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Årsredovisning

Optimizely AB

Organisationsnummer: 556208-3435
Räkenskapsår: 2024-01-01 - 2024-12-31

Styrelsen avger följande årsredovisning.

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Om inte annat särskilt anges, redovisas alla belopp i tusental svenska kronor. Uppgifter inom parentes avser föregående år.

Företagets säte: Stockholm

Fastställelseintyg

Jag intygar att resultaträkningen och balansräkningen har fastställts på årsstämma den 30 juni 2025.

Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Jag intygar att innehållet i dessa handlingar överensstämmer med originalen och att originalen undertecknats av samtliga personer som enligt lag ska underteckna dessa.

Myles Anthony Johnson
Styrelseledamot
2025-06-30

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Förvaltningsberättelse

Verksamheten

Viktiga förhållanden och väsentliga händelser

Verksamhetens art och inriktning

Optimizely AB tillhandahåller branschens ledande digitala upplevelse plattform, som kombinerar innehåll, e-handel och marknadsföring med patenterad AI-driven experimentering, personalisering och kunddatahantering. Mer än 10 000 företag världen över använder Optimizelys lösningar för att leverera över 1 miljard digitala upplevelser varje dag.

Försäljningen sker genom en kombination av direktförsäljning och marknadsföringsaktiviteter i Nordamerika, Europa, Asien Stillahavsområdet, Mellanöstern och Australien, tillsammans med ett omfattande nätverk av mer än 700 lösnings orienterade partners i över 30 länder. Tjänsten Digital Experience Platform riktar sig till både digitalt mogna organisationer med storskaliga kundbaser som vill driva kontinuerliga experiment och optimering av sina digitala upplevelser, såväl som medelstora organisationer som vill komma igång snabbt med mindre digitala upplevelser och utnyttja AI att skala snabbare. Optimizelys lösningar köps främst som ett enda abonnemang och levereras genom molnet via Software-as-a-Service ('SaaS').

Optimizelys kärnstrategi kretsar kring att hantera fragmenteringen av MarTech-stacken, en utmaning som har eskalerat när marknaden expanderade från hundratals till tusentals företag under det senaste decenniet. Denna fragmentering har ökat ägandekostnaderna, minskat teknologianslutningen och lett till ojämn prestanda för marknadstekniken. Genom strategiska förvärv strävar Optimizely efter att konsolidera och förbättra effektiviteten hos marknadsteknologierna, med betoning på innehållets kritiska roll i digitala upplevelser. Optimizelys strategi förenar kreativitet med datadrivna beslut genom experimentering och optimering, vilket möjliggör för marknadsförare att förutse resultat med större noggrannhet.

Uppgift om ägare som har mer än tio procent av antalet andelar eller röster i företaget

Ägarförhållanden:
Svenska moderföretaget är Optimizely Sweden Holdings AB, 559172-2904, säte Stockholm. Moderföretaget i koncernen är sedan den 12 november 2019 Epsilon Group New Holdings Ltd, 130265, säte i Jersey.

Övriga viktiga förhållanden och väsentliga händelser

Bolaget är ett moderföretag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning. Övergripande koncernredovisning upprättas av Epsilon Group Holdings Ltd, 127388, säte i Jersey som är moderföretag till Optimizely ABs moderföretag Optimizely Sweden Holdings AB, 559172-2904, säte i Stockholm.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Baserat på Optimizelys ABs starka finansiella utveckling, bolagets ledande position på marknaden och den skalbara affärsmodellen, där försäljning sker direkt via partners, förväntas bolaget att fortsätta växa starkt även framgent.

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Forskning och utveckling

Produktutveckling är avgörande för företag inom webbpubliceringsbranschen. Optimizelys primära programvaruutveckling hanteras i Stockholm av utvecklingsteam som för närvarande består av cirka 45 heltidsanställda. Dessutom finns ett utvecklingsteam och testteam i Vietnam bestående av över 100 heltidsanställda i Optimizely ABs dotterbolag Optimizely Vietnam. Produktchefer ansvarar för vissa av Optimizelys produkter och beslutar, tillsammans med teamen, om releasedatum, produktspecifikationer med mera.

Hållbarhetsrapport

I enlighet med ÅRL 6 kap 11§ har Optimizely valt att upprätta hållbarhetsrapporten för 2024 som en från årsredovisningen avskild rapport. Hållbarhetsrapporten har överlämnats till revisorn samtidigt som årsredovisningen. Hållbarhetsrapporten finns tillgänglig på: https://www.optimizely.com/company/esg/ och är godkänd av styrelsen per 13:e juni 2025.

Flerårsöversikt

	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Nettoomsättning (tkr)	1 294 891	1 133 347	948 631	883 107
Rörelseresultat (tkr)	140 535	168 139	165 769	189 127
Resultat efter finansiella poster (tkr)	223 141	197 929	286 020	254 829
Rörelsemarginal (%)	10,9	14,8	17,5	21,6
Avkastning på totalt kapital (%)	14,6	14,2	8,8	18,6
Avkastning på eget kapital (%)	97,4	57,7	87,5	98,6
Balansomslutning (tkr)	1 649 242	1 391 024	3 263 343	1 378 394
Soliditet (%)	13,9	24,7	10,0	18,8
Medelantal anställda	140	143	147	142

Nyckeltalsdefinitioner

Rörelsemarginal (%)

Rörelseresultat i procent av omsättning

Avkastning på totalt kapital (%)

Resultat efter finansiella poster plus räntekostnader och valutaeffekt i procent av balansomslutning

Avkastning på eget kapital (%)

Nettoresultat före bokslutsdispositioner i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt)

Soliditet (%)

Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

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Förändringar i eget kapital

	Aktie-kapital	Reservfond	Balanserat resultat	Årets resultat	Summa
Belopp vid årets ingång	**3 000**	**600**	**328 227**	**11 157**	**342 984**
Balanseras i ny räkning			11 157	-11 157	**0**
Erhållna aktieägartillskott			2 347		**2 347**
Årets resultat				-115 859	**-115 859**
Belopp vid årets utgång	**3 000**	**600**	**341 731**	**-115 859**	**229 472**

Resultatdisposition

Till årsstämmans förfogande står följande medel (kr):

Balanserat resultat	341 730 885
Årets resultat	-115 859 163
Summa	**225 871 722**

Styrelsen föreslår att medlen disponeras enligt följande (kr):

Balanseras i ny räkning	225 871 722
Summa	**225 871 722**

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Resultaträkning

	Not	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Rörelseintäkter, lagerförändringar m.m.			
Nettoomsättning	3	1 294 891	1 133 347
Övriga rörelseintäkter		138 772	115 096
Summa rörelseintäkter, lagerförändringar m.m.		**1 433 663**	**1 248 443**
Rörelsekostnader	4		
Råvaror och förnödenheter		-454 958	-392 277
Övriga externa kostnader	5 6	-648 279	-500 626
Personalkostnader	7	-187 954	-185 691
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-1 937	-1 710
Summa rörelsekostnader		**-1 293 128**	**-1 080 304**
Rörelseresultat		**140 535**	**168 139**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		30 665	14 072
Övriga ränteintäkter och liknande resultatposter	8	53 647	15 718
Räntekostnader och liknande resultatposter	9	-1 706	0
Summa resultat från finansiella poster		**82 606**	**29 790**
Resultat efter finansiella poster		**223 141**	**197 929**
Bokslutsdispositioner			
Lämnade koncernbidrag		-339 000	-186 772
Summa bokslutsdispositioner		**-339 000**	**-186 772**
Resultat före skatt		**-115 859**	**11 157**
Skatt på årets resultat	10	0	0
Årets resultat		**-115 859**	**11 157**

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Balansräkning

	Not	2024-12-31	2023-12-31
TILLGÅNGAR	1		
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	11	2 711	2 522
Summa materiella anläggningstillgångar		**2 711**	**2 522**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	12	241 397	241 384
Summa finansiella anläggningstillgångar		**241 397**	**241 384**
Summa anläggningstillgångar		**244 108**	**243 906**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		262 396	241 572
Fordringar hos koncernföretag		1 028 900	746 992
Aktuell skattefordran		6 645	3 396
Övriga fordringar		721	29 300
Förutbetalda kostnader och upplupna intäkter	13	71 307	106 567
Summa kortfristiga fordringar		**1 369 969**	**1 127 827**
Kassa och bank			
Kassa och bank		35 165	19 291
Summa kassa och bank		**35 165**	**19 291**
Summa omsättningstillgångar		**1 405 134**	**1 147 118**
SUMMA TILLGÅNGAR		**1 649 242**	**1 391 024**

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Balansräkning

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER	1		
Eget kapital	14		
Bundet eget kapital			
Aktiekapital	15	3 000	3 000
Reservfond		600	600
Summa bundet eget kapital		**3 600**	**3 600**
Fritt eget kapital			
Balanserat resultat		341 731	328 227
Årets resultat		-115 859	11 157
Summa fritt eget kapital		**225 872**	**339 384**
Summa eget kapital		**229 472**	**342 984**
Kortfristiga skulder			
Leverantörsskulder		57 350	59 913
Skulder till koncernföretag		636 548	413 680
Övriga skulder		7 294	11 006
Upplupna kostnader och förutbetalda intäkter	16	718 578	563 441
Summa kortfristiga skulder		**1 419 770**	**1 048 040**
SUMMA EGET KAPITAL OCH SKULDER	17	**1 649 242**	**1 391 024**

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Kassaflödesanalys

	Not	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Den löpande verksamheten			
Rörelseresultat		140 535	168 139
Justering för poster som inte ingår i kassaflödet	18	4 284	6 773
Kursdifferenser		51 941	15 718
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**196 760**	**190 630**
Kassaflöde från förändringar i rörelsekapital			
Ökning/minskning av rörelsefordringar		-242 155	1 851 900
Ökning/minskning av rörelseskulder		32 730	-2 061 239
Kassaflöde från den löpande verksamheten		**-12 665**	**-18 709**
Investeringsverksamheten			
Förvärv av materiella anläggningstillgångar		-2 126	-1 253
Kassaflöde från investeringsverksamheten		**-2 126**	**-1 253**
Finansieringsverksamheten			
Erhållen utdelning från koncernföretag		30 665	0
Kassaflöde från finansieringsverksamheten		**30 665**	**0**
Årets kassaflöde		**15 874**	**-19 962**
Likvida medel vid årets början		**19 291**	**39 253**
Likvida medel vid årets slut		35 165	19 291

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Noter

Not 1. Redovisnings- och värderingsprinciper

Redovisnings- och värderingsprinciper

Årsredovisningen upprättas med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). Principerna är oförändrade sedan föregående år.

