an entity shall account for a cancellation or settlement of an equity-settled share-based payment transaction as an acceleration of vesting, and therefore shall recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 13. Intangible assets

	Internally developed Software	Software	Assets under construction	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	-	1,619,526	-	1,619,526
Additions	5,541,437	-	191,089	5,732,526
At 31 December 2022	<u>5,541,437</u>	<u>1,619,526</u>	<u>191,089</u>	<u>7,352,052</u>
<b>Accumulated amortisation</b>				
At 1 January 2022	-	1,104,781	-	1,104,781
Charge	795,099	137,564	-	932,663
At 31 December 2022	<u>795,099</u>	<u>1,242,345</u>	<u>-</u>	<u>2,037,444</u>
<b>Net book value</b>				
At 31 December 2022	<u>4,746,338</u>	<u>377,181</u>	<u>191,089</u>	<u>5,314,608</u>
At 31 December 2021	<u>-</u>	<u>514,745</u>	<u>-</u>	<u>514,745</u>

The amortisation charge for the year is included in administration expenses. Software is amortised over a period of 60 months. Internally developed software additions in the current year are being amortised over a period of 36 months.

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 14. Tangible assets

	Improvements to short leasehold property	Fixtures and fixings	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	617,368	150,964	7,714,266	8,482,598
Additions	-	12,988	273,491	286,479
At 31 December 2022	<b>617,368</b>	<b>163,952</b>	<b>7,987,757</b>	<b>8,769,077</b>
<b>Accumulated depreciation</b>				
At 1 January 2022	599,873	144,250	7,247,058	7,991,181
Charge for the year	8,938	4,239	367,585	380,762
At 31 December 2022	<b>608,811</b>	<b>148,489</b>	<b>7,614,643</b>	<b>8,371,943</b>
<b>Net book value</b>				
At 31 December 2022	<b>8,557</b>	<b>15,463</b>	<b>373,114</b>	<b>397,134</b>
At 31 December 2021	<b>17,495</b>	<b>6,714</b>	<b>467,208</b>	<b>491,417</b>

## Runtime Collective Limited

### Notes to the financial statements For the year ended 31 December 2022

#### 15. Investments

	2022 £	2021 £
<b>Cost and net book value</b>		
At 31 December	126,057,325	126,057,325

The Directors believe the carrying value of each investment is supported by the fair value.

At December 2022 management conducted an impairment review by assessing the performance of the investments since the acquisition by Castle Holding Intermediate II Ltd. Management determined that using revenue multiples was an appropriate indicator, as this in line with the Company's strategy to focus on market share and revenue growth. By reviewing the actual and budgeted revenue of the Company's investments in the context of determining a carrying value, the directors concluded that there was no impairment loss.

The Company have investments in the following subsidiary undertakings:

Subsidiary undertakings	Registered Address	Holding	% Direct interest
Brandwatch GmbH	Leuschnerstr. 12, 70174, Stuttgart, Germany	Ordinary	100
Brandwatch LLC	200 Vesey Street, New York, NY, 10281, USA	Member	100
PeerIndex Limited*	Sovereign House, Church Street, Brighton, BN1 1UJ, United Kingdom	Ordinary	100
Brandwatch Pte Ltd	8 Wilkie Road, 03-01 Wilkie Edge, 228095, Singapore	Ordinary	100
Buzzsumo Limited*	Sovereign House, Church Street, Brighton, BN1 1UJ, United Kingdom	Ordinary	100
Crimson Hexagon, Inc	200 Vesey Steet, New York, NY, 10281, USA	Member	100
Crimson Hexagon Ltd*	Sovereign House, Church Street, Brighton, BN1 1UJ, United Kingdom	Ordinary	100
Brandwatch International (Australia) Pty Ltd	Level 3, 20 Bond Street, Sydney, NSW, 2000, Australia	Ordinary	100
Brandwatch SARL	26 rue Cambracres , 75008, Paris, France	Ordinary	100
Qriously Limited*	Sovereign House, Church Street, Brighton, BN1 1UJ, United Kingdom	Ordinary	100
Qriously, Inc	251 Little Falls Drive, Wilmington De 19808, USA	Ordinary	100

The Company's subsidiaries above denoted with a \* are exempt from audit by virtue of Section 479A of the Companies Act 2006. In accordance with Section 479C of the Companies Act 2006, Castle Top Holding Ltd has provided guarantees over the liabilities of these subsidiaries.

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 15. Investments (continued)

##### Movements in fixed asset investments

	Subsidiary undertakings £
<b>Cost and net book value</b>	
At 1 January 2022	126,057,325
	<hr/>
At 31 December 2022	126,057,325
	<hr/>

#### 16. Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	7,681,437	5,709,529
Amounts owed by group undertakings	54,261,877	33,307,790
Other debtors	1,096,190	1,675,252
Prepayments	1,949,258	1,272,531
Accrued income	1,307,666	667,161
	<hr/>	<hr/>
	66,296,428	42,632,263
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 19)	-	1,549,985
	<hr/>	<hr/>
<b>Total</b>	66,296,428	44,182,248

Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand.

A Research and Development tax credit receivable of £800,452 (2021: £1,141,339) has been recognised in other debtors.

During the year, an impairment loss of £112,691 (2021: £427,326) was recognised by the Company in respect of irrecoverable trade debtors.

