COMPANY REGISTRATION NUMBER 04339257

flashtalking

SIMPLICITY MARKETING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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SIMPLICITY MARKETING LIMITED

Company number 04339257

SIMPLICITY MARKETING LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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SIMPLICITY MARKETING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Director	Mr J. Nardone
Company Secretary	Vistra Company Secretaries Limited
Registered office	Suite 1 7th Floor 50 Broadway London SW1H 0BL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 1 Embankment Place London WC2N 6RH

SIMPLICITY MARKETING LIMITED

STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2021

The director presents his strategic report for Simplicity Marketing Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2021.

REVIEW OF THE BUSINESS

Simplicity Marketing Limited, trading as "Flashtalking", is an independent ad serving, measuring and technology company, providing best-in-class digital advertising products, service and support for online advertisers, key media buying and creative agencies.

Flashtalking's products facilitate the management, delivery and measuring of all forms of digital advertising across desktop, tablet and mobile. Core aspects include display (including standard ads, dynamic, rich media, video, HTML 5 and mobile), search, social and affiliates.

Flashtalking serves billions of ad impressions throughout US, European and international markets for the leading marketers and their advertising agency partners. Regional offices are located in London, Leeds, Connecticut, Cologne, Petah Tikva and Sydney.

RESULTS AND PERFORMANCE

The results for the Group, as set out on pages 11 to 64, show a loss before tax of £11,584,742 (2020: profit of £8,859,328). The total shareholders' funds of the Group is £73,022,354 (2020: shareholders' deficit of £9,848,196).

The operating loss in 2021 is a direct result of the exceptional costs incurred during the year relating to the acquisition by Mediaocean LLC and the business combination with Protected Media Limited (Israel) (see note 22 for further details). The trading performance of the Group during 2021 has been successful. The Group continued to demonstrate growth, with revenues growing year-on-year whilst protecting the operating margin. Management believes the Group is well positioned to grow further in the future by utilising its experience and technology to deliver high quality services to its growing customer base.

Flash Topco Limited (the group parent company) undertook two share buy-back transactions in February and March 2020. Owing to a failure by a third party to make certain Companies House filings in connection with steps related to the buy-back transactions, Flash Topco Limited had insufficient distributable reserves at the point at which the buy-back transactions were undertaken and they were, therefore, ineffective. Dividends declared were conditional upon the aforementioned filings having taken effect. As a result of foreign exchange driven losses having been incurred by Simplicity Marketing Limited between the date of the dividend being declared and the filing date, part of the distribution paid by Simplicity Marketing Limited to Flash Bidco Limited was deemed unlawful.

As is conventional in this type of situation, Flash Topco Limited applied to the Court for an order sanctioning a reduction of capital cancelling the A Ordinary Shares and B1 Ordinary Shares which were the subject of the buy-back transactions on the basis that any liability which might have existed on the part of sellers to repay the sums received by them in connection with the buy-back transactions be released. The Court Order was granted on the 9th of March 2021 and registered at Companies House on the 17th of March 2021, at which point the buy-back transactions were formally cancelled.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's performance is impacted by the general economic climate in the USA, UK, mainland Europe and Australia. This risk is managed by ensuring that the Group operates across a range of markets with a broad client base.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the businesses, the Group's director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the businesses. Standard financial statements (Income Statement, Balance Sheet and Cash Flow Statement) are sufficient to provide information about the financial position, performance and changes in financial position of the businesses that is useful to a wide range of stakeholders.

BUSINESS ENVIRONMENT

The digital advertising industry continues to mature and evolve, with advertisers continuing to place increasing emphasis on owning the data that they use to recognize and communicate with their consumers. The increased focus on data ownership, and the unwillingness of walled gardens to provide ownership of or access to data, provides substantial momentum for the Company as the independent alternative to walled gardens like Google, Facebook, or Amazon.

Additionally, Google's announcement in respect to ending support for 3rd party cookies in Chrome from 2024 has created further interest in the Company's offering. As the only independent ad server not reliant on cookies, management believes that the Company will be well positioned to capture share among advertisers who require granular insight into advertising delivery and performance.

The Company is also seeing an increase in clients shifting towards purchasing full-stack offerings that can meet all needs in a single package, rather than buying multiple "point solutions" that each serve a specific use. With the Company having invested substantially over the past five years in expanding its product set, management believes that this shift in buying pattern results is a competitive advantage, as the Company now has competitive products across DCO, primary ad serving, video, identity, advanced analytics, and verification

BUSINESS ENVIRONMENT (CONTINUED)

In August 2021, Flashtalking was acquired by Mediaocean LLC, a long standing and successful AdTech company. The acquisition came at a critical inflection point for the industry, as marketers moved towards more open and interoperable solutions. Together, the combined entities have established the leading independent technology platform for omnichannel advertising The complementary technologies of the two companies have enabled customers to benefit from comprehensive and future-forward solutions for global strategic planning, omnichannel media management and closed ecosystems optimisation.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Large organisations are now obliged to report publicly on their energy use and carbon emissions. Details of this is disclosed in the financial statements of Flash Topco Limited, the parent company of Simplicity Marketing Limited.

DIRECTOR'S SECTION 172 STATEMENT

The Director of the company must act in accordance with a set of general duties, as detailed in section 172 of the UK Companies Act 2006, summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interest 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 environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the shareholders of the company.'

The director fulfils these duties as follows:

Risk management

The Company has a long-term strategic plan that effectively identifies, evaluates and mitigates the risks which the Company faces, ensuring they are sufficiently considered and, if applicable, hedged against for the future. The director will invariably delegate day-to-day management and decision making to executive management, but will ensure that management is acting in accordance with the strategy and plans agreed by the board.

The interest of the Company's employees

The board recognises that employees are central to the long-term success of the Company. The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its prosperity. The Company encourages the involvement of employees by means of regular meetings to keep them informed of the Company's progress. The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or sexual orientation.

Business relationships with suppliers, customers and others

The director appreciates the importance of fostering business relationships with key stakeholders, such as customers and suppliers, and focus on the maintenance and growth of these relationships in their decision-making and strategic planning. The Company employs dedicated relationship managers to foster these relationships which also ensures the board has a high degree of visibility to take stakeholder considerations into account.

Community and environment

The Company's approach is to use its position of strength to ensure it is an asset to the communities and people with which it interacts. The board ensures significant consideration is given to the impact of the Company's operations on the community and environment in their decision-making. The Company strives to create positive change in reducing the environmental impact of its businesses and to meet the highest level of health and safety and environmental standards, whilst maintaining effective and continuing business practices.

Shareholders

The board recognises the importance of regular and open dialogue with the shareholders and the need to ensure the strategy and goals of the Company are effectively communicated to them Feedback on these plans and objectives is welcomed by the director and major business decisions are made closely and with the approval of the shareholders.

Signed

Mr J. Nardone
Company director

Approved by the director on 16 December 2022

SIMPLICITY MARKETING LIMITED

DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2021

The director presents his report and the audited financial statements of the Group and Company for the year ended 31 December 2021.

RESULTS AND DIVIDENDS
The loss for the financial year amounted to £6,233,923 (2020 profit of £5,650,094). During the year a dividend of £1,886,723 was paid to Flash Bidco Limited (2020: £48,777,618).

The net assets position at the year-end was driven by the capital contribution from Mediaocean LLC and the fair value uplift on investments.

GOING CONCERN
The director is required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume Simplicity Marketing Limited and its subsidiaries will continue in business. The Group is in a positive net assets position, has a positive cash balance at the balance sheet date and expects positive cashflow in the 12 months. Management has prepared cash flow forecasts through to December 2023 that show the Group will generate positive cash flow over this period. These forecasts have been stress tested to include a severe but plausible downside scenario, even under these conditions the Group remains able to fund ongoing trading liquidity requirements from within existing cash resources for a period of at least 12 months from the date of signing the financial statements. The director therefore has no concerns with regards to the Group's ability to continue as a going concern.

As disclosed in Note 1, the Group was acquired by Mediaocean LLC in August 2021 and now forms part of an enlarged group. OceanKey (U.S.) II Corp. ("OceanKey") was formed on August 5, 2021, as a US limited liability company to facilitate the acquisition of Mediaocean LLC. OceanKey and Mediaocean LLC were acquired by funds owned by CVC Capital Partners and TA Associates which are registered in the United States of America. OceanKey entered into a Credit Agreement with a financial institution that includes a first and second lien term note payable and a revolving line of credit. These borrowings are subject to certain covenants and are secured by substantially all of the assets of OceanKey and its subsidiaries which include the Group. There are currently no borrowings against the revolving line of credit, and OceanKey is currently in compliance with all of its covenants.

The director has concluded that the enlarged Group is able to continue as a going concern due to cash on-hand, forecast cash generated from operations, and the revolving line of credit for a period of at least 12 months from the date of signing the financial statements and that the risk of the Group's assets being called as security is remote

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The Group's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk, liquidity risk and interest risk. The Group has a risk management programme in place that seeks to limit the adverse effect on the financial performance of the Group.

Given the size of the Group, the director has not delegated the responsibility of monitoring financial risk management to a sub committee of the board. The policies set by the director are implemented by the Group's finance department.

FOREIGN EXCHANGE RISK
The Group has assets and liabilities denominated in foreign currencies, mainly US Dollar, Euro, and Australian Dollar. The Group does not use derivative financial instruments to manage the risk of fluctuating exchange rates, so no hedge accounting is applied. The Group has in place a foreign exchange policy and will reconsider the appropriateness of this policy should the Group's operations change in size or nature.

CREDIT RISK
The Group has no significant concentration of credit risk. Cash and cash equivalents are deposited within high-credit quality financial institutions and trade debtors are due principally from well-established customers In spite of the well-established customer base, there is still a risk as the customer may default on the payment of their debts and the Group mitigates this risk by performing credit risk assessments on all of its potential customers, prior to the sale being made.

LIQUIDITY RISK
The Group actively manages its finances to ensure that it has sufficient available funds for its operations.

INTEREST RISK
The Group has both interest-bearing assets, which are generally held at floating rates, and interest-bearing liabilities, which are generally held at fixed rates. The Group monitors its portfolio of interest-bearing assets and liabilities and their financial impact. The Group will reconsider the appropriate structure of its portfolio should the Group's operations change in size or nature.

DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2021

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

Mr J. Meeks (Resigned on 31st August 2021)
Mr J. Seigler (Resigned on 31st August 2021)
Mr J. Nardone

STRATEGIC REPORT
Please refer to the Strategic Report on pages 2 to 4.

FUTURE DEVELOPMENTS
The Group continues to invest in the development of staff and new technology in order to position the Company for future growth. The Company intends to continue to expand its product capabilities, with investments being made in areas seen as offering strategic importance and growth. Management believes that there are various growth opportunities in the market, both organic and through acquisitions, which they will continue to explore in the year ahead.

In August 2021, Mediaocean LLC completed the acquisition of all of the issued share capital of Flash Topco Limited. As a result of this acquisition, the new ultimate parent company of the Group is OceanKey (U.S.) II Corp., a limited liability company in the United States of America. Mediaocean LLC are a successful AdTech company providing a platform for omnichannel advertising, with more than $200 billion in annualised media spend managed through their platform.

EMPLOYMENT OF DISABLED PERSONS
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. The Group did not employ any disabled persons during the financial year ended 31 December 2021.

EMPLOYEE INVOLVEMENT
Consultation with employees or their managers has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are aware of the objectives, targets and performance of their department and of financial performance of the Group as a whole and are rewarded according to the results of both through an annual bonus scheme. Communication with all employees continues through email, internal open meetings, briefing groups and video conferencing.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS
The director is responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under Company law, a director 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 Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards 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 Group and Company will continue in business.

The director is responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SIMPLICITY MARKETING LIMITED

DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2021

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

DIRECTOR'S CONFIRMATIONS

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

- so far as the director is aware, there is no relevant audit information of which the Group's and 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 Group's and Company's auditors are aware of that information.

DIRECTOR'S INDEMNITY

As permitted by the Articles of Association, the director has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each director during the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors and Officers liability insurance in respect of itself and its director

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirm that.

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The financial statements on pages 11 to 64 were approved by the Director on 16 December 2022.

Registered office:
Suite 1
7th Floor
50 Broadway
London

Signed

Mr J. Nardone
16 December 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Simplicity Marketing Limited's group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2021 and of the group's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the financial statements (the "Annual Report"), which comprise: the consolidated and Company balance sheets as at 31 December 2021; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company statements of cash flows and the consolidated and Company statements 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 Group 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 Group's and 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 director's 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 Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the director 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 director is 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

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 Director's 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 Director's Report

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

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibility of the director for the financial statements

As explained more fully in the statement of director's responsibilities in respect of the financial statements, the director is 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 director is 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 director is responsible for assessing the Group's and 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 director either intends to liquidate the Group or the Company or to cease operations, or has 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 Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to adherence to data protection requirements in the jurisdictions in which the Group operates and holds data, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Addressing the risk of management override of internal controls, including testing of journal entries (in particular, journal entries posted with an unusual account combination);
- Testing of assumptions and judgements made by management in making significant accounting estimates; and
- Reviewing financial statement disclosures and testing to supporting documentation.

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. 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 director's remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

David Braddy (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 December 2022

SIMPLICITY MARKETING LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
Revenue	18	66,767,908	62,391,635
Cost of Sales	19	(8,950,411)	(7,559,976)
Gross Profit		**57,817,497**	**54,831,659**
Selling and marketing costs	19	(8,161,552)	(6,725,232)
Administrative expenses	19	(35,310,811)	(12,794,339)
Technical support and development	19	(24,487,088)	(23,865,939)
Operating (Loss)/Profit		**(10,141,954)**	**11,446,149**
Finance income	19	1,325	1,104
Finance costs	19	(1,444,113)	(2,587,925)
(Loss)/Profit before income tax		**(11,584,742)**	**8,859,328**
Income tax	14	5,350,819	(3,209,234)
(Loss)/Profit for the financial year		**(6,233,923)**	**5,650,094**

All of the activities of the Group are classed as continuing.

The Company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Income statement.

There is no material difference between the (loss)/profit before income tax and the (loss)/profit for the financial year stated above and their historical cost equivalents.

SIMPLICITY MARKETING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
(Loss)/Profit for financial year		(6,233,923)	5,650,094
Other comprehensive expense items that may be reclassified to profit or loss:			
Foreign currency translation adjustments	17	(533,062)	(645,173)
Total comprehensive (expense)/income for the year		**(6,766,985)**	**5,004,921**

SIMPLICITY MARKETING LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	31 December 2021	31 December 2020
		£	£
ASSETS			
Non-current assets			
Intangible assets	4	22,031,661	12,844,499
Property, plant and equipment	5	843,940	823,420
Right-of-use assets	6	1,538,216	2,155,013
Deferred tax assets	14	9,409,433	2,223,819
Total non-current assets		33,823,250	18,046,751
Current Assets			
Trade and other receivables	8	63,214,348	20,278,706
Cash and cash equivalents	9	4,654,943	10,347,686
Current income tax assets	14	450,637	-
Total current assets		68,319,928	30,626,392
Total assets		**102,143,178**	**48,673,143**
LIABILITIES			
Non-current liabilities			
Borrowings	10	-	42,967,497
Contingent and deferred consideration	12	2,611,789	1,076,663
Deferred tax liabilities	14	1,313,011	1,125,213
Lease liabilities	6	760,858	1,204,825
Total non-current liabilities		4,685,658	46,374,198
Current liabilities			
Trade and other payables	13	20,317,369	10,307,533
Borrowings	10	-	428,731
Lease liabilities	6	762,282	958,647
Contingent and deferred consideration	12	3,355,515	-
Corporation tax payable	14	-	452,230
Total current liabilities		24,435,166	12,147,141
Total liabilities		**29,120,824**	**58,521,339**
NET ASSETS/(LIABIITIES)		**73,022,354**	**(9,848,196)**
EQUITY			
Share capital and share premium	17	415	415
Share options reserve	17	-	7,427,240
Capital contribution	17	91,581,908	-
Other reserves	17	(27,800,130)	(27,267,068)
Retained earnings	17	9,240,161	9,991,217
TOTAL EQUITY		**73,022,354**	**(9,848,196)**

SIMPLICITY MARKETING LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 11 to 64 were approved and authorised for issue by the Director on 16 December 2022.

Mr J. Nardone
16 December 2022

Company registration number: 04339257

SIMPLICITY MARKETING LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
ASSETS			
Non-current assets			
Intangible assets	4	5,456,593	4,336,118
Property, plant and equipment	5	620,352	634,579
Right-of-use assets	6	817,580	1,239,314
Investments	7	301,115,277	43,074,205
Deferred tax asset	14	329,054	269,836
Total non-current assets		308,338,856	49,554,052
Current Assets			
Trade and other receivables	8	53,813,715	25,130,483
Cash and cash equivalents	9	1,255,514	5,698,909
Total current assets		55,069,229	30,829,392
Total assets		***363,408,085***	***80,383,444***
LIABILITIES			
Non-current liabilities			
Borrowings	10	-	42,967,497
Contingent and deferred consideration	12	2,611,789	1,076,663
Deferred tax liabilities	14	1,125,613	887,622
Lease liabilities	6	323,646	767,055
Total non-current liabilities		4,061,048	45,698,837
Current liabilities			
Trade and other payables	13	3,979,138	16,770,262
Borrowings	10	-	428,731
Contingent and deferred consideration	12	3,355,515	-
Lease Liabilities	6	438,242	417,188
Corporation tax payable	14	472,454	228,630
Total current liabilities		8,245,349	17,844,811
Total liabilities		**12,306,397**	**63,543,648**
NET ASSETS		**351,101,688**	**16,839,796**
EQUITY			
Share capital and share premium	17	415	415
Share options reserve	17	-	407,491
Capital contribution	17	91,581,908	-
Other reserves	17	255,794,349	6,157,690
Retained earnings	17	3,725,016	10,274,200
TOTAL EQUITY		**351,101,688**	**16,839,796**

The accompanying notes form an integral part of these financial statements. The parent company has elected to take the s408 exemption and as a result it is exempt from the requirement to publish its individual profit and loss account and the related notes. The Company's loss for 2021 was £4,662,461 (the Company's profit for 2020 was £9,039,299).

SIMPLICITY MARKETING LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2021

The financial statements on pages 11 to 64 were approved and authorised for issue by the Director on 16 December 2022.

