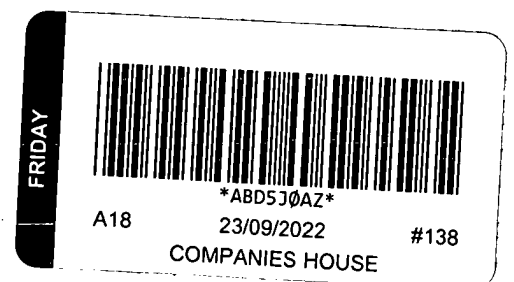


REGISTERED NUMBER: 10196699 (England and Wales)

Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 December 2021
for
Deltatre Group Limited



REGISTERED NUMBER: 10196699 (England and Wales)

**Contents of the Financial Statements
for the Year Ended 31 December 2021**

	Page
Company Information	3
Strategic Report	4
Directors' Report	6
Directors' Responsibilities Statement	8
Independent Auditor's Report	9
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14

Deltatre Group Limited
Company Information
for the Year Ended 31 December 2021

DIRECTORS:

Giampiero Rinaudo
Tony Crispino
Jeffrey Roth
Andrea Marini
George Pyne

REGISTERED OFFICE:

Media House
3 Palmerston Road
London
SW19 1PG
United Kingdom

REGISTERED NUMBER:

10196699 (England and Wales)

AUDITOR

Ernst & Young LLP
1 More London Place
London
SE1 2AF
United Kingdom

Deltatre Group Limited
Strategic Report
for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company, through its subsidiaries, is the provision of sports information services, media servicing and video technology. Moreover, the holding company coordinates the business development activity of the group.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

The Company's key performance indicators for the year were as follows:

	2021	2020
	€	€
Turnover	3,832,109	3,150,890
Operating loss	(3,088,767)	(4,190,449)
Net financial expenses	(8,459,563)	(4,950,835)

All the revenues for fiscal year 2021 and 2020 are intercompany. Deltatre Group Limited recharged business development costs and specific services to its subsidiaries. Net financial expenses mainly include interest expenses and income on intercompany loans.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company, also in relation to the activities of the subsidiaries, are competition risk, customer credit risk, liquidity risk and currency risk. In addition, the Company is subject to the risk and uncertainties related to the current macro-economic context.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Competition risk

Whilst the general economic climate remains tough and certain areas of the business are facing severe price competition, advancements in technology are continuing to provide new opportunities. As the Group continues to grow, this is also opening the possibility to take on larger and more ambitious projects. At the Group level, the client base is increasing and the dependence on big clients is reducing, thanks to investments in business development.

To mitigate against this risk the Company, through its subsidiaries, has an in-house product development team to maintain a technical advantage and a dedicated sales team focused on generating new business.

Customer credit risk

Customer credit risk in each subsidiary is managed in accordance with the Group's policies and procedures. All sales opportunities are subject to internal credit checking criteria and all clients are subject to constant monitoring. Outstanding debts are discussed weekly in management meetings.

Liquidity risk

The Company monitors its liquidity risk to a shortage of funds by preparing and analysing both long-term cash flow projections and more detailed short-term reports.

Currency risk

The subsidiaries of the Company operate in many markets and geographies. The Company monitors currency risks by controlling the cash flows, monitoring exchange rate trends and stipulating, through its subsidiaries, hedging contracts where and when needed (no hedging contract stipulated in 2021 or 2020).

Macro-economic context

The Company is subject to risks and uncertainties related to the economic, financial, regulatory and market context which may affect the performances of the various companies of Deltatre Group. The financial situation of the Group is influenced in the first instance by the various factors that make up the macroeconomic framework, including the increase and/or decrease in GDP, the level of confidence of consumers and enterprises, interest and exchange rates, availability of credit, consumption, cost of raw materials and employment rate, in the context in which it operates.

COVID-19 global health pandemic

In this regard, the worldwide extension of the SARS-CoV-2 virus in 2020 (so-called "Coronavirus" or "COVID-19") has caused certain epidemiological or pandemic emergencies that had a direct impact on the population and consequently on the international macroeconomic context. Deltatre results, in 2020, has been significantly impacted by the pandemic as well, with certain major events postponed or cancelled and an overall reduction in the business development activity. Results in fiscal year 2021 recovered strongly at a group level and, although some risks still remain in connection with the COVID-19 pandemic, we expect them to be less significant in 2022 due to both the diffusion of vaccines and medical solution and the improved ability to manage sports event with no or limited audience, if needed. For further detail relating to the management of this risk for 2022 and beyond please refer to the Going Concern section in the Directors' report.

