
AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

COMPANY INFORMATION

Directors	Henry Elkington Gavin Carter David Wein
Registered number	10103719
Registered office	6 London Street New London House London England EC3R 7LP

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors present their strategic report on the Group for the year from 1 January 2021 to 31 December 2021.

Business review

AXIO Technical Intelligence Holdco Limited ("The Company") is an investment and holding company. The Company and its subsidiary undertakings comprise a Group of companies which operate a portfolio of market-leading information businesses providing data and information products which professionals within the technical intelligence sector use to support their decision-making and day-to-day business activities.

Results and performance

The results for the year are set out in the consolidated statement of profit and loss and other comprehensive income. The profit for the year ended 31 December 2021 was USD \$4.3M (2020: profit of USD \$2.4M) as set out on page 12.

The underlying EBITDA results before exceptional items were as follows:

	2021 In millions of USD	31 December 2020 In millions of USD
Revenue	\$63.8	\$50.7
Operating Profit	\$13.3	\$10.2
Underlying EBITDA	\$19.2	\$16.6

The reconciliation of the Company operating profit to underlying continuing EBITDA is shown in Note 7.

Strategy

The Group aims to maximise the value of its portfolio of businesses for the benefit of its shareholders by building and realising value. The Group seeks to be the clear leader in the focused markets that it serves and is committed to improving its businesses through organic investment and growth, acquisitions and partnerships and by focusing on the efficiency of its operations.

Financial key performance indicators

The Board monitors the progress of the Group by reference to:

- Run rate underlying revenue calculated as underlying revenue less recurring revenue (Subscription, Membership, IP Program) plus Annualised Value of Active Contracts ("AVAC"). As at 31 December 2021, runrate underlying revenue was \$72.7M (2020: \$55.5M).
- Run rate underlying EBITDA calculated as underlying EBITDA less recurring revenue (Subscription, Membership, IP Program) plus AVAC. As at 31 December 2021, runrate underlying EBITDA was \$25.7M (2020: \$22.1M).
- As at 31 December 2021 AVAC was \$46.1M (2020: \$31.9M).
- Revenue - Underlying revenue for the trading year is USD \$63.8M (2020: \$50.7M) as stated in Note 8;
- Underlying EBITDA (earnings before interest, tax, amortisation, depreciation, restructuring costs, and acquisition costs) for the period is USD \$19.2M (2020: \$16.6M), as stated in Note 7;
- Net cash inflow from operating activities for the period is USD \$22.2M (2020: \$12.5M) as shown in the consolidated statement of cash flows on page 16; and
- Other operational KPIs applicable to individual businesses.

Principal risks and uncertainties

Economic Factors

A significant change in the global economy or to the economic conditions in any of the markets served by the Group may lead to a decline in the performance of any of the Group's businesses, particularly in those businesses more exposed to discretionary spend. This could have an adverse impact on the Group's operational results.

Liquidity Risk

The Group is focused on ensuring its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group's cash position is carefully managed and reported to the board monthly. As set out in Note 2 of the consolidated financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign Exchange Risk

The group trades in foreign currencies, principally in Canadian Dollars. The Group has ten open USD/CAD foreign exchange forward contracts in place as at 31 December 2021 with an ending net liability position of USD \$0.2M (2020: net asset of \$0.6M). The Group does not apply hedge accounting in respect of these forward contracts.

Credit Risk

Credit risk principally arises from credit exposure to customers. This risk is managed by each business unit in accordance with the Group's established policy, procedures and controls relating to customer credit management. Credit limits are established for all customers and are based inter alia on bank references and credit checks. Outstanding customer receivables are regularly monitored.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. Furthermore, cash is generally received in advanced for subscription and event revenues.

This report was approved by the board and signed on its behalf.



.....
David Wein
Director
Date: 12 May 2022

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the consolidated annual financial statements for the year ended 31 December 2021.

Principal activity

The Company was incorporated on 5 April, 2016 in the United Kingdom and is registered in England and Wales. AXIO Technical Intelligence Holdco Limited ("The Company") is an investment and holding company. The Company and its subsidiary undertakings comprise a Group of companies which operate a portfolio of market-leading information business providing data and information products which professionals within the technical intelligence sector use to support their decision-making and day-to-day business activities.

In accordance with section 414(c) (11) of the Companies Act 2006, the Company has chosen to set out information regarding Activities and Results of the Company that is otherwise required to be contained in the Directors' report, within its Strategic Report.

Directors

The directors who served during the year were:

- Henry Elkington
- Gavin Carter
- David Wein

No director had any beneficial interest in any contract to which the Company or a subsidiary was a party during the year.

The directors' beneficial and non-beneficial interests in the share capital, including share options, of the Company are shown on Note 29 and their emoluments in Note 13.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the period.

Going concern

The accounts have been prepared on a going concern basis. The background to and reasons for the adoption of the going concern basis are explained in Note 2 of the notes to the consolidated financial statements.

Employee involvement

During the year, the Group employed an average of 331 (2020: 291) full time equivalent employees.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post year end events


There were no significant post balance sheet events affecting the Company since December 2021 except as noted in Note 34.

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Auditors

The auditors, KPMG LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
David Wein

Director

Date: 12 May 2022

Registered Number: 10103719

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

Opinion

We have audited the financial statements of Axio Technical Intelligence Holdco Limited ("the company") for the year ended 31 December 2021 which comprise the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated cash flows statement, company statement of financial position, company statements of profit or loss and other comprehensive income, company statement of changes in equity, company cash flows statement, and related notes, including the accounting policies.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit and the parent company's profit for the year then ended;
- the group and the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- and the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries and revenue is recorded in the wrong period.

We did not identify any additional fraud risks.

We also performed procedures including

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all material post year end closing journals and unusual journals posted to cash and revenue accounts.
- Evaluated the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group’s license to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, data protection, anti-money laundering, employment law, certain aspects of company legislation, and recognising the nature of the Group’s activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal

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correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



George Awusu (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
United Kingdom
E14 5GL

12 May 2022

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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

	Note	31 December 2021 \$000	31 December 2020 \$000
Revenue	8	63,751	50,661
Employee costs	13	(31,500)	(23,639)
Amortisation	16	(4,399)	(5,051)
Depreciation	17, 18	(1,468)	(1,316)
Impairment /(Impairment) reversal	19	-	(101)
Exceptional restructuring costs	11	(1,216)	(1,338)
Other operating expenses	11	(13,083)	(10,367)
Profit from operations		12,085	8,849
Net financing expense	12	(5,076)	(4,856)
Profit before tax		7,009	3,993
Tax expense	14	(2,661)	(1,572)
Profit for the year		4,348	2,421
Other comprehensive income:			
Items that will be reclassified to profit or loss:			
Foreign currency translation of foreign operations		(144)	55
Total comprehensive income		4,204	2,476
Profit for the year attributable to:			
Owners of the parent		4,348	2,421
Total comprehensive income attributable to:			
Owners of the parent		4,204	2,476

The accompany notes on page 18 to 75 are an integral part of the consolidated financial statements.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

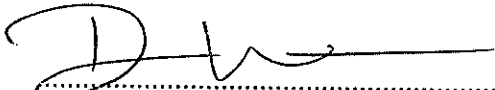
	Note	2021 \$000	2020 \$000
Assets			
Non-current assets			
Goodwill	15	22,812	14,969
Intangible assets	16	15,584	8,335
Property, plant and equipment	17	3,427	3,485
Right-of-use assets	18	3,189	364
Investment tax credits	19,21	909	1,633
Deferred tax assets	14	52	-
		45,973	28,786
Current assets			
Investments and forward contracts	22	237	811
Trade and other receivables	19,29	44,827	16,433
Cash and cash equivalents	20	17,221	4,922
		62,285	22,166
Total assets		108,258	50,952
Liabilities			
Non-current liabilities			
Loans and borrowings	23	77,932	61,133
Lease obligations	28	2,795	170
Trade and other liabilities	24	923	-
Deferred tax liability	14	1,161	1,131
		82,811	62,434
Current liabilities			
Loans and borrowings	23	1,587	12
Lease obligations	28	454	270
Forward contracts	27	153	-
Tax payable	14	261	588
Deferred revenue	26	21,097	15,304
Trade and other liabilities	24	6,540	2,087
Provisions	25	305	520
		30,397	18,781
Total liabilities		113,208	81,215
Net liabilities		(4,950)	(30,263)

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$000	2020 \$000
Issued capital and reserves			
Share capital	32	24,663	-
Merger reserve	33	(23,204)	(23,204)
Capital Contribution	33	2,500	-
Foreign currency translation reserve	33	2,737	2,881
Profit and loss reserve	33	(11,646)	(9,940)
		<u>(4,950)</u>	<u>(30,263)</u>
Total equity		<u>(4,950)</u>	<u>(30,263)</u>

The accompanying notes on pages 18 to 75 are an integral part of the consolidated financial statements. The financial statements were approved and authorised for issue by the board of directors on 12 May 2022 and were signed on its behalf by:



.....
David Wein
Director
Registered Number: 10103719

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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

	Share capital \$000	Capital Contribution \$000	Merger reserve \$000	Foreign currency translation reserve \$000	Profit and Loss Reserve \$000	Total attributable to equity holders of parent \$000	Total equity (deficit) \$000
At 1 January 2020	460	-	(23,204)	2,826	(12,708)	(32,626)	(32,626)
Profit for the period	-	-	-	-	2,421	2,421	2,421
Other comprehensive income	-	-	-	55	-	55	55
Total comprehensive income for the year	-	-	-	55	2,421	2,476	2,476
Dividends distributed to parent (Note 33)	-	-	-	-	(113)	(113)	(113)
Capital reduction (Note 33)	(460)	-	-	-	460	-	-
Total contributions by and distributions to owners	(460)	-	-	-	347	(113)	(113)
At 31 December 2020	-	-	(23,204)	2,881	(9,940)	(30,263)	(30,263)
At 1 January 2021	-	-	(23,204)	2,881	(9,940)	(30,263)	(30,263)
Profit for the year	-	-	-	-	4,348	4,348	4,348
Other comprehensive income	-	-	-	(144)	-	(144)	(144)
Total comprehensive income for the year	-	-	-	(144)	4,348	4,204	4,204
Capital issuance (Note 32)	24,663	-	-	-	-	24,663	24,663
Contributed surplus (Note 29)	-	2,500	-	-	-	-	2,500
Dividends distributed to parent (Note 33)	-	-	-	-	(6,054)	(6,054)	(6,054)
Total contributions and distributions to owners	24,663	2,500	-	-	(6,054)	21,109	21,109
At 31 December 2021	24,663	2,500	(23,204)	2,737	(11,646)	(4,950)	(4,950)

The accompanying notes on pages 18 to 75 are an integral part of the consolidated financial statements.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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

	Note	2021 \$000	2020 \$000
Cash flows from operating activities			
Profit for the year		4,348	2,421
		<u>4,348</u>	<u>2,421</u>
Adjustments for			
Depreciation of property, plant and equipment	17	790	757
Amortisation of intangible fixed assets	16	4,399	5,051
Depreciation of right of use assets	18	679	559
Net finance expense	12	5,076	4,856
Income tax expense	14	2,661	1,572
		<u>17,953</u>	<u>15,216</u>
Movements in working capital:			
Increase in trade and other receivables		(695)	(4,967)
Increase (decrease) in forward contract		728	(357)
Increase (decrease) in trade and other liabilities		3,511	(861)
Decrease (increase) in provisions		(215)	159
Increase in deferred revenue		3,223	4,590
		<u>24,505</u>	<u>13,780</u>
Cash generated from operations		24,505	13,780
Income taxes paid		(2,286)	(1,273)
		<u>22,219</u>	<u>12,507</u>
Net cash (used in) from operating activities		22,219	12,507
Cash flows from investing activities			
Purchases of property, plant and equipment	17	(737)	(884)
Acquisition of subsidiaries, net of cash acquired	10	(12,657)	-
Purchases of intangibles	16	(2,930)	(7,480)
Decrease in investments	22	(1)	(4)
Interest received		798	10
Dividend received (payment)		-	348
		<u>(15,527)</u>	<u>(8,010)</u>
Net cash used in investing activities		(15,527)	(8,010)

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

	Note	2021 \$000	2020 \$000
Cash flows from financing activities			
External interest and finance costs paid	23	(3,859)	(4,689)
Loan issue costs	23	(6,399)	-
Finance charge expense		(107)	(49)
Interest on lease obligations	28	(107)	(38)
Payment of lease obligations	28	(694)	(648)
Proceeds from revolver and loans and borrowings	23	88,000	1,500
Repayment of revolver and loans and borrowings	23	(65,125)	(2,225)
Dividends paid to parent company	33	(6,054)	(460)
Net cash used in financing activities		5,655	(6,609)
Net (decrease) increase in cash and cash equivalents		12,347	(2,112)
Cash and cash equivalents at the beginning of year		4,922	6,753
Exchange gain on cash and cash equivalents		(48)	281
Cash and cash equivalents at the end of the year	20	17,221	4,922

The accompany notes on page 18 to 75 are an integral part of the consolidated financial statements.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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

1. Reporting entity

AXIO Technical Intelligence Holdco Limited (the 'Company') is a limited company incorporated in the United Kingdom. The Company's registered office is at C/O TechInsights Europe/Chipworks Europe Limited, 6 London Street, New London House, London, England EC3R 7LP. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in operating a portfolio of market-leading information businesses providing data and information products and services which professionals within the technical intelligence sector use to support their decision-making and day-to-day business activities.