Följande värderings- och omräkningsprinciper är tillämpade i årsredovisningen:

Omräkning till redovisningsvaluta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Intäkter

Intäkterna (nettoomsättning) omfattar främst intäkter från:

- Licensförsäljning
- Subscriptionlicenser
- Cloud/Saas (Software as a Service)
- Expert service och Utbildning

Intäktsredovisning – Licensförsäljning

Försäljning av licenser för programvaror intäktsförs när beställning föreligger och leverans av licensnyckel har fullgjorts. Försäljning av abonnemangsavtal tillhörande licensen periodiseras ut på 12 månader från startdatum. Vid förnyelse av avtalet sker ny periodisering på 12 månader.
Optimizelys licensförsäljning sker till övervägande del genom partnernätverk. Intäkterna redovisas netto av de rabatter som partners har rätt till. I enstaka fall sker försäljning direkt till slutkund, och då redovisas förmedlingskommissionen till partners som direkt kostnad.

Intäktsredovisning – Subscriptionlicenser

Subscriptionlicenser är en hybridprodukt som leverar en licens tillsammans med en abonnemangstjänst över en överenskommen period. Intäkterna allokeras till licens- och abonnemangselementen. Intäkterna relaterade till licensnyckeln intäktförs när leverans fullgjorts och abonnemangsdelen intäktförs linjärt över abonnemangsperioden.

Intäktsredovisning – Cloud/Saas intäkter

Intäkter relaterade till drifttjänster (Cloud) faktureras månadsvis, kvartalsvis eller årligen, och kontraktstiden kan variera från ett år till fem år. Intäkterna redovisas i den månad under vilken tjänsterna har utförts. Vid kvartals- och årsfakturering periodiseras intäkterna över den period som tjänsterna avser. Startavgiften intäktsredovisas i den månad som drifttjänsterna börjar levereras. I Saas-modellen köper kunden rätten att använda Software, hosting, abonnemang och support genom en abonnemangskostnad.

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Intäktsredovisning – Expert Service och Utbildningsintäkter

Professionella tjänster och utbildningstjänster består av mjukvaruimplementeringstjänster och utbildningstjänster applicerbara på alla våra produkter. Våra professionella tjänster involverar generellt inte modifiering av licensmjukvara utan snarare assistans vid kunders anpassning av vår mjukvara för deras specifika affärsprocesser. Utbildningstjänster består av att utforma utbildningslösningar relaterade till kunders användning av vår licensierade mjukvara. Dessa tjänster faktureras på tids- och materiell basis eller som en fast kostnad. Generellt säljs implementation och konsulttjänster på tids- och materiell basis. Utbildningstjänster faktureras som fast kostnad. Abonnemangsutbildning erbjuds också, och kunder kan använda utbildningstjänster över kontraktsperioden. Här intäktförs intäkten jämt över kontraktsperioden. Intäkten från professionella tjänsterna intäktförs när tjänsten utförs till kontrakterade summan på tids- och material basis eller på en procentuellt uppfylld basis över tiden för kontraktet.

Ersättningar till anställda

Ersättningar till anställda i form av löner, bonus, betald semester, betald sjukfrånvaro mm samt pensioner redovisas i takt med intjänandet. Beträffande pensioner och andra ersättningar efter avslutad anställning klassificeras dessa som avgiftsbestämda pensionsplaner. Det finns inga långfristiga ersättningar till anställda eller ersättningar efter avslutad anställning. Koncernen har optionsprogram för ledande befattningshavare.

För avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företag, normalt ett försäkringsföretag, och har ingen förpliktelse att betala ytterligare avgifter. Företagets resultat belastas för kostnader i takt med att förmånerna intjänas, vilket normalt sammanfaller med tidpunkten för när premier erläggs.

Skatter

Periodens skattekostnad eller skatteintäkt består av aktuell och uppskjuten skatt. Aktuell skatt är den skatt som beräknas på det skattepliktiga resultatet för en period. Uppskjuten skatt beräknas utifrån den s.k. balansansatsen, vilket innebär att en jämförelse görs mellan redovisade och skattemässiga värden på bolagets tillgångar respektive skulder. Skillnaden mellan dessa värden multipliceras med aktuell skattesats, vilket ger beloppet för den uppskjutna skattefordringen/-skulden. Uppskjutna skattefordringar redovisas i balansräkningen i den omfattning det är sannolikt att beloppen kan utnyttjas mot framtida skattepliktiga resultat.

Leasing

Samtliga leasingavtal redovisas som operationella leasingavtal, vilket innebär att leasingavgiften fördelas linjärt över leasingperioden.

Redovisningsprinciper immateriella anläggningstillgångar

Optimizely använder kostnadsföringsmodellen gällande internt utvecklingsarbete och därmed kostnadsförs alla utvecklings-kostnader hänförliga till egenupparbetade immateriella anläggningstillgångar. De immateriella anläggningstillgångar som kapitaliseras avser tillgångar anskaffade genom separata förvärv.

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- Redovisningsprinciper för avskrivningar materiella anläggningstillgångar

Anläggningstillgångarna är redovisade till anskaffningskostnad med avdrag för planmässiga avskrivningar baserade på en bedömning av tillgångarnas ekonomiska livslängd.

- Tillämpade avskrivningstider:

Inventarier, verktyg och installationer	3-5 år
Övriga materiella anläggningstillgångar	3 år

Skillnaden mellan avskrivningar enligt plan och bokförda avskrivningar är redovisade som bokslutsdisposition.

Nedskrivningar av anläggningstillgångar

Vid varje balansdag analyserar företaget de redovisade värdena för materiella anläggningstillgångar och immateriella tillgångar för att fastställa om det finns någon indikation på att dessa tillgångar har minskat i värde. Om så är fallet, beräknas tillgångens återvinningsvärde för att kunna fastställa värdet av en eventuell nedskrivning. Om återvinningsvärdet för en tillgång fastställs till ett lägre värde än redovisat värde, skrivs det redovisade värdet på tillgången ned till återvinningsvärdet. Vid varje balansdag gör företaget en bedömning om den tidigare nedskrivningen inte längre är motiverad. Om så är fallet, återförs nedskrivningen delvis eller helt. En återföring av nedskrivningen redovisas direkt i resultaträkningen.

Andelar i koncernföretag, intresseföretag, gemensamt styrda företag och företag som det finns ägarintresse i

Andelar i dotterföretag redovisas i enlighet med kapitel 9 BFNAR 2012:1 (4 kap. 3 § första stycket Årsredovisningslagen). Aktieägartillskott redovisas enligt kapitel 6 BFNAR 2012:1. Lämnade aktieägartillskott redovisas som en ökning av andelens redovisade värde. Återbetalning av lämnat tillskott redovisas som en minskning av andelens redovisade värde. Nedskrivning av värdet på andelar i dotterföretag sker enligt 4 kap. 5 § första, andra och fjärde styckena Årsredovisningslagen via resultat räkningen om det kan antas att värdenegången är bestående. Andelar i intresseföretag redovisas i enlighet med kapitel 14 BFNAR 2012:1 (4 kap. 3 a § Årsredovisningslagen). Aktieägartillskott redovisas enligt kapitel 6 BFNAR 2012:1. Lämnade aktieägartillskott redovisas som en ökning av andelens redovisade värde. Återbetalning av lämnat tillskott redovisas som en minskning av andelens redovisade värde. Nedskrivning av värdet på andelar i intresseföretag sker enligt 4 kap. 5 § första, andra och fjärde styckena Årsredovisningslagen via resultaträkningen om det kan antas att värdenedgången är bestående.

Koncernbidrag och aktieägartillskott

Erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition.

Finansiella instrument

Finansiella tillgångar och skulder redovisas i enlighet kapitel 11 (Finansiella instrument värderade utifrån anskaffnlngsvärdet) i BFNAR2012:1.

Redovisning i och borttagning från balansräkningen

En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentetsavtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller reglerats. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförs till annan part och företaget inte längre har kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

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Värdering av finansiella tillgångar
Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som beräknas inflyta.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärdet med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar:

- Räntebärande finansiella tillgångar värderas enligt upplupet anskaffningsvärde med tillämpning av effektivräntemetoden.

- Andelar i dotterföretag, intresseföretag och gemensamt styrda företag redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Värdering av finansiella skulder
Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivräntemetoden.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod i enlighet med K3. Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar.

Not 2. Väsentliga händelser efter räkenskapsårets slut
Inga väsentliga händelser har skett efter 2024.

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Not 3. Nettoomsättningens fördelning

Nettoomsättning per verksamhetsgren

	2024-12-31	2023-12-31
Cloud-intäkter	1 046 667	881 594
Licensförsäljning	121 107	122 769
Subscription-licenser	51 310	51 760
Expert service och utbildningsintäkter	75 807	77 224
Summa	**1 294 891**	**1 133 347**

Nettoomsättning per geografisk marknad

	2024-12-31	2023-12-31
Norden	707 603	670 744
UK	375 760	279 443
Kontinentala Europa	131 980	121 986
Amerika	35 942	30 394
Övriga världen	43 606	30 780
Summa	**1 294 891**	**1 133 347**

Not 4. Inköp och försäljning mellan koncernföretag

	2024-12-31	2023-12-31
Årets försäljning till koncernföretag (%)	9,7	9,2
Årets inköp från koncernföretag (%)	49,2	47,0
Årets försäljning till koncernföretag	138 772	115 096
Årets inköp från koncernföretag	482 204	368 018

Not 5. Arvode till revisorer

	2024-12-31	2023-12-31
Öhrlings PricewaterhouseCoopers AB		
Revisionsuppdrag	1 761	1 395
Delsumma	**1 761**	**1 395**
Summa	**1 761**	**1 395**

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Not 6. Leasingavtal

	2024-12-31	2023-12-31
Operationell leasing - leasetagare		
Räkenskapsårets kostnadsförda leasingavgifter	11 600	11 717
Framtida minimileaseavgifter - Inom ett år	7 200	10 461
Summa	**7 200**	**10 461**

Not 7. Personal

	2024-12-31	2023-12-31
Medelantalet anställda		
Män	99	98
Kvinnor	41	45
Medelantalet anställda	**140**	**143**

	2024-12-31	2023-12-31
Styrelseledamöter		
Män	3	3
Antal styrelseledamöter	**3**	**3**

	2024-12-31	2023-12-31
Löner och andra ersättningar		
Styrelsen och verkställande direktören	2 334	4 750
Övriga anställda	124 757	123 197
Summa	**127 091**	**127 947**