Deltatre Group Limited
Strategic Report
for the Year Ended 31 December 2021

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

War in Ukraine

In February 2022, Russia declared war on Ukraine invading its territory, the consequences of this fact on the world's political-economic balance are incalculable.

The European Union and the United Kingdom, together with many other countries, have implemented particularly harsh financial sanctions against Russia and Belarus, and others may follow suit gradually.

More generally, there may be effects also due to the increase in the prices of commodities, energy costs, the cost of money, the reduction in the demand for media and technology services in the countries at conflict, delays in the delivery of goods and increased costs of resources. Deltatre does not expect the impacts of Ukraine war to be significant at a Group level, considering that the Group does not have clients or provide services in Russia or Belarus and, although we have a legal entity in Belarus, potential cost to relocate employees are not expected to be material.

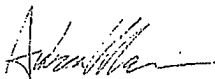
SECTION 172(1) STATEMENT

This section serves as our Section 172(1) statement in compliance with The Companies (Miscellaneous Reporting) Regulations 2018. The statement is made as the Company is an intermediate holding company heading a group which qualifies as large as defined by the Companies Act 2006.

Section 172(1)(a) to (f) of the Companies Act requires the directors to act in a way they consider would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to the interests of our wider stakeholders when making key decisions across a range of areas.

The directors note the nature of the Company and that its key stakeholders are limited to its sole shareholder and its subsidiaries. There were no principal decisions taken during the financial year.

ON BEHALF OF THE BOARD:



Director – Andrea Marini

Date: 12th September 2022

Deltatre Group Limited
Directors' Report
for the Year Ended 31 December 2021

The directors present their report with the financial statements of the Company for the year ended 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021 (no dividend distributed in 2020).

RESEARCH AND DEVELOPMENT

The Company works, through its subsidiaries, on product development in order to maintain a technological advantage over its competitors.

FUTURE DEVELOPMENTS

The Deltatre Group has made and is continuing to make significant commercial and technological investment in OTT (Over The Top), for which further investment is planned in 2022 (within the bigger plan to expand the OTT business to smaller clients, internally called Tier 4 clients).

For 2022, the group expects to continue the growth process on the 2021 path, after a 2020 significantly impacted by the outbreak of COVID-19 which cancelled or delayed sports events.

DIRECTORS

The following directors have held office during the year and up to the date of this report.

Giampiero Rinaudo
Tony Crispino
Jeffrey Roth
Andrea Marini
George Pyne

FINANCIAL INSTRUMENTS

The financial needs of the Company are managed through intercompany loans and intercompany recharges as per Deltatre's internal Transfer Pricing policy.

GOING CONCERN

The financial statements have been prepared on a going concern basis as, for the Company's going concern period through to 12 September 2023:

- The Company has the written financial support of Deltatre Holdings Limited, its intermediate parent company; and
- Based on the directors' enquiries, before considering the expected change of control discussed below, they are satisfied that Deltatre Holdings Limited has sufficient cash and liquidity to fund the Company's operations, if necessary.

The Company's business activities, performance, position, principal risks and uncertainties and the Directors' assessment of its long-term viability are set out in the Strategic Report. The global COVID-19 pandemic did have a significant impact on the Group's revenues and cash flows in 2020, as described in the Strategic Report of the parent company, Deltatre Holdings Limited, for the year ended 31 December 2021. Although in fiscal year 2021 the business recovered strongly, with significant improvement in terms of both revenues and EBITDA at the level of Deltatre Holdings Limited consolidated financial statements.

Deltatre Holdings Limited has performed stress testing on the combined Group cash flow forecasts, which indicates that even under sensitised conditions Deltatre Holdings Limited will be able to provide financial support to the Company through to 12 September 2023, the going concern assessment period.