2. Basis of preparation

These Group financial statements were prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. They were authorised for issue by the Company's board of directors on 12 May 2022.

Details of the Group's accounting policies, including changes during the year, are included in Note 4.

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effect are disclosed in Note 5.

Going Concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons. The Group has long term relationships providing business critical information to its customers. In operating a subscription / licencing model with predominantly annual contracts paid in advance, a significant proportion of revenue is contracted and highly visible.

The Group had net liabilities of \$5.0M (2020:\$30.3M) as at 31 December 2021. Its bank loans do not fall due for repayment until November 2027 (Note 23). The board has reviewed the liquidity position of the Group for a period of at least 12 months from date of signing of accounts.

In 2021, the world was hit by a global pandemic of the COVID-19 virus. While there have been disruptions to manufacturing and supply chains around the world, the impact on the Group's operations and liquidity have not been substantial. Underlying revenue grew in 2021 and underlying EBITDA margin was 34.0%. The Group also has considerable diversity of financial resources with a number of customers and suppliers across different geographic areas.

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Management prepares a next four quarter plan every quarter to perform ongoing evaluation of the level of risk and the potential impacts on the business. In making their assessment Management have considered the risks faced by the Group and considered the severe but plausible downsides that the Group could face including no improvement on the trading and operational conditions experienced in 2021. Based on that pessimistic assessment they have concluded that cash reserves could be preserved at current operating levels and that the Group can continue to operate within its financial covenants for the foreseeable future.

On this basis, the board has a reasonable expectation that the Group has adequate resources to manage its business risks successfully and continue in operational existence for the foreseeable future. Thus, the board is of the view that the going concern assumption is appropriate and as such the consolidated financial statements have been prepared on this basis.

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2.1 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Trade and other receivables	Amortised cost
Investments	Amortised cost or fair value
Trade and other liabilities	Amortised cost
Lease liability	Amortised cost
Interest-bearing loans and borrowings	Amortised cost
Provisions	Amortised cost
Forward contracts	Fair value

2.2 Changes in accounting policies

i) New standards, interpretations and amendments not yet effective

The Group has not early-adopted any standard, interpretation, or amendment that was issued but is not yet effective.

3. Functional and presentation currency

These consolidated financial statements are presented in US dollars, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Accounting policies

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests (if any) even if this results in the noncontrolling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 4.2) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

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A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.4 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

4.5 Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

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4.6 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.7 Cash and cash equivalents

The Group considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value.

4.8 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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4.9 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

(ii) Amortised cost and effective interest method

The effective interest method is a method for calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased and originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised costs of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss and is included in the 'net finance expense' line item.

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(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity instrument that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- debt instruments that do not meet the amortised cost criteria or the FVOCI criteria (see (ii) Amortised cost and effective interest method) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other operating expense' line item. Fair value is determined in the manner described in Note 27.

(iv) Impairment of financial assets

The Group measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulty of the borrower, and it becoming probable that the borrower will enter bankruptcy or financial reorganization.

Financial assets are written off when there is no reasonable expectation of recovery.

(v) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4.10 Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

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Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.11 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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4.12 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant, and equipment so as to write off their carrying value over their expected useful economic lives. It is provided using the following range on a straight line basis:

Leasehold improvements	Shorter of estimated useful life and term of lease
Machinery and equipment	3-20 years
Motor vehicles	3-5 years

The Group assess an asset's residual value, useful life and depreciation method at each financial year end and makes adjustments if appropriate.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognized in the statements of profit or loss and other comprehensive income of the related year.

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4.13 Intangible assets

(i) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally generated software	3-5 years
Brands	5-20 years
Customer relationships	1-15 years
Data sets & acquired software	3-10 years

(ii) Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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4.14 Employee benefits

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

4.15 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects the risks specific to the liability.

Provisions are estimates and the actual cost and timing of future cash flows are dependent on future events. Management reassesses the amounts of these provisions at each reporting date in order to ensure that they are measured at the current best estimate of the expenditure required to settle the obligation at the reporting date. Any difference between the amounts previously recognized and the current estimates is recognized immediately in the Consolidated Statement of Profit and Loss.

4.16 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Lease terms range from 1 to 5 years for offices and data centres. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

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The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

From 1 January 2021, where the basis for determining future lease payments changes as required by interest rate benchmark reform (see Note 28), the Group remeasures lease liability by discounting the revised lease payments using the revised discount rate that reflects the changes to an alternative benchmark interest rate.

4.17 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. Collections generally range from 45-60 days.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured, and the costs to complete. Revenue is measured at the fair value of the consideration received or receivable, taking into account any contractually defined terms for discounts or contingent fees. The Group records payments received in advance of satisfying the revenue recognition criteria as deferred revenues until all criteria are satisfied.

When the Group enters into revenue arrangements that may consist of multiple deliverables it assesses whether each delivered element is considered a separate transaction that can be recorded separately. In certain circumstances, it is necessary to apply the recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of each individual element. Conversely, the recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions taken as a whole.

The Group also assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group records revenue on a gross basis, as a principal to the transaction, unless otherwise indicated.

Fee for Service revenue

Revenues from contracts for consulting services with fees based on time and materials are recognized as the services are performed and amounts are earned. The Group's efforts in these contracts are measured by time incurred, and engagements are typically completed over a number of weeks. In this case, hours incurred represent the contractual milestones and are reflected in the contractual earnings pattern.

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Revenue from service contracts for fixed price contracts use the percentage of completion method. The Group estimates the percentage of completion on contracts with fixed fees using labour hours incurred as a percentage of total estimated labour hours to complete the consulting service. If there is a significant uncertainty about the project completion, receipt of payment or required effort, revenue is only recognized to the extent of contract costs likely to be recovered once the uncertainty is resolved, revenue will be recognized using the percentage of completion method described above. If circumstances arise that may change the estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or remaining costs to complete and are reflected in income in the period in which the circumstances that gave rise to the revision become known to the Group. When total cost estimates exceed estimated revenues, the Group will accrue for the estimated losses immediately. Contingent revenues relating to consulting contracts are recognized when the contingency is satisfied and the Group concludes the amounts are earned.

Subscription revenue

The Group provides hosted subscription solutions including updating the information on a continuous basis, which allows the customers the right to access the offering for a contracted term. The contract terms vary by customer from six months to two years. The subscription revenue is recognized ratably over the term covered by the subscription period.

Content Licensing revenue

The Group provides open-market technical reports to its customers. Revenues are recorded at the time the report is delivered to the customer either electronically through delivery of an access token or through physical shipment of a digital copy of the report on a memory device.

Membership revenue

The Group offers a loyalty program whereby customers enter into a master service agreement which entitles the customer to a discount, preferential scheduling and the ability to reserve time slots for future purchases of services. These options provide a material right to the customer throughout the term of the agreement and the entity recognizes membership revenue monthly over the program period. The duration of each program period is for the 12 months following the effective date of the agreement.

IP Program revenue

Many of the Group's larger clients have significant intellectual property assets in the form of patents. There is significant cost and effort that goes into the prosecution and maintenance of these patents. The Group offers an annual service to these clients to strengthen patent filings prior to submission, analyze the adequacy of patent portfolios for defensive or assertive purposes or to review portfolios to identify surplus assets for sale or to be culled in order to reduce the cost burden of maintenance and renewals. These Programs are a renewable commitment of a defined volume of work to be contracted throughout the year in the form of discrete statements of work. Revenue from service contracts for fixed price contracts use the percentage of completion method.

4.18 Investment tax credits

Investment tax credits are recognized where there is reasonable assurance that the investment tax credits will be realized. The investment tax credits are recognized as income as a reduction to the related expenses in the year earned.

4.19 Taxation

Current tax for the current and prior years is recognized, to the extent unpaid, as a liability at the amount expected to be paid to the taxation authorities. The tax liabilities are measured using tax rates enacted or substantively enacted at the reporting date.

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Deferred tax is provided in full, 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. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition [other than in a business combination] of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Current tax expense and deferred tax expense are recognized in profit and loss except to the extent they arise from a transaction or event recognized in other comprehensive income or directly in equity. Any such tax expense is recognized in other comprehensive income or in equity respectively.

The Group is a multi-national Group with tax liabilities arising in many geographical locations. This inherently leads to complexity in the Group's tax structure. Therefore, the calculation of the Group's current tax liabilities and tax expense involves a degree of estimation and judgment in respect of items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The resolution of issues is not always within the control of the Group and issues can, and often do, take many years to resolve. The tax liabilities recognized in the consolidated financial statements are measured at the Group's estimate of tax that may become payable. Payments in respect of tax liabilities for an accounting year result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the Consolidated Statement of Profit or Loss and tax payments. The final resolution of certain of these items may give rise to material Profit or Loss and/or cash flow variances. Any difference between expectations and the actual future liability will be accounted for in the year identified.

4.20 Offsetting financial assets and liabilities

The Group offsets financial assets and financial liabilities and present the net amount on the Consolidated Statements of Financial Position when we have a legal right to offset them and intend to settle on a net basis or realize the asset and liability simultaneously.

4.21 Deferred revenue (contract liabilities)

Billings in excess of revenues recognized are recorded as deferred revenues until services are performed and the revenue has been earned.

4.22 Share capital

Share capital issued by the Company is recorded at the fair value of the proceeds received net of direct issue costs. Where any Company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity attributable to the owners of the Company.

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Ordinary shares of the company are classified as equity. Mandatory redeemable preference shares and other classes of share where an obligation exists to transfer economic benefits are classified as liabilities.

Treasury shares are presented in the balance sheet as a deduction from equity, and the acquisition of treasury shares should be presented in the financial statements as a change in equity.

4.23 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors.

Dividends on preference shares, which are classified as a financial liability, are treated as finance costs and are recognised on an accruals basis when an obligation exists at the reporting date.

5. Accounting estimates and judgements

5.1 Judgement

The following are the critical judgments, apart from those involving estimations, that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

Internally developed intangible assets

Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the useful life of the internally generated intangible asset, management makes assumptions regarding the expected period of benefits. The amounts and useful lives assigned to internally-generated intangible assets impacts the amount and timing of future amortisation expense. The Group also makes judgments with regards to the point in time in which an internally generated intangible asset may not be viable and the related costs are written-off.

5.2 Estimates and assumptions

The following estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue recognition

The Group's contracts have different terms based on the scope, deliverables and complexity of the engagement, which frequently require the Group to make judgments and estimates in recognizing revenues.

Fee for Service revenue when based on fixed fees requires the Group to make estimates regarding the stage of completion and the total services expected to be performed by considering historical data of similar contracts, the expected costs to be incurred and the time rendered to date. If the Group's estimates are not accurate this could negatively impact the Group's financial results.

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Business combinations

Applying the acquisition method to business combinations requires an entity to measure each identifiable asset and liability at fair value. The excess, if any, of the fair value of the consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The purchase price allocation involves judgement with respect to the identification of intangible assets acquired and estimates of fair value for assets acquired and liabilities assumed, including pre-acquisition contingencies and contingent consideration. Changes in any of the assumptions or estimates used to determine the fair value of acquired assets and liabilities assumed, including pre-acquisition contingencies or contingent consideration, could affect the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

The Group makes estimates, assumptions, and judgments when valuing goodwill and other intangible assets in connection with the initial purchase price allocation of an acquired entity, in addition to evaluating the recoverability of goodwill and other intangible assets on an ongoing basis. These estimates are based upon a number of factors, including historical experience, market conditions, and information obtained from the management of acquired companies. Critical estimates in valuing certain intangible assets include, but are not limited to, historical and projected attrition rates, discount rates, anticipated revenue growth from acquired customers, acquired technology, and the expected use of the acquired assets. These factors are also considered in determining the useful life of acquired intangible assets. The amounts and useful lives assigned to identifiable intangible assets also impacts the amount and timing of future amortisation expense.