Mr J. Nardone
16 December 2022

Company registration number: 04339257

SIMPLICITY MARKETING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Share capital and share premium	Share option reserve	Capital contribution	Other reserves	Retained earnings	Total equity
		£	£	£	£	£	£
Balance at 1 January 2020		**8,765,462**	**6,830,352**	**-**	**1,578,105**	**16,163,781**	**33,337,700**
Profit for financial year	17	-	-	-	-	5,650,094	5,650,094
Other comprehensive expense	17	-	-	-	(645,173)	-	(645,173)
Total comprehensive income for the year		**-**	**-**	**-**	**(645,173)**	**5,650,094**	**5,004,921**
Bonus issue of shares	17	28,200,000	-	-	(28,200,000)	-	
Reduction in capital	17	(36,965,047)	-	-	-	36,965,047	-
Share based scheme changes	17	-	596,888	-	-	-	596,888
Dividends paid	17			-	-	(48,777,618)	(48,777,618)
Cumulative translation adjustment	17	-	-		-	(10,087)	(10,087)
Balance at 31 December 2020		**415**	**7,427,240**	**-**	**(27,267,068)**	**9,991,217**	**(9,848,196)**
Loss for financial year	17	-	-	-	-	(6,233,923)	(6,233,923)
Other comprehensive expense	17				(533,062)	-	(533,062)
Total comprehensive expense for the year		**-**	**-**	**-**	**(533,062)**	**(6,233,923)**	**(6,766,985)**
Capital contribution	17	-	-	91,581,908	-	-	91,581,908
Share based scheme charge	17	-	995,245	-	-	-	995,245
Dividends paid	17	-	-	-	-	(1,886,723)	(1,886,723)
Share based scheme changes	17	-	(8,422,485)	-	-	7,369,590	(1,052,895)
Balance at 31 December 2021		**415**	**-**	**91,581,908**	**(27,800,130)**	**9,240,161**	**73,022,354**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital and share premium	Share option reserve	Capital contribution	Other reserves	Retained earnings	Total equity
		£	£	£	£	£	£
Balance at 1 January 2020	**Note**	8,765,462	345,685	-	30,034,195	13,047,472	52,192,814
Profit for financial year	17	-	-	-	-	9,039,299	9,039,299
Fair value gain – other comprehensive income	17	-	-	-	4,323,495	-	4,323,495
Total comprehensive income for the year		-	-	-	4,323,495	9,039,299	13,362,794
Reduction in share capital	17	(36,965,047)		-		36,965,047	-
Bonus issue	17	28,200,000	-	-	(28,200,000)	-	-
Dividends paid	17	-	-	-	-	(48,777,618)	(48,777,618)
Share based scheme charges	17	-	61,806	-		-	61,806
Balance at 31 December 2020		415	407,491	-	6,157,690	10,274,200	16,839,796
Loss for the financial year	17		-	-	-	(4,662,461)	(4,662,461)
Fair value gain – other comprehensive income	17	-	-	-	249,636,659	-	249,636,659
Total comprehensive income for the year		-	-	-	249,636,659	(4,662,461)	244,974,198
Capital contribution	17	-	-	*91,581,908*	-	-	*91,581,908*
Dividends paid	17	-	-	-	-	(1,886,723)	(1,886,723)
Share based scheme charges		-	22.357	-	-	-	22.357
Share based scheme changes	17	-	(429,848)	-	-	-	(429,848)
Balance at 31 December 2021		415	-	91,581,908	255,794,349	3,725,016	351,101,688

SIMPLICITY MARKETING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021	31 December 2020
		£	£
Cash flows (used in)/generated from operating activities			
Cash generated (used in)/generated from operations	21	(35,844,510)	15,755,171
Income taxes paid		(2,085,073)	(1,980,152)
Net cash (outflow)/inflow from operating activities		**(37,929,583)**	**13,775,019**
Cash flows (used in)/generated from investing activities			
Acquisition of business	11	(2,945,192)	-
Contingent consideration payments		(1,803,637)	-
Payments for property, plant and equipment	5	(749,885)	(556,312)
Payment for software development costs	4	(3,917,494)	(3,355,208)
Interest received		1,325	1,104
Net cash outflow from investing activities		**(9,414,883)**	**(3,910,416)**
Cash flows generated from/(used in) financing activities			
Capital contribution from Mediaocean LLC	17	48,103,467	-
Cancellation of share options		(1,052,895)	
Proceeds from borrowings	10	-	24,868,888
Repayment of borrowings	10	(899,865)	(3,075,796)
Principal element of lease payments	6	(1,009,141)	(1,210,268)
Interest paid		(1,603,120)	(2,562,335)
Dividends paid		(1,886,723)	(23,766,657)
Net cash inflow/(outflow) from financing activities		**41,651,723**	**(5,746,168)**
Net (decrease)/increase in cash and cash equivalents		**(5,692,743)**	**4,118,435**
Cash and cash equivalents at the beginning of the financial year	9	10,347,686	6,229,251
Cash and cash equivalents at end of financial year	9	**4,654,943**	**10,347,686**

SIMPLICITY MARKETING LIMITED

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
Cash flows (used in)/generated from operating activities			
Cash (used in)/generated from operations	21	(37,349,511)	9,981,924
Income taxes paid		(750,000)	(532,050)
Net cash (outflow)/inflow from operating activities		**(38,099,511)**	**9,449,874**
Cash flows (used in)/generated from investing activities			
Acquisition of business		(2,945,192)	-
Contingent consideration payments		(1,803,637)	-
Payments for property, plant and equipment	5	(544,285)	(475,792)
Payment for software development costs	4	(3,917,493)	(3,355,208)
Interest received		-	581
Net cash outflow from investing activities		**(9,210,607)**	**(3,830,419)**
Cash flows generated from/(used in) financing activities			
Capital contribution from Mediaocean LLC	17	48,103,467	-
Cancellation of share options		(429,848)	
Proceeds from borrowings	10	-	24,868,888
Repayment of borrowings	10	(899,865)	(3,075,796)
Principal element of lease payments	6	(417,188)	(396,916)
Interest paid		(1,603,120)	(2,430,907)
Dividends paid		(1,886,723)	(23,766,657)
Dividends received		-	4,346,072
Net cash inflow/(outflow) from financing activities		**42,866,723**	**(455,316)**
Net (decrease)/increase in cash and cash equivalents		**(4,443,395)**	**5,164,139**
Cash and cash equivalents at the beginning of the financial year	9	5,698,909	534,770
Cash and cash equivalents at end of financial year	9	**1,255,514**	**5,698,909**

1. GENERAL INFORMATION

The operating businesses within the Group, trading as "Flashtalking", are independent ad serving, measuring and technology companies providing best-in-class digital advertising products, service and support for online advertisers, key media buying and creative agencies. The Company is a private limited company limited by shares, incorporated on 12 December 2001 and domiciled in United Kingdom, with a registered address at Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL.

In August 2021 Mediaocean LLC completed the acquisition of the Flashtalking group, and as a result the Group now forms part of the Mediaocean LLC group of companies.

These Group and Company financial statements were authorised for issue by the Director on 16 December 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1. BASIS OF PREPARATION

The consolidated financial statements of the Group and Company have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements are presented in Pounds Sterling and have been prepared under the historical cost and fair value model in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates which have been laid out in note 3. Accounting policies have been applied consistently, other than where new policies have been adopted.

Going concern

The director is required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume Simplicity Marketing Limited and its subsidiaries will continue in business. The Group is in a positive net assets position, has a positive cash balance at the balance sheet date and expects positive cashflow in the 12 months. Management has prepared cash flow forecasts through to December 2023 that show the Group will continue to generate positive cash flow over this period. These forecasts have been stress tested to include a severe but plausible downside scenario, even under these conditions the Group remains able to fund ongoing trading liquidity requirements from within existing cash resources for a period of at least 12 months from the date of signing the financial statements. The director therefore has no concerns with regards to the Group's ability to continue as a going concern.

As disclosed in Note 1, the Group was acquired by Mediaocean LLC in August 2021 and now forms part of an enlarged group. OceanKey (U.S.) II Corp. ("OceanKey") was formed on August 5, 2021, as a US limited liability company to facilitate the acquisition of Mediaocean LLC. OceanKey and Mediaocean LLC were acquired by funds owned by CVC Capital Partners and TA Associates which are registered in the United States of America. OceanKey entered into a Credit Agreement with a financial institution that includes a first and second lien term note payable and a revolving line of credit. These borrowings are subject to certain covenants and are secured by substantially all of the assets of OceanKey and its subsidiaries which include the Group. There are currently no borrowings against the revolving line of credit, and OceanKey is currently in compliance with all of its covenants.

The director has concluded that the enlarged Group is able to continue as a going concern due to cash on-hand, forecast cash generated from operations, and the revolving line of credit for a period of at least 12 months from the date of signing the financial statements and that the risk of the Group's assets being called as security is remote.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Changes in accounting policy and disclosures

New and amended standards and interpretations effective in the year for the Group and Company

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2021:

- Amendments to References to Conceptual Framework in IFRS Standards
- COVID-19 Related Rent concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The above new standards and amendments applicable for the year are not deemed to have a material impact on the financial statements of Simplicity Marketing Limited.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings made up to the relevant year end. The subsidiary undertakings' financial years are coterminous with those of the Company.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2.3. REVENUE RECOGNITION

Revenue represents the amounts receivable for advertising services provided in the normal course of business, net of VAT and other sales related taxes. Revenue recognition is based on the satisfaction of performance obligations and an assessment of when control is transferred to the customer. It is recognised in a way that depicts the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Transaction price is allocated to each performance obligation on the basis of the relative selling prices of each distinct service promised in the contract.

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise the revenue when (or as) the Group satisfies a performance obligation

Control of a service is obtained when the customer has the ability to obtain substantially all the benefits from the service.

Customer contracts vary across the Group and contain a variety of performance obligations. Under IFRS15, the Group must evaluate whether the goods or services are transferred over time or at a point in time for each performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3. REVENUE RECOGNITION (CONTINUED)

A summary of how the key classes of revenue are recognised is provided below:

Ad-serving	Point in time, based on number of impressions served within the period
Analytics	Point in time, on delivery of report
Production	Point in time, on release of digital advert to client
Verification	Point in time, based on number of impressions served within the period

The transaction price is determined by the agreed terms of the contract. For the Ad-serving and Verification revenue streams, this is dependent on the number of impressions served within the period. Some customers purchase a fixed fee package which includes a set number of impressions. In these instances, the transaction price is increased by any additional impressions served.

2.4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team. The Group has identified one operating segment under IFRS 8.

2.5. INTANGIBLE ASSETS

(a) Research and development expenditure

Research expenditure is recognised as an expense as incurred. Directly attributable costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

i. it is technically feasible to complete the intangible asset so that it will be available for use or sale;
ii. management intends to complete the intangible asset and use or sell it;
iii. there is an ability to use or sell the intangible asset;
iv. it can be demonstrated how the intangible asset will generate probable future economic benefits;
v. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
vi. the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs that are capitalised include the product development employee costs and related management time. Research and development expenditure is amortised over the useful economic life of 3 years.

(b) Computer software

Acquired computer software products are capitalised along with the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of between 12 months and 3 years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5. INTANGIBLE ASSETS (CONTINUED)

(c) Goodwill
Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicated that it might be impaired and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating groups that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segment (see note 4).

(d) Trademarks, customer relationships and non-compete agreements
Trademarks, customer relationships and non-compete agreements acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation. These costs are amortised over their estimated useful lives of between 12 months and 10 years.

(e) Developed Technology
Developed technology comprises of the intellectual property acquired in a business combination and recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation. Developed technology assets are amortised over their estimated useful economic lives of between 3 and 15 years.

2.6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset, on a straight-line basis over its expected useful life as follows, other than fixtures and fittings which are depreciated on a reducing balance basis:

- Leasehold property: over the term of the lease
- Computer equipment: 2 years
- Fixtures and fittings 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.7. TAXATION

The Company is managed and controlled in the United Kingdom and, consequently, is tax resident in the United Kingdom.

Current tax is calculated on the profits of the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7. TAXATION (CONTINUED)

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

Deferred income tax is recognised in other comprehensive income or directly in equity, if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income or directly in equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses and credits can be utilised.

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

2.8. TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectable, it is written off against the provision account in trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivable.

2.9. ACCRUED INCOME

Accrued income are amounts due from customers for services performed and which have not yet been invoiced under existing agreements.

Accrued income is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provision for impairment is determined, when applicable, when there is objective evidence that the Group will not be able to collect all amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. EMPLOYEE BENEFITS

(a) Pension obligations
The Group operates defined contribution plans. A defined contribution is a pension plan under which the Group pays fixed contributions into an independently administrated pension fund.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Share-based payment transactions
The Group and Company operate equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the estimated vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability).

Modifications of the performance conditions are accounted for as a modification under IFRS 2. In particular, where a modification increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period.

(c) Accrued annual leave
The Group has recognised a provision for accrued, unused annual leave. The provision is measured as the amount which would be paid if settled in full and is presented as Trade and other payables in the balance sheet.

2.11. FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Consolidated Financial Statements are presented in British Pound (GBP), which is the Company's functional and presentation currency.

(b) Transaction balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) *Group companies*
The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transaction; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11. FOREIGN CURRENCY TRANSLATION (CONTINUED)

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net qualifying investment in foreign operations are taken to shareholders' equity.

The Group and Company has availed of the exemption in IFRS 1, whereby the cumulative translation differences for all foreign operations were deemed to be reset to zero at the date of transition to IFRS.

2.12. CAPITAL MANAGEMENT

Both the Company and Group's objectives, when managing capital, are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company and Group can adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2021, the Group's capital management strategy changed from a gearing ratio basis to a dividends and shareholders returns basis. The reason for this change was because the Group was acquired by Mediaocean LLC in August 2021. A gearing ratio strategy was no longer applicable due to all outstanding external debt within the Group being repaid by Mediaocean LLC upon acquisition.

2.13. LEASES

At inception of a contract, it is assessed whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group and entity will recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group and Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which the economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13. LEASES (CONTINUED)

(i) The Groups leasing activities and how these are accounted for

The Group leases various offices, vehicles and equipment. Rental contracts are typically made for fixed periods of 12 months to 5 years but may have extension options as described in (v) below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable

Lease payments to be made under reasonably certain extension options are also not included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value of the right-of-use asset in a similar economic environment with similar terms, security and conditions. The discount rate applied to the leases varied between 3.88% and 4.95%

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13. LEASES (CONTINUED)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term and low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(ii) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

2.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

2.15.SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16. INVESTMENT IN SUBSIDIARIES

From 1 January 2020, there was a change in the accounting policy for accounting for investments in subsidiaries in accordance with IAS 39, under the fair value method of accounting. This change was applied retrospectively, such that the comparative figures at 1 January 2019 and 31 December 2019 were updated accordingly as if this policy had been in force at those dates.

The change in policy is considered to provide more relevant and reliable information to users of the financial statements in accordance with the requirements of IAS 8 by more accurately reflecting the value of the Company's investments. The change in policy is also deemed to provide the entity with greater flexibility with regards to managing capital, including debt and equity funding and shareholders returns. As the Group is a privately owned tech company, the investment values can fluctuate very rapidly when compared to publicly traded competitors and/or market activity. Thus, it is deemed that carrying these assets at fair value will provide a more accurate reflection of the investments' fair market value when compared to historic cost.

For the 2021 reporting year, the fair value of the investments was calculated based on a detailed analysis following the acquisition of the Group by Mediaocean LLC (see note 7 for further details). The fair value movement at this date is recognised as other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17. TRADE PAYABLES

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

2.18. FINANCE INCOME AND EXPENSES

Interest income and expenses are recognised on a time-proportion basis using the effective interest method.

2.19. EXCEPTIONAL ITEMS

Exceptional items are material non-recurring items that derive from events or transactions that fall within the ordinary activities of the Group and Company and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence. Such items may include acquisition related costs, litigation costs and settlement or one-off costs where separate identification is important to gain an understanding of the financial statements. Judgement is used by the Group in assessing the particular items which should be disclosed in the income statement and related notes as exceptional items.

2.20. PROVISIONS

Provisions for legal claims are recognised when the Group and Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.21. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group or Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.22. BUSINESS COMBINATIONS

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

i. Fair values of the assets transferred
ii. Liabilities incurred to the former owners of the acquired business
iii. Equity interests issued by the Group
iv. Fair value of any asset or liability resulting from a contingent consideration arrangement, and
v. Fair value of any pre-existing equity interest in the subsidiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22. BUSINESS COMBINATIONS POLICIES (CONTINUED)

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous entity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the Income statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the income statement.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group and Company makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a higher degree of judgement or complexity within the next financial year are discussed below.

(a) Capitalisation of development costs - (Critical Estimate)
Internal staff costs associated with the development of software products both for internal use and external sale are capitalised and amortised over the estimated useful life of the product, which is fixed at 3 years. In determining the staff costs attributable to development, management have to estimate the time spent on each project. The capitalisation policy is capped at 90% per engineer, per month. This means that in any given month, a maximum of 90% of an engineer's total labour cost can be capitalised, with a minimum of 10% being expensed through the Income Statement.

Costs incurred on development projects are recognised as intangible assets only when it is probable that the project will be a success considering its commercial and technical feasibility. The project must be intended for completion and the Company must be able to demonstrate how the asset will generate future economic benefits.

If the Company is unable to distinguish the research phase of a project from the development phase, the expenditure for that project will be treated as if it were incurred in the research phase only and will not be recognised as an intangible asset. Capitalisation ceases and amortisation commences once a product or enhancement is available for deployment

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Fair value of investments - (Critical Estimate)
For the 2021 reporting year, the value of the investments was calculated based on a detailed fair value analysis following the acquisition of the Group by Mediaocean LLC. Multiple scenarios and methodologies were calculated (including Revenue Allocations, EBITDA Multipliers and Forecast Benchmarks) to support the valuation. Management based these calculations on estimated figures (see note 7 for further details). The nature of the assumption made by management, was that the scenario which provided the best estimate of the market value of the investments was selected.

Management believe that the change to a market approach in 2021 from the market/income approach used in 2020, will provide a more accurate reflection of the value of the Group's investments because the price paid for the Group is stronger evidence of fair value.

(c) Sales tax liability - (Critical Estimate)
Flashtalking, Inc., a wholly owned subsidiary of Simplicity Marketing Limited, is subject to taxation in the United States. The company provides services to customers in various states within the United States, which may create nexus in those states to collect sales tax on sales to customers. The company estimates the related provision for the sales tax liability based on each state's laws and revenue. In the current year, the company concluded that it has historically incurred sales tax expense in jurisdictions where it expected to remit sales tax payments but were not yet collecting from customers.

As at 31 December 2021, the carrying amount of this sales tax liability was $6,750,000 (translated at £5,001,001 at 31 December 2021). The carrying amount of this liability was zero as at 1 January 2021. There were no amounts used in the period or unused amounts reversed in the period. The company is currently still completing its analysis, and the carrying amount is the mid-point of the estimated range. The range was developed by management with the help of 3rd party tax specialists, reviewing sales tax regulations by state and determining which of the company's revenue streams are taxable in each state. From there, the company calculated an estimated range by taking each state's taxable revenue, the sales tax rate, and the lookback period. The company is still refining its calculation of each taxable revenue stream and verifying customer billing addresses. The company expects to complete the process and make the necessary payments to the states by the end of 2023. Changes in tax laws applicable to us, including interpretations thereof and related accounting standards, could also impact the liability.