As part of this stress testing, Deltatre Holdings Limited ran a simulation of a base case scenario based on: i) a reduction of EBITDA of 10% over the going concern period, and ii) not forecasting potential savings on overheads or Capex. Based on this scenario, covenants are met for each test date from 30 June 2022 to 30 June 2023 with EBITDA headroom of at least 20% at each test date. In a more severe scenario, management assumed that only revenue that is already contracted was earned in 2022 (i.e., no further contracts won in the second half of the year), and 2023 revenue remains at this lower level. Under this scenario, covenants are met for each test date from 30 June 2022 to 30 June 2023 with EBITDA headroom of at least 4% at each test date. In both scenarios, Deltatre Holdings would maintain sufficient liquidity to be in a position to provide financial support to the Company to enable it to meet its liabilities as they fall due. In addition, the group has access to significant cash and undrawn committed facilities of €14 million as at 31 May 2022.

Deltatre Group Limited
Directors' Report
for the Year Ended 31 December 2021

GOING CONCERN (continued)

Change of control

On 23 June 2022 the Group announced that its shareholders had accepted an offer for the group from Bain Capital and Nextalia SGR. The transaction is subject to regulatory and other customary approvals. The CEO of Deltatre will continue to lead the business with the existing management team and remain a shareholder in the company.

The closing of the transaction, expected to occur before the end of September 2022, would represent a change of control as defined in the loan agreement with the current lenders, automatically triggering the right for the lenders to request the early payment of the existing facilities held by the immediate parent company, Deltatre Midco 2 Limited.

As part of the offer for the group, the purchasers are obliged to repay the group's existing facilities. The directors have obtained an unconditional and irrevocable commitment letter from the proposed new lender to the purchaser, setting out the terms of new facilities to be used to repay the group's existing debt. These new facilities are subject only to administrative completion steps and, as a result, the Directors consider the funding to be sufficiently committed and appropriate for the needs of the group, considering that the Group is a successful and viable business, generating good cash flows in an attractive market. They therefore consider that the Group will have sufficient resources to continue to meet its liabilities as they fall due for the period to 12 September 2023.

For the reasons set out above the Directors continue to adopt the going concern basis in preparing the financial statements.

POST BALANCE SHEET EVENTS

In February 2022, Russia declared war on Ukraine invading its territory. The consequences of this fact on the world's political-economic balance are incalculable. The European Union and the United Kingdom, together with many other countries, have implemented particularly harsh financial sanctions against Russia and Belarus, and others may follow suit gradually.

More generally, there may be effects also due to the increase in the prices of commodities, energy costs, the cost of money, the reduction in the demand for media and technology services in the countries at conflict, delays in the delivery of goods and increased costs of resources. Deltatre does not expect the impacts of Ukraine war to be significant at a Group level, considering that the Group does not have clients or provide services in Russia or Belarus and, although we have a legal entity in Belarus, potential cost to relocate employees are not expected to be material.

No other subsequent event to be disclosed with impact on the financial figures as of 31 December 2021.

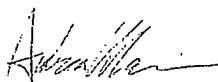
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

REAPPOINTMENT OF AUDITOR

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

ON BEHALF OF THE BOARD:



.....
Director – Andrea Marini

Date: 12th September 2022

Deltatre Group Limited

**Directors' Responsibilities Statement
for the Year Ended 31 December 2021**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**Independent Auditor's Report to the Members of
Deltatre Group Limited**

Opinion

We have audited the financial statements of Deltatre Group Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern until 12 September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

**Independent Auditor's Report to the Members of
Deltatre Group Limited**

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

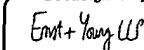
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006 and FRS 102) and the relevant tax compliance regulations. In addition, the Company has to comply with laws and regulations relating to its operations, including employment, anti-bribery and corruption.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

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

Use of our report

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

DocuSigned by:



81F446ACB1974A1...

Jon Killingley (Senior statutory auditor)

for and on behalf of Emst & Young LLP, Statutory Auditor

London

12 September 2022

Date.....

Deltatre Group Limited

Statement of Comprehensive Income
for the Year Ended 31 December 2021

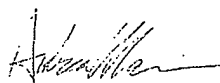
	Notes	2021 €	2020 €
Turnover	3	3,832,109	3,150,890
Personnel cost	4	(1,049,983)	(1,146,561)
Legal and professional fees	5	(5,698,369)	(5,445,032)
Administrative expenses		(172,524)	(749,746)
Operating loss		(3,088,767)	(4,190,449)
Interest receivable and similar income	6	2,316,514	3,976,320
Interest payable and similar expenses	6	(10,776,077)	(8,927,155)
Income from investments	7	-	68,221,008
Impairment of investments following income from investments	7	-	(126,763,906)
Loss before taxation		(11,548,330)	(67,684,182)
Tax on profit/(loss)	8	-	-
Loss for the financial period		(11,548,330)	(67,684,182)

There was no Other Comprehensive Income (loss) for 2021 or 2020.
All amounts relate to continuing operations.