Sociala kostnader inklusive pensionskostnader

	2024-12-31	2023-12-31
Pensionskostnader		
Övriga anställda	15 967	15 233
Summa pensionskostnader	**15 967**	**15 233**
Övriga sociala avgifter enligt lag och avtal	44 896	42 511
Summa	**60 863**	**57 744**

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Not 8. Övriga ränteintäkter och liknande resultatposter exkl. nedskrivningar

	2024-12-31	2023-12-31
Ränteintäkter och liknande resultatposter avseende koncernföretag	0	14 512
Ränteintäkter avseende andra företag än koncernföretag	661	1 206
Kursdifferenser	52 986	0
Summa	**53 647**	**15 718**

Not 9. Räntekostnader och liknande resultatposter

	2024-12-31	2023-12-31
Räntekostnader och liknande resultatposter som avser skulder till koncernföretag	-1 706	0
Summa	**-1 706**	**0**

Not 10. Skatt på årets resultat

	2024-12-31	2023-12-31
Aktuell skatt	0	0
Summa	**0**	**0**

	2024-12-31	2023-12-31
Avstämning av effektiv skattesats		
Resultat före skatt	-115 859	11 157
Gällande skattesats (%)	20,6	20,6
Skatt enligt gällande skattesats	-23 867	2 298
Väsentlig post som har påverkat sambandet mellan räkenskapsårets skattekostnad/intäkt		
Skatteeffekt av ej avdragsgilla kostnader	1 023	1 266
Skatteeffekt av ej skattepliktiga intäkter	-86	-3 564
Uppkjuten skatt på underskott 2024	22 930	0
Redovisad effektiv skatt	**0**	**0**
Redovisad effektiv skatt i procent (%)	20,6	20,6

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Not 11. Inventarier, verktyg och installationer

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	12 197	10 944
Inköp	2 126	1 253
Utgående anskaffningsvärden	**14 323**	**12 197**
Ingående avskrivningar	-9 675	-7 965
Årets avskrivningar	-1 937	-1 710
Utgående avskrivningar	**-11 612**	**-9 675**
Redovisat värde	**2 711**	**2 522**

Not 12. Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	241 384	241 071
Lämnade aktieägartillskott	13	313
Utgående anskaffningsvärden	**241 397**	**241 384**
Redovisat värde	**241 397**	**241 384**

Företagets namn	Org.nr.	Säte	Antal andelar	Eget kapital (tkr)	Kapital-andel (%)	Rösträtts-andel (%)	Redovisat värde (tkr)
Optimizely GmbH	HRB88738	Berlin, Tyskland	25 000	32 798	100,0	100,0	239 641
Optimizely R&D Co. Ltd	106218905	Hanoi, Vietnam	1	10 251	100,0	100,0	1 756

Not 13. Förutbetalda kostnader och upplupna intäkter

	2024-12-31	2023-12-31
Förutbetalda hyreskostnader	6 043	5 015
Upplupna intäkter	4 154	4 750
Förutbetalda referral fees	8 957	8 189
Förutbetalda datakostnader	41 254	83 832
Övriga poster	10 899	4 781
Summa	**71 307**	**106 567**

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Not 14. Förslag till resultatdisposition

Till årsstämmans förfogande står följande medel (kr):

Balanserat resultat	341 730 885
Årets resultat	-115 859 163
Summa	**225 871 722**

Styrelsen föreslår att medlen disponeras enligt följande (kr):

Balanseras i ny räkning	225 871 722
Summa	**225 871 722**

Not 15. Upplysningar om aktiekapital m.m.

	2024-12-31	2023-12-31
Kvotvärde per aktieslag	1 000,00	1 000,00
Antal aktier	3 000	3 000

Not 16. Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna löner	4 842	5 175
Upplupna semesterlöner	21 394	19 345
Upplupna sociala avgifter	15 908	11 445
Förutbetalda intäkter	616 259	483 492
Övriga poster	20 740	16 218
Upplupna datakostnader	39 435	27 766
Summa	**718 578**	**563 441**

Not 17. Ställda säkerheter och eventualförpliktelser

Optimizely AB står som garantör för moderbolaget Optimizely Sweden Holdings AB lån på 2 418 141 TKR.

Not 18. Justering för poster som inte ingår i kassaflödet m.m.

	2024-12-31	2023-12-31
Avskrivningar och nedskrivningar	1 937	1 710
Aktierelaterad ersättning	2 347	5 063
Summa	**4 284**	**6 773**

Stockholm 27:e juni 2025

Myles Anthony Johnson
Styrelseordförande

Alexander Atzberger
styrelseledamot

Christopher John Joshua Bayliss
styrelseledamot

Vår revisionsberättelse har lämnats den 30 juni 2025

Öhrlings PricewaterhouseCoopers AB

Valentyn Zhuravel
Auktoriserad revisor

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Revisionsberättelse

Till bolagsstämman i Optimizely AB, org.nr 556208-3435

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Optimizely AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Optimizely ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Optimizely AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Optimizely AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Annan information än årsredovisningen

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Optimizely AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Optimizely AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

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Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Det är styrelsen som har ansvaret för att upprätta en hållbarhetsrapport och för att den är upprättad i enlighet med årsredovisningslagen i enlighet med den äldre lydelsen som gällde före den 1 juli 2024.

Vår granskning har skett enligt FAR:s uttalande RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av den lagstadgade hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Hållbarhetsrapporten för koncernen har upprättats, men granskningsberättelsen för koncernen har inte offentliggjorts.

Stockholm den 30 juni 2025

Öhrlings PricewaterhouseCoopers AB

Valentyn Zhuravel
Auktoriserad revisor

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Epsilon Group New Holdings Limited

Annual Report and Financial Statements
For the year ended 31 December 2024

Company number: 130265

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Epsilon Group New Holdings Limited

Country of incorporation of parent company: Jersey
Legal form: Epsilon Group New Holdings Limited is a private limited company
Registered office: PO Box 536, 13 - 14 Esplanade, St. Helier, JE4 5UR, Jersey

Directors
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Alex Atzberger
Ryan Hinkle
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United States of America

Company Secretary
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Docusign Envelope ID: 9A3A0757-9439-4270-842B-63CC6DCBD55A

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Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2024. This Strategic Report has been prepared for Epsilon Group New Holdings Limited and its subsidiaries (the 'Group') as a whole and therefore gives greater emphasis to those matters which are significant to the Group when viewed as a whole.

Review of the business activities

Epsilon Group New Holdings Limited ('Epsilon') is a holding company incorporated in Jersey on 12 November 2019. It is the parent company of Epsilon US Holdings Inc and Epsilon Sweden Holdings AB which were established to acquire the Episerver Group operations from Endeavour Acquisition UK Limited on 9 October 2018. There has been no change in the ultimate controlling party, Insight Venture Partners X LP (Insight Partners). Optimizely is the generic name for the whole Group of companies and the brand name under which the Group trades and operates.

Optimizely delivers an AI-powered Digital Experience Platform (DXP) that unifies content management, commerce, personalization, experimentation, and customer data into a cohesive solution. More than 10,000 businesses worldwide use Optimizely's solutions to deliver more than 1 billion digital experiences every day.

Sales are made through a combination of direct sales and marketing activities across North America, Europe, APJ and MEA; alongside an extensive network of more than 700 solution partners in over 30 countries. The Digital Experience Platform service is targeted at both digitally mature enterprise organizations with large-scale customer bases looking to drive continuous experimentation and optimization of their digital experiences, as well as mid-market organizations looking to get started quickly with AI-powered workflows and modular capabilities. Optimizely's solutions are primarily purchased as a single subscription and delivered through the cloud via Software-as-a-Service ('SaaS').

Optimizely's core strategy revolves around addressing the fragmentation of the MarTech stack, a challenge that has escalated as the market expanded from hundreds to thousands of companies over the last decade. In 2024, this strategy was accelerated by integrating acquired technologies and investing heavily in native AI tools. By consolidating essential capabilities - from content management and experimentation to commerce and data - Optimizely enables marketers to operate more efficiently, automate decisions, and personalize experiences at scale.

In 2023, Optimizely One launched as a fully integrated operating system for modern marketing teams. Optimizely One brings together all core capabilities into a cohesive platform, enabling organizations to reduce complexity, improve agility, and scale experimentation across channels. By integrating leading assets in their categories onto a single platform, Optimizely One enables marketers to drive revenue growth and operational efficiency, significantly reducing TCO (Total Cost of Ownership) and improving ROI (Return on Investment).

At the heart of this platform is Optimizely Opal, a new AI assistant designed to support marketers throughout the entire lifecycle - from planning and ideation to execution and analysis - streamlining workflows and enhancing productivity. With advanced features like real-time personalization, predictive analytics, and automated content generation, Optimizely enables businesses to create tailored digital experiences that resonate with individual users.

This AI-led approach has already driven sustained growth through multi-product adoption, as evidenced by the higher average sales price (ASP) and better retention rates among customers who leverage several Optimizely solutions. Together with Optimizely One, clients are empowered to tailor their MarTech stack to their specific needs while benefiting from the efficiency and effectiveness of a unified platform. This not only enhances customer satisfaction and loyalty but also significantly expands Optimizely's addressable market within each client organization, tapping into the "whitespace" of unmet needs and opportunities for further penetration. As Optimizely continues to evolve and expand its product offerings, the emphasis on multi-product adoption is expected to drive both customer success and Optimizely's long-term growth. The Directors are pleased with the early success of Optimizely One and believe the Group is in a good position to achieve its growth strategy and to build on the achievements delivered in 2024.

Optimizely continues to expand its capabilities through strategic acquisitions, product innovations, and enhancements in customer experience. The acquisition of NetSpring in October 2024 added real-time analytics and AI-powered insights to the platform, extending the value of the customer data layer and reinforcing Optimizely's position as a leader in intelligent marketing systems.

Optimizely combines stability and scalability of commercial products with proactive guidance and support through its dedicated customer success teams, in-person and online training & certification, and active online community with more than 40,000 developer members. Its investments in AI, integration, and automation in 2024 represent a step change in how marketing teams plan, deliver, and optimize their digital strategies.

Business review

The Group's key performance indicators (KPIs) and growth measures are as follows:

KPIs	Year ended 2024 $000	Year ended 2023 $000
Revenue	413,813	394,879
Recurring revenue (note 5)	377,794	354,983
Gross profit	294,150	272,580
Administration expenses (excluding exceptional items of $17.0m (2023: $11.3m)	252,574	223,991
Adjusted EBITDA before exceptional items and foreign exchange gain/(loss) [1]	103,736	102,329
Net debt as at 31 December 2024 (2023: excluding preference shares of $262.2m) [2]	946,768	600,005

[1] A reconciliation from Gross Profit, the most directly comparable IFRS measure, to Adjusted EBITDA before exceptional items and foreign exchange gain/(loss) is shown on page 2.