Unanticipated events and circumstances may affect the accuracy or validity of such assumptions, estimates or actual results which could have a negative impact on the Group's financial results.

Impairment of goodwill and non-financial assets

The Group estimates value in use by discounting estimated future cash flows from the CGU or asset to its present value using a pre-tax discount rate reflecting a current market assessment of the time value of money and certain risks specific to the asset. Estimated cash flows are based on management's assumptions and business plans which are supported by internal strategies, plans and external information. The estimate of the recoverable amount for an asset or CGU requires significant estimates such as future cash flows and growth, terminal growth and discount rates.

Taxes

The ultimate realization of deferred tax assets is dependent upon future taxable income during the years in which these assets are deductible. A deferred tax asset is recognized to the extent that it is probable that the assets can be recovered based upon the probable timing and level of future taxable income together with future tax planning strategies. The Group regularly assesses all negative and positive evidence to evaluate the recoverability of its deferred tax assets including an evaluation of the nature and the amount of significant tax assets and their carry-forward period, the Group's recent earnings history, forecasts of future earnings and the Group's ability to reasonably forecast sufficient future earnings.

The Group accrues income and other tax provisions based on information currently available in each of the jurisdictions in which the Group operates. While the Group believes it has paid and provided for adequate amounts of tax, our business is complex and significant judgment is required in interpreting how tax legislation and regulations apply to the Group. The Group's tax filings are subject to audit by the relevant government revenue authorities and the results of the government audit could materially change the amount of our actual income tax expense, income tax payable or receivable, other taxes payable or receivable, and deferred income tax assets and liabilities and could, in certain circumstances, result in the assessment of interest and penalties.

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6. Group Information

Details of the Group's consolidated subsidiaries at the end of the reporting period are as follows:

	Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)	
				2021	2020
1	TechInsights Inc.	Data and information products - technology & intellectual property	Canada	100	100
2	TechInsights Korea Co. Limited	Provides sales and marketing services	Korea	100	100
3	TechInsights Europe Limited	Provides sales and marketing services	United Kingdom	100	100
4	TechInsights Taiwan Limited	Provides sales and marketing services	Taiwan	100	100
5	TechInsights USA Inc.	Provides sales and marketing services	USA	100	100
6	TechInsights Japan KK	Provides sales and marketing services	Japan	100	100
7	TechInsights Europe Sp zoo	Technical reverse engineering services	Poland	100	100
8	Chipworks Limited	Inactive	Barbados	100	100
9	VLSI [TechInsights Manufacturing Analysis Inc].	Market research analysis	USA	100	NA
10	The Linley Group Inc.	Market research analysis	USA	100	NA

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Information about holding companies

Name	Relationship	Country
Oakley Capital Private Equity III (Fund III)	Ultimate controlling party	Bermuda
Maple Investco Limited	Parent	Bermuda
Maple Bidco Limited	Top company in the TechInsights Company and effective 27 July, 2021 Holding Company of AXIO Technical Intelligence Holdco Ltd	United Kingdom
AXIO TI Holdings Limited	Holding Company of TechInsights (Holdco Ltd) until 26 July 2021	United Kingdom
TechInsights (Holdco) Limited	Holding Company of AXIO Technical Intelligence Holdco Ltd until 26 July 2021	United Kingdom

Ultimate controlling company

The ultimate controlling party is Oakley Capital Private Equity III (Fund III).

Maple Investco Limited

Parent company to Maple Bidco Limited. It is a holding company registered in the Bermuda on 4 May 2017 and its registered address is Mintflower Place, 3rd Floor 8 Par La Ville Road. Hamilton, Bermuda. HM 08.

Maple Bidco Limited

Maple Bidco Limited is the top company in the TechInsights Group. It is a holding company registered in the United Kingdom on 4 May 2017 and its registered address is 3 Cadogan Gate, London, SW1X 0AS. It produces consolidated financial statements, which are available at the above address, and represents the highest level at which the Company's financial information is consolidated.

AXIO TI Holdings Limited

AXIO TI Holdings Limited, a holding company registered in the United Kingdom on 10 December 2015 and its registered address is 6 London Street, New London House, London, England, EC3R 7LP.

TechInsights (Holdco) Limited

TechInsights (Holdco) Limited, a holding company registered in the United Kingdom on 18 February 2013. It has a registered address of 6 London Street, New London House, London, England, EC3R 7LP.

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7. Reconciliation of operating profit to underlying continuing EBITDA

The reconciliation of the operating profit from continuing operations per the Consolidated Statement of Profit to the EBITDA per the strategic report is as follows:

	Consolidated Statement of Profit and Loss	Other exceptional items (Note 11)	2021 \$000 Underlying results for period ended 31 December
Revenue	63,751	-	63,751
Operating profit	12,085	1,216	13,301
Depreciation	1,468	-	1,468
Amortisation	4,399	-	4,399
EBITDA	17,952	1,216	19,168

	Consolidated Statement of Profit and Loss	Other exceptional items (Note 11)	2020 \$000 Underlying results for period ended 31 December
Revenue	50,661	-	50,661
Operating profit	8,849	1,338	10,187
Depreciation	1,316	-	1,316
Amortisation	5,051	-	5,051
EBITDA	15,216	1,338	16,554

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8. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	31 December 2021 \$000	31 December 2020 \$000
Subscription revenue	33,432	22,080
Fee for service revenue	19,687	19,088
Content Licensing revenue	6,055	5,145
Membership revenue	2,592	1,886
IP program revenue	1,985	2,462
Total Revenue	63,751	50,661

Timing of revenue recognition:	2021 \$000	2020 \$000
Goods and services transferred at a point in time	6,055	5,145
Goods and services transferred over time	57,696	45,516
	63,751	50,661

The Group applies the practical expedient in paragraph 94 of IFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred as the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The Group's revenue by geographical areas is as follows:

	31 December 2021 \$000	31 December 2020 \$000
Asia	32,815	24,720
Europe	5,271	4,310
North America	25,665	21,631
Total Revenue	63,751	50,661

9. Common control transaction

There were no common control transactions in 2021 (2020: nil).

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10. Business combinations

(i) VLSI [TechInsights Manufacturing Analysis Inc.]

On 16 August 2021, Group acquired 100% of the issued and outstanding common shares of VLSI ("VLSI"), a company that provides market research specific to the semiconductor industry for a total purchase price of \$10.2M. As a result of the acquisition, the Group is expected to be able to increase its revenue from syndicated content and also complements its current offering continuing the Group's strategy of building the authoritative information platform for the semiconductor industry.

The total consideration was allocated to the net assets acquired based on their acquisition date fair values, and excess of the purchase price over the fair value of the net assets acquired was recorded as goodwill. The transaction can be summarized as follows:

	Recognized values on acquisition
Net assets acquired	\$000
Cash	102
Other financial assets	229
Customer relationships	6,830
Right of use asset	743
Trade and other liabilities	(722)
Lease liability	(743)
Deferred revenue	(1,860)
Total identifiable net assets acquired	4,579
Goodwill arising on acquisition	5,575
Total net assets acquired	10,154
Consideration	
Cash	10,154

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The excess of purchase price over net identifiable assets acquired, and the liabilities assumed resulted in goodwill of \$5.6M. Goodwill will not be deductible for tax purposes. The Group recorded \$nil in deferred income taxes from the acquisition.

From the date of acquisition VLSI contributed \$1.9M of revenue and \$0.4M to income before income taxes in 2021. If the acquisition had taken place at the beginning of the fiscal year, revenue would have been \$5.3M and income before income taxes would have been \$0.2M.

The Group expensed \$0.2M of acquisition-related costs in 2021 related to this transaction. These costs have been classified under other operating expenses on the consolidated statement of profit and other comprehensive income.

(ii) The Linley Group Inc.

On 13 October 2021, the Group acquired 100% of the issued and outstanding common shares of The Linley Group Inc. ("TLG"), a company that provides market analysis on the microprocessor market, for a total purchase price of \$3.7M. As a result of the acquisition, the Group is expected to be able to extend the breadth of the Group's traditional content continuing the Group's strategy of building the authoritative information platform for the semiconductor industry. The purchase price consisted of cash consideration of \$2.8M and an earn-out payment estimated at \$1.0M at the acquisition date.

The earn-out payments are paid to the sole selling shareholder, for the next three years subsequent to the acquisition date. The earn-out payments are based on the growth of TLG's annual subscription contracts. The fair value of the contingent consideration was determined using a discounted cash flow method based on the probability of TLG meeting the target AVAC amount for each of the three years subsequent to acquisition. At acquisition, management has assessed a 100% probability of TLG meeting the target AVAC and cumulative maximum earn out payment of \$1.0M.

The total consideration was allocated to the net assets acquired based on their acquisition date fair values, and excess of the purchase price over the fair value of the net assets acquired was recorded as goodwill. The transaction can be summarized as follows:

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	Recognized values on acquisition \$000
Net assets acquired	
Cash	145
Trade receivables	307
Customer relationships	1,813
Domain name	75
Trade and other liabilities	(225)
Deferred revenue	(710)
Total identifiable net assets acquired	<u>1,405</u>
Goodwill arising on acquisition	2,268
Total net assets acquired	<u>3,673</u>
Consideration	
Cash	2,750
Earn-out payment	923
	<u>3,673</u>

The excess of purchase price over net identifiable assets acquired, and the liabilities assumed resulted in goodwill of \$2.2M, which is largely attributable to the assembled workforce acquired and the synergies from combining operations. Goodwill will not be deductible for tax purposes. The Group recorded \$nil in deferred income taxes from the acquisition.

From the date of acquisition, TLG contributed \$0.7M of revenue and \$0.3M to income before income taxes in 2021. If the acquisition had taken place at the beginning of the fiscal year, revenue would have been \$2.0M and income before income taxes would have been \$0.2M.

The Group expensed \$0.1M of acquisition-related costs in 2021 related to this transaction. These costs have been classified under other operating expenses on the consolidated statement of profit and other comprehensive income.

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11. Operating expenses, exception expenses and auditor's remuneration

	31 December 2021 \$000	31 December 2020 \$000
Employee costs	(31,500)	(23,639)
Depreciation	(1,468)	(1,316)
Amortisation of intangible assets	(4,399)	(5,051)
Exceptional restructuring costs	(1,216)	(1,338)
Other operating expenses	(13,092)	(10,367)
Total expenses	(51,675)	(41,711)

Restructuring costs and acquisition costs are disclosed separately as exceptional items to better reflect the underlying performance of the Group. Included in the current year exceptional restructuring costs are mainly expenses relating to the restructuring of the Group legal and management structures. Included in Operating expenses are mainly expenses relating to Software, Parts and material, Consulting, Repairs and maintenance and Office expenses.

	31 December 2021 \$000	31 December 2020 \$000
<i>Auditor's remuneration</i>		
Audit of these financial statements	(162)	(120)
Amounts receivable by the Group's auditor and its associates in respect of:		
• Tax compliance services	(127)	(66)
• Other services	(262)	(12)
Total Remuneration paid to Auditor and its affiliates	(551)	(198)

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12. Net financing expense

Recognised in profit or loss

	31 December 2021 \$000	<i>31 December 2020 \$000</i>
Finance income		
Interest income	799	10
Total Finance Income	<u>799</u>	<u>10</u>
Finance expense		
Interest expense	(4,583)	(4,689)
Interest on lease liability	(107)	(38)
Net foreign exchange gain on financial instruments	16	103
Amortisation of issue costs	(1,173)	(312)
Gain on forward contracts	79	119
Finance charge expense	(107)	(49)
Total finance expense	<u>(5,875)</u>	<u>(4,866)</u>
Net finance expense recognised in profit or loss	<u>(5,076)</u>	<u>(4,856)</u>

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13. Employee costs

	31 December 2021 \$000	<i>31 December 2020 \$000</i>
Employee costs (excluding director emoluments) comprise:		
Wages and salaries	(27,218)	<i>(20,391)</i>
Social security contributions and similar taxes	(4,282)	<i>(3,248)</i>
	<u>(31,500)</u>	<i><u>(23,639)</u></i>

During the year, the Group employed an average of 331 (2020: 291) full time equivalent employees. Redundancy costs of \$0.8M (2020: \$1.3M) are excluded from the above figures and instead presented within exceptional restructuring costs in the consolidated statement of profit and loss.