Deltatre Group Limited
Statement of Financial Position
for the Year Ended 31 December 2021

	Notes	2021	2020
Fixed assets			
Investments	9	180,738,969	180,433,990
Current assets			
Trade and other debtors			
- Amounts due within one year	10	7,240,240	5,891,001
- Amounts due in more than one year	10	33,581,221	35,003,620
Cash at bank		1,707,225	926,028
Total current assets		<u>42,528,686</u>	<u>41,820,649</u>
Current liabilities	11	(16,884,164)	(14,839,735)
Net current assets		<u>25,644,522</u>	<u>26,980,914</u>
Total assets less current liabilities		<u>206,383,491</u>	<u>207,414,904</u>
Non-current liabilities	12	(154,291,748)	(143,774,831)
Net assets		<u>52,091,743</u>	<u>63,640,073</u>
Capital and reserves			
Called up share capital	13	120,275,611	120,275,611
Share premium	13	6,086,057	6,086,057
Merger reserve	13	755,149	755,149
Retained earnings		(75,025,074)	(63,476,744)
Shareholders' funds		<u>52,091,743</u>	<u>63,640,073</u>

The financial statements were approved and authorised for issue by the Board of Directors on 12 September 2022 and were signed on its behalf by:



.....
 Director – Andrea Marini

Deltafre Group Limited
Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital	Share premium	Merger reserve	Retained earnings	Total equity
Balance at 1 January 2020	112,668,040	-	755,149	4,207,438	117,630,627
Shares issued	7,607,571	6,086,057	-	-	13,693,628
Loss for the year and total comprehensive expense	-	-	-	(67,684,182)	(67,684,182)
Balance at 31 December 2020	120,275,611	6,086,057	755,149	(63,476,744)	63,640,073
Loss for the year and total comprehensive expense	-	-	-	(11,548,330)	(11,548,330)
Balance at 31 December 2021	120,275,611	6,086,057	755,149	(75,025,074)	52,091,743

Deltatre Group Limited
Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 1 - STATUTORY INFORMATION

Deltatre Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

NOTE 2 - ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and the functional currency is Euro. The presentation currency of the financial statement is the Euro.

FRS 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Deltatre Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Going Concern

The financial statements have been prepared on a going concern basis as, for the Company's going concern period through to 12 September 2023:

- The Company has the written financial support of Deltatre Holdings Limited, its intermediate parent company; and
- Based on the directors' enquiries, before considering the expected change of control discussed below, they are satisfied that Deltatre Holdings Limited has sufficient cash and liquidity to fund the Company's operations, if necessary.

The Company's business activities, performance, position, principal risks and uncertainties and the Directors' assessment of its long-term viability are set out in the Strategic Report. The global COVID-19 pandemic did have a significant impact on the Group's revenues and cash flows in 2020, as described in the Strategic Report of the parent company, Deltatre Holdings Limited, for the year ended 31 December 2021. Although in fiscal year 2021 the business recovered strongly, with significant improvement in terms of both revenues and EBITDA at the level of Deltatre Holdings Limited consolidated financial statements.

Deltatre Holdings Limited has performed stress testing on the combined Group cash flow forecasts, which indicates that even under sensitised conditions Deltatre Holdings Limited will be able to provide financial support to the Company through to 12 September 2023, the going concern assessment period.

As part of this stress testing, Deltatre Holdings Limited ran a simulation of a base case scenario based on: i) a reduction of EBITDA of 10% over the going concern period, and ii) not forecasting potential savings on overheads or Capex. Based on this scenario, covenants are met for each test date from 30 June 2022 to 30 June 2023 with EBITDA headroom of at least 20% at each test date. In a more severe scenario, management assumed that only revenue that is already contracted was earned in 2022 (i.e., no further contracts won in the second half of the year), and 2023 revenue remains at this lower level. Under this scenario, covenants are met for each test date from 30 June 2022 to 30 June 2023 with EBITDA headroom of at least 4% at each test date. In both scenarios, Deltatre Holdings would maintain sufficient liquidity to be in a position to provide financial support to the Company to enable it to meet its liabilities as they fall due. In addition, the group has access to significant cash and undrawn committed facilities of €14 million as at 31 May 2022.