[2] A reconciliation from total loans and borrowings, the most directly comparable IFRS measure, to Net Debt is shown on page 33.

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Strategic Report continued

Business review continued

The Directors are pleased with the continued growth and the financial results and believe the Group is in a good position to accelerate that growth and drive continued success in the future.

The Group's revenues are primarily recurring in nature and consist of software delivered through a cloud based service. Recurring revenue from maintenance and support services form a small and decreasing share of revenue following the discontinuation of the sale of perpetual licences during 2019. This gives the Group increased visibility and certainty over future revenue. The KPIs above show this continued recurring revenue growth from 2023 to 2024. For detail on revenue see note 5 to these financial statements. The gross margin improved slightly in the current year at 71% (2023: 69%).

The Group made a loss before tax of $82.3m (2023: $62.9m). This includes finance costs of $108.6m (2023: $100.6m) and exceptional costs of $17.0m (2023: $11.3m). Further information regarding exceptional costs can be found in note 7 to these financial statements.

Exceptional items (Note 7) of $17,001,000 (2023: $11,309,000) within administrative expenses relate to:

- $4,927,000 of acquisition related costs (2023: $1,176,000).
- $2,733,000 of costs relating to one off restructuring projects, other refinancing costs and some of the aged costs being written off (2023: $2,475,000).
- $2,908,000 of costs relating to system implementations and transformation projects (2023: $3,696,000).
- $470,000 of costs relating to Tax Services (2023: $2,270,000).
- $2,176,000 of costs relating to Onerous Contracts (2023: $1,692,000).

A reconciliation from Gross Profit, the most directly comparable IFRS measure, to Adjusted EBITDA before exceptional items and foreign exchange gain/(loss) is shown below:

	Year ended 31 December 2024 $000	Year ended 31 December 2023 $000
Gross profit	294,150	272,580
Less administrative expenses excluding exceptional items	(252,574)	(223,991)
Add depreciation and amortisation	56,860	54,844
Add other income	335	138
Add foreign exchange gain/(loss)	4,965	(1,242)
Adjusted EBITDA before exceptional items and foreign exchange gain/(loss)	103,736	102,329

A reconciliation from total revenue, the most directly comparable International Financial Reporting Standards (IFRS) measure, to recurring revenue is shown in Note 5.

Adjusted EBITDA removes exceptional expenses to reflect earnings from the underlying trading of the Group. This measure is used for assessing management remuneration and forms part of bank covenant calculations.

Future Developments

The Group will continue to invest in significant research and development in order to ensure that the products and software are kept at the leading edge of their market in order to allow the customers to derive significant benefits from their deployment.

The Directors will continue to look for acquisitions that are complementary to the Group's product portfolio or that would allow geographic or industry expansion.

Dividends

Prior to the refinancing of the company debt in October 2024, dividends were accrued on the preference shares up to the date of settlement. For the year ended 31 December 2024 $28.9m (2023: $30.8m) has been recorded as a finance charge. All preference shares were redeemed as part of the refinancing.

On 19 December 2024, the Group distributed a dividend of $0.8 per share to all "A" Ordinary and certain "B" Ordinary shareholders. The total amount distributed was $73.1m (2023: $nil) and the Directors do not recommend the payment of a final dividend.

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Principal risks and uncertainties

The principal risks facing the Group are the retention of skilled employees, evolving global regulatory and geopolitical environments, and the financial risks explained below.

The business must maintain a high level of technical expertise within its staff. The risk is mitigated by trying to maintain low staff turnover through investment in training and ensuring staff compensation and benefits are commensurate with the markets in the locations where employed.

The Group must continue to offer products at the forefront of its technology and mitigate this risk by continuing investment in research and development.

Regulatory risk

As AI becomes increasingly embedded in the Group's product suite, the Group is also monitoring emerging AI regulatory frameworks, including the EU AI Act and similar developments in North America and APJ, to ensure compliance and promote responsible AI development.

Regulation of data collection, data security and user privacy continue to evolve globally, which may impact the ability to collect data and optimize the performance of digital experiences. The Directors and management are confident that the impacts of data regulation are manageable by the Group, and given Optimizely's software relies on the use of 1st party collected rather than 3rd party collected user data, Optimizely aligns positively to the market direction of consent-driven digital experiences.

Geopolitical risk

Geopolitical risk is also an increasing consideration. With operations and customers across North America, Europe, APJ, and MEA, the Group monitors geopolitical developments that may impact cross-border data flows, cloud service availability, regional compliance requirements, or customer buying cycles. Trade and tariff risk, while limited due to the Group's digital delivery model, is monitored in light of evolving policies affecting the export of cloud-based services and digital platforms. The Group maintains operational flexibility to adapt to such regulatory changes.

Security risk

Cybersecurity and critical infrastructure risk is an ongoing priority, as threats from state-sponsored or sophisticated threat actors continue to rise. The Group actively invests in security controls, internal governance, and incident response capabilities to mitigate the risk of disruption or compromise to customer-facing services.

In addition to the specific risks above, the impact of inflation and rising interest rates globally may impact the discretionary spend of customers and management will continue to monitor it closely.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Directors operate a credit approval policy that seeks to prevent shipment of software to resellers or customers whose accounts are high risk. Credit control regularly reports to management and reviews are undertaken to ensure risks are minimised. The majority of bank deposits are held with BNP Paribas, Silicon Valley Bank, and Swedbank.

Currency risk

The Group is exposed to currency risk with 35% (2023: 31%) of revenues being generated in currencies other than USD. The Group monitors monetary policy divergence and FX volatility across key markets, and aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred. Therefore the Group's exposure has not been subject to any hedging.

Liquidity risk

The Group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs. The Group has sufficient cash reserves to meet its liabilities when they become due.

Interest rate cash flow risk

Optimizely has exposure to interest rate cash flow risk. Loan interest is subject to risk in movement of the SONIA, SOFR and Eurocurrency rates. Cash deposits earn interest at a variable rate.

Approved by the Board and signed on its behalf by:

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Alex Atzberger
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Alex Atzberger
Chief Executive Officer
Epsilon Group New Holdings Limited
23 May 2025

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Directors' Report

The Directors present their annual report together with the audited financial statements and auditors' report for Epsilon Group New Holdings Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024.

The preparation of financial statements is in compliance with IFRS. The Group financial statements consolidate the financial statements of the Company and its subsidiaries. The parent company financial statements present information about the Company as a separate entity and not about its Group.

Principal activities

Epsilon Group New Holdings Limited (Epsilon) is a holding company. It is the parent company of Epsilon Group Holdings Limited which was established to acquire the Episerver Group operations in October 2018. On 27 January 2021, Episerver rebranded to Optimizely, following its acquisition of the business on 19 October 2020.

Optimizely provides the industry's leading digital experience optimization platform, in the form of Optimizely One, which includes AI-powered personalization and experimentation, which encompasses A/B testing, multivariate testing, and server-side testing.

A detailed review of the business activities of the Group is contained in the Strategic Report.

Business review and future developments

The review of the year's operations, future developments and key risks is contained in the Strategic Report.

Directors

The Directors who held office during the financial year and up to the date of this report are set out below:

Adam Berger
Alex Atzberger
Ryan Hinkle
Donna Wilczek
Boris Treskunov

Directors' indemnities

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

Post balance sheet events

No event occurred after the reporting period that provides further evidence of the conditions that existed at the end of the reporting period.

Research and development activities

Optimizely continues to invest in research and development and is focused on developing the existing product portfolio together with additional functionality that will complement and expand the product offering.

The total expenditure in the year was $57.2m (2023: $56.2m) before capitalisation of $8.5m (2023: $11.7m) and amortisation of capitalised development costs of $4.2m (2023: $3.1m). The capitalised portion of the total expenditure was incurred on product development and enhancement.

Financial risk management

Details of financial risk management are provided in the strategic report in these financial statements.

Political and charitable contributions

The Group made charitable contributions of $0.02m (2023: $0.13m) and no political contributions during the year (2023: $nil).

Group policy on employment of disabled persons

Through its diversity policy, the Group seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their responsibilities.

The Group's policies and procedures fully support it's disabled colleagues. Optimizely takes active measures to do so via a robust reasonable adjustment policy and processes to ensure colleagues are fully supported.

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The Group is responsive to the needs of its employees. As such, should any employee of the Group become disabled during their tenure, Optimizely will actively retrain that employee and make reasonable adjustments to their environment where possible, in order to keep the employee with the Group. It is the policy of the Group that the recruitment, placement, promotion, termination, retirement, layoff, transfer, discipline, benefits, leaves of absence, compensation, and training of disabled persons should, as far as possible, be identical to that of other employees.

Employee engagement

The Group recognises the importance of engaging with its employees and therefore strives to maintain a dialogue between management and the workforce. Employees are encouraged to share their feedback on a regular basis. Regular employee engagement surveys generate feedback on employees' level of motivation, involvement and commitment and findings are reported to the board. Management regularly communicates with the employees through a range of formal and informal channels, including via emails from the Chief Executive Officer and other senior executives, webcasts, townhalls and team meetings.

Environmental matters

Although the Group's principal activity has minimal environmental impact, the board believes that good environmental practices support the broader strategy of enhancing the reputation of the Group as well as positively impacting staff morale and the customer experience.

The Group is committed to minimising carbon and other greenhouse gases emitted from the operations of the business. The Group seeks to encourage energy and waste saving initiatives wherever possible whilst ensuring delivery of the highest quality of care in the communities that the Group serves.

Optimizely's core value is improving the state of the world for all its stakeholders, including investors, customers, partners, employees, community, environment and society. As part of Optimizely's commitment to environmental sustainability, the Group is dedicated to achieving carbon neutral cloud by implementing comprehensive emission reduction strategies, and reductions in carbon footprint, adoption of renewable energy solutions, and robust carbon offset initiatives, to achieve it's goal of 100 percent renewable energy for global operations by 2028. Furthermore, Optimizely has taken the lead in human capital management efforts to promote equality across four pivotal domains: equitable rights, fair compensation, accessible education and ample opportunities. Optimizely also believes comparable and consistent disclosures on climate related risks and opportunities are important. The Group is working to align with the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) and of the Sustainability Accounting Standard's Board (SASB).

Going Concern

The Directors have considered the going concern basis of preparation of these financial statements and concluded it to be appropriate on the basis that the Company and the consolidated Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this report.