In response to Government of Canada's announcing the Canada Emergency Wage Subsidy (CEWS), a subsidy on eligible remuneration based on certain criteria, the Group assessed its eligibility and determined it qualified for certain periods and applied for and recorded a receivable of \$0.1M (2020: \$0.6M). This CEWS received during the year has been recorded as a reduction to the employee costs. Included in employee costs are Directors' Emoluments as follows:

	31 December 2021 \$000	<i>31 December 2020 \$000</i>
Directors' remuneration	1,374	<i>522</i>
	<u>1,374</u>	<i><u>522</u></i>
Number of Directors	2	<i>3</i>

The aggregate of remuneration of the highest paid director during the year was \$0.7M (2020: \$0.3M).

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14. Tax expense

14.1 Income tax recognised in profit or loss

	31 December 2021 \$000	31 December 2020 \$000
Current tax expense		
Current tax on profits for the year	(2,541)	(2,234)
Adjustments in respect of prior years	262	182
Withholding tax	(360)	(40)
Total current tax expense	<u>(2,639)</u>	<u>(2,092)</u>
Deferred tax expenses		
Origination and reversal of timing differences	233	538
Adjustments in respect of prior years	(255)	(18)
Total deferred tax credit (charge)	<u>(22)</u>	<u>520</u>
Total tax expense	<u><u>(2,661)</u></u>	<u><u>(1,572)</u></u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	31 December 2021 \$000	31 December 2020 \$000
Income for the year	4,348	2,421
Income tax expense	2,661	1,572
Profit before income taxes	<u>7,009</u>	<u>3,993</u>
Tax using the Company's domestic tax rate of 19% (2020: 19%)	1,332	759
Losses surrendered to other companies within tax grouping for nil consideration	(1,211)	5
Difference in tax rates between UK and foreign jurisdictions	90	381
Adjustments to tax charge in respect of prior periods	(7)	(164)
Change in timing differences not recognized	102	194
Non-deductible expense / Non-taxable income	1,839	204
Impact of change in substantively enacted future tax rates	-	(24)
Other taxes	516	217
Total tax expense	<u><u>2,661</u></u>	<u><u>1,572</u></u>

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Changes in tax rates and factors affecting the future tax charges

The UK government has enacted legislation in 2021 providing that the rate of corporation tax will increase to 25%, effective from 1 April 2023 for companies with profits of over GBP 0.3M per year. From that date, the small profits rate will remain at 19% for companies with profits of less than GBP 0.1M per year. Companies with profits between the two thresholds will receive marginal relief so that they pay a blended rate between 19% and 25%. These limits are divided by one plus the number of associates if a company has associated companies (subsidiaries or fellow subsidiaries), regardless of whether they are in or outside the United Kingdom. If an accounting period does not coincide with the financial year, the profits for the accounting period are time-apportioned and the appropriate rate is applied to each part.

14.2 Current tax assets and liabilities

	31 December 2021 \$000	31 December 2020 \$000
Current tax assets		
Corporation tax receivable	-	264
Current tax liabilities		
Corporation tax payable	(261)	(588)
	<u>(261)</u>	<u>(324)</u>

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14.3 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	31 December 2021 \$000	<i>31 December 2020 \$000</i>
Recognized deferred tax		
Deferred tax assets	52	-
Deferred tax liabilities	(1,161)	(1,131)
Net deferred tax liability	(1,109)	<i>(1,131)</i>

Deferred income tax assets are recognized for tax losses carried forward and deductible temporary differences to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred income tax assets of \$0.9M (2020: \$0.7M) have not been recognized in respect of tax losses carried forward amounting to \$3.6M (2020: \$3.2M) and because it is not probable that sufficient future taxable profit will be available against which the relevant Group entities can realize the benefits therefrom.

	Opening balance \$000	Recognised in profit or loss \$000	Closing balance \$000
2021			
Property, plant and equipment	(327)	(431)	(758)
Intangible assets	(11)	351	340
Provisions	(29)	(188)	(217)
Other items	(107)	179	72
Tax losses carried forward	39	(18)	21
Investment tax credits	(714)	143	(571)
Right of use asset	(61)	(422)	(483)
Deferred lease obligation	79	408	487
Net deferred tax asset/(liability)	(1,131)	22	(1,109)

	Opening balance \$000	Recognised in profit or loss \$000	Closing balance \$000
2020			
Property, plant and equipment	218	(545)	(327)
Intangible assets	(1,140)	1,129	(11)
Provisions	28	(57)	(29)
Other items	(9)	(98)	(107)
Tax losses carried forward	107	(68)	39
Investment tax credits	(896)	182	(714)
Right of use asset	(156)	95	(61)
Deferred lease obligations	197	(118)	79
Net deferred tax asset/(liability)	(1,651)	520	(1,131)

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15. Goodwill

	2021 \$000	2020 \$000
Cost		
At 1 January	14,969	14,969
Acquired through business combinations	7,843	-
At 31 December	<u>22,812</u>	<u>14,969</u>

There was goodwill recognized in 2021 of \$7.8M from the acquisition of VLSI (TechInsights Manufacturing Analysis Inc.) and The Linley Group Inc. which was allocated to one cash generating unit ("CGU") that benefited from the business combination. The CGU represents the one operating division of the Group.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill or intangible assets might be impaired. For 2021, in view of the the recent transaction as mentioned on Note 34, the Group has used the market approach (2020; income approach) for valuation and assessment of goodwill impairment. When valuing a reporting unit using the market approach, stock trading prices or transaction prices generated by market transactions involving businesses comparable to the reporting unit are used. Two commonly used valuation techniques for measuring the fair value of a reporting unit are the guideline public company method and the guideline transaction method. Based on the valuation, there is sufficient headroom over the carrying amount of goodwill and no impairment has been recorded (2020; \$nil). Management believes that there is no reasonably possible change in this assumption which would cause the available headroom to be used up in its entirety.

15.1 Allocation of goodwill to cash generating units

Goodwill is allocated to the Group's cash generating unit as follows:

	2021 \$000	2020 \$000
TechInsights Inc.	22,812	14,969
	<u>22,812</u>	<u>14,969</u>

TechInsights Inc.

For the purpose of the consolidated financial statements of AXIO Technical Intelligence Holdco Limited, management has allocated goodwill and performed impairment testing on single CGU, TechInsights Inc. TechInsights Inc. represents the main operating segment of the consolidated Group. The recoverable amount of TechInsights Inc has been determined with reference to its fair value less cost to sell. In determining this value, management have used the valuation of the business in an post year end transaction as disclosed in Note 34

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16. Intangible assets

	Internally generated software \$000	Customer relationships \$000	Data sets & Software \$000	Brands \$000	Software to be Capitalised \$000	Total Intangible Assets \$000
Cost						
At 1 January 2020	2,011	4,862	4,967	3,068	688	15,596
Additions	80	4,992	-	-	2,426	7,498
Transfers	2,078	-	-	-	(2,078)	-
At 31 December 2020	4,169	9,854	4,967	3,068	1,036	23,094
Additions	6	-	-	-	2,924	2,930
Acquired in a business combinations	-	8,643	-	75	-	8,718
Transfers	2,508	-	-	-	(2,508)	-
At 31 December 2021	6,683	18,497	4,967	3,143	1,452	34,742
Amortisation and impairment						
At 1 January 2020	(1,451)	(3,480)	(3,981)	(778)	-	(9,690)
Amortisation charge for the year	(628)	(3,576)	(694)	(153)	-	(5,051)
Disposals	-	-	-	-	(18)	(18)
At 31 December 2020	(2,079)	(7,056)	(4,675)	(931)	(18)	(14,759)
Amortisation charge for the year	(1,290)	(2,659)	(292)	(158)	-	(4,399)
At 31 December 2021	(3,369)	(9,715)	(4,967)	(1,089)	(18)	(19,158)
Net book value						
As at 31 December 2020	2,090	2,798	292	2,137	1,018	8,335
As at 31 December 2021	3,314	8,782	-	2,054	1,434	15,584

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17. Property, plant and equipment

	Leasehold improvements \$000	Machine and office equipment \$000	Total \$000
Cost			
At 1 January 2020	2,035	15,811	17,846
Additions	-	884	884
Disposals	-	(1)	(1)
Foreign exchange movements	2	5	7
At 31 December 2020	2,037	16,699	18,736
Additions	16	721	737
Foreign exchange movements	(5)	(24)	(29)
At 31 December 2021	2,048	17,396	19,444
Accumulated depreciation and impairment			
At 1 January 2020	(1,275)	(13,213)	(14,488)
Charge for the year	(170)	(587)	(757)
Exchange adjustments	-	(6)	(6)
At 31 December 2020	(1,445)	(13,806)	(15,251)
Charge for the year	(132)	(658)	(790)
Exchange adjustments	1	23	24
At 31 December 2021	(1,576)	(14,441)	(16,017)
Net book value			
At 31 December 2020	592	2,893	3,485
At 31 December 2021	472	2,955	3,427

17.1 Impairment losses recognised in the year

No gain or impairment on sale of property, plant and equipment (2020: Nil) was recognized in exceptional restructuring costs in the consolidated statement of profit or loss and other comprehensive income.

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18. Right-of-use assets

The following table presents the right-of-use assets for the Company:

	Property \$000	IT Equipment \$000	Total \$000
Balance at 1 January 2021	336	28	364
Additions	3,504	-	3,504
Depreciation charge for the year	(661)	(18)	(679)
Balance at 31 December 2021	3,179	10	3,189

	Property \$000	IT Equipment \$000	Total \$000
Balance at 1 January 2020	875	48	923
Depreciation charge for the year	(539)	(20)	(559)
Balance at 31 December 2020	336	28	364

19. Trade and other receivables

	2021 \$000	2020 \$000
Trade receivables	11,220	10,543
Less: provision for impairment of trade receivables	(104)	(112)
Trade receivables - net	11,116	10,431
Receivables from related parties (Note 29)	28,061	672
Prepayments and accrued income	5,418	4,347
Other receivables	232	983
Trade and other receivables	44,827	16,433
Investment tax credits (Note 21)	909	1,633

Movements in the impairment allowance for trade receivables are as follows:

	2021 \$000	2020 \$000
At 1 January	(112)	(86)
Movements in the year	(84)	(112)
Impairment reversal	101	11
Receivables written off during the year as uncollectible	(9)	75
	(104)	(112)

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20. Cash

	2021 \$000	2020 \$000
Cash at bank and in hand	17,221	4,922
	<u>17,221</u>	<u>4,922</u>

20.1 Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2021 \$000	2020 \$000
Balances as above	17,221	4,922
Balances per statement of cash flows	<u>17,221</u>	<u>4,922</u>

20.2 Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows do not include amounts subject to restrictions.

21. Investment tax credits

Investment tax credits have been received for scientific research and experimental development expenses. These investment tax credits are non-refundable and can be applied to offset future income taxes otherwise payable.

	2021 \$000	2020 \$000
As at 1 January	1,633	2,462
Received during the year	561	148
Applied to offset taxes otherwise payable	(1,285)	(977)
As at 31 December	<u>909</u>	<u>1,633</u>

Investment tax credits have been received for scientific research and experimental development expenses. These investment tax credits are non-refundable and can be applied to offset future income taxes otherwise payable.

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22. Investments

	2021	2020
	\$000	\$000
Current		
Investments (a)	237	236
Forward contracts (b)	-	575
Total current investments	<u>237</u>	<u>811</u>
Non-Current		
Investments	-	-
Total non-current investments	<u>-</u>	<u>-</u>
Total investments	<u><u>237</u></u>	<u><u>811</u></u>

(a) The Group holds a Guaranteed Investment Certificate (GIC) that carries interest at a fixed rate of 0.45% per annum until 14 November 2021 and 0.10% thereon (2020: 0.45%). The GIC has a maturity date of 17 November 2022. The asset is not considered impaired at the end of the reporting period. The carrying amounts (including accrued interest) of assets pledged as security for company's corporate credit card program. This financial asset is recorded at amortised cost.

(b) The Group holds foreign exchange forward contracts valued using the USD/CAD spot rate at 31 December 2021. Financial asset is at fair value through profit or loss.