Change of control

On 23 June 2022 the Group announced that its shareholders had accepted an offer for the group from Bain Capital and Nextalia SGR. The transaction is subject to regulatory and other customary approvals. The CEO of Deltatre will continue to lead the business with the existing management team and remain a shareholder in the company.

The closing of the transaction, expected to occur before the end of September 2022, would represent a change of control as defined in the loan agreement with the current lenders, automatically triggering the right for the lenders to request the early payment of the existing facilities held by the immediate parent company, Deltatre Midco 2 Limited.

Deltatre Group Limited
Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 2 - ACCOUNTING POLICIES (continued)

Going Concern (continued)

As part of the offer for the group, the purchasers are obliged to repay the group's existing facilities. The directors have obtained an unconditional and irrevocable commitment letter from the proposed new lender to the purchaser, setting out the terms of new facilities to be used to repay the group's existing debt. These new facilities are subject only to administrative completion steps and, as a result, the Directors consider the funding to be sufficiently committed and appropriate for the needs of the group, considering that the Group is a successful and viable business, generating good cash flows in an attractive market. They therefore consider that the Group will have sufficient resources to continue to meet its liabilities as they fall due for the period to 12 September 2023.

For the reasons set out above the Directors continue to adopt the going concern basis in preparing the financial statements.

Revenue

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognized to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognized:

Rendering of services

Turnover represents the total amount receivable by the company for services provided and for rechargeable costs and expenses, excluding value added tax. The value of services provided under contracts to the extent that there is a right to consideration is recorded at the value of the consideration due.

Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on the proportion of the total expected consideration at completion. Where, in advance of services provided, payments are received from customers or amounts invoiced, such amounts are recorded as deferred income and included within creditors due within one year.

Investments

Investments in subsidiary undertakings and other investments are recognized at cost, less any provision for impairment.

Impairment losses

Investments in subsidiaries are reviewed for impairment if there are any factors which indicate that an impairment may possibly have occurred. In the event of such indicators arising, an impairment review will be carried out on relevant investments assets comparing the carrying value to the net realizable value and value in use based on the future cash flows discounted at an appropriate interest rate.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks.

Financial assets and liabilities

Current and non-current financial assets, as well as current and non-current financial liabilities, are accounted for in accordance with FRS 102 Section 11 and Section 12.

Financial assets are measured at amortised cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and bank loans.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortization is included as finance costs in the statement of profit or loss.

Interest receivable and interest payable

Interest receivable and interest payable refer to the financial income or expense for the year on the financial loan with bank and other Group companies, calculated based on the applicable interest rate.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognized in the Statement of Comprehensive Income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognized at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deltatre Group Limited

Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 2 - ACCOUNTING POLICIES (continued)

Significant accounting estimates and assumptions

In the process of applying the Group's accounting policies, management has made estimate and assumptions in determining the recoverable amount of the investment. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

NOTE 3 - TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the Company remunerated through intercompany recharges generated in the United Kingdom.

NOTE 4 - PERSONNEL COSTS

Personnel costs are detailed as follow:

	2021	2020
	€	€
Wages and salaries	926,356	973,005
Social security costs	87,399	115,426
Pension costs	31,228	53,109
Other personnel costs	5,000	5,021
	<u>1,049,983</u>	<u>1,146,561</u>

Directors' salaries amount to €196,000 (€211,600 in 2020). The decrease in personnel costs is driven by the transfer from UK to Italy of 1 employee (part of the group leadership team). The average monthly number of employees during the period was as follows:

	2021	2020
Permanent staff	3	5
Directors	5	4
	<u>8</u>	<u>9</u>

NOTE 5 - LEGAL AND PROFESSIONAL FEES

Legal and professional fees amount to €5,698,369 for the year ended 31 December 2021 and are detailed as follows:

	2021	2020
	€	€
Accountancy and tax consultancy fees	288,534	288,272
Audit fees	12,300	11,300
Legal fees	192,944	518,848
Consultancy fees	678,351	779,396
Professional fees and other services	<u>4,526,240</u>	<u>3,847,216</u>
	<u>5,698,369</u>	<u>5,445,032</u>

Other services include costs related to hosting and cloud services, data analytics, software licenses, marketing as well as intercompany services from other group companies.