At the balance sheet date, the Group has a significant cash balance of $60.4m which is supported by net cash inflows from operations of $111.2m in 2024, representing a high cash conversion rate on $103.7m of Adjusted EBITDA in 2024. At the balance sheet date, the Group had net assets of $166.1m, and although the Group has net current liabilities of $65.8m this includes $188.5m of deferred revenue which does not present a cash liability to the Group. Adjusted to exclude deferred revenue the Group has net current assets of $122.7m.

While the Group does have significant debt on the balance sheet, leading to a gearing ratio of 85%, none of these debts fall due during the assessment period. Furthermore, the Board is confident that, based on the ongoing adjusted EBITDA profitability and continued growth of the Group, refinancing could be secured well in advance of any repayment date. There are covenants associated with the debt but both historically and in the Board approved forecast there is significant covenant headroom in all periods.

The Directors believe, based on Board approved forecasts, that the Group will continue to have the financial and operating means to meet its liabilities, including its debt covenants, for a period of at least 12 months from the date of this report. The Group has historically experienced strong revenue growth which is forecasted to continue. In preparing the forecasts management considered a number of severe downside scenarios driven by external global factors and inflationary price pressures resulting in potential impacts such as declines to bookings, deterioration of cash collection and the resulting impact on the Group's covenants obligations. At the conclusion of this exercise, the Directors were satisfied that there were reasonable mitigations available within management's control, including cost savings initiatives, to ensure the Group maintains sufficient headroom on covenants over the forecast period.

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Directors' Report continued

Based on these forecasts, the nature of the products and services offered by the Group, and market position enjoyed by the Group the Directors believe that revenue and cash inflows will continue to grow in future.

In conclusion, based on the assessment summarised above, the Directors consider that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of these financial statements. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Statement of disclosure to the auditors

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Statement of directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. However, the directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

DocuSigned by:
Alex Atzberger
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Alex Atzberger
Chief Executive Officer
23 May 2025

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Independent auditors' report to the members of Epsilon Group New Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Epsilon Group New Holdings Limited's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the Company financial statements have been properly prepared in accordance with FRS 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Consolidated and Company Statement of Financial Position as at 31 December 2024; Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated and Company Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

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Reporting on other information

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

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

Strategic Report and the Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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Report on the audit of the financial statements Continued

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies (Jersey) Law, 1991 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate accounting entries to manipulate financial results, specifically revenue and EBITDA and/or misappropriation of assets, specifically cash. Audit procedures performed by the engagement team included:

- Held discussions with management, including inquiries of known or suspected instances of non-compliance with laws and regulations and/or fraud;
- Evaluated the design effectiveness of management's control activities designed to prevent and detect irregularities;
- Reviewed meeting minutes of the board of directors for consideration of known or suspected instances of non-compliance with laws and regulations and/or fraud;
- Challenged assumptions and judgements made by management in their significant accounting estimates and material judgements and assessed the business rationale for significant contracts and transactions entered. This included and evaluation of whether there was evidence of management bias that represented a risk of material misstatement due to fraud;
- Identified and tested journal entries based on our risk assessment;
- Incorporated elements of unpredictability into our audit procedures; and
- Reviewed the disclosures in the Annual Report against the specific legal requirements.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Company, or returns proper for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns. We have no exceptions to report arising from this responsibility.

Alex Upton
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
Watford
23 May 2025

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

	Note	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Revenue	5	413,813	394,879
Cost of sales		(119,663)	(122,299)
Gross profit		**294,150**	**272,580**
Other income	6	335	138
Administrative expenses (including depreciation and amortisation)		(252,574)	(223,991)
Exceptional items	7	(17,001)	(11,309)
Profit from operations	8	24,910	37,418
Finance income	10	1,411	223
Finance expense	10	(108,608)	(100,584)
Finance expense analysed as:			
Finance expense on loans and borrowings	10	(79,694)	(69,834)
Finance expense on 12.5% preference shares dividends	10	(28,914)	(30,750)
Total finance expense		**(108,608)**	**(100,584)**
Loss before taxation		**(82,287)**	**(62,943)**
Income tax credit	11	791	1,357
Loss for the period attributable to equity holders of the parent company		**(81,496)**	**(61,586)**
Total other comprehensive (expense)/income:			
Exchange (loss)/gain arising on the translation of foreign subsidiaries that will not be reclassified subsequently to (loss)/gain		(24,211)	12,716
Total comprehensive loss attributable to equity holders of the parent company		**(105,707)**	**(48,870)**

The results reflected above relate to continuing activities.

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

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Consolidated Statement of Financial Position
As at 31 December 2024

	Note	31 December 2024 $'000	31 December 2023 Restated* $'000
Non-current assets			
Property, plant and equipment	12	3,775	4,642
Intangible assets	13	371,440	414,422
Goodwill	13	864,858	881,482
Right-of-use assets	14	2,762	5,529
Other receivables	15	23,543	24,591
Total non-current assets		**1,266,378**	**1,330,666**
Current assets			
Trade and other receivables	15	116,561	130,622
Current tax receivable		7,219	10,406
Cash and cash equivalents	17	60,388	21,784
Total current assets		**184,168**	**162,812**
Total assets		**1,450,546**	**1,493,478**
Current liabilities			
Trade and other payables	18	237,312	228,464
Lease liabilities	14	1,585	2,938
Current tax payable		5,441	6,486
Loans and borrowings	19	5,656	6,687
Total current liabilities		**249,994**	**244,575**
Net current liabilities		**(65,826)**	**(81,763)**
Non-current liabilities			
Trade and other payables	18	1,548	239
Lease liabilities	14	2,290	3,975
Loans and borrowings	19	1,002,012	879,702
Deferred tax liabilities	20*	28,602	39,673
Provisions	21	5	125
Total non-current liabilities		**1,034,457**	**923,714**
Total liabilities		**1,284,451**	**1,168,289**
Net assets		**166,095**	**325,189**
Issued capital and reserves attributable to owners of parents			
Share capital	22	9,142	8,853
Share premium	22	231,600	219,017
Merger reserve	25	673,086	673,086
Foreign exchange reserve	25	(77,588)	(53,377)
Share based payment reserve	25	20,051	13,170
Accumulated losses	25	(690,196)	(535,560)
Total equity		**166,095**	**325,189**

* See note 20 for details regarding a presentational restatement of comparatives in respect of deferred tax.

The financial statements were approved and authorised for issue by the Board of Directors on 23 May 2025 and were signed on its behalf by:

DocuSigned by:
Alex Atzberger
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Alex Atzberger
Chief Executive Officer
Company Registration Number: 130265
The accompanying notes are an integral part of these financial statements.

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Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Note	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Operating activities			
Loss before taxation		(82,287)	(62,943)
Adjusted by:			
Amortisation of intangible assets	13	51,025	49,277
Depreciation on property, plant and equipment	12	2,772	2,882
Depreciation of right-of-use assets	14	3,063	2,685
Amortisation of contract costs	16	9,717	11,116
Finance income	10	(1,411)	(223)
Finance expense	10	108,608	100,584
Decrease in loss allowance provision	15	(1,155)	(3,638)
(Decrease)/increase in other provisions	21	(120)	125
Loss on disposal of property, plant and equipment	12	83	195
Share based payment expense		6,986	247
Foreign exchange loss/(gain)	8	4,965	(1,242)
Operating profit before working capital changes		**102,246**	**99,065**
Decrease/(increase) in trade and other receivables		17,989	(18,823)
Increase in trade and other payables		7,791	20,109
Payments for contract costs		(12,215)	(12,977)
Cash generated from operations		**115,811**	**87,374**
Income tax paid		(4,653)	(7,630)
Net cash generated from operating activities		**111,158**	**79,744**
Investing activities			
Purchase of property, plant and equipment	12	(2,173)	(2,190)
Acquisition of subsidiaries, net of cash acquired	24	(16,905)	-
Investment in intangible assets	13	(8,476)	(11,764)
Interest received		1,411	223
Net cash used in investing activities		**(26,143)**	**(13,731)**
Financing activities			
Proceeds from loans and borrowings		1,054,172	-
Transaction costs related to loans and borrowings		(13,849)	-
Payment of principal on bank loans		(647,748)	(6,565)
Payment of preferred equity facility		(291,066)	-
Payment of interest on bank loans		(72,905)	(65,886)
Repayment of capital element of finance lease		-	(118)
Payments for lease obligation liabilities	14	(3,726)	(5,255)
Proceeds on issue of shares		7,260	164
Dividends paid to owners of the parent		(73,140)	-
Net cash used in financing activities		**(41,002)**	**(77,660)**
Net increase/(decrease) in cash and cash equivalents		**44,013**	**(11,647)**
Cash and cash equivalents at beginning of period		**21,784**	**32,269**
Effect of foreign exchange translation on cash and equivalents		(5,409)	1,162
Cash and cash equivalents at end of period		**60,388**	**21,784**

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Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital $'000	Share premium $'000	Merger reserve $'000	Foreign exchange reserve $'000	Share based payment reserve $'000	Accumulated losses $'000	Total $'000
Equity as at 1 January 2023	**8,849**	**218,857**	**673,086**	**(66,093)**	**12,923**	**(473,974)**	**373,648**
Loss for the year	-	-	-	-	-	(61,586)	(61,586)
Exchange gain arising on the translation of foreign subsidiaries	-	-	-	12,716	-	-	12,716
Total comprehensive expense	**-**	**-**	**-**	**12,716**	**-**	**(61,586)**	**(48,870)**
Issue of share capital (note 22)	4	160	-	-	-	-	164
Credit to equity for equity-settled share-based payments	-	-	-	-	247	-	247
Equity as at 31 December 2023	**8,853**	**219,017**	**673,086**	**(53,377)**	**13,170**	**(535,560)**	**325,189**
Equity as at 1 January 2024	**8,853**	**219,017**	**673,086**	**(53,377)**	**13,170**	**(535,560)**	**325,189**
Loss for the year	-	-	-	-	-	(81,496)	(81,496)
Exchange loss arising on the translation of foreign subsidiaries	-	-	-	(24,211)	-	-	(24,211)
Total comprehensive expense	**-**	**-**	**-**	**(24,211)**	**-**	**(81,496)**	**(105,707)**
Issue of share capital (note 22)	289	12,583	-	-	(105)	-	12,767
Credit to equity for equity-settled share-based payments	-	-	-	-	6,986	-	6,986
Dividends provided for or paid	-	-	-	-	-	(73,140)	(73,140)
Equity as at 31 December 2024	**9,142**	**231,600**	**673,086**	**(77,588)**	**20,051**	**(690,196)**	**166,095**

Note 25 describes the nature and purpose of each reserve within equity.