Due to the change in the company's ownership (acquisition of the Group by Mediaocean LLC) and the current and ever-changing interpretation of what is considered taxable by the states, the company concluded that this is a change in estimate in the current year and not a prior period error and has therefore been accounted for prospectively.

(d) Intangible assets through acquisitions - (Critical Estimate)
Intangible assets recognised through acquisitions comprise customer relationships, acquired technology, non-compete agreements and acquired trade names. The cost of the intangible asset is derived based upon management's assertions of projected cash flows. These calculations require the use of estimates regarding expected future cash flows to be derived from the asset, revenue growth and EBITDA margin

4. INTANGIBLE ASSETS

Group	Goodwill	Internally generated software	Acquired software	Customer Relationships	Acquired Technology	Non-Compete Agreements	Acquired Trade Names	Total
	£	£	£	£	£	£	£	£
At 1 January 2020								
Cost	7,887 513	7,681,848	2,841,213	1,468,395	1,067,924	581,076	109,933	21,637,902
Accumulated amortisation and impairment	-	(4,818,581)	(2,136,616)	(386,752)	(720,302)	(556,065)	(71,314)	(8,689,630)
Net Book Amount	**7,887,513**	**2,863,267**	**704,597**	**1,081,643**	**347,622**	**25,011**	**38,619**	**12,948,272**
Year ending 31 December 2020								
Opening net book amount	7,887,513	2,863,267	704,597	1,081,643	347,622	25,011	38,619	12,948,272
Exchange differences	(275,708)	-	(369)	(28,938)	6,353	145	718	(297,799)
Additions	-	3,355,208	-	-		-	-	3,355,208
Amortisation charge	-	(2,187,695)	(398,885)	(182,775)	(330,181)	(25,156)	(36,490)	(3,161,182)
Closing Net Book Amount	**7,611,805**	**4,030,780**	**305,343**	**869,930**	**23,794**	-	**2,847**	**12,844,499**
At 1 January 2021								
Cost	7,887,513	11,037,056	2,841,213	1,468,395	1,067,924	581,076	109,933	24,993,110
Accumulated amortisation and impairment	(275,708)	(7,006,276)	(2,535,870)	(598,465)	(1,044,130)	(581,076)	(107,086)	(12,148,611)
Net Book Amount	**7,611,805**	**4,030,780**	**305,343**	**869,930**	**23,794**	-	**2,847**	**12,844,499**
Year ending 31 December 2021								
Opening net book amount	7,611,805	4,030,780	305,343	869,930	23,794	-	2,847	12 844,499
Exchange differences	111,985	-	(5)	6,989	(62)	-	(6)	118,901
Additions	3,569,989	3,917,494	-	272,472	3,327,024	323,393	1,333,678	12,744,050
Disposals	-	-	(35,275)	-	-	-		(35,275)
Amortisation charge	-	(2,644,346)	(152,673)	(404,372)	(214,717)	(142,004)	(117,677)	(3,675,789)
Amortisation on disposals	-	-	35,275	-	-	-	-	35,275
Closing Net Book Amount	**11,293,779**	**5,303,928**	**152,665**	**745,019**	**3,136,039**	**181,389**	**1,218,842**	**22,031,661**
At 31 December 2021								
Cost	11,293,779	14,954,550	2,805,386	1,657,934	4,334,633	871,651	1,437,402	37,355,335
Accumulated amortisation and impairment	-	(9,650,622)	(2 652,721)	(912,915)	(1,198,594)	(690,262)	(218,560)	(15,323,674)
Net Book Amount	**11,293,779**	**5,303,928**	**152,665**	**745,019**	**3,136,039**	**181,389**	**1,218,842**	**22,031,661**

Amortisation of £3,675,789 (2020: £3,161,182) is included in administrative expenses in the income statement.

4. INTANGIBLE ASSETS (CONTINUED)

Company	Internally generated software	Acquired software	Total
	£	£	£
At 1 January 2020			
Cost	7,681,848	2,805,386	10,487,234
Accumulated amortisation and impairment	(4,818,581)	(2,101,163)	(6,919,744)
Net Book Amount	**2,863,267**	**704,223**	**3,567,490**
Year ended 31 December 2020			
Opening net book amount	2,863,267	704,223	3,567,490
Additions	3,355,208	-	3,355,208
Reclassifications	-	-	-
Amortisation charge	(2,187,695)	(398,885)	(2,586,580)
Closing Net Book Amount	**4,030,780**	**305,338**	**4,336,118**
At 1 January 2021			
Cost	11,037,056	2,805,386	13,842,442
Accumulated amortisation and impairment	(7,006,276)	(2,500,048)	(9,506,324)
Net Book Amount	**4,030,780**	**305,338**	**4,336,118**
Year ended 31 December 2021			
Opening net book amount	4,030,780	305,338	4,336,118
Additions	3,917,493	-	3,917,493
Amortisation charge	(2,644,345)	(152,673)	(2,797,018)
Closing Net Book Amount	**5,303,928**	**152,665**	**5,456,593**
At 31 December 2021			
Cost	14,954,549	2,805,386	17,759,935
Accumulated amortisation and impairment	(9,650,621)	(2,652,721)	(12,303,342)
Net Book Amount	**5,303,928**	**152,665**	**5,456,593**

Amortisation of £2,797,018 (2020: £2,586,580) is included in administrative expenses in the income statement.

4. INTANGIBLE ASSETS (CONTINUED)

GROUP

(i) *Goodwill breakdown by entity:*

31 December 2020	FTI	Gmbh	Protected Media Limited (Israel)	Total
	£	£	£	£
At 1 January 2020	7,743,319	144,194	-	7,887,513
Foreign exchange movements	(283,625)	7,917	-	(275,708)
At 31 December 2020	**7,459,694**	**152,111**	**-**	**7,611,805**

31 December 2021

	FTI	Gmbh	Protected Media Limited (Israel)	Total
	£	£	£	£
At 1 January 2021	7,459,694	152,111		7,611,805
Additions	-	-	3,569,989	3,569,989
Foreign exchange movements	89,318	(10,135)	32,802	111,985
At 31 December 2021	**7,549,012**	**141,976**	**3,602,791**	**11,293,779**

(ii) *Impairment test for goodwill*

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2021 reporting year, the recoverable amount of the cash generating unit (CGU) was determined based on a detailed fair value analysis following the acquisition of the Group by Mediaocean LLC. Six different scenarios were tested using various methodologies (including Revenue Allocation, EBITDA Multiples and Forecast Benchmarks) to support the assessment.

The director and management have considered and evaluated reasonable possible changes for key assumptions used in the analysis and have not identified any instances that could cause the carrying amount to exceed the recoverable amount.

4. INTANGIBLE ASSETS (CONTINUED)

(iii) *Impairment of internally generated software*
The weighted average remaining amortisation period of the product development is 33 months (2020: 33 months). In the year, research and development expenditure of £3,917,494 (2020: £3,355,208) was capitalised.

As at 31 December 2021, there were product development assets of £Nil (2020: £Nil) which are currently under development and are not yet ready for use. The amortisation of these assets had not started as at 31 December 2021.

Management has identified one CGU. The Group represents the lowest level at which the related assets are monitored for internal management purposes.

The Group tests whether internally generated software has suffered any impairment on an annual basis. For the 2021 reporting year, the recoverable amount of the cash generating unit (CGU) was determined based on a detailed fair value analysis following the acquisition of the Group by Mediaocean LLC. Six different scenarios were tested using various methodologies (including Revenue Allocation, EBITDA Multiples and Forecast Benchmarks) to support the assessment.

The director and management have considered and evaluated reasonable possible changes for key assumptions used in the analysis and have not identified any instances that could cause the carrying amount to exceed the recoverable amount.

(iv) *Acquired software*
The weighted average remaining amortisation period of acquired software is 24 months (2020: 24 months).

During 2021, the Group made software purchases of £Nil (2020: £Nil). Acquired software products have an estimated useful life of between 12 months and three years.

The Group tests whether acquired software has suffered any impairment on an annual basis. For the 2021 reporting year, the recoverable amount of the cash generating unit (CGU) was determined based on a detailed fair value analysis following the acquisition of the Group by Mediaocean LLC. Six different scenarios were tested using various methodologies (including Revenue Allocation, EBITDA Multiples and Forecast Benchmarks) to support the assessment.

The director and management have considered and evaluated reasonable possible changes for key assumptions used in the analysis and have not identified any instances that could cause the carrying amount to exceed the recoverable amount.

SIMPLICITY MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
At 1 January 2020				
Cost	353,009	254,925	3,660,969	4,268,903
Accumulated depreciation	(330,949)	(190,205)	(2,721,458)	(3,242,612)
Closing Net Book Amount	**22,060**	**64,720**	**939,511**	**1,026,291**
Year ended 31 December 2020				
Opening net book amount	22,060	64,720	939,511	1,026,291
Exchange differences	120	(365)	2,660	2,415
Additions	-	1,056	555,256	556,312
Depreciation charge	(12,301)	(33,269)	(716,028)	(761,598)
Closing Net Book Amount	**9,879**	**32,142**	**781,399**	**823,420**
At 1 January 2021				
Cost	353,009	255,981	4,216,225	4,825,215
Accumulated depreciation	(343,130)	(223,839)	(3,434,826)	(4,001,795)
Closing Net Book Amount	**9,879**	**32,142**	**781,399**	**823,420**
Year ended 31 December 2021				
Opening net book amount	9,879	32,142	781,399	823,420
Assets acquired in business combination	-	12,870	3,834	16,704
Exchange differences	(57)	128	(3,331)	(3,260)
Additions	-	486	749,399	749,885
Disposals	-	-	(62,827)	(62,827)
Depreciation charge	(6,542)	(9,238)	(727,029)	(742,809)
Accumulated depreciation on disposals	-	-	62,827	62,827
Closing Net Book Amount	**3,280**	**36,388**	**804,272**	**843,940**
At 31 December 2021				
Cost	346,071	263,768	4,885,508	5,495,347
Accumulated depreciation	(342,791)	(227,380)	(4,081,236)	(4,651,407)
Net Book Amount	**3,280**	**36,388**	**804,272**	**843,940**

Depreciation of £1,723,552 (2020: £2,095,950) has been charged in administrative expenses in the income statement. This includes the depreciation of Right-of-use assets (note 6) for an amount of £980,742 (2020: £1,334,352).

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
At 1 January 2020				
Cost	230,162	29,524	2,650,502	2,910,188
Accumulated depreciation	(222,114)	(28,470)	(1,949,557)	(2,200,141)
Closing Net Book Amount	**8,048**	**1,054**	**700,945**	**710,047**
Year ending 31 December 2020				
Opening net book amount	8,048	1,054	700,945	710,047
Additions	-		475,792	475,792
Depreciation charge	(2,640)	(323)	(548,297)	(551,260)
Closing Net Book Amount	**5,408**	**731**	**628,440**	**634,579**
At 1 January 2021				
Cost	230,162	29,524	3,126,294	3,385,980
Accumulated depreciation	(224,754)	(28,793)	(2,497,854)	(2,751,401)
Closing Net Book Amount	**5,408**	**731**	**628,440**	**634,579**
Year ending 31 December 2021				
Opening net book amount	5,408	731	628,440	634,579
Additions	-	-	544,285	544,285
Depreciation charge	(2,295)	(111)	(556,106)	(558,512)
Closing Net Book Amount	**3,113**	**620**	**616,619**	**620,352**
At 31 December 2021				
Cost	230,162	29,524	3,670,579	3,930,265
Accumulated depreciation	(227,049)	(28,904)	(3,053,960)	(3,309,913)
Net Book Amount	**3,113**	**620**	**616,619**	**620,352**

Depreciation of £980,246 (2020: £990,000) has been charged in administrative expenses in the income statement. *This includes the depreciation of Right-of-use assets (Note 6) for an amount of £421,734 (2020: £438,740).*

6. LEASES

(i) Amounts recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

Group Right-of-use assets	Buildings £	Vehicles £	Equipment £	Total £
Year ending 31 December 2020				
Opening net book amount	3,418,108	9,743	7,472	3,435,323
Exchange difference	2,254	536	(274)	2,516
Additions	-	38,739	-	38,739
Depreciation charge	(1,316,793)	(14,654)	(2,905)	(1,334,352)
Rent review and prepayment	12,694	-	93	12,787
Closing net book amount	**2,116,263**	**34,364**	**4,386**	**2,155,013**
Year ending 31 December 2021				
Opening net book amount	2,116,263	34,364	4,386	2,155,013
Exchange differences	(988)	(2,290)	53	(3,225)
Additions	368,874	6,978	-	375,852
Depreciation charge	(963,240)	(14,515)	(2,987)	(980,742)
Rent review and prepayment	(8,634)	(101)	53	(8,682)
Closing net book amount	***1,512,275***	***24,436***	***1,505***	***1,538,216***

Lease Liabilities

Year ending 31 December 2020	Buildings £	Vehicles £	Equipment £	Total £
Opening net book amount	3,359,984	9,964	6,626	3,376,574
Exchange differences	(59,843)	547	(243)	(59,539)
Additions	-	38,739	-	38,739
Disposals	-	-	-	-
Payments	(1,325,593)	(15,392)	(2,700)	(1,343,685)
Interest expense	132,476	746	194	133,416
Rent review and prepayments	17,874	-	93	17,967
Closing net book amount	**2,124,898**	**34,604**	**3,970**	**2,163,472**

Year ending 31 December 2021				
Opening net book amount	2,124,898	34,604	3,970	2,163,472
Exchange differences	9,729	(2,305)	48	7,472
Additions	368,873	6,979	-	375,852
Payment	(1,080,696)	(15,489)	(2,786)	(1,098,971)
Interest expense	88,390	1,333	107	89,830
Rent review and prepayments	(14,483)	(85)	53	(14,515)
Closing net book amount	**1,496,711**	**25,037**	**1,392**	**1,523,140**

6. LEASES (CONTINUED)

Group	31 December 2021 £	31 December 2020 £
Non-current liabilities		
Lease liability	760,858	1,204,825
Current liabilities		
Lease liability	762,282	958,647
	1,523,140	**2,163,472**

(ii) Ageing analysis of lease commitments

Group	31 December 2021		31 December 2020	
	Buildings	Other items	Buildings	Other items
Commitments for minimum lease payments in relation to non-cancellable leases are payable as follows:	£	£	£	£
Within one year	746,565	15,717	941,364	17,283
Later than one year but not later than five years	750,146	10,712	1,183,533	21,292
	1,496,711	**26,429**	**2,124,897**	**38,575**

Company

(iii) Amounts recognised in the balance sheet

Right-of-use assets

Year ending 31 December 2020	Buildings £
Opening net book amount	1,678,054
Additions	-
Depreciation charge	(438,740)
Closing net book amount	**1,239,314**

Year ending 31 December 2021	Buildings £
Opening net book amount	1,239,314
Depreciation charge	(421,734)
Closing net book amount	**817,580**

Lease Liabilities

Year ending 31 December 2020	Buildings £
Opening net book amount	1,586,306
Additions	-
Payments	(473,256)
Interest expense	76,340
Modifications	(5,147)
Closing net book amount	**1,184,243**

6. LEASES (CONTINUED)

(iii) Amounts recognised in the balance sheet (continued)

Company

Year ending 31 December 2021	**Buildings**
	£
Opening net book amount	1,184,243
Payments	(473,256)
Interest expense	56,068
Modifications	(5,167)
Closing net book amount	**761,888**

Lease Liabilities

	31 December 2021	31 December 2020
	£	£
Non-current liabilities		
Lease liability	323,646	767,055
Current liabilities		
Lease liability	438,242	417,188
	761,888	**1,184,243**

The fair value of the leases approximates to the values shown above.

(iv) Ageing analysis of lease commitments

Company

	31 December 2021		31 December 2020	
	Buildings	**Other items**	**Buildings**	**Other items**
Commitments for minimum lease payments in relation to non-cancellable leases are payable as follows:	**£**	**£**	**£**	**£**
Within one year	438,242	-	417,188	-
Later than one year but not later than five years	323,646	-	767,055	-
	761,888	-	**1,184,243**	-

6. LEASES (CONTINUED)

(v) Amounts recognised in the Income Statement

The statement of profit or loss shows the following amounts relating to leases:

Group

	31 December 2021	31 December 2020
Depreciation charge of right-of-use assets:	£	£
Buildings	963,240	1,316,793
Vehicles	14,515	14,654
Equipment	2,987	2,905
Total depreciation charge	**980,742**	**1,334,352**

Interest expense (included in finance costs) £89,830 (2020: £133,416)

Total cash outflows for leases for the Group in 2021 was £1,098,971 (2020: £1,343,685)

Company

	31 December 2021	31 December 2020
Depreciation charge of right of use assets:	£	£
Buildings	421,734	438,740
Total depreciation charge	**421,734**	**438,740**

Interest expense (included in finance costs) £56,068 (2020: £76,340)

Total cash outflows for leases for the Company in 2021 was £473,256 (2020: £473,256).

SIMPLICITY MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. INVESTMENTS

	INVESTMENT IN SUBSIDIARIES £	OTHER RESERVES £
Balance at 1 January 2020	38,741,708	30,034,195
Bonus issue of shares		(28,200,000)
Foreign exchange adjustments	9,002	-
Gain recognised in other comprehensive income	4,323,495	4,323,495
Balance at 31 December 2020	43,074,205	6,157,690
Investment in Protected Media Limited (Israel)	8,317,710	-
Foreign exchange adjustments	86,703	-
Gain recognised in other comprehensive income	249,636,659	249,636,659
Balance at 31 December 2021	**301,115,277**	**255,794,349**

The Company has investments in the following subsidiary undertakings at 31 December 2021:

Company name	Ordinary Shares	Nature of Activity	Registered Office
Flashtalking Inc.	100%	Internet advertising	142 W. 36th Street, 10th Floor, New York, NY 10018, USA
Spongecell Inc.	100% (subsidiary of Flashtalking Inc.)	Internet advertising	142 W. 36th Street, 10th Floor, New York, NY 10018, USA
Flashtalking GmbH	100%	Internet advertising	Schanzenstraße 35, 51063 Cologne, Germany
Flashtalking Pty Ltd	100%	Internet advertising	Studio 6, 8 Hercules Street, Surry Hills, Sydney NSW 2010, Australia
Flashtalking Brasil Marketing Ltda	100%	Internet advertising	448, Conj 82 B Portaria 454, Rua Rego Freitas, Replublica, Sao Paulo, 01220-010, Brazil
Flashtalking Pte Ltd	100%	Internet advertising	135 Cecil Street, #10-01, Singapore, 069536
Protected Media Limited (Israel)	100%	Advertising fraud detection specialists	12 Halapid Street, Petah Tikva, Israel
Protected Media Inc.	100% (subsidiary of Protected Media Ltd (Israel))	Advertising fraud detection specialists	50 Washington Street, FL.11, ST 1101, Norwalk, CT, 06854, USA

7. INVESTMENTS (CONTINUED)

Gain in investments
In February 2021, Simplicity Marketing Limited acquired 100% of the issued share capital of Protected Media Limited (Israel). See note 11 for further details.