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23. Loans and borrowings

	2021 \$000	2020 \$000
Non-current		
Bank loans - secured	77,932	61,133
	77,932	61,133
Current		
Bank loans - secured	1,587	12
	1,587	12
Total loans and borrowings	79,519	61,145

	2021 \$000		
	Stellus Term Loan	HPS Term Loan	31 December
At at 1 January	61,145	-	61,145
Notes issued during the period	3,000	85,000	88,000
Loan issue costs	(60)	(6,339)	(6,399)
Amortisation of issue costs	1,052	121	1,173
Interest expense	3,847	737	4,584
Interest payments	(3,859)	-	(3,859)
Principal repayments	(65,125)	-	(65,125)
Total interest-bearing loans and borrowings	-	79,519	79,519

	2020 \$000		
	Stellus Term Loan	31 December	
	(a)(b)		
At at 1 January		61,560	61,560
Revolver draw		1,500	1,500
Amortisation of issue costs		312	312
Interest expense		4,687	4,687
Interest payments		(4,689)	(4,689)
Revolver repayments		(1,500)	(1,500)
Principal repayments		(725)	(725)
Total interest-bearing loans and borrowings		61,145	61,145

a) Term Loan

A \$65.0M (2020: \$65M), 5-year term loan (the "term loan") due 2 October 2023 bearing interest at the LIBOR reference rate for each interest period, plus 6.0% (2020: 6.0%). The term loan includes an early repayment option (the "prepayment option") which provides for the early repayment of all or part of the outstanding principal and accrued interest, subject to early repayment terms and fees. In connection with securing the term loan, the Group incurred no additional costs in transaction costs.

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100% of the equity in the subsidiaries of AXIO Technical Intelligence Holdco Limited, all owned real property and all registered intellectual property has been pledged as collateral to the loan.

The Credit Facility contains covenants that are customary for facilities of this nature. The credit facilities also impose certain financial covenants the Group must monitor, report and comply with each fiscal quarter. The Group was in compliance with all covenants contained in the Credit Facility as at December 31, 2021 and 2020.

Bridge Loan – a bridge loan from Stellus for \$3.0M was drawn by the Group on 29 July 2021. The interest rate on the bridge loan is equal to the LIBOR Reference Rate plus 7.1%.

Following initial recognition, the term loan was being recognized at amortized cost with an effective interest rate of 8.9% (2020: 8.9%). During the year the Group repaid \$0.4M (2020: \$0.7M) which were early repayments under the prepayment option. Following decreases in the LIBOR reference rate, the effective rate decreased to 7.0% (2020: 8.3% to 7.0%) during the period. At December 31, 2021, the revised effective interest rate is 7.0% (2020: 7.0%)

The Group subsequently repaid the entire Stellus loan of \$64.8M on 10 November 2021 on financing of a new loan from HPS. Therefore, as at 31 December 2021, the balance of notes outstanding was \$nil (2020: \$62.1M) and accrued interest was \$nil (2020: \$12k). The Group incurred \$0.1M (2020 - \$nil) of legal costs to extinguish the loan which was recognized in other operating expenses in the Consolidated Statement of Profit and other comprehensive income..

HPS Term loan

On 9 November 2021, the Group executed a debt agreement where the Lenders provided a term loan providing a borrowing capacity of up to \$150.0M through the following facilities (a) Term Loan of \$145.0M and (e) Revolving Commitment of \$5.0M. All outstanding amounts due at maturity on 9 November 2027.

1. Term Loan - a \$85.0M, 6-year term loan (the "term loan") bearing interest at the LIBOR reference rate for each interest period, plus 5.0% [based on total net leverage]. The term loan includes an early repayment option (the "prepayment option") which provides for the early repayment of all or part of the outstanding principal and accrued interest, subject to early repayment terms and fees. In connection with securing the term loan, the Group incurred an \$6.5M in transaction costs.
2. Following initial recognition, the term loan was being recognized at amortized cost with an effective interest rate of 7.57%. During the period to 31 December 2021, the Group made nil repayments under the new loan.
3. Average interest rate of 6.00%, payable at the end of the interest Period (but at least every 3 months) – first payment will be due 9 February 2022 based on the following table.

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Level	Consolidated Total Net Leverage Ratio	First Out Term Loans – Base Rate Loans	First Out Term Loans – Eurodollar Loans	Last Out Term Loans – Base Rate Loans	Last Out Term Loans – Eurodollar Loans
I	Greater than 5.50 to 1.00	2.13%	3.13%	6.89%	7.89%
II	Less than or equal to 5.50 to 1.00 but greater than 5.00 to 1.00	1.75%	2.75%	5.94%	6.94%
III	Less than or equal to 5.00 to 1.00 but greater than 4.00 to 1.00	1.63%	2.63%	5.63%	6.63%
IV	Less than or equal to 4.00 to 1.00	1.50%	2.50%	5.31%	6.31%

Delayed Draw Term Loan ("DDTL") facility of \$60.0M up to 9 May 2022 @ 0.00% and, thereafter, 1.00% on the outstanding DDTL commitments in effect on each day during the applicable period payable on the last business day of each financial quarter commencing 31 March 2022. Administrative fee \$12.5K per financial quarter payable on the last business day of each financial quarter commencing 31 March 2022. The Group to repay on the last business day of each March, June, September and December of each year, commencing with 31 March 2022, an amount equal to 0.25% of the initial aggregate principal amount of the Initial Term Loan.

Excess cash flow payments commencing with fiscal year ending 31 December 2022, on submission of audited statements and compliance certificate

- If the Total Debt to Adjusted EBITDA Ratio is >5.25x, then 50% of ECF is due.
- If the Total Debt to Adjusted EBITDA Ratio is <5.25x but > 4.75x, then 25% of ECF is due.
- If the Total Debt to Adjusted EBITDA Ratio is <4.75x, then 0% of ECF is due.
- Subject to \$1.0M or 3.75% of TTM EBITDA materiality threshold.

The transaction costs of \$6.3M allocated to the revolving commitment on a pro-rata basis, have been deferred and presented in trade and other receivables on the Consolidated Statement of Financial Position. The transaction costs are being amortized rateably to net operating expense in the Consolidated Statement of Profit and other comprehensive income over the term of the revolving facility (6 years). The ending balance in Trade and other receivables is \$6.2M (2020: nil) at 31 December 2021.

The Credit Facility contains covenants that are customary for facilities of this nature. The loan is guaranteed by the Company and substantially all assets of TechInsights Inc. and its US subsidiaries are pledged as collateral, subject to certain exceptions. The credit facilities also impose certain financial covenants the Group must monitor, report and comply with each fiscal quarter. The Group was in compliance with all covenants contained in the Credit Facility as at 31 December 2021 and 2020.

b) Revolving commitment and other facilities

Stellus: A revolving commitment from Stellus was available up to \$1.5M and, if utilised, is due the earliest of (a) 16 August 2020 (extendable in one year-increments), (b) upon termination of the revolving commitment by the Group, and (c) upon default. The interest rate on the revolving commitment is equal to the LIBOR Reference Rate plus 6.0% (2020: 6.0%). The Group drew down \$nil (2020: \$1.5M) in March 2020 which was subsequently repaid in June 2020 including interest at 7.45% of \$0.02M). The revolving credit facility remains available to the Group until 2 October 2023.

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The Group is also required to pay a commitment fee on the revolving commitment at a rate per annum equal to (i) 0.50% times (ii) the actual average daily amount by which the available commitment exceeds the outstanding amount of revolving loans drawn down by the Group, payable quarterly on the last day of each calendar quarter.

The Group has designated the revolving commitment as a prepaid under trade and other receivables. The transaction costs of \$0.1M allocated to the revolving commitment on a pro-rata basis, have been deferred and presented in trade and other receivables on the Consolidated Statement of Financial Position. The transaction costs are being amortized rateably to net operating expense in the Consolidated Statement of Profit and other comprehensive income over the term of the revolving facility (3 years). The ending balance in Trade and other receivables is \$nil (2020: \$0.03M) at 31 December 2021.

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

With the extinguishment of the Stellus loan the revolver commitment was also cancelled.

HPS: A revolver commitment from HPS is available for \$5.0M with similar interest rates to Term Loan referenced in (a) above is payable on the last business day of each financial quarter commencing 31 March 2022.

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24. Trade and other liabilities

	2021 \$000	2020 \$000
Trade payables	6,128	1,889
Payables to related parties	365	129
Contingent consideration	923	-
Sales and payroll tax	47	69
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	7,463	2,087
Less: current portion - trade payables	(6,128)	(1,889)
Less: current portion - payables to related parties	(365)	(129)
Less: current portion - sales and payroll tax	(47)	(69)
Total current portion	(6,540)	(2,087)
Total non-current position	(923)	-

25. Provisions

	2021 \$000	2020 \$000
At at 1 January	520	361
Additions	305	520
Release	(520)	(361)
Balance, end of year	305	520
Non-current	-	-
Current	305	520
	305	520

During the period ended 31 December 2021, the Group recorded a provision for severance in the amount of \$0.3M (2020: \$0.5M) which is expected to be realised over 2022. There are no contingent liabilities recorded in 2021.

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26. Deferred revenue

	2021	<i>2020</i>
	\$000	<i>\$000</i>
Balance at 1 January	15,304	<i>10,714</i>
Revenue recognised that was included in the contract liability balance at the beginning of the year	(14,160)	<i>(9,952)</i>
Revenue deferred as at December 31	19,953	<i>14,542</i>
Balance at December 31	21,097	<i>15,304</i>

Contract liability balances arise mainly when customers are invoiced up front for their subscription and the revenue is recognised over time. The remaining performance obligations are expected to be usually one year or less.

27. Financial instruments - fair values and risk management

27.1 Accounting classifications and fair values

Trade and other receivables, cash and cash equivalents, investments, loans and borrowings and trade and other liabilities and provisions are measured at amortised cost. The carrying amounts of trade and other receivables, cash and cash equivalents, investments, loans and borrowings, trade and other liabilities and provisions approximate fair market value due to the short-term maturity of these instruments. Forward contracts are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

27.2 Financial risk management objectives

Group Management is responsible for the risk management of the treasury activity. Treasury activity is principally concerned with the monitoring of operating liquidity, managing funding requirements related to the resolution of legacy issues and the monitoring and management of the rolling cash flow. The Group and its subsidiaries are governed by financial policies and procedures implemented for the whole of the Group. Information concerning the Group's exposure to interest rate risk, foreign currency risk, liquidity risk and credit risk is set out below.

The Group does not enter into such instruments for speculative purposes and only enters into forward contracts to manage its foreign exchange risk.

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27.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments. Due to the Group's operations commodity risk is not significant.

27.4 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Canadian Dollar (CAD)	6,092	2,628	2,423	3,759
Japanese Yen	311	108	790	766
Euro	(14)	(7)	91	60
Taiwan New Dollar	264	172	1,453	622
	<u>6,653</u>	<u>2,901</u>	<u>4,757</u>	<u>5,207</u>

Foreign currency sensitivity analysis

The Group is mainly exposed to the Canadian Dollar and the Japanese Yen. The Group trades in foreign currencies, principally in Japanese Yen and Euro with some collections of cash in Taiwan New Dollars. The Group's expenses are primarily denominated in CAD while revenues are weighted to its functional currency of USD. The Group has ten (2020: twelve) open USD/CAD foreign exchange forward contracts place as at 31 December 2021 with an ending net liability position of USD \$0.2M (2020: net asset of USD \$0.6M). The Group does not apply hedge accounting in respect of these forward contracts.

The following table details the Group's sensitivity to a 10% increase and decrease in the US dollars against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the US dollars strengthens 10% against the relevant currency. For a 10% weakening of the US dollars against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

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	Effect on profit/(loss) before tax		Effect on capital and reserves	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Canadian Dollar				
• 10% fall	334	(103)	245	(76)
• 10% rise	(408)	126	(300)	92
Japanese Yen				
• 10% fall	(44)	(60)	(32)	(44)
• 10% rise	53	73	39	54
Euro				
• 10% fall	(10)	(6)	(7)	(4)
• 10% rise	12	7	9	5
Taiwan New Dollar				
• 10% fall	(108)	(41)	(79)	(30)
• 10% rise	132	50	97	37

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group earns revenue and undertakes purchase transactions in foreign currencies, and therefore is subject to gains and losses due to fluctuations in the foreign currencies. The Group manages its exposure to changes in the Canadian/U.S. exchange rate on anticipated expenses and debt payments by buying forward U.S. dollars at fixed rates in future periods. As at 31 December 2021, the Group held 10 (2020: 12) foreign exchange forward purchase agreements maturing on a monthly basis to December 2021 (2020: 31 December 2020) for a notional amount of USD \$11.3M (2020: \$12.8M). These agreements fix the amount of Canadian dollars that the Group will pay to buy USD to offset its purchases in USD and the rates entered into range from 1.2013 to 1.2773 (2020: 1.2877 to 1.4075). Total realized foreign exchange gain during period ended 31 December 2021 on foreign exchange transactions were USD \$0.8M (2020: loss \$0.2M). The unrealized loss on forward contracts during the period ended 31 December 2021 were USD \$0.7M (2020: gain \$0.4M).