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Notes to the consolidated financial statements

1 General information

Epsilon Group New Holdings Limited (the "Company") is a company limited by shares incorporated and registered in Jersey. Its ultimate controlling party is Insight Venture Partners X LP (Insight Partners). The address of the Company's registered office is shown after the title page. The Company was incorporated on 12 November 2019 as the immediate parent entity and holding company of Epsilon Group Holdings Limited ("Epsilon") with 100% of the shares. Under the common control approach, the financial statements of the Company and Epsilon are consolidated, and the comparative period results are presented retrospectively.

The principal activities of the Company and its subsidiaries (the 'Group') and the nature of the Group's operations are set out in the Strategic Report on page 1.

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in US Dollar ($), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

2 Accounting policies

a. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except as noted in the following accounting policies. The accounting policies have been consistently applied to the periods presented, unless otherwise stated. These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the IASB.

The preparation of financial statements in compliance with adopted IFRSs requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are 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 translated 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.

The Group financial statements consolidate the financial statements of the Company and its subsidiaries. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

Separate financial statements are not required for the parent Company under IAS 27 as the Company has not elected to account for its investments in subsidiaries, joint ventures and associates either at cost, in accordance with IFRS 9 Financial Instruments, or using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. Under Article 105(11) of the Companies (Jersey) Law 1991, the Directors of a holding company need not prepare separate financial statements if consolidated financial statements for the Company are prepared, unless required to do so by the member of the Company by ordinary resolution. The members of the Company had not passed a resolution requiring separate financial statements and in the Directors' opinion, the Company meets the definition of a holding Company. As permitted by law, the Company's board of Directors have elected not to prepare full set of separate financial statements for the Company and excluded statement of Profit and Loss and Cash flow statements from separate financial statements.

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Notes to the consolidated financial statements continued

New and amended standards that are effective for the current year

In the current year, the Group has applied the below standards and amendments that are effective for annual periods that begin on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 16 Leases

Amendments to IAS 1 Presentation of Financial Statements

New standards, interpretations and amendments not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not yet effective:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expense into five categories in the statement of profit or loss - operating, investing, financing, discontinued operations and income tax categories. Entities are required to present a newly defined operating profit subtotal.
- Operating profit subtotal is required to be used as a starting point for the statement of cash flows when presenting operating cash flows under indirect method.
- Management-defined performance measures are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to Group information in the financial statements.

Management is currently assessing the impact of the new standard, particularly with respect to the structure of the Group's consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for management-defined performance measures.

Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7)

The amendments are effective for annual periods beginning on or after 1 January 2026. The Group does not expect the amendments to have a material impact on the financial statements in future periods.

b. Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity.

Intercompany transactions, balances and unrealised gains and losses (where they do not provide evidence of impairment of the asset transferred) on transactions between Group companies are eliminated.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities, and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss from the date on which control is obtained.

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With the acquisition of Epsilon Group Holdings Limited by Epsilon Group New Holdings Limited on 12 November 2019, management has applied the requirements of FRS 101 to determine that this occurred under common control given the combining businesses are ultimately controlled by the same party both before and after the business combination. The requirements of FRS 101 were applied as the most relevant authoritative guidance in the UK given transactions under common control are scoped out of IFRS 3 Business Combinations. The resulting impact on the consolidated financial statements is to present results retrospectively in the comparative period and the shares issued by Epsilon Group New Holdings Limited as if the transaction had occurred at the beginning of the earliest reporting period presented.

c. Going concern

The Directors have considered the going concern basis of preparation of these financial statements and concluded it to be appropriate on the basis that the Company and the consolidated Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this report.

At the balance sheet date, the Group has a significant cash balance of $60.4m which is supported by net cash inflows from operations of $111.2m in 2024, representing a high cash conversion rate on $103.7m of Adjusted EBITDA in 2024. At the balance sheet date, the Group had net assets of $166.1m, and although the Group has net current liabilities of $65.8m this includes $188.5m of deferred revenue which does not present a cash liability to the Group. Adjusted to exclude deferred revenue the Group has net current assets of $122.7m.

While the Group does have significant debt on the balance sheet, leading to a gearing ratio of 85%, none of these debts fall due during the assessment period. Furthermore, the Board is confident that, based on the ongoing Adjusted EBITDA profitability and continued growth of the Group, refinancing could be secured well in advance of any repayment date. There are covenants associated with the debt but both historically and in the Board approved forecast there is significant covenant headroom in all periods.

The Directors believe, based on Board approved forecasts, that the Group will continue to have the financial and operating means to meet its liabilities, including its debt covenants, for a period of at least 12 months from the date of this report. The Group has historically experienced strong revenue growth which is forecast to continue. In preparing the forecasts management considered a number of severe downside scenarios driven by external global factors and inflationary price pressures resulting in potential impacts such as declines to bookings, deterioration of cash collection and the resulting impact on the Group's covenants obligations. At the conclusion of this exercise, the Directors were satisfied that there were reasonable mitigations available within management's control, including cost savings initiatives, to ensure the Group maintains sufficient headroom on covenants over the forecast period.

Based on these forecasts, the nature of the products and services offered by the Group, and market position enjoyed by the Group the Directors believe that revenue and cash inflows will continue to grow in future.

In conclusion, based on the assessment summarised above, the Directors consider that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of these financial statements. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

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Notes to the consolidated financial statements continued

d. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes value added tax, returns, rebates, discounts and amounts collected on behalf of third parties and after eliminating intercompany revenue within the Group. The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Separate performance obligations are identified by the below revenue streams.

Sale of software and related services

1. Software as a Service (SaaS)

Sale of SaaS is for terms that can vary from one to five years. SaaS can then be renewed annually consistent with the terms of the contract. Under the SaaS model, the customer purchases the cost of infrastructure through an arrangement with Amazon and Azure cloud services, the right to use the software, hosting, maintenance and support through a subscription fee.

The performance obligation is satisfied over the contract period and revenue in respect of SaaS subscription fee is recognised on a straight-line basis. This reflects the way customers expect and experience the Group's satisfying of the performance obligation.

2. Software licensing

Sale of software licences (perpetual and term)

Revenue from the sale of software licences is recognised on delivery of the licence key, when there are no performance obligations remaining.

3. Maintenance and support (M&S)

Maintenance and support (M&S) is typically sold for a one-year term when a perpetual or term software licence contract is signed, which can then be renewed annually consistent with the terms of the contract. The performance obligation is to stand ready to provide technical product support and standard software updates, upgrades and enhancements pursuant to the particular service offering. Customers simultaneously receive and consume the benefits of these support services as they are performed.

4. Subscription licences

Subscription licences is a hybrid product that delivers a licence along with maintenance services over a term length. Revenue is allocated to the licence and maintenance elements. The revenue related to the licence is recognised up front when the obligation to deliver the licence key is satisfied and the maintenance element is recognised on a straight-line basis over the contract period.

5. Managed services

Managed services are sold for terms that can vary from one to three years. Under a managed services agreement, the Company provides the required infrastructure and technical support to manage the software of its customers. This involves providing the customer with technical oversight of its websites, ensuring that these sites are available pursuant to the contract terms and conditions. The customer will have already licenced perpetual rights to use the software.

Revenue from managed services fees is recognised on a straight-line basis over the contract period.

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Notes to the consolidated financial statements continued

6. Professional services

Professional services and education services consist of software implementation services and training services applicable to both the on premises and SaaS licensing models. Professional services do not generally involve customising or modifying the licenced software, but rather assisting customer deployment of the software to their specific business processes. Education services provide customers with training solutions relating to the operation of the Company licenced software.

These services are billed on a time and materials or fixed price basis. Generally, implementation and consulting services are sold on a time and materials basis. Training services are billed on a fixed-price basis. Subscription based services, which can be training or professional services, are also available and customers are able to utilise corresponding service over the period of the contract. Customers are provided with on demand access to engineers, e-learning material or instructor led training. Revenue is recognised evenly over the contract period as the customer is able to utilise the resource at any point during that period.

Revenue from professional services is recognised as the service is performed at the rate contracted on a time and materials basis or on a percentage completion basis over the life of the contract.

7. Hosting services

The Company provides hosting services to the customer in the form of hardware and connectivity infrastructure where the customer can deploy the Company licenced software through an arrangement with Amazon and Azure cloud services where the customer maintains ownership of the licenced software.

Revenue from hosting services is recognised on a straight-line basis over the contract period.

8. Multiple element arrangements

When a sales contract contains multiple elements, such as a perpetual software licence and M&S, each element is treated as a single performance obligation, and is allocated a selling price using the residual method. Under the residual method, the fair value of the delivered elements is recognised as revenue according to the revenue recognition criteria for that element. The remaining portion of the contract fee is allocated to the undelivered elements and deferred and recognised on a straight-line basis over the contract period.

Fair value is based on its vendor specific objective evidence ("VSOE") if available, third party evidence ("TPE") if VSOE is not available, or best estimated selling price ("BESP") if neither VSOE nor TPE is available.

When customers are offered discounts on multiple-element sales arrangements, the combined discount is allocated to the constituent elements of the arrangement, based upon their relative selling prices.

Deferred income and reimbursement of expenses

Invoices that have been recorded before the services have been performed are recognised as deferred income in the consolidated statement of financial position.

Reimbursement received for out-of-pocket expenses is recorded as revenue with the corresponding costs recorded as cost of revenue.

Incremental costs of obtaining contracts

Incremental costs of obtaining contacts, such as sales commissions, are capitalised and amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates (i.e. over the estimated period of benefit). If the expected amortisation period is one year or less, then the costs are expensed when incurred.

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Notes to the consolidated financial statements continued

e. Employee benefits

(i) Short-term benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group operates several defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Profit or Loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Share based payments

Share based compensation benefits are provided to management and other key employees of the Group via share option plans. The compensation is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Information relating to the plans is set out in note 27 .

f. Exceptional items

The identification of adjusting items is a judgement in terms of which costs or credits are not associated with the underlying trading of the business or otherwise impact the comparability of the Group's results year on year. Adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation and is stated before any charges or credits relating to non-recurring items including impairment and transformational, board approved projects such as restructuring, integration costs and acquisition-related costs. Adjusted EBITDA is a non-statutory reporting measure and, as such, is not presented in the primary financial statements of the Group, however it is an important element of the Group's internal reporting and impacts certain performance-related remuneration costs, as reported in the financial statements.