In August 2021, Mediaocean LLC completed the acquisition of the Flash Topco Limited Group. £91,581,908 was received by Simplicity Marketing Limited as capital contribution from Flash Bidco Limited. This was split £43,478,441 to repay the external borrowing and £48,103,467 to settle other expenditure including the share based payments.. The £91,581,908 is not expected to be repaid and has therefore been treated as capital contribution.

£249,636,659 of the increase in investments in the year relates to the annual fair value adjustment (see *Fair Valuation Measurement* below for details), with the remaining £86,703 relating to exchange movements in investments held in foreign currency.

Valuation method
In 1 January 2020, there was a change in accounting policy. The Group and Company commenced accounting for investments in accordance with IAS 39 and IFRS 13 under the fair value method of accounting.

The change in policy from the cost model to the fair value model is considered to provide more relevant and reliable information for users of the financial statements in accordance with the requirements of IAS 8 by more accurately reflecting the value of the Company's investments. The change provides the Company with greater flexibility when managing capital, including debt and equity funding and shareholders returns.

The fair value adjustment in 2020 was in relation to a change in accounting policy from historic cost less impairment to the fair value method. It was measured at the reclassification date of 1st January 2021 and applied retrospectively. The difference between the amortised cost and the fair value was measured at 1 January 2019, with the difference between them recognised in the revaluation reserve.

This was also measured at 31 December 2019, 31 December 2020 and 31 December 2021 with the balance at these dates recognised as other comprehensive income.

The Group has classified investments as Level 2 (2020 - Level 3), as prescribed by IFRS 13. The investments held by the Group are of the same industry, characteristics and risks, as each entity operates under the same trading business structure. Therefore, management believe that the reclassification of investments from Level 3 to Level 2 is correct and disclosure of each individual investment is not required.

Fair valuation measurement
For the 2021 reporting year, the value of the investments was calculated based on a detailed fair value analysis following the acquisition of the Flashtalking Group by Mediaocean LLC. Multiple scenarios were calculated using various methodologies (including Revenue Allocation, Forecast Benchmarks and EBITDA Multipliers) to support the valuation. From this analysis, management selected the scenario which provided the most accurate estimate of the fair value of the investments held by Simplicity Marketing Limited at 31 December 2021.

To calculate the valuation of the investments held by Simplicity Marketing Limited, the value of the Company had to be deducted from the total valuation of the group headed by Flash Topco Limited. The value of the group headed by Flash Topco Limited was estimated using the purchase price paid by Mediaocean LLC. The scenario selected to value the Company, was based on an EBITDA Multiplier approach using a combination of both management data and data produced by an independent 3rd party valuation specialist. The calculation involved using an implied multiple of 14.9x applied to the average estimated annual EBITDA for the Company over the three years 2021 to 2023. The 14.9x multiple was calculated by dividing the purchase price paid by Mediaocean LLC to acquire the Group, by the average estimated annual EBITDA for the Group over the three years 2021 to 2023.

COMPANY REGISTRATION NUMBER 04339257

flashtalking

SIMPLICITY MARKETING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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SIMPLICITY MARKETING LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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SIMPLICITY MARKETING LIMITED

Company number 04339257

SIMPLICITY MARKETING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Director	Mr J. Nardone
Company Secretary	Vistra Company Secretaries Limited
Registered office	Suite 1 7th Floor 50 Broadway London SW1H 0BL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 1 Embankment Place London WC2N 6RH

STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2021

The director presents his strategic report for Simplicity Marketing Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2021.

REVIEW OF THE BUSINESS
Simplicity Marketing Limited, trading as "Flashtalking", is an independent ad serving, measuring and technology company, providing best in class digital advertising products, service and support for online advertisers, key media buying and creative agencies.

Flashtalking's products facilitate the management, delivery and measuring of all forms of digital advertising across desktop, tablet and mobile. Core aspects include display (including standard ads, dynamic, rich media, video, HTML 5 and mobile), search, social and affiliates.

Flashtalking serves billions of ad impressions throughout US, European and international markets for the leading marketers and their advertising agency partners. Regional offices are located in London, Leeds, Connecticut, Cologne, Petah Tikva and Sydney.

RESULTS AND PERFORMANCE
The results for the Group, as set out on pages 11 to 64, show a loss before tax of £11,584,742 (2020: profit of £8,859,328). The total shareholders' funds of the Group is £73,022,354 (2020: shareholders' deficit of £9,848,196).

The operating loss in 2021 is a direct result of the exceptional costs incurred during the year relating to the acquisition by Mediaocean LLC and the business combination with Protected Media Limited (Israel) (see note 22 for further details). The trading performance of the Group during 2021 has been successful. The Group continued to demonstrate growth, with revenues growing year-on-year whilst protecting the operating margin. Management believes the Group is well positioned to grow further in the future by utilising its experience and technology to deliver high quality services to its growing customer base.

Flash Topco Limited (the group parent company) undertook two share buy-back transactions in February and March 2020. Owing to a failure by a third party to make certain Companies House filings in connection with steps related to the buy-back transactions, Flash Topco Limited had insufficient distributable reserves at the point at which the buy-back transactions were undertaken and they were, therefore, ineffective. Dividends declared were conditional upon the aforementioned filings having taken effect. As a result of foreign exchange driven losses having been incurred by Simplicity Marketing Limited between the date of the dividend being declared and the filing date, part of the distribution paid by Simplicity Marketing Limited to Flash Bidco Limited was deemed unlawful.

As is conventional in this type of situation, Flash Topco Limited applied to the Court for an order sanctioning a reduction of capital cancelling the A Ordinary Shares and B1 Ordinary Shares which were the subject of the buy-back transactions on the basis that any liability which might have existed on the part of sellers to repay the sums received by them in connection with the buy-back transactions be released. The Court Order was granted on the 9th of March 2021 and registered at Companies House on the 17th of March 2021, at which point the buy-back transactions were formally cancelled.

PRINCIPAL RISKS AND UNCERTAINTIES
The Group's performance is impacted by the general economic climate in the USA, UK, mainland Europe and Australia. This risk is managed by ensuring that the Group operates across a range of markets with a broad client base.

KEY PERFORMANCE INDICATORS ("KPIs")
Given the straightforward nature of the businesses, the Group's director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the businesses. Standard financial statements (Income Statement, Balance Sheet and Cash Flow Statement) are sufficient to provide information about the financial position, performance and changes in financial position of the businesses that is useful to a wide range of stakeholders.

BUSINESS ENVIRONMENT
The digital advertising industry continues to mature and evolve, with advertisers continuing to place increasing emphasis on owning the data that they use to recognize and communicate with their consumers. The increased focus on data ownership, and the unwillingness of walled gardens to provide ownership of or access to data, provides substantial momentum for the Company as the independent alternative to walled gardens like Google, Facebook, or Amazon.

Additionally, Google's announcement in respect to ending support for 3rd party cookies in Chrome from 2024 has created further interest in the Company's offering. As the only independent ad server not reliant on cookies, management believes that the Company will be well positioned to capture share among advertisers who require granular insight into advertising delivery and performance.

The Company is also seeing an increase in clients shifting towards purchasing full-stack offerings that can meet all needs in a single package, rather than buying multiple "point solutions" that each serve a specific use. With the Company having invested substantially over the past five years in expanding its product set, management believes that this shift in buying pattern results is a competitive advantage, as the Company now has competitive products across DCO, primary ad serving, video, identity, advanced analytics, and verification

BUSINESS ENVIRONMENT (CONTINUED)

In August 2021, Flashtalking was acquired by Mediaocean LLC, a long standing and successful AdTech company. The acquisition came at a critical inflection point for the industry, as marketers moved towards more open and interoperable solutions. Together, the combined entities have established the leading independent technology platform for omnichannel advertising. The complementary technologies of the two companies have enabled customers to benefit from comprehensive and future-forward solutions for global strategic planning, omnichannel media management and closed ecosystems optimisation.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)
Large organisations are now obliged to report publicly on their energy use and carbon emissions. Details of this is disclosed in the financial statements of Flash Topco Limited, the parent company of Simplicity Marketing Limited.

DIRECTOR'S SECTION 172 STATEMENT
The Director of the company must act in accordance with a set of general duties, as detailed in section 172 of the UK Companies Act 2006, summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interest 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 environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the shareholders of the company.'

The director fulfils these duties as follows:

Risk management
The Company has a long-term strategic plan that effectively identifies, evaluates and mitigates the risks which the Company faces, ensuring they are sufficiently considered and, if applicable, hedged against for the future. The director will invariably delegate day-to-day management and decision making to executive management, but will ensure that management is acting in accordance with the strategy and plans agreed by the board.

The interest of the Company's employees
The board recognises that employees are central to the long-term success of the Company. The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its prosperity. The Company encourages the involvement of employees by means of regular meetings to keep them informed of the Company's progress. The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or sexual orientation.

Business relationships with suppliers, customers and others
The director appreciates the importance of fostering business relationships with key stakeholders, such as customers and suppliers, and focus on the maintenance and growth of these relationships in their decision-making and strategic planning. The Company employs dedicated relationship managers to foster these relationships which also ensures the board has a high degree of visibility to take stakeholder considerations into account.

Community and environment
The Company's approach is to use its position of strength to ensure it is an asset to the communities and people with which it interacts. The board ensures significant consideration is given to the impact of the Company's operations on the community and environment in their decision-making. The Company strives to create positive change in reducing the environmental impact of its businesses and to meet the highest level of health and safety and environmental standards, whilst maintaining effective and continuing business practices.

Shareholders
The board recognises the importance of regular and open dialogue with the shareholders and the need to ensure the strategy and goals of the Company are effectively communicated to them. Feedback on these plans and objectives is welcomed by the director and major business decisions are made closely and with the approval of the shareholders.

SIMPLICITY MARKETING LIMITED

STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2021

Signed

Mr J. Nardone
Company director

Approved by the director on 16 December 2022

DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2021

The director presents his report and the audited financial statements of the Group and Company for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The loss for the financial year amounted to £6,233,923 (2020 profit of £5,650,094). During the year a dividend of £1,886,723 was paid to Flash Bidco Limited (2020: £48,777,618).

The net assets position at the year end was driven by the capital contribution from Mediaocean LLC and the fair value uplift on investments.

GOING CONCERN

The director is required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume Simplicity Marketing Limited and its subsidiaries will continue in business. The Group is in a positive net assets position, has a positive cash balance at the balance sheet date and expects positive cashflow in the 12 months. Management has prepared cash flow forecasts through to December 2023 that show the Group will generate positive cash flow over this period. These forecasts have been stress tested to include a severe but plausible downside scenario, even under these conditions the Group remains able to fund ongoing trading liquidity requirements from within existing cash resources for a period of at least 12 months from the date of signing the financial statements. The director therefore has no concerns with regards to the Group's ability to continue as a going concern.

As disclosed in Note 1, the Group was acquired by Mediaocean LLC in August 2021 and now forms part of an enlarged group. OceanKey (U.S.) II Corp. ("OceanKey") was formed on August 5, 2021, as a US limited liability company to facilitate the acquisition of Mediaocean LLC. OceanKey and Mediaocean LLC were acquired by funds owned by CVC Capital Partners and TA Associates which are registered in the United States of America. OceanKey entered into a Credit Agreement with a financial institution that includes a first and second lien term note payable and a revolving line of credit. These borrowings are subject to certain covenants and are secured by substantially all of the assets of OceanKey and its subsidiaries which include the Group. There are currently no borrowings against the revolving line of credit, and OceanKey is currently in compliance with all of its covenants.

The director has concluded that the enlarged Group is able to continue as a going concern due to cash on-hand, forecast cash generated from operations, and the revolving line of credit for a period of at least 12 months from the date of signing the financial statements and that the risk of the Group's assets being called as security is remote

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk, liquidity risk and interest risk. The Group has a risk management programme in place that seeks to limit the adverse effect on the financial performance of the Group.

Given the size of the Group, the director has not delegated the responsibility of monitoring financial risk management to a sub committee of the board. The policies set by the director are implemented by the Group's finance department.

FOREIGN EXCHANGE RISK

The Group has assets and liabilities denominated in foreign currencies, mainly US Dollar, Euro, and Australian Dollar. The Group does not use derivative financial instruments to manage the risk of fluctuating exchange rates, so no hedge accounting is applied. The Group has in place a foreign exchange policy and will reconsider the appropriateness of this policy should the Group's operations change in size or nature.

CREDIT RISK

The Group has no significant concentration of credit risk. Cash and cash equivalents are deposited within high-credit quality financial institutions and trade debtors are due principally from well-established customers In spite of the well-established customer base, there is still a risk as the customer may default on the payment of their debts and the Group mitigates this risk by performing credit risk assessments on all of its potential customers, prior to the sale being made.

LIQUIDITY RISK

The Group actively manages its finances to ensure that it has sufficient available funds for its operations.

INTEREST RISK

The Group has both interest-bearing assets, which are generally held at floating rates, and interest-bearing liabilities, which are generally held at fixed rates. The Group monitors its portfolio of interest-bearing assets and liabilities and their financial impact. The Group will reconsider the appropriate structure of its portfolio should the Group's operations change in size or nature.

SIMPLICITY MARKETING LIMITED

DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2021

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

Mr J. Meeks (Resigned on 31st August 2021)
Mr J. Seigler (Resigned on 31st August 2021)
Mr J. Nardone

STRATEGIC REPORT
Please refer to the Strategic Report on pages 2 to 4.

FUTURE DEVELOPMENTS
The Group continues to invest in the development of staff and new technology in order to position the Company for future growth. The Company intends to continue to expand its product capabilities, with investments being made in areas seen as offering strategic importance and growth. Management believes that there are various growth opportunities in the market, both organic and through acquisitions, which they will continue to explore in the year ahead.

In August 2021, Mediaocean LLC completed the acquisition of all of the issued share capital of Flash Topco Limited As a result of this acquisition, the new ultimate parent company of the Group is OceanKey (U.S.) II Corp., a limited liability company in the United States of America. Mediaocean LLC are a successful AdTech company providing a platform for omnichannel advertising, with more than $200 billion in annualised media spend managed through their platform.

EMPLOYMENT OF DISABLED PERSONS
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. The Group did not employ any disabled persons during the financial year ended 31 December 2021.

EMPLOYEE INVOLVEMENT
Consultation with employees or their managers has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are aware of the objectives, targets and performance of their department and of financial performance of the Group as a whole and are rewarded according to the results of both through an annual bonus scheme. Communication with all employees continues through email, internal open meetings, briefing groups and video conferencing.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS
The director is responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under Company law, a director 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 Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards 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 Group and Company will continue in business.

The director is responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2021

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

DIRECTOR'S CONFIRMATIONS

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

- so far as the director is aware, there is no relevant audit information of which the Group's and 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 Group's and Company's auditors are aware of that information.

DIRECTOR'S INDEMNITY

As permitted by the Articles of Association, the director has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each director during the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors and Officers liability insurance in respect of itself and its director.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The financial statements on pages 11 to 64 were approved by the Director on 16 December 2022.

Registered office:
Suite 1
7th Floor
50 Broadway
London

Signed

Mr J. Nardone
16 December 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Simplicity Marketing Limited's group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2021 and of the group's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the financial statements (the "Annual Report"), which comprise: the consolidated and Company balance sheets as at 31 December 2021; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company statements of cash flows and the consolidated and Company statements 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 Group 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 Group's and 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 director's 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 Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the director 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 director is 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

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 Director's 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 Director's Report

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

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibility of the director for the financial statements

As explained more fully in the statement of director's responsibilities in respect of the financial statements, the director is 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 director is 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 director is responsible for assessing the Group's and 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 director either intends to liquidate the Group or the Company or to cease operations, or has 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 Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to adherence to data protection requirements in the jurisdictions in which the Group operates and holds data, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Addressing the risk of management override of internal controls, including testing of journal entries (in particular, journal entries posted with an unusual account combination);
- Testing of assumptions and judgements made by management in making significant accounting estimates; and
- Reviewing financial statement disclosures and testing to supporting documentation.

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. 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 director's remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

David Braddy (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 December 2022

SIMPLICITY MARKETING LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021	31 December 2020
		£	£
Revenue	18	66,767,908	62,391,635
Cost of Sales	19	(8,950,411)	(7,559,976)
Gross Profit		**57,817,497**	**54,831,659**
Selling and marketing costs	19	(8,161,552)	(6,725,232)
Administrative expenses	19	(35,310,811)	(12,794,339)
Technical support and development	19	(24,487,088)	(23,865,939)
Operating (Loss)/Profit		**(10,141,954)**	**11,446,149**
Finance income	19	1,325	1,104
Finance costs	19	(1,444,113)	(2,587,925)
(Loss)/Profit before income tax		**(11,584,742)**	**8,859,328**
Income tax	14	5,350,819	(3,209,234)
(Loss)/Profit for the financial year		**(6,233,923)**	**5,650,094**

All of the activities of the Group are classed as continuing.

The Company has taken advantage of section 408 of the Companies Act 2006 not to publish its own income statement.

There is no material difference between the (loss)/profit before income tax and the (loss)/profit for the financial year stated above and their historical cost equivalents.

SIMPLICITY MARKETING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
(Loss)/Profit for financial year		(6,233,923)	5,650,094
Other comprehensive expense items that may be reclassified to profit or loss:			
Foreign currency translation adjustments	17	(533,062)	(645,173)
Total comprehensive (expense)/income for the year		**(6,766,985)**	**5,004,921**

SIMPLICITY MARKETING LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	31 December 2021	31 December 2020
		£	£
ASSETS			
Non-current assets			
Intangible assets	4	22,031,661	12,844,499
Property, plant and equipment	5	843,940	823,420
Right-of-use assets	6	1,538,216	2,155,013
Deferred tax assets	14	9,409,433	2,223,819
Total non-current assets		33,823,250	18,046,751
Current Assets			
Trade and other receivables	8	63,214,348	20,278,706
Cash and cash equivalents	9	4,654,943	10,347,686
Current income tax assets	14	450,637	-
Total current assets		68,319,928	30,626,392
Total assets		**102,143,178**	**48,673,143**
LIABILITIES			
Non-current liabilities			
Borrowings	10	-	42,967,497
Contingent and deferred consideration	12	2,611,789	1,076,663
Deferred tax liabilities	14	*1,313,011*	*1,125,213*
Lease liabilities	6	760,858	1,204,825
Total non-current liabilities		4,685,658	46,374,198
Current liabilities			
Trade and other payables	13	20,317,369	10,307,533
Borrowings	10	-	428,731
Lease liabilities	6	762,282	958,647
Contingent and deferred consideration	12	3,355,515	-
Corporation tax payable	14	-	452,230
Total current liabilities		24,435,166	12,147,141
Total liabilities		**29,120,824**	**58,521,339**
NET ASSETS/(LIABIITIES)		**73,022,354**	**(9,848,196)**
EQUITY			
Share capital and share premium	17	415	415
Share options reserve	17	-	7,427,240
Capital contribution	17	91,581,908	-
Other reserves	17	(27,800,130)	(27,267,068)
Retained earnings	17	9,240,161	9,991,217
TOTAL EQUITY		**73,022,354**	**(9,848,196)**

SIMPLICITY MARKETING LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 11 to 64 were approved and authorised for issue by the Director on 16 December 2022.