Deltatre Group Limited
Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 6 - INTEREST RECEIVABLE/PAYABLE AND SIMILAR INCOME/EXPENSES

	2021	2020
	€	€
Interest receivable from group companies	1,798,900	1,803,407
Foreign exchange gain	517,614	2,172,913
Total interest income	2,316,514	3,976,320
Interest payable to group companies	(8,027,117)	(7,191,710)
Unwinding of discount on deferred consideration on business combination	(443,106)	(982,603)
Foreign exchange loss	(2,305,854)	(752,842)
Total interest expense	(10,776,077)	(8,927,155)

The variance compared to the prior year is connected to the different effect of the exchange rate gain/loss, mainly due to the movement of the EUR/USD exchange rate, which led to a negative effect in 2021 (positive in 2020), from the conversion of payable in foreign currency (deferred consideration on business combination).

Interest payable to group companies increased as a consequence of the higher level of debt, while the reduction of the unwinding of discount on deferred consideration on business combination is connected to the reduced discounting period (1 year in 2021 vs 2 years in 2020).

NOTE 7 – INCOME FROM INVESTMENTS AND IMPAIRMENT ON INVESTMENTS

Income from investments referred, in 2020, to the dividend distribution from Massive Interactive Holdco I for €68,221,010. The receivable related to this distribution has been offset against the existing loan due to the subsidiary. As a consequence of this distribution, an impairment loss was recorded against the investment in Massive Interactive Holdco I and Deltatre M1 (as intermediate entity between Massive Interactive Holdco I and Deltatre Group).

NOTE 8 – TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the period.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is different to the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	€	€
Loss before tax	(11,548,330)	(67,684,182)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(2,194,183)	(12,859,995)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	317,969	603,206
Current year loss for which no deferred tax is recognized	1,876,214	12,256,789
Total tax charge	-	-

Factors that may affect future tax charges

The UK Government announced in the March 2021 budget that the corporation tax is to increase to 25% in 2023 and the change was substantively enacted in May 2021.

Deferred tax assets have not been recognised on tax losses since the company receives full corporate tax relief from the parent company.

Deltatre Group Limited
Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 9 – INVESTMENTS

The movements of the investments during fiscal year ended 31 December 2021 are detailed below.

Subsidiary	31 December 2020	Incorporation of new entities	31 December 2021
Investment in Deltatre S.p.A.	77,294,066	-	77,294,066
Investment in Deltatre KK	23,117	-	23,117
Investment in Sportec Solutions AG	1,934,618	-	1,934,618
Investment in Deltatre Inc	1,597,561	-	1,597,561
Investment in Deltatre Limited	32,596,875	-	32,596,875
Investment in Massive Holdco I	1,033,008	-	1,033,008
Investment in Massive Media Pty Ltd	8,653,145	-	8,653,145
Investment in Massive Interactive Media Limited	57,300,750	-	57,300,750
Investment in Deltatre LLC	850	-	850
Investment in Investment in Deltatre Hub Doel Skopje	-	304,979	304,979
TOTAL INVESTMENTS	180,433,990	304,979	180,738,969

Changes in investments refer to the incorporation, in November 2021, of a new legal entity in North Macedonia (Deltatre Hub Doel Skopje).

The company's investments at the Statement of Financial Position date in the share capital of companies include the following

Subsidiary	Information	%	Holding Company
Deltatre S.p.A.	Registered office: Via Francesco Millio 41 - 10141 Torino, Italy		
	Share Capital: €620,000		
	Carrying value of the investment: €77,294,066	100	Deltatre Group Limited
	Aggregate capital and reserves (31 December 2021): €19,334,190		
	Loss for the period (2021): €-3,058,120		
Deltatre Limited	Nature of Business: Provision of sports media services		
	Registered office: 3 Palmerston Road - London SW19 1PG - United Kingdom		
	Share Capital: £3		
	Carrying value of the investment: €32,596,875	100	Deltatre Group Limited
	Aggregate capital and reserves (31 December 2021): £7,653,760		
STS AG (former Deltatre AG)	Profit for the period (2021): £2,410,990		
	Nature of Business: Provision of sports media services		
	Registered office: Münchener Strasse, 10B - D85737 - Ismaning - Germany		
	Share Capital: €1,003,210	51	Deltatre Group Limited
	Carrying value of the investment: €1,934,618		
Deltatre Inc.	Aggregate capital and reserves (31 December 2021): €13,007,270		
	Profit for the period (2021): €623,840		
	Nature of Business: Provision of sports media services		
	Registered office: Vallhalla, 420 Columbus Ave. - New York - USA		
	Share Capital: \$100	100	Deltatre Group Limited
Deltatre KK	Carrying value of the investment: €94		
	Aggregate capital and reserves (31 December 2021): \$3,289,570		
	Profit for the period (2021): \$3,600,480		
	Nature of Business: Provision of sports media services		
	Registered office: S-Gate Akasaka, Minato-ku Tokyo 107-0052, Japan		
Deltatre KK	Share Capital: ¥3,000,000		
	Carrying value of the investment: €23,000	100	Deltatre Group Limited
	Aggregate capital and reserves (31 December 2021): ¥20,286,270		
	Profit for the period (2021): ¥6,519,530		