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27.5 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because the entities in the Group borrow funds with both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a variable LIBOR interest rate adjustment to the borrowings.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management.

Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points		Effect on profit/(loss) before tax	
	2021	2020	2021	2020
Interest-bearing loans and borrowings	\$000	\$000	\$000	\$000
<i>Impact of Libor + 50bps in December 2021</i>	246	233	(335)	(317)
<i>Impact of Libor + 100bps in December 2021</i>	492	466	(670)	(634)
<i>Impact of Libor - 50bps in December 2021</i>	(246)	(233)	335	317
<i>Impact of Libor - 100bps in December 2021</i>	(492)	(466)	670	634

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27.6 Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Credit risk is managed on a Group basis. Credit risk arises principally from credit exposure to customers including committed transactions and outstanding receivables but also from cash and cash equivalents and deposits with banks and financial institutions. The Group reviews its banking arrangements carefully to minimize such risks. The maximum credit risk associated with the Group's financial instruments and cash deposits is equal to their carrying amount.

Trade and other receivables

Customer credit risk is managed by each business unit in accordance with the Group's established policy, procedures and controls relating to customer credit management. Credit limits are established for all customers and are based inter alia on bank references and credit checks. Outstanding customer receivables are regularly monitored.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated and cash being generally received in advance for subscription and event revenues. The maximum credit risk associated with the Group's trade receivables is equal to their carrying amount.

Refer to Note 19 movements in the impairment allowance for trade receivables.

The following table outlines the aging of trade and other receivables as at 31 December:

	2021 \$000	2020 \$000
Current	8,376	7,540
1-30 days	1,744	1,091
31-60 days	346	699
61-90 days	410	210
91-120 days	176	28
121-150 days	5	51
151-180 days	28	848
181-365 days	123	38
>365 days	12	38
Total gross trade and other receivables	11,220	10,543
Less: allowance for doubtful accounts	(104)	(112)
Total trade and other receivables, net	11,116	10,431
	2021 \$000	2020 \$000
Asia	3,625	4,367
Europe	2,120	770
North American	5,475	5,406
Total Trade Receivables	11,220	10,543

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An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for all customers as the Group considers all customers to have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than 180 days and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 27.1. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. There has been no significant increase in credit risk in 2021.

Set out below is the information about the credit risk exposure on the Group's trade receivables and using a provision matrix:

	Days past due 2021					Total
	Current	<30 days	31-60 days	61-90 days	>91 days	
Expected credit loss rate	0.10 %	0.16 %	0.39 %	0.69 %	1.29 %	
Estimated total gross carrying amount at default (000s)	8,376	1,744	346	410	344	11,220
Expected credit loss (000s)	8	3	1	3	4	19

	Days past due 2020					Total
	Current	<30 days	31-60 days	61-90 days	>91 days	
<i>Expected credit loss rate</i>	<i>0.10 %</i>	<i>0.16 %</i>	<i>0.39 %</i>	<i>0.69 %</i>	<i>1.29 %</i>	
<i>Estimated total gross carrying amount at default (000s)</i>	<i>7,540</i>	<i>1,091</i>	<i>699</i>	<i>210</i>	<i>1,003</i>	<i>10,543</i>
<i>Expected credit loss (000s)</i>	<i>8</i>	<i>2</i>	<i>3</i>	<i>1</i>	<i>13</i>	<i>27</i>

In addition to the expected credit losses above, the Group recorded an additional allowance for specific customer accounts where there is reasonable and supportable information that indicated additional credit risk exists. Therefore, it has been reflected in the ending allowance balance of \$0.1M (2020: \$0.1M).

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27.7 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Group management evaluates the Group's actual and expected cash flows on a monthly basis to ensure that the Group continues as a going concern. The loan maturity profile, based on contractual undiscounted cash flows, of the Group is disclosed below.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Carrying Amount \$000	Total \$000	1-3 months \$000	3-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
31 December 2021							
Loans and borrowings (interest and principal)	79,519	115,184	2,224	4,513	5,949	17,550	84,948
Trade payables and other liabilities	7,463	7,463	6,540	148	641	134	-
Lease Liabilities	3,249	3,249	125	428	659	2,037	-
	<u>90,231</u>	<u>125,896</u>	<u>8,889</u>	<u>5,089</u>	<u>7,249</u>	<u>19,721</u>	<u>84,948</u>

	Carrying Amount \$000	Total \$000	1-3 months \$000	3-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
31 December 2020							
Loans and borrowings (interest and principal)	61,145	74,250	1,087	3,322	4,682	65,159	-
Trade payables and other liabilities	2,087	2,087	2,087	-	-	-	-
Provisions	520	520	245	263	12	-	-
	<u>63,752</u>	<u>76,857</u>	<u>3,419</u>	<u>3,585</u>	<u>4,694</u>	<u>65,159</u>	<u>-</u>

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The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

	1-3 months \$000	3-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
31 December 2021					
Net settled:					
• foreign exchange forward contracts	11	(166)	-	-	-
	<u>11</u>	<u>(166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1-3</u>	<u>3-12</u>	<u>1-2</u>	<u>2-5</u>	<u>More</u>
	<u>months</u>	<u>months</u>	<u>years</u>	<u>years</u>	<u>than 5</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>years</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
31 December 2020					
Net settled:					
• foreign exchange forward contracts	103	472	-	-	-
	<u>103</u>	<u>472</u>	<u>-</u>	<u>-</u>	<u>-</u>

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27.8 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and liabilities.

The fair value of cash, trade and other receivables, investments (12-month GIC investment), and trade and other payables approximates their carrying amount due to the relatively short-term maturities of these instruments.

The fair value of interest-bearing loans and borrowings approximates their carrying amounts as these liabilities are variable rate loans. Preference shares approximates their carrying amounts and have a fixed interest rate of 12%.

Specific valuation technique is used to value financial instrument which includes derivative financial instruments entered by the Group with counterparties, principally financial institutions with investment grade credit ratings. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date.

Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used):

Financial assets/liabilities	Fair value at year end		Fair value hierarchy	Valuation technique(s) and key input(s)
	2021 \$000	2020 \$000		
Foreign exchange forward contracts - CAD dollars	(153)	575	Level 2	fair value through profit or loss; CAD to USD spot rate at December 31

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Fair values

The following table provides information about how the fair values the Group's financial instrument as at December 31, 2021 are determined

	Level 1	Level 2	Level 3	Total	\$000
Contingent consideration less fair value	-	-	923	923	

The key inputs used in determining the fair value of the contingent consideration is as follows

	December 31, 2021	October 13, 2021
<i>Key observable inputs</i>		
Risk free interest rate	5.83%	5.83%
Discount rate	4.09%	4.09%
<i>Key unobservable inputs</i>		
Probability of achieving targeted AVAC amount	100%	100%

Measurement of fair value of financial instruments

The fair value of the contingent consideration was determined using a discounted cash flow method. The methodology first estimated the earn-out payment for each year based on the probability of TLG's AVAC exceeding the targeted AVAC amount associated with the payout in each of the three years subsequent to the acquisition date. The earn-out payments for each year were then discounted using a risk adjusted discount rate.

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28. Lease liabilities

The Group's leases are for real estate and office space. Future cash flows from potential extensions and terminations cannot be reasonably identified.

The following table presents the Group's lease obligations and the contractual undiscounted cash flows for lease obligations:

	31 December 2021 \$000
Maturity analysis - contractual undiscounted cash flows	
Less than one year	900
One to five years	3,019
More than five years	70
Total undiscounted lease liabilities	3,989
Current	454
Non-current	2,795
Lease liabilities included in the statement of financial position	3,249

Amounts recognized in profit or loss

	31 December 2021 \$000
Interest on lease liabilities	107
Expenses relating to short-term leases	9
Variable lease payments for operating costs, property taxes, and insurance	578
	<u>694</u>

Amounts recognized in the statement of cash flows

	31 December 2021 \$000
Total cash outflow for leases	<u>694</u>

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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29. Related party transactions

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

29.1 Loans from related parties

The loans are intended to incentivise return of cash to the holding companies. These loans are unsecured and repayable on demand. Interest is charged at 7.00% - 7.25% and capitalizes into the loan balance occurs bi-annually.

								\$000
	Principal at 1 Jan	Loans received	Interest payable	Interest repayment	Principal repayment	FX gain (loss)	Interest at 31 Dec	Principal at 31 Dec
Maple Bidco Limited	-	26,092	794	-	-	-	-	26,886
Maple Bidco Limited	-	1,175	-	-	-	-	-	1,175
Total	-	27,267	794	-	-	-	-	28,061

The Group novated the upstream loan of \$26.1M and interest payable of \$1.1M from its subsidiary TechInsights Inc. to its parent Maple Bidco Limited in exchange for a intercompany loan. Following the novation, Maple Bidco Limited partially waived \$2.5M of the intercompany loan and was recognised in Contributed surplus. The Company issued 24,662,105 A Ordinary common shares of \$1.00 each to Maple Bidco Limited to extinguish the balance intercompany loan payable.

During the year TechInsights Holdco Limited, the immediate parent of the Company, transferred 100% of its shares in the Company to Maple Bidco Ltd. at book value which was the fair value.

29.2 Transactions with key management personnel

Key management personnel are comprised of people who served as directors of the Group during the period.

The remuneration (excluding emoluments) of the directors of key management personnel during the year was as follows:

	2021 \$000	2020 \$000
Short-term benefits	1,365	517
Post-employment benefits	9	5
	1,374	522

Emoluments for key management personnel are disclosed in Note 13 and other transactions are disclosed within this note.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29.3 Other related party transactions

Other related party receivables or payables are as follows:

Related party relationship	Type of transaction	Transaction amount		Balance owed	
		2021	2020	2021	2020
		\$000	\$000	\$000	\$000
Maple Bidco Limited	Management fees	(871)	(627)	365	129
Maple Bidco Limited	Interest revenue	794	-	-	-
		<u>(77)</u>	<u>(627)</u>	<u>365</u>	<u>129</u>

The sales to and purchases from related parties above are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at 31 December 2021 are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the years ended 31 December 2021 and 2020, no impairment charge was recognized relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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30. Capital management

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

In order to achieve these overall objectives, the Group's capital management, amongst other things, aims to ensure that it meets covenants and obligations attached to the interest-bearing loans and borrowings that define capital structure requirements. The Group has honoured its obligations related to its interest bearing loans and borrowings in the current year.

Management assess the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	Note	2021 \$000	2020 \$000
Interest-bearing loans and borrowings	23	79,519	61,145
Trade and other liabilities	24	7,463	2,087
Provisions	25	305	520
Less: cash	20	(17,221)	(4,922)
Net debt		70,066	58,830
Share capital	32	24,663	-
Capital Contribution	33	2,500	-
Merger reserve	33	(23,204)	(23,204)
Foreign currency translation reserve	33	2,737	2,881
Profit and loss reserve	33	(11,646)	(9,940)
Capital		(4,950)	(30,263)
Capital and net debt		65,116	28,567
Gearing ratio		108 %	206 %

31. Capital commitments

At 31 December 2021 the Group has entered into commitments for capital expenditure for its lab equipments amounting to \$2.1M for which it has made advance payments of \$1.1M (2020: \$nil).

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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32. Share capital

Authorised

	Number	2021 \$000	Number	2020 \$000
Shares treated as equity				
Ordinary shares of £0.00001 each	100,000,000	1	100,000,000	1
A Ordinary shares of \$1 each	858,758	859	858,758	859
	<u>100,858,758</u>	<u>860</u>	<u>100,858,758</u>	<u>860</u>

Issued and fully paid

	Number	2021 \$000	Number	2020 \$000
Ordinary shares of £0.00001 each				
At 1 January	23,600,000	-	100,000,000	1
Shares redeemed	-	-	(76,400,000)	(1)
At 31 December	<u>23,600,000</u>	<u>-</u>	<u>23,600,000</u>	<u>-</u>
A Ordinary shares of \$1 each				
At 1 January	1	-	458,758	459
Shares issued Note 29.1	24,662,105	24,663	-	-
Shares redeemed	-	-	(458,757)	(459)
At 31 December	<u>24,662,106</u>	<u>24,663</u>	<u>1</u>	<u>-</u>

During the period, the Company repurchased Nil shares (2020: 458,757 'A' Ordinary shares for \$0.45M)

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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33. Reserves

Share premium

In October 2018 and October 2019 the Company carried out a capital reduction process in order to convert its share capital and/or share premium to distributable reserves.