Mr J. Nardone
16 December 2022

Company registration number: 04339257

SIMPLICITY MARKETING LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
ASSETS			
Non-current assets			
Intangible assets	4	5,456,593	4,336,118
Property, plant and equipment	5	620,352	634,579
Right-of-use assets	6	817,580	1,239,314
Investments	7	301,115,277	43,074,205
Deferred tax asset	14	329,054	269,836
Total non-current assets		308,338,856	49,554,052
Current Assets			
Trade and other receivables	8	53,813,715	25,130,483
Cash and cash equivalents	9	1,255,514	5,698,909
Total current assets		55,069,229	30,829,392
Total assets		**363,408,085**	**80,383,444**
LIABILITIES			
Non-current liabilities			
Borrowings	10	-	42,967,497
Contingent and deferred consideration	12	2,611,789	1,076,663
Deferred tax liabilities	14	1,125,613	887,622
Lease liabilities	6	323,646	767,055
Total non-current liabilities		4,061,048	45,698,837
Current liabilities			
Trade and other payables	13	3,979,138	16,770,262
Borrowings	10	-	428,731
Contingent and deferred consideration	12	3,355,515	-
Lease Liabilities	6	438,242	417,188
Corporation tax payable	14	472,454	228,630
Total current liabilities		8,245,349	17,844,811
Total liabilities		**12,306,397**	**63,543,648**
NET ASSETS		**351,101,688**	**16,839,796**
EQUITY			
Share capital and share premium	17	415	415
Share options reserve	17	-	407,491
Capital contribution	17	91,581,908	-
Other reserves	17	255,794,349	6,157,690
Retained earnings	17	3,725,016	10,274,200
TOTAL EQUITY		**351,101,688**	**16,839,796**

The accompanying notes form an integral part of these financial statements. The parent company has elected to take the s408 exemption and as a result it is exempt from the requirement to publish its individual profit and loss account and the related notes. *The Company's loss for 2021 was £4,662,461 (the Company's profit for 2020 was £9,039,299).*

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2021

The financial statements on pages 11 to 64 were approved and authorised for issue by the Director on 16 December 2022.

Mr J. Nardone
16 December 2022

Company registration number: 04339257

SIMPLICITY MARKETING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Share capital and share premium	Share option reserve	Capital contribution	Other reserves	Retained earnings	Total equity
		£	£	£	£	£	£
Balance at 1 January 2020		**8,765,462**	**6,830,352**	**-**	**1,578,105**	**16,163,781**	**33,337,700**
Profit for financial year	17	-	-	-	-	5,650,094	5,650,094
Other comprehensive expense	17	-	-	-	(645,173)	-	(645,173)
***Total comprehensive* income for the year**		-	-	-	**(645,173)**	**5,650,094**	**5,004,921**
Bonus issue of shares	17	28,200,000	-	-	(28,200,000)	-	
Reduction in capital	17	(36,965,047)	-	-	-	36,965,047	-
Share based scheme changes	17	-	596,888	-	-	-	596,888
Dividends paid	17			-	-	(48,777,618)	(48,777,618)
Cumulative translation adjustment	17	-	-	-	-	(10,087)	(10,087)
Balance at 31 December 2020		**415**	**7,427,240**	**-**	**(27,267,068)**	**9,991,217**	**(9,848,196)**
Loss for financial year	17	-	-	-	-	(6,233,923)	(6,233,923)
Other comprehensive expense	17			-	(533,062)	-	(533,062)
Total comprehensive expense for the year		-	-	-	(533,062)	**(6,233,923)**	**(6,766,985)**
Capital contribution	17	-	-	91,581,908	-	-	91,581,908
Share based scheme charge	17	-	995,245	-	-	-	995,245
Dividends paid	17	-	-	-	-	(1,886,723)	(1,886,723)
Share based scheme changes	17	-	(8,422,485)	-		7,369,590	(1,052,895)
Balance at 31 December 2021		**415**	**-**	**91,581,908**	**(27,800,130)**	**9,240,161**	**73,022,354**

SIMPLICITY MARKETING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital and share premium	Share option reserve	Capital contribution	Other reserves	Retained earnings	Total equity
		£	£	£	£	£	£
Balance at 1 January 2020	**Note**	8,765,462	345,685	-	30,034,195	13,047,472	52,192,814
Profit for financial year	17	-	-	-	-	9,039,299	9,039,299
Fair value gain - other comprehensive income	17	-	-	-	4,323,495	-	4,323,495
Total comprehensive income for the year		-	-	-	4,323,495	9,039,299	13,362,794
Reduction in share capital	17	(36,965,047)		-		36,965,047	-
Bonus issue	17	28,200,000	-	-	(28,200,000)	-	-
Dividends paid	17	-	-	-	-	(48,777,618)	(48,777,618)
Share based scheme charges	17	-	61,806			-	61,806
Balance at 31 December 2020		415	407,491	-	6,157,690	10,274,200	16,839,796
Loss for the financial year	17	-	-	-	-	(4,662,461)	(4,662,461)
Fair value gain - other *comprehensive income*	17	-	-	-	249,636,659	-	249,636,659
Total comprehensive income for the year		-	-	-	249,636,659	(4,662,461)	244,974,198
Capital contribution	17	-	-	91,581,908	-	-	91,581,908
Dividends paid	17	-	-	-	-	(1,886,723)	(1,886,723)
Share based scheme charges		-	22,357	-	-	-	22,357
Share based scheme changes	17	-	(429,848)	-	-	-	(429,848)
Balance at 31 December 2021		415	-	91,581,908	255,794,349	3,725,016	351,101,688

SIMPLICITY MARKETING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
Cash flows (used in)/generated from operating activities			
Cash generated (used in)/generated from operations	21	(35,844,510)	15,755,171
Income taxes paid		(2,085,073)	(1,980,152)
Net cash (outflow)/inflow from operating activities		**(37,929,583)**	**13,775,019**
Cash flows (used in)/generated from investing activities			
Acquisition of business	11	(2,945,192)	-
Contingent consideration payments		(1,803,637)	-
Payments for property, plant and equipment	5	(749,885)	(556,312)
Payment for software development costs	4	(3,917,494)	(3,355,208)
Interest received		1,325	1,104
Net cash outflow from investing activities		**(9,414,883)**	**(3,910,416)**
Cash flows generated from/(used in) financing activities			
Capital contribution from Mediaocean LLC	17	48,103,467	-
Cancellation of share options		(1,052,895)	
Proceeds from borrowings	10	-	24,868,888
Repayment of borrowings	10	(899,865)	(3,075,796)
Principal element of lease payments	6	(1,009,141)	(1,210,268)
Interest paid		(1,603,120)	(2,562,335)
Dividends paid		(1,886,723)	(23,766,657)
Net cash inflow/(outflow) from financing activities		**41,651,723**	**(5,746,168)**
Net (decrease)/increase in cash and cash equivalents		**(5,692,743)**	**4,118,435**
Cash and cash equivalents at the beginning of the financial year	9	10,347,686	6,229,251
Cash and cash equivalents at end of financial year	9	**4,654,943**	**10,347,686**

SIMPLICITY MARKETING LIMITED

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 £	31 December 2020 £
Cash flows (used in)/generated from *operating activities*			
Cash (used in)/generated from operations	21	(37,349,511)	9,981,924
Income taxes paid		*(750,000)*	*(532,050)*
Net cash (outflow)/inflow from operating activities		**(38,099,511)**	**9,449,874**
Cash flows (used in)/generated from investing activities			
Acquisition of business		(2,945,192)	
Contingent consideration payments		(1,803,637)	-
Payments for property, plant and equipment	5	(544,285)	(475,792)
Payment for software development costs	4	(3,917,493)	(3,355,208)
Interest received		-	581
Net cash outflow from investing activities		**(9,210,607)**	**(3,830,419)**
Cash flows generated from/(used in) financing activities			
Capital contribution from Mediaocean LLC	17	48,103,467	-
Cancellation of share options		(429,848)	
Proceeds from borrowings	10	-	24,868,888
Repayment of borrowings	10	(899,865)	(3,075,796)
Principal element of lease payments	6	(417,188)	(396,916)
Interest paid		(1,603,120)	(2,430,907)
Dividends paid		(1,886,723)	(23,766,657)
Dividends received		-	4,346,072
Net cash inflow/(outflow) from financing activities		**42,866,723**	**(455,316)**
Net (decrease)/increase in cash and cash equivalents		***(4,443,395)***	***5,164,139***
Cash and cash equivalents at the beginning of the financial year	9	*5,698,909*	*534,770*
Cash and cash equivalents at end of financial year	9	***1,255,514***	***5,698,909***

1. GENERAL INFORMATION

The operating businesses within the Group, trading as "Flashtalking", are independent ad serving, measuring and technology companies providing best-in-class digital advertising products, service and support for online advertisers, key media buying and creative agencies. The Company is a private limited company limited by shares, incorporated on 12 December 2001 and domiciled in United Kingdom, with a registered address at Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL.

In August 2021 Mediaocean LLC completed the acquisition of the Flashtalking group, and as a result the Group now forms part of the Mediaocean LLC group of companies.

These Group and Company financial statements were authorised for issue by the Director on 16 December 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1. BASIS OF PREPARATION

The consolidated financial statements of the Group and Company have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements are presented in Pounds Sterling and have been prepared under the historical cost and fair value model in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates which have been laid out in note 3. Accounting policies have been applied consistently, other than where new policies have been adopted.

Going concern

The director is required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume Simplicity Marketing Limited and its subsidiaries will continue in business. The Group is in a positive net assets position, has a positive cash balance at the balance sheet date and expects positive cashflow in the 12 months. Management has prepared cash flow forecasts through to December 2023 that show the Group will continue to generate positive cash flow over this period. These forecasts have been stress tested to include a severe but plausible downside scenario, even under these conditions the Group remains able to fund ongoing trading liquidity requirements from within existing cash resources for a period of at least 12 months from the date of signing the financial statements. The director therefore has no concerns with regards to the Group's ability to continue as a going concern.

As disclosed in Note 1, the Group was acquired by Mediaocean LLC in August 2021 and now forms part of an enlarged group. OceanKey (U.S.) II Corp. ("OceanKey") was formed on August 5, 2021, as a US limited liability company to facilitate the acquisition of Mediaocean LLC. OceanKey and Mediaocean LLC were acquired by funds owned by CVC Capital Partners and TA Associates which are registered in the United States of America. OceanKey entered into a Credit Agreement with a financial institution that includes a first and second lien term note payable and a revolving line of credit. These borrowings are subject to certain covenants and are secured by substantially all of the assets of OceanKey and its subsidiaries which include the Group. There are currently no borrowings against the revolving line of credit, and OceanKey is currently in compliance with all of its covenants.

The director has concluded that the enlarged Group is able to continue as a going concern due to cash on-hand, forecast cash generated from operations, and the revolving line of credit for a period of at least 12 months from the date of signing the financial statements and that the risk of the Group's assets being called as security is remote.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Changes in accounting policy and disclosures

New and amended standards and interpretations effective in the year for the Group and Company

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2021:

- Amendments to References to Conceptual Framework in IFRS Standards
- COVID-19 Related Rent concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The above new standards and amendments applicable for the year are not deemed to have a material impact on the financial statements of Simplicity Marketing Limited.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings made up to the relevant year end. The subsidiary undertakings' financial years are coterminous with those of the Company.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2.3. REVENUE RECOGNITION

Revenue represents the amounts receivable for advertising services provided in the normal course of business, net of VAT and other sales related taxes. Revenue recognition is based on the satisfaction of performance obligations and an assessment of when control is transferred to the customer. It is recognised in a way that depicts the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Transaction price is allocated to each performance obligation on the basis of the relative selling prices of each distinct service promised in the contract.

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise the revenue when (or as) the Group satisfies a performance obligation

Control of a service is obtained when the customer has the ability to obtain substantially all the benefits from the service.

Customer contracts vary across the Group and contain a variety of performance obligations. Under IFRS15, the Group must evaluate whether the goods or services are transferred over time or at a point in time for each performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3. REVENUE RECOGNITION (CONTINUED)

A summary of how the key classes of revenue are recognised is provided below:

Ad-serving	Point in time, based on number of impressions served within the period
Analytics	Point in time, on delivery of report
Production	Point in time, on release of digital advert to client
Verification	Point in time, based on number of impressions served within the period

The transaction price is determined by the agreed terms of the contract. For the Ad-serving and Verification revenue streams, this is dependent on the number of impressions served within the period. Some customers purchase a fixed fee package which includes a set number of impressions. In these instances, the transaction price is increased by any additional impressions served.

2.4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team. The Group has identified one operating segment under IFRS 8.

2.5. INTANGIBLE ASSETS

(a) Research and development expenditure

Research expenditure is recognised as an expense as incurred. Directly attributable costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

i. it is technically feasible to complete the intangible asset so that it will be available for use or sale;
ii. management intends to complete the intangible asset and use or sell it;
iii. there is an ability to use or sell the intangible asset;
iv. it can be demonstrated how the intangible asset will generate probable future economic benefits;
v. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
vi. the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs that are capitalised include the product development employee costs and related management time. Research and development expenditure is amortised over the useful economic life of 3 years.

(b) Computer software

Acquired computer software products are capitalised along with the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of between 12 months and 3 years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5. INTANGIBLE ASSETS (CONTINUED)

(c) Goodwill
Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicated that it might be impaired and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating groups that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segment (see note 4).

(d) Trademarks, customer relationships and non-compete agreements
Trademarks, customer relationships and non-compete agreements acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation. These costs are amortised over their estimated useful lives of between 12 months and 10 years.

(e) Developed Technology
Developed technology comprises of the intellectual property acquired in a business combination and recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation. Developed technology assets are amortised over their estimated useful economic lives of between 3 and 15 years.

2.6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset, on a straight-line basis over its expected useful life as follows, other than fixtures and fittings which are depreciated on a reducing balance basis:

- Leasehold property: over the term of the lease
- Computer equipment: 2 years
- Fixtures and fittings 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.7. TAXATION

The Company is managed and controlled in the United Kingdom and, consequently, is tax resident in the United Kingdom.

Current tax is calculated on the profits of the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7. TAXATION (CONTINUED)

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

Deferred income tax is recognised in other comprehensive income or directly in equity, if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income or directly in equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses and credits can be utilised.

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

2.8. TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectable, it is written off against the provision account in trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivable.

2.9. ACCRUED INCOME

Accrued income are amounts due from customers for services performed and which have not yet been invoiced under existing agreements.

Accrued income is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provision for impairment is determined, when applicable, when there is objective evidence that the Group will not be able to collect all amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. EMPLOYEE BENEFITS

(a) Pension obligations
The Group operates defined contribution plans. A defined contribution is a pension plan under which the Group pays fixed contributions into an independently administrated pension fund.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Share-based payment transactions
The Group and Company operate equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the estimated vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability).

Modifications of the performance conditions are accounted for as a modification under IFRS 2. In particular, where a modification increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period.

(c) Accrued annual leave
The Group has recognised a provision for accrued, unused annual leave. The provision is measured as the amount which would be paid if settled in full and is presented as Trade and other payables in the balance sheet.

2.11. FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Consolidated Financial Statements are presented in British Pound (GBP), which is the Company's functional and presentation currency.

(b) Transaction balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) *Group companies*
The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transaction; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11. FOREIGN CURRENCY TRANSLATION (CONTINUED)

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net qualifying investment in foreign operations are taken to shareholders' equity.

The Group and Company has availed of the exemption in IFRS 1, whereby the cumulative translation differences for all foreign operations were deemed to be reset to zero at the date of transition to IFRS.

2.12. CAPITAL MANAGEMENT

Both the Company and Group's objectives, when managing capital, are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company and Group can adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2021, the Group's capital management strategy changed from a gearing ratio basis to a dividends and shareholders returns basis. The reason for this change was because the Group was acquired by Mediaocean LLC in August 2021. A gearing ratio strategy was no longer applicable due to all outstanding external debt within the Group being repaid by Mediaocean LLC upon acquisition.

2.13. LEASES

At inception of a contract, it is assessed whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group and entity will recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group and Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which the economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13. *LEASES* (CONTINUED)

(i) The Groups leasing activities and how these are accounted for

The Group leases various offices, vehicles and equipment. Rental contracts are typically made for fixed periods of 12 months to 5 years but may have extension options as described in (v) below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and Instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than security Interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable

Lease payments to be made under reasonably certain extension options are also not included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value of the right-of-use asset in a similar economic environment with similar terms, security and conditions. The discount rate applied to the leases varied between 3.88% and 4.95%

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13. LEASES (CONTINUED)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term and low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(ii) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

2.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

2.15.SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16. INVESTMENT IN SUBSIDIARIES

From 1 January 2020, there was a change in the accounting policy for accounting for investments in subsidiaries in accordance with IAS 39, under the fair value method of accounting. This change was applied retrospectively, such that the comparative figures at 1 January 2019 and 31 December 2019 were updated accordingly as if this policy had been in force at those dates.

The change in policy is considered to provide more relevant and reliable information to users of the financial statements in accordance with the requirements of IAS 8 by more accurately reflecting the value of the Company's investments. The change in policy is also deemed to provide the entity with greater flexibility with regards to managing capital, including debt and equity funding and shareholders returns. As the Group is a privately owned tech company, the investment values can fluctuate very rapidly when compared to publicly traded competitors and/or market activity. Thus, it is deemed that carrying these assets at fair value will provide a more accurate reflection of the investments' fair market value when compared to historic cost.

For the 2021 reporting year, the fair value of the investments was calculated based on a detailed analysis following the acquisition of the Group by Mediaocean LLC (see note 7 for further details). The fair value movement at this date is recognised as other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17. TRADE PAYABLES

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

2.18. FINANCE INCOME AND EXPENSES

Interest income and expenses are recognised on a time-proportion basis using the effective interest method.

2.19. EXCEPTIONAL ITEMS

Exceptional items are material non-recurring items that derive from events or transactions that fall within the ordinary activities of the Group and Company and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence. Such items may include acquisition related costs, litigation costs and settlement or one-off costs where separate identification is important to gain an understanding of the financial statements. Judgement is used by the Group in assessing the particular items which should be disclosed in the income statement and related notes as exceptional items.