Note 7 contains further details on exceptional items.

g. Finance costs

Finance costs are charged to the statement of profit or loss over the term of the loans and approximate as if the effective interest method was used so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and amortised over the life of the instrument's term.

h. Foreign currency

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

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Notes to the consolidated financial statements continued

The exchange rates used for translating the consolidated financial statements for the Group's entities at 31 December 2024 are shown in the table below:

	31 December 2024		31 December 2023	
	Financial position – closing rate $	Comprehensive income – average rate $	Financial position – closing rate $	Comprehensive income – average rate $
Swedish Krona	0.09	0.09	0.10	0.09
British £	1.26	1.28	1.28	1.26
Euro	1.04	1.08	1.11	1.09
Danish Krona	0.14	0.15	0.15	0.15
Bangladesh Taka - BDT	0.0083	0.0087	0.0091	0.0091
Australian $	0.62	0.66	0.68	0.67
Singapore $	0.73	0.75	0.76	0.75

Foreign currency translation

a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

b) Group companies

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.

• Income and expenses for each statement of profit or loss are translated at the rate of exchange at the transaction date. Where this is not possible, the average rate for the period is used but only if there is no significant fluctuation in the rate; and

• Share capital, share premium, brought forward earnings are translated using the exchange rates prevailing at the dates of the transactions.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

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Notes to the consolidated financial statements continued

i. IFRS 16 Leases

As a lessee, the Group leases a portfolio of assets including properties, motor vehicles and other equipment. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases.

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

Lease payments included in the measurement of the lease liability comprise :

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentive received. The Group has assessed its right-of-use assets for impairment and has concluded that there is no indication that the right-of-use assets are impaired.

The Group has lease contracts for properties used in its operations. Leases of properties generally have lease terms between two and ten years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. The Group also has certain property leases with lease terms of twelve months or less and leases of other equipment with low-value underlying assets. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following recognition exemptions and practical expedients are expected to be applied:

- application of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- exclusion of low value leases – leases for which the underlying assets is below the Group's capitalisation threshold;
- exclusion of short-term leases – leases with lease term ending within twelve months of the date of initial application.

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Notes to the consolidated financial statements continued

j. Property, plant and equipment

Property, plant and equipment are held under the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Equipment	3 to 10 years
Furniture, fixtures and fittings	3 to 13 years
Purchased software	3 years
Leasehold improvement	shorter of life of lease or estimated useful life
Right-of-use assets	shorter of life of lease or estimated useful life

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss.

k. Intangible Assets

(i) Goodwill

Goodwill is recognised to the extent that it arises through a business combination. It represents the difference between the cost of the acquisition and the fair value of net identifiable assets and liabilities acquired. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Any contingent consideration payable in shares is classified as 'shares to be issued' in equity and remeasured subsequently through to this account if its not issued yet. When the shares are issued, they will be transferred from 'shares to be issued' to share capital and share premium. Acquisition-related costs are expensed as incurred.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to appropriate cash generating units (those expected to benefit from the business combination). Goodwill is not amortised but is tested annually for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Negative goodwill (bargain purchase) is written back to the statement of profit or loss in the period it is incurred.

(ii) Externally acquired intangible assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset. The cost of such intangible assets is their fair value at the acquisition date. All intangible assets acquired through business combination are amortised over their useful lives.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

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The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of the intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Trademarks	3 to 7 years	Relief from royalty
Non-competition agreement	5 years	With or without method
Customer relationships	14 to 20 years	Excess earnings
Developed technology	5 to 7 years	Relief from royalty

(iii) Research and development

Expenditure on research activities as defined in IFRS is recognised in the statement of profit or loss as an expense as incurred.

Expenditure on internally developed software products and substantial enhancements to existing software product is recognised as intangible assets only when the following criteria are met:

1. it is technically feasible to develop the product to be used or sold;
2. there is an intention to complete and use or sell the product;
3. the Group is able to use or sell the product;
4. use or sale of the product will generate future economic benefits;
5. adequate resources are available to complete the development; and
6. expenditure on the development of the product can be measured reliably.

The capitalised expenditure represents costs directly attributable to the development of the asset from the point at which the above criteria are met up to the point at which the product is ready to use. If the qualifying conditions are not met, such development expenditure is recognised as an expense in the period in which it is incurred.

Amortisation is charged on a straight-line basis over the useful life of the related asset which management estimate to be three years.

l. Impairment testing of intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Those intangible assets including goodwill are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment charge is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

m. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows, bank overdrafts is included.

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n. Taxation

Income tax expense represents the sum of the current tax and deferred tax charge for the year.

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of relevant temporary differences that have originated but not reversed at the balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

• where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and

• in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

• where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects either the accounting profit or loss nor taxable profit or loss; and

• in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

o. Share-based payment

In accordance with IFRS 2 'Share-based payments', the Group reflects the economic cost of awarding shares and share options to employees and Directors by recording an expense in the statement of profit or loss equal to the fair value of the benefit awarded. The expense is recognised in the statement of profit or loss over the vesting period of the award.

Fair value is measured by the use of a Black-Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

An expense is recognised for awards that ultimately vest, as long as the option holder remains in employment with the Group.

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Modifications to share-based payment arrangements are treatesd in accordance with IFRS 2. The Group continues to recognise the services received as consideration for the equity instruments granted, based on the grant-date fair value, unless the modification increases the fair value of the award or is otherwise beneficial to the employee. If a modification increases the fair value of the equity instruments granted (measured immediately before and after the modification), the incremental fair value is recognized over the remaining vesting period in addition to the original grant-date fair value.

p. Financial assets

In accordance with IFRS 9, the Group's financial assets are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, all financial assets are measured at amortised cost. The Group's financial assets are primarily loans, cash and receivables.

Loans and receivables

Short term trade receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

The Group assesses, at each balance sheet date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables; see Note 4 (Credit Risk) for further details.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

q. Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contracts which give rise to them and are classified as financial liabilities at fair value through profit or loss or loans and payables as appropriate.

Loans and payables

The Group's loans and payables comprise all trade and other payables (excluding other taxes and social security costs and deferred income) and loans. Short term payables are measured at the transaction price. Other financial liabilities, including bank loans are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The Group does not have any financial liabilities carried at fair value through profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

r. Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group has several classes of ordinary shares, denominated as $ ordinary shares, as set out in Note 22.

The Company's different classes of ordinary shares are classified as equity instruments.

The Group has issued preference shares that contain contractual obligations meeting the definition of a financial liability under IAS 32.

s. Dividends

Dividend distributions to shareholders are recognised as financial liabilities upon declaration.

t. Events after the reporting date

Any post year end event that provides additional information about the Group's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post year end events that are not adjusting events, if any, are disclosed when material to the financial statements. Details of such events are disclosed in note 28.

3 Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements, the Directors make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

Judgements and accounting estimates and assumptions

The preparation of financial information in conformity to IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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The accounting estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

(a) Amortisation period of capitalised contract costs

Sales commissions are contract costs which are capitalised under IFRS 15 (Note 16). Management has estimated the amortisation period of between three to five years, reflecting the average customer retention period by using the initial customer value life cycle of the products.

(b) Impairment of goodwill and intangible assets

The Group tests goodwill at least annually for impairment, and whenever there is an indication that the asset may be impaired. All other intangible assets and property, plant and equipment are tested for impairment when indicators of impairment exist, no such indicator have been identified in the current year, however the assets are captured within the goodwill assessment when comparing the carrying value of non-current assets against the recoverable amount. The recoverable amount is determined by with reference to the higher of fair value less costs to sell and for future periods, value in use. Value in use is relied upon while making the assessment for impariment and is estimated using discounted future cashflow. Significant assumptions are made in estimating future cashflows about future events including future market conditions, future growth rates and appropriate discount rates. Changes in these assumptions could affect the outcome of impairment reviews. The key assumptions used and the sensitivities in the assessment of the carrying value of the Group's cash generating unit are set out in Note 13.

(c) Impairment of investments and intercompany balances (applies to the Company Financial Statements only).

The Directors have reviewed the carrying value of cost of investments in subsidiaries of the Company with reference to current and future trading conditions. The investments have been reviewed with reference to a valuation based on a discounted free cash flow which the Directors consider to be an appropriate valuation methodology, in conjunction with the goodwill impairment review adjusted to reflect equity value. The key assumptions used and the sensitivities in the assessment of the carrying value of the Company's investments and intercompany balances are set out in Note 13.

(d) Acquisition of subsidiary

The determination of the fair values of assets acquired and liabilities assumed, including intangible assets arising on acquisition, involves significant judgement and estimation. These estimates include future cash flows, discount rates, and assumptions related to market conditions. Changes in these estimates could have a material impact on the amounts recognised in the financial statements, including goodwill. All acquisitions are assessed in accordance with IFRS 3 Business Combinations, and the allocation of the purchase price is finalised within the measurement period.

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4 Financial risk management

General objectives, policies and processes

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group reports in US Dollar. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below and also set out in the Strategic Report.

(i) Financial instruments by category - financial assets and liabilities

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings, finance leases and preference shares.

Trade and other receivables are initially measured at fair value and subsequently at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of profit or loss in the relevant period.

Trade and other payables are measured at book value. The book value of financial assets and liabilities equates to their fair value.

A summary of the financial instruments held by category is provided below:

Financial assets	31 December 2024	31 December 2023
	$'000	$'000
Cash and cash equivalents	60,388	21,784
Trade receivables - due at reporting date	22,650	30,025
Trade receivables - not due at reporting date	63,613	70,735
Gross trade receivables	**86,263**	**100,760**
Less: bad debt provision	(1,899)	(3,054)
Trade receivables - net of provision	**84,364**	**97,706**
Restricted cash	511	2,449
Other receivables	10,789	9,289
Financial assets at amortised cost	**156,052**	**131,228**

Trade receivables principally comprise amounts outstanding for sales to customers and are net of provision for doubtful recoverability. An impairment review of outstanding trade receivables is carried out at the period end and a specific amount provided for.

Financial liabilities

	31 December 2024	31 December 2023
	$'000	$'000
Trade payables	11,236	11,843
Accruals	31,641	31,650
Trade and other payables	**42,877**	**43,493**
Bank loans	1,007,657	624,116
12.5% preference shares	-	262,151
Finance lease and hire purchases	11	122
Loans and borrowings	**1,007,668**	**886,389**
Financial liabilities at amortised cost	**1,050,545**	**929,882**

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Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

Financial instruments not measured at fair value includes all of items above. The carrying value of these items approximates their fair value. The fair values of these items are based on their carrying values and the Directors consider that there were no material differences between the book values and fair values of these items at period-end.

Cash and cash equivalents

Cash and cash equivalents are mainly held in US dollars ($) and Swedish Krona (SEK) with others in Euro (EUR), Australian dollars (AUD) and other currencies for offices based in Asia Pacific region.