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 17. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	4,042,065	2,849,264
Amounts owed to group undertakings	82,106,767	49,204,773
Other creditors	270,681	222,852
Payroll liabilities	960,796	763,059
Other taxation and social security	10,654	48,351
Provisions	234,040	490,665
VAT liability	193,689	115,893
Accruals	2,453,287	3,150,708
Deferred income	16,197,896	12,336,705
<b>Total</b>	<b>106,469,875</b>	<b>69,182,270</b>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.



## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 18. Financial instruments

The Company's income, expense, gains and losses in respect of financial instruments measured at fair value through profit or loss are summarised below:

	2022 £	2021 £
<b>Fair value gains</b>		
Warrants liability measured at fair value through profit or loss	-	(498,933)

The warrants attached to the bank loan arrangements are included at fair value which requires an assessment of the value of the Company's shares. The director's fair value calculation is supported by valuations undertaken by third party professional valuers. The valuation is underpinned by estimates relating to future revenue and adjusted EBITDA growth coupled with the multiple applied to the cash flows. The multiple is determined by reference to common SaaS valuation methodology which includes judgemental inputs such as the applicability of a risk free rate and volatility estimate, and multiples achieved by comparable businesses.

#### 19. Provisions for liabilities

##### Deferred Tax Asset

Movements in the year on the deferred tax asset (note 16):

	2022 £	2021 £
At 1 January	1,549,985	-
Charge/(credit) to profit or loss	(1,549,985)	1,549,985
<b>At 31 December</b>	<b>-</b>	<b>1,549,985</b>

As there are no trading profits to use this against, the deferred tax asset held at 31 December 2021 was written off during the year.

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 20. Called up share capital

	2022 No.	2022 £
<b>Issued and fully paid</b>		
Class 1-C1 preferred (£0.00001)	13,421,000	135
Class 1-C2 preferred (£0.00001)	780,000	8
Class 1-B preferred (£0.00001)	11,434,000	114
Class 1-A preferred (£0.00001)	10,439,000	104
Class 1 Ordinary (£0.00001)	47,657,878	477
Class 2 Ordinary (£0.00001)	14,146,751	141
Class 2-C preferred (£0.00001)	7,539,844	75
Class 2-B preferred (£0.00001)	4,133,899	41
Class 2-B1 preferred (£0.00001)	5,254,834	53
Class 2-A preferred (£0.00001)	2,780,589	28
Class 2-A1 preferred (£0.00001)	945,006	9
Class 2-A2 preferred (£0.00001)	6,075,658	61
	<u>124,608,459</u>	<u>1,246</u>

All shares carry equal voting rights and are entitled to a distribution in order of priority as listed above.

	2021 No.	2021 £
<b>Issued and fully paid</b>		
Class 1-C1 preferred (£0.00001)	13,421,000	135
Class 1-C2 preferred (£0.00001)	780,000	8
Class 1-B preferred (£0.00001)	11,434,000	114
Class 1-A preferred (£0.00001)	10,439,000	104
Class 1 Ordinary (£0.00001)	47,657,878	477
Class 2 Ordinary (£0.00001)	14,146,751	141
Class 2-C preferred (£0.00001)	7,539,844	75
Class 2-B preferred (£0.00001)	4,133,899	41
Class 2-B1 preferred (£0.00001)	5,254,834	53
Class 2-A preferred (£0.00001)	2,780,589	28
Class 2-A1 preferred (£0.00001)	945,006	9
Class 2-A2 preferred (£0.00001)	6,075,658	61
	<u>124,608,459</u>	<u>1,246</u>

## Runtime Collective Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### 21. Reserves

##### Share premium

Consideration for shares issued above their nominal value net of transaction costs.

##### Profit and loss account

Cumulative profit and loss net of distributions to owners.

#### 22. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Expiry date		
- within one year	605,231	605,231
- between one and five years	403,487	1,008,718
	<u>1,008,718</u>	<u>1,613,949</u>

#### 23. Employee benefits

Defined contribution schemes:

The Company operates defined contribution retirement benefit schemes for all qualifying employees.

The total expense charged to profit or loss in the year ended 31 December 2022 was £951,721 (2021: £589,187). At 31 December 2022 £190,361 (2021: £130,711) was payable in relation to employee benefits.

#### 24. Post Balance sheet events

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

#### 25. Related party transactions

The Company has made use of the exemption contained in paragraph 33.1A of FRS 102, not to disclose related party transactions with other Group companies, as it is a wholly owned subsidiary of a company, Castle Top Holding Ltd which prepares consolidated financial statements incorporating those transactions.

## **Runtime Collective Limited**

### **Notes to the financial statements**

For the year ended 31 December 2022

#### **26. Controlling party**

The immediate parent undertaking is Castle Intermediate Holding V Ltd.

The company's ultimate parent company and controlling party is Platinum Equity Capital Partners International V (Cayman), L.P., registered in Cayman Islands.

Group consolidated financial statements are prepared by Castle Top Holding Ltd, a Company incorporated in the United Kingdom. The registration no. of this entity is 12357407 (registered in England and Wales).

Copies of the financial statements of Castle Top Holding Ltd are available from Companies House, Crown Way, Cardiff, CF14 3UZ.