2.20. PROVISIONS

Provisions for legal claims are recognised when the Group and Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.21. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group or Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.22. BUSINESS COMBINATIONS

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

i. Fair values of the assets transferred
ii. Liabilities incurred to the former owners of the acquired business
iii. Equity interests issued by the Group
iv. Fair value of any asset or liability resulting from a contingent consideration arrangement, and
v. Fair value of any pre-existing equity interest in the subsidiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22. BUSINESS COMBINATIONS POLICIES (CONTINUED)

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous entity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the income statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the income statement.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group and Company makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a higher degree of judgement or complexity within the next financial year are discussed below.

(a) Capitalisation of development costs - (Critical Estimate)
Internal staff costs associated with the development of software products both for internal use and external sale are capitalised and amortised over the estimated useful life of the product, which is fixed at 3 years. In determining the staff costs attributable to development, management have to estimate the time spent on each project. The capitalisation policy is capped at 90% per engineer, per month. This means that in any given month, a maximum of 90% of an engineer's total labour cost can be capitalised, with a minimum of 10% being expensed through the Income Statement.

Costs incurred on development projects are recognised as intangible assets only when it is probable that the project will be a success considering its commercial and technical feasibility. The project must be intended for completion and the Company must be able to demonstrate how the asset will generate future economic benefits.

If the Company is unable to distinguish the research phase of a project from the development phase, the expenditure for that project will be treated as if it were incurred in the research phase only and will not be recognised as an intangible asset. Capitalisation ceases and amortisation commences once a product or enhancement is available for deployment

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Fair value of investments - (Critical Estimate)
For the 2021 reporting year, the value of the investments was calculated based on a detailed fair value analysis following the acquisition of the Group by Mediaocean LLC. Multiple scenarios and methodologies were calculated (including Revenue Allocations, EBITDA Multipliers and Forecast Benchmarks) to support the valuation. Management based these calculations on estimated figures (see note 7 for further details). The nature of the assumption made by management, was that the scenario which provided the best estimate of the market value of the investments was selected.

Management believe that the change to a market approach in 2021 from the market/income approach used in 2020, will provide a more accurate reflection of the value of the Group's investments because the price paid for the Group is stronger evidence of fair value.

(c) Sales tax liability - (Critical Estimate)
Flashtalking, Inc., a wholly owned subsidiary of Simplicity Marketing Limited, is subject to taxation in the United States. The company provides services to customers in various states within the United States, which may create nexus in those states to collect sales tax on sales to customers. The company estimates the related provision for the sales tax liability based on each state's laws and revenue. In the current year, the company concluded that it has historically incurred sales tax expense in jurisdictions where it expected to remit sales tax payments but were not yet collecting from customers.

As at 31 December 2021, the carrying amount of this sales tax liability was $6,750,000 (translated at £5,001,001 at 31 December 2021). The carrying amount of this liability was zero as at 1 January 2021. There were no amounts used in the period or unused amounts reversed in the period. The company is currently still completing its analysis, and the carrying amount is the mid-point of the estimated range. The range was developed by management with the help of 3rd party tax specialists, reviewing sales tax regulations by state and determining which of the company's revenue streams are taxable in each state. From there, the company calculated an estimated range by taking each state's taxable revenue, the sales tax rate, and the lookback period. The company is still refining its calculation of each taxable revenue stream and verifying customer billing addresses. The company expects to complete the process and make the necessary payments to the states by the end of 2023. Changes in tax laws applicable to us, including interpretations thereof and related accounting standards, could also impact the liability.

Due to the change in the company's ownership (acquisition of the Group by Mediaocean LLC) and the current and ever-changing interpretation of what is considered taxable by the states, the company concluded that this is a change in estimate in the current year and not a prior period error and has therefore been accounted for prospectively.

(d) Intangible assets through acquisitions - (Critical Estimate)
Intangible assets recognised through acquisitions comprise customer relationships, acquired technology, non-compete agreements and acquired trade names. The cost of the intangible asset is derived based upon management's assertions of projected cash flows. These calculations require the use of estimates regarding expected future cash flows to be derived from the asset, revenue growth and EBITDA margin

4. INTANGIBLE ASSETS

Group	Goodwill	Internally generated software	Acquired software	Customer Relationships	Acquired Technology	Non-Compete Agreements	Acquired Trade Names	Total
	£	£	£	£	£	£	£	£
At 1 January 2020								
Cost	7,887 513	7,681,848	2,841,213	1,468,395	1,067,924	581,076	109,933	21,637,902
Accumulated amortisation and impairment	-	(4,818,581)	(2,136,616)	(386,752)	(720,302)	(556,065)	(71,314)	(8,689,630)
Net Book Amount	**7,887,513**	**2,863,267**	**704,597**	**1,081,643**	**347,622**	**25,011**	**38,619**	**12,948,272**
Year ending 31 December 2020								
Opening net book amount	7,887,513	2,863,267	704,597	1,081,643	347,622	25,011	38,619	12,948,272
Exchange differences	(275,708)	-	(369)	(28,938)	6,353	145	718	(297,799)
Additions	-	3,355,208	-		-	-	-	3,355,208
Amortisation charge	-	(2,187,695)	(398,885)	(182,775)	(330,181)	(25,156)	(36,490)	(3,161,182)
Closing Net Book Amount	**7,611,805**	**4,030,780**	**305,343**	**869,930**	**23,794**	-	**2,847**	**12,844,499**
At 1 January 2021								
Cost	7,887,513	11,037,056	2,841,213	1,468,395	1,067,924	581,076	109,933	24,993,110
Accumulated amortisation and impairment	(275,708)	(7,006,276)	(2,535,870)	(598,465)	(1,044,130)	(581,076)	(107,086)	(12,148,611)
Net Book Amount	**7,611,805**	**4,030,780**	**305,343**	**869,930**	**23,794**	-	**2,847**	**12,844,499**
Year ending 31 December 2021								
Opening net book amount	7,611,805	4,030,780	305,343	869,930	23,794	-	2,847	12 844,499
Exchange differences	111,985	-	(5)	6,989	(62)	-	(6)	118,901
Additions	3,569,989	3,917,494	-	272,472	3,327,024	323,393	1,333,678	12 744,050
Disposals	-	-	(35,275)	-	-	-	-	(35,275)
Amortisation charge	-	(2,644,346)	(152,673)	(404,372)	(214,717)	(142,004)	(117,677)	(3,675,789)
Amortisation on disposals	-	-	35,275	-	-	-	-	35,275
Closing Net Book Amount	**11,293,779**	**5,303,928**	**152,665**	**745,019**	**3,136,039**	**181,389**	**1,218,842**	**22,031,661**
At 31 December 2021								
Cost	11,293,779	14,954,550	2,805,386	1,657,934	4,334,633	871,651	1,437,402	37,355,335
Accumulated amortisation and impairment	-	(9,650,622)	(2 652,721)	(912,915)	(1,198,594)	(690,262)	(218,560)	(15.323,674)
Net Book Amount	**11,293,779**	**5,303,928**	**152,665**	**745,019**	**3,136,039**	**181,389**	**1,218,842**	**22,031,661**

Amortisation of £3,675,789 (2020: £3,161,182) is included in administrative expenses in the income statement.

4. INTANGIBLE ASSETS (CONTINUED)

Company	Internally generated software	Acquired software	Total
	£	£	£
At 1 January 2020			
Cost	7,681,848	2,805,386	10,487,234
Accumulated amortisation and impairment	(4,818,581)	(2,101,163)	(6,919,744)
Net Book Amount	**2,863,267**	**704,223**	**3,567,490**
Year ended 31 December 2020			
Opening net book amount	2,863,267	704,223	3,567,490
Additions	3,355,208	-	3,355,208
Reclassifications	-	-	-
Amortisation charge	(2,187,695)	(398,885)	(2,586,580)
Closing Net Book Amount	**4,030,780**	**305,338**	**4,336,118**
At 1 January 2021			
Cost	11,037,056	2,805,386	13,842,442
Accumulated amortisation and impairment	(7,006,276)	(2,500,048)	(9,506,324)
Net Book Amount	**4,030,780**	**305,338**	**4,336,118**
Year ended 31 December 2021			
Opening net book amount	4,030,780	305,338	4,336,118
Additions	3,917,493	-	3,917,493
Amortisation charge	(2,644,345)	(152,673)	(2,797,018)
Closing Net Book Amount	**5,303,928**	**152,665**	**5,456,593**
At 31 December 2021			
Cost	14,954,549	2,805,386	17,759,935
Accumulated amortisation and impairment	(9,650,621)	(2,652,721)	(12,303,342)
Net Book Amount	**5,303,928**	**152,665**	**5,456,593**

Amortisation of £2,797,018 (2020: £2,586,580) is included in administrative expenses in the income statement.

4. INTANGIBLE ASSETS (CONTINUED)

GROUP

(i) *Goodwill breakdown by entity:*

31 December 2020	**FTI**	**Gmbh**	**Protected Media Limited (Israel)**	**Total**
	£	**£**	**£**	**£**
At 1 January 2020	7,743,319	144,194	-	7,887,513
Foreign exchange movements	(283,625)	7,917	-	(275,708)
At 31 December 2020	**7,459,694**	**152,111**	**-**	**7,611,805**

31 December 2021	**FTI**	**Gmbh**	**Protected Media Limited (Israel)**	**Total**
	£	**£**	**£**	**£**
At 1 January 2021	7,459,694	152,111		7,611,805
Additions	-	-	3,569,989	3,569,989
Foreign exchange movements	89,318	(10,135)	32,802	111,985
At 31 December 2021	**7,549,012**	**141,976**	**3,602,791**	**11,293,779**

(ii) *Impairment test for goodwill*

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2021 reporting year, the recoverable amount of the cash generating unit (CGU) was determined based on a detailed fair value analysis following the acquisition of the Group by Mediaocean LLC. Six different scenarios were tested using various *methodologies (including Revenue Allocation, EBITDA Multiples and Forecast Benchmarks) to support the* assessment.

The director and management have considered and evaluated reasonable possible changes for key assumptions used in the analysis and have not identified any instances that could cause the carrying amount to exceed the recoverable amount.

4. INTANGIBLE ASSETS (CONTINUED)

(iii) *Impairment of internally generated software*
The weighted average remaining amortisation period of the product development is 33 months (2020: 33 months). In the year, research and development expenditure of £3,917,494 (2020: £3,355,208) was capitalised.

As at 31 December 2021, there were product development assets of £Nil (2020: £Nil) which are currently under development and are not yet ready for use. The amortisation of these assets had not started as at 31 December 2021.

Management has identified one CGU. The Group represents the lowest level at which the related assets are monitored for internal management purposes.

The Group tests whether internally generated software has suffered any impairment on an annual basis. For the 2021 reporting year, the recoverable amount of the cash generating unit (CGU) was determined based on a detailed fair value analysis following the acquisition of the Group by Mediaocean LLC. Six different scenarios were tested using various methodologies (including Revenue Allocation, EBITDA Multiples and Forecast Benchmarks) to support the assessment.

The director and management have considered and evaluated reasonable possible changes for key assumptions used in the analysis and have not identified any instances that could cause the carrying amount to exceed the recoverable amount.

(iv) *Acquired software*
The weighted average remaining amortisation period of acquired software is 24 months (2020: 24 months).

During 2021, the Group made software purchases of £Nil (2020: £Nil). Acquired software products have an estimated useful life of between 12 months and three years.

The Group tests whether acquired software has suffered any impairment on an annual basis. For the 2021 reporting year, the recoverable amount of the cash generating unit (CGU) was determined based on a detailed fair value analysis following the acquisition of the Group by Mediaocean LLC. Six different scenarios were tested using various methodologies (including Revenue Allocation, EBITDA Multiples and Forecast Benchmarks) to support the assessment.

The director and management have considered and evaluated reasonable possible changes for key assumptions used in the analysis and have not identified any instances that could cause the carrying amount to exceed the recoverable amount.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
At 1 January 2020				
Cost	353,009	254,925	3,660,969	4,268,903
Accumulated depreciation	(330,949)	(190,205)	(2,721,458)	(3,242,612)
Closing Net Book Amount	**22,060**	**64,720**	**939,511**	**1,026,291**
Year ended 31 December 2020				
Opening net book amount	22,060	64,720	939,511	1,026,291
Exchange differences	120	(365)	2,660	2,415
Additions	-	1,056	555,256	556,312
Depreciation charge	(12,301)	(33,269)	(716,028)	(761,598)
Closing Net Book Amount	**9,879**	**32,142**	**781,399**	**823,420**
At 1 January 2021				
Cost	353,009	255,981	4,216,225	4,825,215
Accumulated depreciation	(343,130)	(223,839)	(3,434,826)	(4,001,795)
Closing Net Book Amount	**9,879**	**32,142**	**781,399**	**823,420**
Year ended 31 December 2021				
Opening net book amount	9,879	32,142	781,399	823,420
Assets acquired in business combination	-	12,870	3,834	16,704
Exchange differences	(57)	128	(3,331)	(3,260)
Additions	-	486	749,399	749,885
Disposals		-	(62,827)	(62,827)
Depreciation charge	(6,542)	(9,238)	(727,029)	(742,809)
Accumulated depreciation on disposals	-	-	62,827	62,827
Closing Net Book Amount	**3,280**	**36,388**	**804,272**	**843,940**
At 31 December 2021				
Cost	346,071	263,768	4,885,508	5,495,347
Accumulated depreciation	(342,791)	(227,380)	(4,081,236)	(4,651,407)
Net Book Amount	**3,280**	**36,388**	**804,272**	**843,940**

Depreciation of £1,723,552 (2020: £2,095,950) has been charged in administrative expenses in the income statement. This includes the depreciation of Right-of-use assets (note 6) for an amount of £980,742 (2020: £1,334,352).

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
At 1 January 2020				
Cost	230,162	29,524	2,650,502	2,910,188
Accumulated depreciation	(222,114)	(28,470)	(1,949,557)	(2,200,141)
Closing Net Book Amount	**8,048**	**1,054**	**700,945**	**710,047**
Year ending 31 December 2020				
Opening net book amount	8,048	1,054	700,945	710,047
Additions	-		475,792	475,792
Depreciation charge	(2,640)	(323)	(548,297)	(551,260)
Closing Net Book Amount	**5,408**	**731**	**628,440**	**634,579**
At 1 January 2021				
Cost	230,162	29,524	3,126,294	3,385,980
Accumulated depreciation	(224,754)	(28,793)	(2,497,854)	(2,751,401)
Closing Net Book Amount	**5,408**	**731**	**628,440**	**634,579**
Year ending 31 December 2021				
Opening net book amount	5,408	731	628,440	634,579
Additions	-		544,285	544,285
Depreciation charge	(2,295)	(111)	(556,106)	(558,512)
Closing Net Book Amount	**3,113**	**620**	**616,619**	**620,352**
At 31 December 2021				
Cost	230,162	29,524	3,670,579	3,930,265
Accumulated depreciation	(227,049)	(28,904)	(3,053,960)	(3,309,913)
Net Book Amount	**3,113**	**620**	**616,619**	**620,352**

Depreciation of £980,246 (2020: £990,000) has been charged in administrative expenses in the income statement. This includes the depreciation of Right-of-use assets (Note 6) for an amount of £421,734 (2020: £438,740).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. LEASES

(i) Amounts recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

Group Right-of-use assets	Buildings £	Vehicles £	Equipment £	Total £
Year ending 31 December 2020				
Opening net book amount	3,418,108	9,743	7,472	3,435,323
Exchange difference	2,254	536	(274)	2,516
Additions	-	38,739	-	38,739
Depreciation charge	(1,316,793)	(14,654)	(2,905)	(1,334,352)
Rent review and prepayment	12,694	-	93	12,787
Closing net book amount	**2,116,263**	**34,364**	**4,386**	**2,155,013**
Year ending 31 December 2021				
Opening net book amount	2,116,263	34,364	4,386	2,155,013
Exchange differences	(988)	(2,290)	53	(3,225)
Additions	368,874	6,978	-	375,852
Depreciation charge	(963,240)	(14,515)	(2,987)	(980,742)
Rent review and prepayment	(8,634)	(101)	53	(8,682)
Closing net book amount	**1,512,275**	**24,436**	**1,505**	**1,538,216**

Lease Liabilities

Year ending 31 December 2020	Buildings £	Vehicles £	Equipment £	Total £
Opening net book amount	3,359,984	9,964	6,626	3,376,574
Exchange differences	(59,843)	547	(243)	(59,539)
Additions	-	38,739		38,739
Disposals	-	-	-	-
Payments	(1,325,593)	(15,392)	(2,700)	(1,343,685)
Interest expense	132,476	746	194	133,416
Rent review and prepayments	17,874	-	93	17,967
Closing net book amount	**2,124,898**	**34,604**	**3,970**	**2,163,472**

Year ending 31 December 2021				
Opening net book amount	2,124,898	34,604	3,970	2,163,472
Exchange differences	9,729	(2,305)	48	7,472
Additions	368,873	6,979	-	375,852
Payment	(1,080,696)	(15,489)	(2,786)	(1,098,971)
Interest expense	88,390	1,333	107	89,830
Rent review and prepayments	(14,483)	(85)	53	(14,515)
Closing net book amount	**1,496,711**	**25,037**	**1,392**	**1,523,140**

6. LEASES (CONTINUED)

Group	31 December 2021	31 December 2020
	£	£
Non-current liabilities		
Lease liability	760,858	1,204,825
Current liabilities		
Lease liability	762,282	958,647
	1,523,140	**2,163,472**

(ii) Ageing analysis of lease commitments

Group	31 December 2021		31 December 2020	
	Buildings	Other items	Buildings	Other items
Commitments for minimum lease payments in relation to non-cancellable leases are payable as follows:	£	£	£	£
Within one year	746,565	15,717	941,364	17,283
Later than one year but not later than five years	750,146	10,712	1,183,533	21,292
	1,496,711	**26,429**	**2,124,897**	**38,575**

Company

(iii) Amounts recognised in the balance sheet

Right-of-use assets

Year ending 31 December 2020	**Buildings**
	£
Opening net book amount	1,678,054
Additions	-
Depreciation charge	(438,740)
Closing net book amount	**1,239,314**

Year ending 31 December 2021	**Buildings**
	£
Opening net book amount	1,239,314
Depreciation charge	(421,734)
Closing net book amount	**817,580**

Lease Liabilities

Year ending 31 December 2020	***Buildings***
	£
Opening net book amount	1,586,306
Additions	-
Payments	(473,256)
Interest expense	76,340
Modifications	(5,147)
Closing net book amount	**1,184,243**

6. LEASES (CONTINUED)

(iii) Amounts recognised in the balance sheet (continued)

Company

Year ending 31 December 2021	**Buildings**
	£
Opening net book amount	1,184,243
Payments	(473,256)
Interest expense	56,068
Modifications	(5,167)
Closing net book amount	**761,888**

Lease Liabilities

	31 December 2021	**31 December 2020**
	£	**£**
Non-current liabilities		
Lease liability	323,646	767,055
Current liabilities		
Lease liability	438,242	417,188
	761,888	**1,184,243**

The fair value of the leases approximates to the values shown above.