Merger reserve

The merger reserve is used to record gains and losses arising from restructuring executed by the Company.

	\$000
As at 1 January 2020	(23,204)
Balance at 31 December 2020	(23,204)
Balance at 31 December 2021	(23,204)

Capital Contribution

	\$000
As at 1 January 2020	-
Balance at 31 December 2020	-
Capital contribution	2,500
Balance at 31 December 2021	2,500

During the year, Maple Bidco Limited, the Company's immediate parent company partially waived a debt of \$2.5M payable by the Company. This has been recognised as capital contribution as it is a transaction with the shareholder of the Company.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	\$000
As at 1 January 2020	2,826
Other comprehensive income	55
Balance at 31 December 2020	2,881
Other comprehensive income	(144)
Balance at 31 December 2021	2,737

Profit and loss reserve

	\$000
As at 1 January 2020	(12,708)
Dividends paid to parent company	(113)
Capital reduction (a)	460
Profit for the year	2,421
Balance at 31 December 2020	(9,940)
Dividends paid to parent company	(6,054)
Profit for the year	4,348
Balance at 31 December 2021	(11,646)

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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34. Events after the reporting date

On 2 February 2022, 100% of the share capital of the Company's parent company, Maple Bidco Limited was acquired by Maple Topco Limited, a company incorporated in Jersey. At this point Maple Topco became the Ultimate Parent.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 \$000	31 December 2020 \$000
Other income	7	6,373	230
Profit from operations		6,373	230
Net financing expense	9	(1,070)	(1,836)
Profit (Loss) before tax		5,303	(1,606)
Tax (expense)	11	(318)	(12)
Profit (Loss) for the year		4,985	(1,618)
Total comprehensive income (loss)		4,985	(1,618)

The accompanying notes on page 80 - 98 are an integral part of the Company financial statements.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 \$000	2020 \$000
Assets			
Non-current assets			
Investments in subsidiaries	12	24,664	24,664
Current assets			
Trade and other receivables	13	105	104
		105	104
Total assets		24,769	24,768
Liabilities			
Non-current liabilities			
Current liabilities			
Trade and other liabilities	14	-	26,092
Total liabilities		-	26,092
Net assets		24,769	(1,324)
Issued capital and reserves			
Share capital	18	24,663	1
Capital contribution		2,500	-
Foreign currency translation reserve		343	343
Retained earnings	19	(2,737)	(1,668)
Total equity		24,769	(1,324)

The accompanying notes on pages 80 - 98 were approved and authorised for issue by the board of directors and were signed on its behalf by:



.....
 David Wein
 Director
 Date: 12 May 2022
 Registered Number: 10103719

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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

	Share capital \$000	Share premium \$000	Capital contribution \$000	Foreign currency translation reserve \$000	Retained earnings \$000	Total equity \$000
At 1 January 2020	460	-	-	343	(397)	406
Loss for the period	-	-	-	-	(1,618)	(1,618)
Total comprehensive income for the year	-	-	-	-	(1,618)	(1,618)
Dividends distributed to parent (Note 19)	-	-	-	-	(112)	(112)
Capital reduction (Note 19)	(459)	-	-	-	459	-
Total contributions by and distributions to owners	(459)	-	-	-	347	(112)
At 31 December 2020	1	-	-	343	(1,668)	(1,324)
At 1 January 2021	1	-	-	343	(1,668)	(1,324)
Profit for the year	-	-	-	-	4,985	4,985
Total comprehensive income for the year	-	-	-	-	4,985	4,985
Capital contribution	-	-	2,500	-	-	2,500
Dividends distributed to parent (Note 19)	-	-	-	-	(6,054)	(6,054)
Share capital issued	24,662	-	-	-	-	24,662
Total contributions by and distributions to owners	24,662	-	2,500	-	(6,054)	21,108
At 31 December 2021	24,663	-	2,500	343	(2,737)	24,769

The accompanying notes on pages 80 - 98 are an integral part of the Company financial statements.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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

	Note	2021 \$000	2020 \$000
Cash flows from operating activities			
Profit (loss) for the year		4,985	(1,618)
		<u>4,985</u>	<u>(1,618)</u>
Adjustments for			
Net finance expense	9	1,070	1,836
Income tax expense	11	318	12
		<u>6,373</u>	<u>230</u>
Movements in working capital:			
Increase/(decrease) in trade and other receivables		(1)	(105)
Increase/(decrease) in trade and other payables		-	(1,835)
		<u>6,372</u>	<u>(1,710)</u>
Cash generated from / (used) operations			
Income taxes paid	11	(318)	(12)
		<u>6,054</u>	<u>(1,722)</u>
Net cash from / (used) operating activities			
Cash flows from financing activities			
Proceeds from loan note with related party		-	1,834
Dividends paid to the parent company	19	(6,054)	(112)
		<u>(6,054)</u>	<u>1,722</u>
Net cash (used in)/from financing activities			
Net cash increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of year		-	-
Exchange loss on cash and cash equivalents		-	-
		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the year			
		<u>-</u>	<u>-</u>

The accompanying notes on pages 80 - 98 are an integral part of the Company financial statements.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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

1. Reporting entity

AXIO Technical Intelligence Holdco Limited (the 'Company') is a limited company incorporated on 5 April 2016 in the United Kingdom and is registered in England and Wales. The Company is a holding company which provides financing to its subsidiaries. These subsidiaries are market-leading information businesses providing data and information products and services which professionals within the technical intelligence sector use to support their decision-making and day-to-day business activities.

2. Basis of preparation

The Company financial statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They were authorised for issue by the Company's board of directors on 12 May 2022.

Details of the Company's accounting policies, including changes during the year, are included in Note 4.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 5.

Going Concern

The Company had net assets of \$25.0M (2020: net liability \$1.3M) as at 31 December 2021. The board has reviewed the liquidity position of the Company. In particular, the board has reviewed forecasts up until 30 April 2023 for EBITDA and cash flows after servicing significant financial liabilities as a consolidated group. As a result of this review, the board is of the view that the going concern assumption is appropriate and as such the financial statements have been prepared on this basis.

2.1. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Trade and other receivables	Amortised cost
Trade and other liabilities	Amortised cost
Loans and borrowings	Amortised cost

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

2.2 Changes in accounting policies

i) New standards, interpretations and amendments not yet effective

The Group has not early-adopted any standard, interpretation, or amendment that was issued but is not yet effective.

3. Functional and presentation currency

These financial statements are presented in US dollars, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Accounting policies

4.1 Foreign currency

In preparing the financial statements of the entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4.2 Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value.

4.3 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at amortised cost.

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

(i) Impairment of financial assets

The Company measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulty of the borrower, and it becoming probable that the borrower will enter bankruptcy or financial reorganization.

Financial assets are written off when there is no reasonable expectation of recovery.

(ii) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4.5 Financial liabilities and equity instruments

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets the cash-generating unit ("CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in Profit and Loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

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

4.7 Finance income

(i) Management fees

Management fees are paid by a subsidiary under common control. They are recognised in the accounting period in which the services are rendered.

(ii) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend can be measured reliably).

Interest income from a financial asset is recognised when it is possible that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.8 Taxation

Current tax for the current and prior years is recognized, to the extent unpaid, as a liability at the amount expected to be paid to the taxation authorities. The tax liabilities are measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided in full, 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. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition [other than in a business combination] of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Current tax expense and deferred tax expense are recognized in profit and loss except to the extent they arise from a transaction or event recognized in other comprehensive income or directly in equity. Any such tax expense is recognized in other comprehensive income or in equity respectively.

4.9 Offsetting financial assets and liabilities

The Company offsets financial assets and financial liabilities and present the net amount on the Company Statements of Financial Position when we have a legal right to offset them and intend to settle on a net basis or realize the asset and liability simultaneously.

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

4.10 Share capital

Share capital issued by the Company is recorded at the fair value of the proceeds received net of direct issue costs. Where any Company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity attributable to the owners of the Company.

Ordinary shares of the Company are classified as equity. Mandatory redeemable preference shares and other classes of share where an obligation exists to transfer economic benefits are classified as liabilities.

Treasury shares are presented in the balance sheet as a deduction from equity, and the acquisition of treasury shares should be presented in the financial statements as a change in equity.

5. Accounting estimates and judgements

5.1 Estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Impairment assessment of investments

The carrying amounts of the Company's non-financial assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

The Company estimates value in use by discounting estimated future cash flows from the CGU or asset to its present value using a pre-tax discount rate reflecting a current market assessment of the time value of money and certain risks specific to the asset. Estimated cash flows are based on management's assumptions and business plans which are supported by internal strategies, plans and external information. The estimate of the recoverable amount for an asset or CGU requires significant estimates such as future cash flows and growth, terminal growth and discount rates.

Taxes

The ultimate realization of deferred tax assets is dependent upon future taxable income during the years in which these assets are deductible. A deferred tax asset is recognized to the extent that it is probable that the assets can be recovered based upon the probable timing and level of future taxable income together with future tax planning strategies. The Company regularly assesses all negative and positive evidence to evaluate the recoverability of its deferred tax assets including an evaluation of the nature and the amount of significant tax assets and their carry-forward period, the Company's recent earnings history, forecasts of future earnings and the Company's ability to reasonably forecast sufficient future earnings.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS
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6. Company information

Details of the Company's subsidiaries at the end of the reporting period are as follows:

	Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)	
				2021	2020
1	TechInsights Inc.	Data and information products - technology & intellectual property	Canada	100	100
2	TechInsights Korea Co. Limited	Provides sales and marketing services	Korea	100	100
3	TechInsights Europe Limited	Provides sales and marketing services	United Kingdom	100	100
4	TechInsights Taiwan Limited	Provides sales and marketing services	Taiwan	100	100
5	TechInsights USA Inc.	Provides sales and marketing services	USA	100	100
6	TechInsights Japan KK	Provides sales and marketing services	Japan	100	100
7	TechInsights Europe Sp zoo	Technical reverse engineering services	Poland	100	100
8	Chipworks Limited	Inactive	Barbados	100	100
9	VLSI [TechInsights Manufacturing Analysis Inc].	Market research analysis	USA	100	NA
10	The Linley Group	Market research analysis	USA	100	NA

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Additional Information:

Subsidiary	Comments
TechInsights Inc. (1)	On January 1, 2018, two inactive entities, TechInsights Canada Inc. (including the Taiwan and Korean Branches) and TLS Microelectronics Inc., amalgamated with TechInsights Inc.
TechInsights Korea Co. Limited (2)	In 2018 the subsidiary changed its legal name from Chipworks Korea Co. Limited to TechInsights Korea Co. Limited.
TechInsights Europe Limited (3)	In 2018 the subsidiary changed its legal name from Chipworks Europe Limited to TechInsights Europe Limited.
TechInsights USA Inc. (5)	On August 31, 2018, management completed the dissolution of Chipworks USA Holdings Inc. and any activity will be continued under TechInsights USA Inc.

Information about holding companies

Name	Relationship	Country
Oakley Capital Private Equity III (Fund III)	Ultimate controlling party	Bermuda
Maple Investco Limited	Parent	Bermuda

Ultimate controlling company

The ultimate controlling party is Oakley Capital Private Equity III (Fund III).

Maple Investco Limited

Parent company to Maple Bidco Limited. It is a holding company registered in the Bermuda on 4 May 2017 and its registered address is Mintflower Place, 3rd Floor 8 Par La Ville Road. Hamilton, Bermuda. HM 08.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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7. Other income

The following is an analysis of the Company's revenue for the year from continuing operations:

	31 December 2021 \$000	31 December 2020 \$000
Dividend income from company under common control	<u>6,373</u>	<u>230</u>
	<u>6,373</u>	<u>230</u>

8. Auditors' remuneration and exceptional items

	31 December 2021 \$000	31 December 2020 \$000
Total expenses	<u>-</u>	<u>-</u>

Restructuring costs and acquisition costs (if any) are disclosed separately as exceptional items to better reflect the underlying performance of the Company.