Deltatre Group Limited

Notes to the Financial Statements
for the Year Ended 31 December 2021

	Nature of Business: Provision of sports media services		
	Registered office: 2215-B Renaissance Drive - Las Vegas – Nevada, USA		
	Share Capital: \$3,000		
Deltatre M1 INC	Carrying value of the investment: €-	100	Deltatre Group Limited
	Aggregate capital and reserves (31 December 2021): \$53,766,890		
	Loss for the period (2020): -\$5,830		
	Nature of Business: Holding company		
	Registered office: c/o Conyers Trust Company (BVI) Limited - Commerce House, Wickham Cay 1, Road Town, British Virgin Islands		
	Share Capital: \$1		
Massive Interactive Holdings Limited	Carrying value of the investment: €1,033,000	100	Deltatre Group Limited
	Aggregate capital and reserves (31 December 2021): €1,033,000		
	Result for the period (2021): \$-		
	Nature of Business: Holding company		
	Tenancy 1 Unit Ground Floor, 16 Eveleigh Street, Sydney, Australia		
	Share Capital: AUS1,964,548		
	Carrying value of the investment: €8,653,145		
Massive Media Pty Limited	Aggregate capital and reserves (31 December 2021): AUS1,996,600	100	Deltatre Group Limited
	Result for the period (2021): AUS-		
	Nature of Business: Provision of sports and entertainment media services		
	Tenancy 1 Unit Ground Floor, 16 Eveleigh Street, Sydney, Australia		
	Share Capital: AUS7,018,110		
	Carrying value of the investment: AUS7,018,113		
Massive Interactive Media Pty Limited	Aggregate capital and reserves (31 December 2021): AUS6,294,980	100	Massive Media Pty Limited
	Profit for the period (2021): AUS4,220,440		
	Nature of Business: Provision of sports and entertainment media services		
	77 Robinson Road#13-00 Robinson 77 - Singapore		
	Share Capital: SGD1		
	Carrying value of the investment: SGD1		
Massive Interactive Asia Pty Limited	Aggregate capital and reserves (31 December 2021): SGD15,380	100	Massive Interactive Media Pty Limited
	Loss for the period (2021): SGD22,250		
	Nature of Business: Provision of sports and entertainment media services		
	4th Floor, 21 Stephen Street, London W1T 1LN, United Kingdom		
	Share Capital: £1,100		
	Carrying value of the investment: €57,300,750		
Massive Interactive Media Limited	Aggregate capital and reserves (31 December 2021): £2,443,680	100	Deltatre Group Limited
	Profit for the period (2021): £1,130,760		
	Nature of Business: Provision of sports and entertainment media services		
	Karla Engliš 3201/6, Prague 5, Smíchov - 150 00 - Czech Republic		
	Share Capital: CZK10,000		
	Carrying value of the investment: £322,590		
Massive Interactive Czech Republic S.R.O	Aggregate capital and reserves (31 December 2021): CZK73,541,800	100	Massive Interactive Media Limited
	Profit for the period (2021): CZK21,291,930		
	Nature of Business: Provision of sports and entertainment media services		
	St. Vasil Gjorgov number 20A / Menh Biz Centar, Skopje, North Macedonia		
	Share Capital: MKD5,000		
	Carrying value of the investment: €305,000		
Deltatre Hub Doool Skopje	Aggregate capital and reserves (31 December 2021): MKD744,930	100	Deltatre Group Limited
	Profit for the period (2021): MKD436,990		
	Nature of Business: Provision of sports and entertainment media services		

Deltatre Group Limited
Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 10 - TRADE AND OTHER DEBTORS

	2021	2020
	€	€
<i>Amounts due within one year</i>		
Prepayments and accrued income	7,213,754	5,864,515
Other debtors	26,486	26,486
	<u>7,240,240</u>	<u>5,891,001</u>
	-	
<i>Amounts due in more than one year</i>		
Amounts due from group companies	33,581,221	35,003,620
	<u>33,581,221</u>	<u>35,003,620</u>

Outstanding balances due to the company are unsecured and the nature of the consideration to be provided in settlement is cash. The invoices are due within 30 days and no bad debt provision is required. Amounts due in more than one year are unsecured, repayable on demand and an interest rate is charged with the interest rate paid to third party lenders by the group.