(iv) Ageing analysis of lease commitments

Company

	31 December 2021		**31 December 2020**	
	Buildings	**Other items**	**Buildings**	**Other items**
Commitments for minimum lease payments in relation to non-cancellable leases are payable as follows:	**£**	**£**	**£**	**£**
Within one year	438,242	-	417,188	
Later than one year but not later than five years	323,646	-	767,055	-
	761,888	**-**	**1,184,243**	**-**

6. LEASES (CONTINUED)

(v) Amounts recognised in the Income Statement

The statement of profit or loss shows the following amounts relating to leases:

Group

	31 December 2021	31 December 2020
Depreciation charge of right-of-use assets:	£	£
Buildings	963,240	1,316,793
Vehicles	14,515	14,654
Equipment	2,987	2,905
Total depreciation charge	**980,742**	**1,334,352**

Interest expense (included in finance costs) £89,830 (2020: £133,416)

Total cash outflows for leases for the Group in 2021 was £1,098,971 (2020: £1,343,685)

Company

	31 December 2021	31 December 2020
Depreciation charge of right-of-use assets:	£	£
Buildings	421,734	438,740
Total depreciation charge	**421,734**	**438,740**

Interest expense (included in finance costs) £56,068 (2020: £76,340)

Total cash outflows for leases for the Company in 2021 was £473,256 (2020: £473,256).

7. INVESTMENTS

	INVESTMENT IN SUBSIDIARIES £	OTHER RESERVES £
Balance at 1 January 2020	38,741,708	30,034,195
Bonus issue of shares		(28,200,000)
Foreign exchange adjustments	9,002	-
Gain recognised in other comprehensive income	4,323,495	4,323,495
Balance at 31 December 2020	43,074,205	6,157,690
Investment in Protected Media Limited (Israel)	8,317,710	-
Foreign exchange adjustments	86,703	-
Gain recognised in other comprehensive income	249,636,659	249,636,659
Balance at 31 December 2021	**301,115,277**	**255,794,349**

The Company has investments in the following subsidiary undertakings at 31 December 2021:

Company name	Ordinary Shares	Nature of Activity	Registered Office
Flashtalking Inc.	100%	Internet advertising	142 W. 36th Street, 10th Floor, New York, NY 10018, USA
Spongecell Inc.	100% (subsidiary of Flashtalking Inc.)	Internet advertising	142 W. 36th Street, 10th Floor, New York, NY 10018, USA
Flashtalking GmbH	100%	Internet advertising	Schanzenstraße 35, 51063 Cologne, Germany
Flashtalking Pty Ltd	100%	Internet advertising	Studio 6, 8 Hercules Street, Surry Hills, Sydney NSW 2010, Australia
Flashtalking Brasil Marketing Ltda	100%	Internet advertising	448, Conj 82 B Portaria 454, Rua Rego Freitas, Replublica, Sao Paulo, 01220-010, Brazil
Flashtalking Pte Ltd	100%	Internet advertising	135 Cecil Street, #10-01, Singapore, 069536
Protected Media Limited (Israel)	100%	Advertising fraud detection specialists	12 Halapid Street, Petah Tikva, Israel
Protected Media Inc.	100% (subsidiary of Protected Media Ltd (Israel))	Advertising fraud detection specialists	50 Washington Street, FL.11, ST 1101, Norwalk, CT, 06854, USA

7. *INVESTMENTS (CONTINUED)*

Gain in investments
In February 2021, Simplicity Marketing Limited acquired 100% of the issued share capital of Protected Media Limited (Israel). See note 11 for further details.

In August 2021, Mediaocean LLC completed the acquisition of the Flash Topco Limited Group. £91,581,908 was received by Simplicity Marketing Limited as capital contribution from Flash Bidco Limited. This was split £43,478,441 to repay the external borrowing and £48,103,467 to settle other expenditure including the share based payments.. The £91,581,908 is not expected to be repaid and has therefore been treated as capital contribution.

£249,636,659 of the increase in investments in the year relates to the annual fair value adjustment (see *Fair Valuation Measurement* below for details), with the remaining £86,703 relating to exchange movements in investments held in foreign currency.

Valuation method
In 1 January 2020, there was a change in accounting policy. The Group and Company commenced accounting for investments in accordance with IAS 39 and IFRS 13 under the fair value method of accounting.

The change in policy from the cost model to the fair value model is considered to provide more relevant and reliable information for users of the financial statements in accordance with the requirements of IAS 8 by more accurately reflecting the value of the Company's investments. The change provides the Company with greater flexibility when managing capital, including debt and equity funding and shareholders returns.

The fair value adjustment in 2020 was in relation to a change in accounting policy from historic cost less impairment to the fair value method. It was measured at the reclassification date of 1st January 2021 and applied retrospectively. The difference between the amortised cost and the fair value was measured at 1 January 2019, with the difference between them recognised in the revaluation reserve.

This was also measured at 31 December 2019, 31 December 2020 and 31 December 2021 with the balance at these dates recognised as other comprehensive income.

The Group has classified investments as Level 2 (2020 - Level 3), as prescribed by IFRS 13. The investments held by the Group are of the same industry, characteristics and risks, as each entity operates under the same trading business structure. Therefore, management believe that the reclassification of investments from Level 3 to Level 2 is correct and disclosure of each individual investment is not required.

Fair valuation measurement
For the 2021 reporting year, the value of the investments was calculated based on a detailed fair value analysis following the acquisition of the Flashtalking Group by Mediaocean LLC. Multiple scenarios were calculated using various methodologies (including Revenue Allocation, Forecast Benchmarks and EBITDA Multipliers) to support the valuation. From this analysis, management selected the scenario which provided the most accurate estimate of the fair value of the investments held by Simplicity Marketing Limited at 31 December 2021.

To calculate the valuation of the investments held by Simplicity Marketing Limited, the value of the Company had to be deducted from the total valuation of the group headed by Flash Topco Limited. The value of the group headed by Flash Topco Limited was estimated using the purchase price paid by Mediaocean LLC. The scenario selected to value the Company, was based on an EBITDA Multiplier approach using a combination of both management data and data produced by an independent 3rd party valuation specialist. The calculation involved using an implied multiple of 14.9x applied to the average estimated annual EBITDA for the Company over the three years 2021 to 2023. The 14.9x multiple was calculated by dividing the purchase price paid by Mediaocean LLC to acquire the Group, by the average estimated annual EBITDA for the Group over the three years 2021 to 2023.

7. INVESTMENTS (CONTINUED)

The rationale behind choosing this method was because it is the standard valuation technique ordinarily performed by companies and allows comparability with the rest of the market. It also provided the greatest transparency and integrity in terms of the data set used because it involved both internal and external data sources. Management are confident that the valuation calculated was the most balanced and fair valuation available and consistent with their understanding of the business.

The fair value of investments were measured at the reclassification date of 31 December 2020 and were applied retrospectively. The difference between the amortised cost and the fair value was measured at 1 January 2019, with the difference between them recognised in the revaluation reserve. This was also measured at 31 December 2019 and 31 December 2020 with the balance at these dates recognised as other comprehensive income.

In 2020, in order to provide an indication about the reliability of the inputs used in determining the fair value, the Group classified investments as Level 3 due to the inclusion of unobservable inputs, as prescribed by IFRS 13. A level 3 classification is determined where one or more of the significant inputs is not based on observable market data, such is the case for unlisted equity securities. The Group used an income approach as the valuation technique to determine the fair value of the investment, with the use of a discounted cash flow analysis.

(i) Fair value measurements using significant unobservable inputs (Level 2)

The investments in subsidiaries table above represents the level 2 (2020 – Level 3) items for the years ended 31 December 2021 and 31 December 2020.

(ii) Valuation inputs and relationships to fair value

In assessing the fair market value at 31 December 2020, both the market approach and income approach were adopted with a 50% weighting applied to each. The income approach was based on a discounted cash flow methodology, the key inputs which you will find outlined below. In terms of the market approach, guideline public company method has been adopted. A 2.75x multiple was applied to the last twelve months ("LTM") revenue with a 2.5x multiple applied to the next twelve months ("NTM") revenue. A weighting of 50% was then applied to both LTM and NTM to arrive at a weighted business enterprise value.

Changes in the fair value of investments will be analysed and re-measured on a recurring basis at the end of each reporting period, with movements in the fair value impacting other comprehensive income.

SIMPLICITY MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. TRADE AND OTHER RECEIVABLES

Group	31 December 2021	31 December 2020
	£	£
Trade receivables	21,595,465	20,118,081
Less: provision for impairment	(643,845)	(424,070)
Trade receivables - net	20,951,620	19,694,011
Amounts owed by group undertakings	40,806,874	-
Prepayments	957,243	372,011
Accrued income	235,628	143,828
Other receivables	262,983	68,856
	63,214,348	**20,278,706**

Company	31 December 2021	31 December 2020
	£	£
Trade receivables	1,748,688	1,649,669
Less: provision for impairment	(90,475)	(163,879)
Trade receivables - net	1,658,213	1,485,790
Amounts owed by group undertakings	51,023,503	23,173,672
Prepayments	721,402	223,798
Accrued income	144,309	98,525
Other receivables	266,288	148,698
	53,813,715	**25,130,483**

The fair value of trade receivables approximates to the values shown above. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold collateral as security. Amounts owed by group undertakings are unsecured, interest free and repayable upon demand.

Trade receivables includes £672,024 (2020: £411,237) falling due after more than six months. The Group has made a provision for receivables of £643,845 (2020: £424,070) due from customers, the collectability of which is in doubt.

Other receivables comprise costs paid on behalf of Flashtalking Singapore, security deposits, VAT receivable and provisions for pass-through costs.

9. CASH AND CASH EQUIVALENTS

Group	31 December 2021	31 December 2020
	£	£
Cash at bank and in hand	4,654,943	10,347,686
	4,654,943	**10,347,686**

The fair value of cash and cash equivalents approximates to the values shown above.

The Group's currency exposure is set out below. Such exposure comprises the cash and cash equivalents of the Group that are denominated other than in GBP.

As at 31 December 2021 and 2020 these exposures were as follows:

Non-GBP denominated monetary assets	31 December 2021	31 December 2020
	£	£
US dollar	2,861,925	7,696,128
Euro	843,047	1,748,745
Australian dollar	476,322	503,843
Brazilian real	14,804	102
Singapore dollar	4,867	2,980
Israeli Shekel	214,421	-
Total non-GBP	**4,415,386**	**9,951,798**

Company	31 December 2021	31 December 2020
	£	£
Cash at bank and in hand	1,255,514	5,698,909
	1,255,514	**5,698,909**

The Company's currency exposure is set out below. Such exposure comprises the cash and cash equivalents of the Group that are denominated other than in GBP. As at 31 December 2021 and 2020 these exposures were as follows:

Non-GBP denominated monetary assets	31 December 2021	31 December 2020
	£	£
US dollar	842,457	4,207,567
Euro	175,587	1,215,915
Total non-GBP	**1,018,044**	**5,423,482**

10. BORROWINGS

Group and Company	31 December 2021			31 December 2020		
	Current	Non-current	Total	Current	Non-current	Total
	£	£	£	£	£	£
Term loan facility	-	-	-	428,731	32,004,318	32,433,049
Asset backed loan facility	-		-	-	11,315,495	11,315,495
Prepaid loan fees	-	-	-	-	(352,316)	(352,316)
Total borrowings	**-**	**-**	**-**	**428,731**	**42,967,497**	**43,396,228**

At 31 December 2020	Less than a year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	£	£	£	£	£
Term loan facility	428,731	-	32,004,318	-	32,433,049
Asset backed loan facility	-	-	11,315,495	-	11,315,495
Prepaid loan fees	-	(352,316)	-		(352,316)
Total borrowings	**428,731**	**(352,316)**	**43,319,813**	**-**	**43,396,228**

During the year, the Group were acquired by Mediaocean LLC. Upon acquisition, Mediaocean repaid all outstanding external debt within the Flashtalking group of companies.

11. BUSINESS COMBINATIONS

In February 2021, Simplicity Marketing Limited (a 100% subsidiary of Flash Bidco Limited) acquired 100% of the issued share capital of Protected Media Limited. Headquartered in Israel, Protected Media is a global leader in ad fraud prevention and detection. Protected Media's product suite compliments those provided by Flashtalking and the acquisition has simplified the ad tech stack for customers by including verification services with ad serving globally. The successful integration of Protected Media has created opportunities to cross sell across existing client bases and enabled the Company to expand into a different part of the ecosystem.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

Purchase consideration	£
Cash paid	3,226,455
Shares and warrants	1,251,203
Contingent consideration	3,840,052
Total purchase consideration	**8,317,710**

The fair value of the 580,857 81 shares issued as part of the consideration paid for Protected Media Ltd was based on the valuation performed of Flash Topco Limited as of 31 December 2020 which resulted in a value of £1.87 per share. The fair value of the 375,000 warrants was based on a weighted value of £0.44 per warrant.

An earn-out arrangement was also entered into at the date of acquisition, with a $1,000,000 change of control provision, up to $7,500,000 cash and up to 505,583 shares in Flash Topco Limited. At the date of acquisition the fair market value of the Company's shares was £1.87. The earn-out is dependent on the revenue generated and based on the first and second anniversary checkpoints.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value £
Plant and equipment	16,704
Deferred tax assets	6,381
Trade and other receivables	515,506
Cash and cash equivalents	281,263
Trade and other payables	(1,328,700)
Net identifiable liabilities acquired	**(508,846)**

Add	Fair value £
Customer relationships	272,472
Acquired technology	3,327,024
Non-compete agreements	323,393
Acquired trade names	1,333,678
Goodwill	3,569,989
Net assets acquired	**8,317,710**

Outflow of cash to acquire subsidiary was as follows:

	£
Cash paid	3,226,455
Less: Cash balances acquired	(281,263)
Net outflow of cash	**2,945,192**

Acquisition related costs totalling £3,180,592 are included in administrative expenses in the Income Statement and in operating cashflows in the Statement Of Cash Flows.

12. CONTINGENT AND DEFERRED CONSIDERATION

CONTINGENT

Group and Company	31 DECEMBER 2021			31 DECEMBER 2020		
	Current	Non-current	Total	Current	Non-current	Total
	£	£	£	£	£	£
Due in less than 1 year	3,355,515	-	3,355,515	-	-	
Due between 1 and 2 years	-	2,611,789	2,611,789	-	-	-
Total contingent consideration	**3,355,515**	**2,611,789**	**5,967,304**	-	-	-

DEFERRED

Group and Company	31 DECEMBER 2021			31 DECEMBER 2020		
	Current	Non-current	Total	Current	Non-current	Total
	£	£	£	£	£	£
Due in less than 1 year	-	-	-	-	-	-
Due between 1 and 2 years		-			1,076,663	1,076,663
Total deferred consideration	-	-	-	-	**1,076,663**	**1,076,663**

The fair value of contingent and deferred considerations approximates to the values shown above.

Encore Media Metrics LLC
In November 2015, Simplicity Marketing Limited purchased the assets of Encore Media Metrics LLC, a US based company. The aggregate consideration for the purchase comprised of $350,000 in cash at the time of purchase, a deferred payment and a contingent performance payment of $100,000.

The deferred payment becomes due in the event of a sale of the Company and consists of $500,000 cash plus the equivalent of the fair market value of 460,000 B Ordinary Shares of the Company on the date of sale which has been reduced by 80,000 shares in 2018 due to the performance obligation not being met during the year. £2,305,169 was paid in September 2021 to fully settle the deferred consideration liability, on completion of the sale of the Company to Mediaocean LLC.

12. CONTINGENT AND DEFERRED CONSIDERATION (CONTINUED)

Protected Media Limited (Israel)
In February 2021, Simplicity Marketing Limited acquired Protected Media Limited (Israel), an Israeli based company. The consideration paid for the acquisition consisted of a mix of cash and shares. The consideration at close was made up of $4,500,000 cash, 580,857 B1 shares in Flash Topco Limited and 375,000 warrants with a weighted value of £0.44 per warrant.

An earn-out arrangement was also entered into at the date of acquisition, with a $1,000,000 change of control provision, up to $7,500,000 cash and up to 505,583 shares in Flash Topco Limited. The earn-out is dependent on the revenue generated and based on the first and second anniversary checkpoints.

In September 2021, the $1,000,000 change of control provision was paid as a result of the sale of the Company to Mediaocean LLC. The estimated total earn-out was recalculated as $8,054,249 (translated at £5,967,304 at 31 December 2021). This includes a cash substitution of $3,553,597 for the 505,583 shares in Flash Topco Limited, at a price of $7.03 per share.

In May 2022, $4,528,972 of the total estimated earn-out was paid, of which $1,998,587 related to the cash substitution mentioned above. The amount paid was calculated based on the revenue achieved at the first anniversary checkpoint, in accordance with the earn-out agreement.

13. TRADE AND OTHER PAYABLES

Group	31 December 2021 £	31 December 2020 £
Trade payables	1,942,579	1,746,366
Amounts owed to group undertakings	8,555,737	939,154
Accruals	9,309,897	6,518,358
Social security and other taxes	509,156	1,103,655
	20,317,369	10,307,533

Company	31 December 2021 £	31 December 2020 £
Trade payables	1,148,505	1,420,844
Amounts owed to group undertakings	1,417,078	13,461,788
Accruals	1,121,697	1,589,015
Social security and other taxes	241,603	224,713
Deferred revenue	50,255	73,902
	3,979,138	16,770,262

The fair values of trade and other payables approximate to the values show above. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. INCOME TAX

(I) INCOME TAX

Current tax	31 December 2021 £	31 December 2020 £
Corporation tax for the year	1,365,894	1,030,573
Adjustments in respect of current and prior periods	77,929	(130,034)
Foreign tax for the year	176,242	1,768,249
Total current tax	**1,620,065**	**2,668,788**
Deferred tax		
Recognition of deferred tax asset/liability and utilisation of deferred tax asset/liability	(6,971,967)	508,256
Adjustments in respect of prior periods	1,083	32,190
Income tax (credit)/charge	**(5,350,819)**	**3,209,234**

Factors affecting current tax credit	31 December 2021 £	31 December 2020 £
(Loss)/Profit before income tax (after deducting dividend income)	(11,584,742)	8,859,328
(Loss)/Profit before income tax at the standard rate of tax in the United Kingdom of 19% (2020: 19%)	(2,201,101)	1,683,272
Recognition of deferred tax asset/liability	(6,918,930)	198,132
Utilisation of deferred tax asset/liability recognised at acquisition	(53,038)	310,125
Expenses not deductible	2,265,114	68,730
Group relief	(129,391)	(43,067)
Difference in tax rates on overseas earnings	1,607,515	1,089,887
Adjustments in respect of current and prior periods	79,012	(97,845)
Total tax (credit)/charge	**(5,350,819)**	**3,209,234**

The tax assessed on the profit on ordinary activities for the year is lower (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%).