	31 December 2021 \$000	31 December 2020 \$000
Auditors' remuneration		
Audit of these financial assets	-	-
Amounts receivable by the Group's auditor and its associate in respect of:		
• Tax compliance services	-	-
Total remuneration paid to Auditor and its affiliates	<u>-</u>	<u>-</u>

In 2021, auditor remuneration fees were charged at the shareholder level.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS
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9. Net financing expense

Recognised in profit or loss

	Note	31 December 2021 \$000	31 December 2020 \$000
Net financing expense			
Interest expense loan notes	16	<u>(1,070)</u>	<u>(1,836)</u>
Net financing expense recognised in profit or loss		<u>(1,070)</u>	<u>(1,836)</u>

10. Directors' emoluments

None of the directors were paid by the Company during the period (2020: \$nil)

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11. Tax expense

11.1 Income tax recognised in profit or loss

	31 December 2021 \$000	31 December 2020 \$000
Current tax		
Current tax on profits for the year	(318)	(12)
Adjustments in respect of prior years	-	-
	(318)	(12)
Total current tax	(318)	(12)
Tax credit/(expense)	(318)	(12)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	31 December 2021 \$000	31 December 2020 \$000
Profit for the year	4,985	(1,618)
Income tax expense	318	12
	5,303	(1,606)
Profit before income taxes	5,303	(1,606)
Tax using the Company's domestic tax rate of 19% (2020: 19%)	1,008	(305)
Adjustments to tax charge in respect of prior periods	-	-
Non-taxable expenses/(income)	(374)	142
Change in temporary differences not recognized	102	194
Losses surrendered to other companies within tax group for nil consideration	(1,211)	5
Other taxes	793	(24)
	318	12
Total tax expense	318	12

Changes in tax rates and factors affecting the future tax charges

The UK government has enacted legislation in 2021 providing that the rate of corporation tax will increase to 25%, effective from 1 April 2023 for companies with profits of over GBP 250,000 per year. From that date, the small profits rate will remain at 19% for companies with profits of less than GBP50,000 per year. Companies with profits between the two thresholds will receive marginal relief so that they pay a blended rate between 19% and 25%. These limits are divided by one plus the number of associates if a company has associated companies (subsidiaries or fellow subsidiaries), regardless of whether they are in or outside the United Kingdom. If an accounting period does not coincide with the financial year, the profits for the accounting period are time-apportioned and the appropriate rate is applied to each part.

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12. Investment in subsidiaries

	2021 \$000	2020 \$000
Cost		
At 1 January	24,664	24,664
As at 31 December	24,664	24,664
Carrying amount		
At 1 January	24,664	24,768
Deductions	-	(104)
As at 31 December	24,664	24,664

In 2021, the wholly owned subsidiary TechInsights Inc. returned share capital of \$0.0M (2020: \$nil) in exchange for a reduction in carrying value of the Company's investment in TechInsights. The investments were not deemed impaired as of 31 December 2021 (31 December 2020: \$nil).

The investment in subsidiaries relate to the following:

Name	Principal activities	Country of incorporation	% Equity interest	Share class
TechInsights Inc.	Data and information products - technology & intellectual property	Canada	100 %	Ordinary
TechInsights USA Inc.	Provide sales and marketing services	USA	100 %	Ordinary
TechInsights Japan KK	Provide sales and marketing services	Japan	100 %	Ordinary
TechInsights Europe Sp zoo	Provide sales and marketing services	Poland	100 %	Ordinary

Impairment testing

The Company tests each investment in subsidiary for impairment on an annual basis or more frequently if there are indicators of impairment.

As at 31 December 2021, the underlying cash flows expected to be received from each of the subsidiaries are in excess of the carrying amount of the investment, and therefore no impairment is required (2020: \$nil).

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13. Trade and other receivables

	2021	2020
	\$000	\$000
Receivables from related parties (Note 16)	105	104
Total financial assets	105	104
Total Trade and other receivables	-	-
Total trade and other receivables	105	104
Less: current portion - other receivables	-	-
Less: current portion - receivables from related parties	105	104
Total current portion	-	-
Total non-current portion	-	-

The Company does not hold any collateral as security.

14. Trade and other payables

	2021	2020
	\$000	\$000
Payables to related parties (Note 16)	-	26,092
Total financial liabilities	-	26,092
Total current portion	-	-
Total non-current position	-	26,092

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15. Financial instruments - fair values and risk management

15.1 Accounting classifications and fair values

Trade and other receivables, trade and other liabilities and loans and borrowings are measured at amortized cost. Their carrying amount is a reasonable approximation of fair value.

15.2 Financial risk management objectives

Company Management is responsible for the risk management of the treasury activity. Treasury activity is principally concerned with the monitoring of operating liquidity, managing funding requirements related to the resolution of legacy issues and the monitoring and management of the rolling cash flow. The Company and its subsidiaries are governed by financial policies and procedures implemented for the whole of the Company. Information concerning the Company's exposure to foreign currency risk, credit risk, and liquidity risk is set out below.

The Company does not enter into such instruments for speculative purposes and only enters into forward contracts (if any) to manage its foreign exchange risk.

15.3 Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's financing activities (when finance revenue or expenses are denominated in a different currency to the Company's presentation currency) and to the translation of the Company's monetary assets and liabilities at balance sheet date (when monetary assets or liabilities are denominated in a different currency from the Company's presentation currency). As the majority of the Company's transactions are denominated and settled in US dollars there isn't a significant foreign currency risk.

15.4 Credit risk management

Trade and other receivables

Concentration of credit risk with respect to trade and other receivables is limited due to the balance being predominantly comprised of balances with related parties. These balances are managed in accordance with the Company's established policy, procedures and controls relating to related party balances. All balances are monitored and regularly reviewed for recoverability; with impairment recorded where recovery is not probable. The maximum credit risk relating to these balances is equal to their carrying amounts as set out above.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Expected credit losses at 31 December 2021 is \$nil (2020: \$nil).

15.5 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Company Management evaluates the Company's actual and expected cash flows on a monthly basis to ensure that the Company continues as a going concern. The loan maturity profile, based on contractual undiscounted cash flows, of the Company is disclosed below.

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Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Carrying amount \$000	Total \$000	1-3 months \$000	3-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
31 December 2021	-	-	-	-	-	-	-
31 December 2020							
Trade payables and other liabilities (including principal and interest)	26,092	36,942	-	1,878	2,013	33,051	-
	26,092	36,942	-	1,878	2,013	33,051	-

15.6 Fair value measurements

The fair value of trade and other receivables, trade and other liabilities and loans and borrowings approximates their carrying amount due to the relatively short-term maturities of these instruments.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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16. Related party transactions

Balances and transactions between the Company and its related parties are disclosed below.

16.1 Loans to related parties

There were no loans to related parties during 2021 (2020:\$nil).

16.2 Loans from related parties

	Principal at 1 Jan	Loans received	Interest payable	Interest repayments	Principal repayments	FX gain (loss)	Interest at 31 Dec	Principal at 31 Dec	2021 \$000s
TechInsights Inc. (a)	(26,092)	-	(1,070)	1,070	26,092	-	-	-	
Maple Bidco Limited	-	26,092	-	-	(26,092)	-	-	-	
Total payables	(26,092)	26,092	(1,070)	1,070	-	-	-	-	

	Principal at 1 Jan	Loans received	Interest payable	Interest repayments	Principal repayments	FX gain (loss)	Interest at 31 Dec	Principal at 31 Dec	2020 \$000s
TechInsights Inc. (a)	(24,258)	-	(1,834)	-	-	-	(1,834)	(26,092)	
Total payables	(24,258)	-	(1,834)	-	-	-	(1,834)	(26,092)	

(a) On 10 October 2018, the Company issued USD \$21,997,954 Unsecured Loan Notes 2025 ("Initial Issue") to TechInsights Inc. These loans are repayable on 31 December 2025. Interest is charged at the LIBOR reference rate for each "Interest Period", plus 6.1%. The "Interest Period" means the period from and including the date of this Instrument up to and including 12 January 2019 and thereafter the period from and including 13 January 2019 up to and including 31 December 2019 and thereafter the date falling 12 months after 31 December 2019 and each period of 12 months thereafter.

The Initial Issue forms part of a programme of loan notes to be issued by the Company up to a potential total principal amount (including the Initial Issue) of USD \$31,997,954. These Loan Notes are listed on the BSX.

The Company novated the upstream loan of \$26.09M and interest payable of \$1.07M from its subsidiary TechInsights Inc. to Maple Bidco Limited in exchange for an intercompany loan. Following the novation, Maple Bidco Limited partially waived \$2.5M of the intercompany loan. The Company issued 24,662,105 A Ordinary common shares of \$1.00 each to Maple Bidco Limited to extinguish the balance intercompany loan payable.

During the year TechInsights Holdco, transferred 100% of its shares in the Company to Maple Bidco Ltd. at book value which was the fair value.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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16.3 Transactions with key management personnel

Key management personnel are comprised of people who served as directors of the Company during the period. There were no transactions or emoluments to the directors of the Company (2020: \$nil).

16.4 Other related party transactions

Related party relationship	Type of transaction	Transaction amount		Balance owed	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
TechInsights Inc.	Other	105	104	105	104
		<u>105</u>	<u>104</u>	<u>105</u>	<u>104</u>

The sales to and purchases from related parties above are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at 31 December 2021 are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the years ended 31 December 2021 and 2020, no impairment charge was recognized relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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17. Capital management

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

In order to achieve these overall objectives, the Company's capital management, amongst other things, aims to ensure that it meets covenants and obligations attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has honoured its obligations related to its interest bearing loans and borrowings in the current year.

Management assess the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables, less cash.

	Note	2021 \$000	2020 \$000
Trade and other payables	14	-	26,092
Net debt		-	26,092
Share capital	18	24,663	1
Capital contribution	19	2,500	-
Foreign currency translation reserve	19	343	343
Retained earning/(deficit)	19	(2,737)	(1,668)
Capital		24,769	(1,324)
Capital and net debt		24,769	24,768
Gearing ratio		- %	105 %

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18. Share capital

Authorised

	Number	2021 \$000	Number	2020 \$000
Shares treated as equity				
Ordinary shares at £0.00001 each	100,000,000	1	100,000,000	1
A Ordinary shares of \$1 each	858,758	859	858,758	859
	<u>100,858,758</u>	<u>860</u>	<u>100,858,758</u>	<u>860</u>

Issued and fully paid

	Number	2021 \$000	Number	2020 \$000
Ordinary shares at £0.00001 each				
At 1 January	23,600,000	1	100,000,000	1
Capital Reduction	-	(1)	(76,400,000)	-
At 31 December	<u>23,600,000</u>	<u>-</u>	<u>23,600,000</u>	<u>1</u>
A Ordinary shares of \$1 each				
At 1 January	1	-	458,758	459
Shares issued	24,662,105	24,663	-	-
Capital Reduction	-	-	(458,757)	(459)
At 31 December	<u>24,662,106</u>	<u>24,663</u>	<u>1</u>	<u>-</u>

During the period, the Company issued 24,66,105 Ordinary shares for \$24.6M [2020: purchased 76,400,000 Ordinary shares and 458,757 'A' Ordinary shares from a former shareholder for cash consideration of \$0.45M.]

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

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19. Reserves

Foreign currency translation reserve

	\$000
At at 1 January 2020	343
Balance at 31 December 2020	343
Balance at 31 December 2021	343

The foreign currency translation reserve reflects the impacts of the Company changing its functional and presentation currency from a prior year following a change in the ultimate owner of the Company and the repayment of outstanding intragroup balances on 24 May 2017.

Capital Contribution

	\$000
At at 1 January 2020	-
Balance at 31 December 2020	-
Capital contribution	2,500
Balance at 31 December 2021	2,500

During the year, Maple Bidco Limited, the Company's immediate parent company partially waived a debt of \$2.5M payable by the Company. This has been recognised as capital contribution as it is a transaction with the shareholder of the Company.

Retained earnings

	\$000
As at 1 January 2020	(397)
Dividends paid to parent company	(112)
Capital reduction (a)	459
Loss for the year	(1,618)
Balance at 31 December 2020	(1,668)
Dividends paid to parent company	(6,054)
Loss for the year	4,985
Balance at 31 December 2021	(2,737)

(a) In October 2018 and October 2019 the Company carried out a capital reduction process in order to convert its share capital and/or share premium and merger reserves to distributable reserves.