NOTE 11 – CURRENT LIABILITIES

	2021	2020
	€	€
Trade creditors	5,572,729	3,608,068
Other payables	164,497	-
Payroll taxation	23,283	115,455
Accruals and other creditors	2,294,413	2,966,917
Deferred consideration on business combination - due within one year	8,829,242	8,149,295
	<u>16,884,164</u>	<u>14,839,735</u>

The above creditors are measured at amortized cost. Outstanding balances due from the company are unsecured and the nature of the consideration to be provided in settlement is cash. The balances are due within 365 days.

The line deferred consideration on business combination represents amounts payable within one year to former shareholders of Massive, following the Deltatre group's acquisition in November 2018. The increase is only due to the exchange rate effect, as the nominal value of the liability is US 10 million).

NOTE 12 - NON-CURRENT LIABILITIES

	2021	2020
	€	€
Deferred consideration on business combination - due after one year	-	7,706,189
Amounts owed to group undertakings	154,291,748	136,068,642
	<u>154,291,748</u>	<u>143,774,831</u>

The line deferred consideration on business combination included, in 2020, the portion paid in 2021 of the amounts payable to former shareholders of Massive, following the Deltatre group's acquisition in November 2018. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Deltatre Group Limited
Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 13 - SHAREHOLDERS' FUNDS

Called up share capital and share premium
 Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 €	2020 €
120,275,611	Ordinary	1	120,275,611	120,275,611

112,668,040 Ordinary shares of 1 each were allotted and fully paid for cash at par on 19 July 2016.

During 2020, a capital increase from the parent company Deltatre Midco 2 has been implemented (Euro 13,693,628) with the purpose to provide the subsidiary with the required cash to fulfil its obligation (specifically the payment of the 2020 tranche of the deferred consideration on the acquisition of Massive Group). In this context, additional Euro 7,607,571 Ordinary Shares have been allotted as capital increase from the parent company Deltatre Midco 2 Limited, with the residual Euro 6,086,057 credited to share premium.

Ordinary shares have full voting rights and a right to any dividend declared. The shares are not redeemable.

Merger reserve

The merger reserve was created in 2016 (year of incorporation of the Company) as a result of the price adjustment related to the investment in Deltatre S.p.A. by Deltatre Holdings Limited and immediately transferred to the Company at the same value (€27,693,804 as initial price plus €755,149 of price adjustment for a total investment of €28,448,953).

NOTE 14 - ULTIMATE PARENT AND CONTROLLING PARTY

The immediate parent company is Deltatre Midco 1 Limited, a company incorporated in England. The ultimate parent Company is Bruin Canada Holdings, LP and the registered address is 199 Bay Street 5300 Toronto Ontario M5L 1B9. No one party has control of the ultimate parent Company, Bruin Canada Holdings, LP.

The accounts of the ultimate parent, Bruin Canada Holdings LP, are available from its offices at Bay Street 199-5300, Toronto, Ontario, Canada M5L1B9.

NOTE 15 - RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

NOTE 16 - POST BALANCE SHEET EVENTS

In February 2022, Russia declared war on Ukraine invading its territory, the consequences of this fact on the world's political-economic balance are incalculable. The European Union and the United Kingdom, together with many other countries, have implemented particularly harsh financial sanctions against Russia and Belarus, and others may follow suit gradually.

More generally, there may be effects also due to the increase in the prices of commodities, energy costs, the cost of money, the reduction in the demand for media and technology services in the countries at conflict, delays in the delivery of goods and increased costs of resources. Deltatre does not expect the impacts of Ukraine war to be significant at a Group level, considering that the Group does not have clients or provide services in Russia or Belarus and, although we have a legal entity in Belarus, potential cost to relocate employees are not expected to be material.

No other subsequent event to be disclosed with impact on the financial figures as of 31 December 2021.