The Group earns its profits primarily in the UK. Therefore, the tax rate used for tax on profit on ordinary activities is *the standard rate for UK corporation tax, currently 19%.*

The Group's overseas tax rates are higher than those in the UK, primarily because the profits earned in the United States of America are taxed at a federal rate of 21% and additional state taxes are payable.

14. INCOME TAX (CONTINUED)

(II) DEFERRED TAX LIABILITIES

The movement in the deferred taxation provision during the year was:

Group	31 December 2021	31 December 2020
	£	£
Provision brought forward	1,125,213	1,003,080
Increase in provision due to excess of taxation allowances over depreciation on fixed assets	237,991	280,159
Decrease in provision due to amortisation of acquired intangible assets in the period	(53,038)	(144,039)
Net exchange differences	2,845	(13,987)
Provision carried forward	**1,313,011**	**1,125,213**

Company	31 December 2021	31 December 2020
	£	£
Provision brought forward	887,622	607,463
Increase in provision due to excess of taxation allowances over depreciation on fixed assets	237,991	280,159
Provision carried forward	**1,125,613**	**887,622**

The Group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	31 December 2021		31 December 2020	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	1,125,613	-	887,622	-
Excess of taxation allowances over amortisation on acquired intangible assets	187,398	-	237,591	
	1,313,011	-	**1,125,213**	-

The Group expects to settle £45,893 (2020 - £52,410) in no more than twelve months after the reporting period, and £1,267,118 (2020 - £1,072,803) in more than twelve months after the reporting period.

The Company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Company	31 December 2021		31 December 2020	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	1,125,613	-	887,622	-
	1,125,613	-	**887,622**	-

14. INCOME TAX (CONTINUED)

(III) DEFERRED TAX ASSETS

Group	31 December 2021	31 December 2020
	£	£
Prior year capital losses carried forward as a result of acquisitions	2,223,819	2,718,058
Capital tax losses generated/(utilised) during the period	7,096,619	(454,163)
Increase in provision due to timing differences	60,301	82,027
Adjustments in respect of prior periods	(1,083)	(32,190)
Capital tax losses acquired during the period	6,381	-
Net exchange differences	*23,396*	*(89,913)*
Total deferred tax assets	**9,409,433**	**2,223,819**

The Group expects to settle £4,483,356 (2020 - £452,576) in no more than twelve months after the reporting period, and £4,926,077 (2020 - £1,771,243) in more than twelve months after the reporting period.

The Group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	31 December 2021 Provided	31 December 2021 Unprovided	31 December 2020 Provided	31 December 2020 Unprovided
	£	£	£	£
Tax losses	9,080,380	-	1,953,983	-
Movement in provision due to timing differences	236,457	-	176,155	-
Adjustments in respect of prior periods	92,596		93,680	-
	9,409,433	-	**2,223,819**	-

Company	31 December 2021	31 December 2020
	£	£
Provision brought forward	269,836	219,999
Increase in provision due to timing differences	60,301	82,027
Adjustments in respect of prior periods	(1,083)	(32,190)
Total deferred tax assets	**329,054**	**269,836**

15. SHARE CAPITAL AND SHARE PREMIUM

Group and Company
Allotted, called up and fully paid:

	No. of shares	Nominal Value £	Share premium £
As at 31 December 2020:			
Ordinary shares at £0.00001	13,300,000	133	-
Ordinary shares at £0.00001	28,200,010	282	-
Total shares as at 31st December 2020	**41,500,010**	**415**	
Shares at 31st December 2021:			
Ordinary shares at £0.00001	13,300,000	133	-
Ordinary shares at £0.00001	28,200,010	282	-
Total shares as at 31st December 2021	**41,500,010**	**415**	-

16. SHARE-BASED PAYMENTS

Group and Company Share Option and Grant Plans

Under the 2013, 2015, 2016 and 2017 Share Option and Grant schemes, the Group has issued options over ordinary shares to certain employees of the Group. The vesting of all options is subject to continued employment.

A reconciliation of option movements over the year to December is shown below.

	31 December 2021		31 December 2020	
	Number	WAEP £	Number	WAEP £
Outstanding at the beginning of the year	9,712,067	0.94	9,697,067	0.93
Granted during the year	330,000	5.11	130,000	1.88
Cancelled during the year	(9,962,067)	5.11	-	-
Forfeited during the year	(80,000)	1.20	(115,000)	1.07
Outstanding at the end of the year	-	-	**9,712,067**	**0.94**

In the year ended 31 December 2021, all share options were cancelled as a result of the acquisition by Mediaocean LLC (2020: None).

As a result of the cancellation of the share options, an accelerated charge of £995,245 was recognised in the Income Statement during the year. All share options were cancelled at $7.03 price per share. The excess between the exercise price and the share price was transferred to retained earnings.

The share-based payment charge for share option schemes for the year ended 31 December 2021 is £995,245 (2020 - £596,888).

There are no outstanding share options at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. OTHER RESERVES

Group	**Share capital and share premium**	**Share option reserve**	**Capital contribution**	**Other reserves**	**Retained earnings**
	£	**£**	**£**	**£**	**£**
Balance brought forward at 1 January 2020	**8,765,462**	**6,830,352**	-	**1,578,105**	**16,163,781**
Profit for the year	-	-	-		5,650,094
Exchange differences on retranslation of net assets of subsidiary undertakings	-	-	-	(645,173)	-
Recognition of equity settled share-based payments in the year		596,888	-	-	-
Capital reduction – cancellation of ordinary shares	(999,989)	-	-	-	999,989
Capital reduction – cancellation of share premium	(7,765,330)		-	-	7,765,330
Bonus issue of shares at £1	28,200,000	-	-	(28,200,000)	-
Capital reduction – reduction in nominal value from £1 to £0.00001	37,872	-		-	(37,872)
Capital reduction – reduction in share premium	(28,237,600)	-	-	-	28,237,600
Cumulative translation adjustment	-	-	-	-	(10,087)
Dividends	-	-		-	(48,777,618)
Balance at 31 December 2020	**415**	**7,427,240**	-	**(27,267,068)**	**9,991,217**
Loss for the year	-	-	-	-	(6,233,923)
Other comprehensive expense	-	-	-	(533,062)	-
Share based scheme charge		995,245	-	-	-
Capital contribution from Mediaocean LLC	-	-	91,581,908		-
Share based scheme changes		(8,422,485)	-	-	7,369,590
Dividends paid	-	-	-	-	(1,886,723)
Balance carried forward at 31 December 2021	**415**	-	**91,581,908**	**(27,800,130)**	**9,240,161**

Company	**Share capital and share premium**	**Share option reserve**	**Capital contribution**	**Other Reserves**	**Retained earnings**
	£	**£**	**£**	**£**	**£**
Balance brought forward at 1 January 2020	**8,765,462**	**345,685**	-	**30,034,195**	**13,047,472**
Profit for the year	-	-		-	9,039,299
Recognition of equity-settled share-based payments in the year	-	61,806	-	-	
Capital reduction – cancellation of ordinary shares	(999,989)	-	-	-	999,989
Capital reduction – cancellation of share premium	(7,727,458)		-	-	7,727,458
Bonus issue of shares	28,200,000	-	-	(28,200,000)	-
Capital reduction – cancellation of share premium	(28,237,600)	-		-	28,237,600
Fair value gain recognised on investments		-	-	4,323,495	-
Dividends	-	-	-	-	(48,777,618)
Balance at 31 December 2020	**415**	**407,491**	-	**6,157,690**	**10,274,200**
Loss for the year			-	-	(4,662,461)
Fair value gain recognised on investments	-	-	-	249,636,659	
Capital contribution from Mediaocean LLC	-	-	91,581,908	-	-
Share based scheme charge		22,357			
Share based scheme changes	-	(429,848)	-	-	
Dividends paid	-		-	-	(1,886,723)
Balance carried forward at 31 December 2021	**415**	-	**91,581,908**	**255,794,349**	**3,725,016**

17. OTHER RESERVES (CONTINUED)

Other reserves - Group
Other reserves relate to cumulative translation adjustments, these being a function of translating the balance sheets and summarising the gains and losses upon translation.

Other reserves - Company
Other reserves relates to the fair value gains and losses recognised on investments.

18. REVENUE

The Group has companies in the United Kingdom, the United States of America, Germany, Singapore, Australia, Brazil and Israel. An analysis of the Group's revenue by geographical region is given below:

Group	31 December 2021 £	31 December 2020 £
United Kingdom	7,589,315	6,455,110
USA	50,093,535	50,581,174
Germany	3,785,360	4,002,274
Australia	2,050,042	1,347,029
Brazil	19,948	6,048
Israel	3,229,708	-
	66,767,908	**62,391,635**

19. EXPENSES BY NATURE

Group	31 December 2021 £	31 December 2020 £
Employee benefit expense (see Note 20)	40,505,541	33,650,597
Hosting	6,610,136	6,193,980
Operating lease costs, including office leases	40,340	17,103
Travel and entertainment	140,088	504,927
Consultants and contractors	1,730,841	970,211
Establishment costs	1,878,250	1,840,059
Professional fees	8,903,583	1,930,167
Amortisation - product development	2,644,346	2,187,696
Amortisation - acquired IA	878,770	574,601
Amortisation - software	152,673	398,885
Other employee related costs	129,829	108,682
Depreciation	1,723,552	2,095,950
Marketing and advertising	645,816	397,831
Auditors'/consultancy remuneration		
as auditors	252,159	109,000
- tax compliance services	166,485	306,631
-Soc 2	-	147,894
Potential acquisition advice	109,360	-
-Sale advice	577,060	-
-Accounting advice	26,833	111,561
Bad debt expense	121,208	82,765
Unrealized FX gain	(185,745)	(1,658,482)
Software licenses	373,709	311,228
Data costs	224,875	84,556
Fair value loss on contingent and deferred considerations	2,809,808	-
Sales tax liability	5,001,001	-
Release of prepaid loan fees	341,343	139,669
Other expense	1,108,001	439,976
	76,909,862	**50,945,486**

Disclosed as:	31 December 2021 £	31 December 2020 £
Cost of sales	8,950,411	7,559,976
Selling and marketing costs	8,161,552	6,725,232
Administrative expenses	35,310,811	12,794,339
Technical support and development	24,487,088	23,865,939
	76,909,862	***50,945,486***

Finance income and finance costs	31 December 2021 £	31 December 2020 £
Interest on revolving facility loan	1,444,113	2,587,925
Other interest expense	-	-
Interest income on bank deposits	(1,325)	(1,104)
	1,442,788	**2,586,821**

20. EMPLOYEE BENEFIT EXPENSE

Group	31 December 2021 £	31 December 2020 £
Wages and salaries	36,025,191	29,908,107
Social security costs	2,589,435	2,431,253
Other pension costs	895,670	714,349
Equity settled share-based payments	995,245	596,888
Total	**40,505,541**	**33,650,597**

Company	31 December 2021 £	31 December 2020 £
Wages and salaries	9,516,194	9,870,854
Social security costs	600,325	628,330
Other pension costs	383,906	382,932
Equity settled share-based payments	22,357	61,806
Total	**10,522,782**	**10,943,922**

The monthly average number of people employed by the Group during the year analysed by category was as follows:

Group	2021 Number	2020 Number
Selling and marketing costs	76	63
Administrative expenses	89	91
Technical support and development	159	145
Total	**324**	**299**

The total number of people employed by the Group at 31 December 2021 was 321 (2020: 305).

The monthly average number of people employed by the Company during the year ended 31 December 2021 was 70 (2020: 72) and the total number of people employed by the Company at 31 December 2021 was 69 (2020: 71).

20. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

Director's remuneration - Group

	31 December 2021	31 December 2020
	£	£
Remuneration receivable	2,022,976	453,916
	2,022,976	**453,916**
Remuneration of highest paid director:		
Total remuneration (excluding pension contributions)	**2,022,976**	**453,916**

Director's remuneration was paid through Flashtalking Inc., a wholly owned subsidiary of Simplicity Marketing Limited only. There was no remuneration paid through the Company in the financial years ended 31 December 2021 or 31 December 2020.

In the year ended 31 December 2021, all of the director's share options were cancelled as a result of the acquisition by Mediaocean LLC (2020: None).

The number of directors who accrued benefits under company pension schemes was as follows:

	2021 Number	2020 Number
Defined contribution schemes	1	1

	2021	2020
	£	£
Short term benefits (including remuneration)	£2,037,100	£466,697
Share options	£978,300	-
	£3,015,400	**£466,697**

Short-term benefits were paid by Flashtalking Inc., a wholly owned subsidiary of Simplicity Marketing Limited only. There were no short-term benefits paid through the Company in the financial year ended 31 December 2021 or 31 December 2020.

21. CASH (USED IN)/GENERATED FROM OPERATIONS

Group

Cash (used in)/generated from operations	**31 December 2021 £**	**31 December 2020 £**
Operating (Loss)/Profit	(10,141,954)	11,446,149
Adjustments for:		
Depreciation – property, plant and equipment	742,809	761,598
Depreciation – right of use asset	980,742	1,334,352
Amortisation	3,675,789	3,161,182
Non-cash post-employment benefits - share based payments	995,245	596,888
Net exchange differences	(185,745)	(1,909,107)
Fair value loss on contingent and deferred considerations	2,809,808	-
Change in operating assets and liabilities:		
Increase in trade debtors	(43,496,795)	(1,322,314)
Increase in trade creditors	10,008,426	1,559,741
(Decrease)/Increase in other operating liabilities	(1,232,835)	126,682
Cash (used in)/generated from operations	**(35,844,510)**	**15,755,171**

Company

Cash (used in)/generated from operations	**31 December 2021 £**	**31 December 2020 £**
Operating (Loss)/Profit	(1,595,750)	8,337,079
Adjustments for:		
Depreciation – property, plant and equipment	558,512	551,260
Depreciation – right of use assets	421,734	438,740
Amortisation	2,797,018	2,586,580
Non-cash post-employment benefits - share based payments	22,357	61,806
Net exchange differences	(37,272)	(2,141,250)
Fair value loss on contingent and deferred considerations	2,809,808	-
Change in operating assets and liabilities:		
Increase in trade debtors	(28,457,975)	(3,669,554)
(Decrease)/Increase in trade creditors	(12,635,108)	3,690,581
Increase in other operating liabilities	(1,232,835)	126,682
Cash (used in)/generated from operations	**(37,349,511)**	**9,981,924**

SIMPLICITY MARKETING LIMITED

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22. EXCEPTIONAL ITEMS

The Group has identified items which are material due to the significance of the nature and/or amount. These are listed separately below in order to provide a better understanding of the financial performance of the Group.

	Note	31 December 2021 £	31 December 2020 £
Acquisition costs	(a)	3,180,592	271,321
Refinancing costs	(b)	441,687	440,453
Stamp duty and Tax services	(c)	41,747	118,835
Sale costs	(d)	14,080,839	-
Sales tax	(e)	5,001,001	-
Total		**22,745,866**	**830,609**

(a) Acquisition costs
In 2020 there were acquisition costs in relation to advice received on the purchase of Flashtalking Brasil Marketing Ltda.

In 2021 there were acquisition costs in relation to the purchase of Protected Media Limited (Israel). This included professional advice received, contingent consideration adjustments and integration expenditure.

(b) Refinancing costs
This expense is regarding the refinancing arrangement which took place across the Group in 2021, and prior. The expense is in relation to the fee charged in order to amend the finance facilities and the legal advice received in relation to the refinancing and the share buyback which took place in 2020.

(c) Stamp duty and Tax
In 2020 there were costs incurred for stamp duty payable on the dividends during the year and tax advice received in relation to Flashtalking Brasil Marketing Ltda and refinancing.

In 2021, there were costs incurred for tax advice in relation to the issue of management incentive units and transfer pricing.

(d) Sale costs
In 2021, there were costs incurred in relation to the sale of Flash Topco Limited to Mediaocean LLC. This included professional advice received, share based payments, contingent consideration payments and integration expenditure.

(e) Sales tax
In the current year, the Group concluded that it has historically incurred sales tax expense in jurisdictions where it expected to remit sales tax payments but were not yet collecting from customers. As at 31 December 2021, the carrying amount of this sales tax liability was $6,750,000. See note 3 for further details.

23. RELATED PARTY TRANSACTIONS

GROUP AND COMPANY

During 2021, the following related party transaction took place in the Company (2020: $7,500):

(A) Purchase of Services from individual who is a close member of key management Personnel:

	Transaction value for the year ended 31 December 2021	Balance outstanding as at 31 December 2021
Services provided in relation to the development of reporting application	USD 1,000	USD -

The above amount was included in expenses in the Income Statement and was fully paid at the year end.

	Transaction value for the year ended 31 December 2020	Balance outstanding as at 31 December 2020
Services provided in relation to the development of reporting application	USD 7,500	USD 7,500

This transaction was for USD $7,500 (translated at £5,507 at 31 December 2020) still outstanding to be paid at the previous year-end and included in the 2020 Income Statement. The amount was fully paid on 8th January 2021.

24. CONTINGENCIES

The Group is engaged in litigation arising in the normal course of its business. Management does not believe that any such litigation would impact the Group to any material extent, and that the possibility of any outflow in settlement is remote.

25. COMMITMENTS

The Group leases various offices, etc. under non-cancellable operating leases expiring within 6 months to 8 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

From 1 January 2019, in accordance with IFRS 16, the Group has recognised right-of-use assets for these leases, except for short-term leases and low-value leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases for 2021 were £nil (2020: £nil)

26. *ULTIMATE PARENT COMPANY*

The immediate parent company is Flash Bidco Limited, a company incorporated in England and Wales.

Consolidated financial statements for the largest group within the Flashtalking group of companies are compiled by Flash Topco Limited, a company incorporated in England and Wales. Simplicity Marketing Limited prepares consolidated financial statements for the smallest group within the Flashtalking group of companies.

Copies of the Flash Topco Limited consolidated financial statements can be obtained from Companies House. Copies of Simplicity Marketing Limited consolidated financial statements can be obtained at the company's business address: Blue Fin Building, 110 Southwark Street, SE1 0TA, London, United Kingdom.

The ultimate parent and controlling party is OceanKey (U.S.) II Corp., a limited liability company in the United States of America.

27. COMPANY ONLY INCOME STATEMENT

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the company income statement.

28. SUBSEQUENT EVENTS

Adjusting events

Based upon managements evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the financial statements.

SIMPLICITY MARKETING LIMITED

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