The Group's activities expose it to a variety of financial risks, mainly credit risk, interest rate risk, liquidity risk and foreign exchange risk.

Credit risk

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. The Group is mainly exposed to credit risk from credit sales. At 31 December 2024 the Group has net trade receivables of $84.4m (2023: $97.7m).

The Group is exposed to credit risk in respect of these balances such that, if one or more customers encounter financial difficulties, this could materially and adversely affect the Group's financial results. The Group attempts to mitigate by entering contracts with customers with agreed credit terms. In addition, for new customers only, a time-limited licence is offered which will be withdrawn unless payment is received.

Customer credit risk is subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group's exposure to credit risk on its cash and cash equivalents is considered low as the bank accounts are with banks with high credit ratings.

The Group's trade receivables arising from all revenue are subject to the expected credit loss model. While cash and cash equivalents and other contract assets are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The average credit period on sales of goods is 30 days. The expected loss rates are based on the payment profiles of trade receivables over a period of 12 months to 31 December 2024, and the corresponding historical credit losses experienced within these periods. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors affecting the ability of the customers to settle the receivables.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

		Trade receivables – days past due					
	Not past due	**< 30**	**31 - 60**	**61-90**	**91-120**	**>120**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Expected credit loss (ECL) rate	0.7%	0.8%	3.5%	8.4%	15.2%	9.7%	2.2%
Estimated total gross carrying amount at default	63,613	6,712	2,342	2,143	541	10,912	86,263
Lifetime ECL allowance	448	51	82	181	82	1,055	1,899

The amounts shown in the table above represent the Group's maximum assessed disclosure to credit risk at the end of year.

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The reconciliation of the closing loss allowance on trade receivables to the opening loss allowance is shown in Note 15.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 24 months past due (unless specific negotiations in place), whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. The Group's bank borrowings and other borrowings at 31 December 2024 were $1,007.7m (2023: $624.2m). The Group's exposure to interest rate risk on the finance leases is considered low as the outstanding balance at year end is not significant. Further details about the interest rate risk are set out in note 19.

The following table demonstrates the sensitivity to a 1 percent change (lower/higher) to the interest rates of the following borrowings at 31 December 2024 to the profit before tax and net assets for the period:

	Year ended 31 December 2024 Increase/(decrease) of profit before tax and net assets	Year ended 31 December 2023 Increase/(decrease) of profit before tax and net assets
	$'000	$'000
USD-denominated bank borrowings	+/- 4,677	+/- 4,058
GBP-denominated bank borrowings	+/- 634	+/- 540
EUR-denominated bank borrowings	+/- 1,928	+/- 1,781

(ii) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 30 days. The table below analyses the Group's financial liabilities by contractual maturities. All amounts disclosed in the table are the undiscounted contractual cash flows as at 31 December 2024:

31 December 2024	Within 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Trade and other payables and accruals	48,823	-	-	-
Bank loans (secured)	7,659	10,212	30,637	972,734
Finance leases and hire purchases	1,767	766	1,670	122
Total	**58,249**	**10,978**	**32,307**	**972,856**
31 December 2023	Within 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Trade and other payables and accruals	49,171	-	-	-
Bank loans (secured)	6,565	623,820	-	-
Finance leases and hire purchases	3,344	2,851	1,488	202
Total	**59,080**	**626,671**	**1,488**	**202**

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Foreign exchange risk

Functional and presentational currency

Items included in the financial statements are measured using the currencies of the primary economic environment in which the Company and its subsidiaries operate ("the functional currency") which are considered by the Directors to be the Swedish Krona (SEK) and US Dollars ($). The financial statements are presented in US Dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Transactions in the financial statements of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the year end. All differences are taken to the statement of profit or loss.

Foreign exchange risk arises when Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow customers to settle liabilities denominated in the customer's functional currency, being primarily $ or SEK.

The Group is predominantly exposed to currency risk on sales and purchases made from customers and service providers based in the USA and the Euro-zone and Sweden. Sales and purchases from customers, service providers and suppliers are made on a central basis and the risk is monitored centrally. Apart from these particular cash-flows the Group aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

The Group has not entered into any forward exchange contracts for the current period but are looking into this type of derivative for the next financial year to manage its foreign exchange risk.

As at 31 December 2024, the Group's net exposure to foreign exchange risk was as follows for those entities with Pound Sterling, Swedish Krona, Euro and other functional currencies:

As at 31 December 2024	SEK $'000	GBP $'000	EURO $'000	Other Currencies $'000	Total $'000
Trade and other receivables	6,305	7,756	5,455	6,334	25,850
Cash and cash equivalents	1,464	8,600	6,117	7,497	23,678
Trade and other payables	(65,457)	(3,761)	(6,381)	(2,711)	(78,310)
Loans & borrowings	-	(100,410)	(247,831)	-	(348,241)
Financial (liabilities)/assets	**(57,688)**	**(87,815)**	**(242,640)**	**11,120**	**(377,023)**

As at 31 December 2023	SEK $'000	GBP $'000	EURO $'000	Other Currencies $'000	Total $'000
Trade and other receivables	18,417	5,094	3,690	6,745	33,946
Cash and cash equivalents	233	4,210	3,801	5,141	13,385
Trade and other payables	(60,568)	(4,569)	(6,285)	(5,255)	(76,677)
Loans & borrowings	-	(54,275)	(178,472)	-	(232,747)
Financial (liabilities)/assets	**(41,918)**	**(49,540)**	**(177,266)**	**6,631**	**(262,093)**

The impact of 10% movement in foreign exchange rate of $ will result in an increase/(decrease) of profit after tax and financial assets/(liabilities) by $37.7m for 2024 (2023: $26.2m).

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Notes to the consolidated financial statements continued

Capital risk management

The Group's capital is made up of share capital, foreign currency reserve and retained losses.

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- To minimise the cost of capital and attempt to optimise the capital structure, which currently means maintaining equity funding and keeping debt levels to a manageable level.

To meet these objectives, the Group reviews the budgets and forecasts on a quarterly basis to ensure there is sufficient capital to meet the needs of the Group through to profitability and positive cash flow.

On 19 December 2024, the Group distributed a dividend of $0.80 per share to all "A" Ordinary and certain "B" Ordinary shareholders. Dividends paid in cash were $73.14m (2023: $nil).

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources.

Whilst the Group did pay a dividend in 2024 it does not do so regularly, however, it is part of the capital strategy to provide returns for shareholders and benefits for other members in the future. However, the Group is planning growth and it will continue to be important to maintain the Group's credit rating and ability to borrow should acquisition targets become available.

Capital for further development of the Group's activities will, where possible, be achieved by share issues or other finance as appropriate.

The Group also monitors capital on the basis of gearing ratio. The gearing ratio is based on the net debt as a percentage of total capital. The gearing ratios are as follows:

	31 December 2024	31 December 2023
	$'000	$'000
Total interest bearing bank borrowings and finance leases	1,007,667	624,238
12.5% preference shares	-	262,151
Total loans and borrowings	**1,007,667**	**886,389**
Less: cash and cash equivalents (Note 17)	(60,388)	(21,784)
Less: restricted cash (Note 15)	(511)	(2,449)
Net debt	**946,768**	**862,156**
Total equity	166,095	325,189
Total capital	1,112,863	1,187,345
Gearing ratio	85%	73%
Gearing ratio excluding preference shares	85%	51%

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An analysis of changes in net debt is shown below:

	Total Loans and Borrowings $'000	Obligations under finance leases $'000	Less: cash and cash equivalents $'000	Less: restricted cash $'000	Net Debt $'000
At 1 January 2024	**886,267**	**122**	**(21,784)**	**(2,449)**	**862,156**
Cashflow from operations	-	-	(111,158)	-	(111,158)
Movement on restricted cash	-	-	-	1,938	1,938
Cash outflow due to investing activities	-	-	26,143	-	26,143
Foreign exchange movements	(20,035)	-	5,409	-	(14,626)
Proceeds from loans and borrowings	1,054,172	-	(1,054,172)	-	-
Transaction costs related to loans and borrowings	(13,849)	-	13,849	-	-
Cash outflow on principal and interest payments	(1,006,645)	-	1,006,645	-	-
Payment of bank loans of acquired subsidiaries	-	-	4,628	-	4,628
Preference shares dividend accrual	28,914	-	-	-	28,914
Finance expense	78,832	-	446	-	79,278
Movement on finance leases	-	(111)	-	-	(111)
Payments for lease obligation liabilities	-	-	3,726	-	3,726
Dividends paid to owners of the parent	-	-	73,140	-	73,140
Proceeds on issue of ordinary shares	-	-	(7,260)	-	(7,260)
At 31 December 2024	**1,007,656**	**11**	**(60,388)**	**(511)**	**946,767**

	Total Loans and Borrowings $'000	Obligations under finance leases $'000	Less: cash and cash equivalents $'000	Less: restricted cash $'000	Net Debt $'000
At 1 January 2023	**850,177**	**118**	**(32,269)**	**(1,006)**	**817,020**
Cashflow from operations	-	-	(79,744)	-	(79,744)
Movement on restricted cash	-	-	-	(1,443)	(1,443)
Cash outflow due to investing activities	-	-	13,731	-	13,731
Foreign exchange movements	8,487	122	(1,162)	-	7,447
Proceeds from loans and borrowings	-	-	-	-	-
Cash outflow on principal and interest payments	(72,451)	-	72,451	-	-
Preference shares dividend accrual	30,750	-	-	-	30,750
Finance expense	69,304	-	-	-	69,304
Finance leases	-	(118)	5,373	-	5,255
Payment of bank loans of acquired subsidiaries	-	-	-	-	-
Proceeds on issue of ordinary shares	-	-	(164)	-	(164)
At 31 December 2023	**886,267**	**122**	**(21,784)**	**(2,449)**	**862,156**

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Notes to the consolidated financial statements continued

5 Revenue

(a) Revenue by product segment

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Recurring software licence revenue (including maintenance and support)	377,794	354,983
Subscription licence revenue	7,392	6,854
Total recurring revenue	**385,186**	**361,837**
Professional services and training	27,962	32,556
Non-recurring software licence revenue	665	486
Total non-recurring revenue	**28,627**	**33,042**
Total revenue	**413,813**	**394,879**

(b) Geographic segment – secondary basis

The Group operates in five main geographic areas: the Nordic region, United Kingdom and Ireland, Continental Europe, the Americas, and the rest of the world. The following analysis of the Group's revenue is based on the geographic location of customers irrespective of the origin of the goods or services.

Revenue from customers located in:	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
The Americas	223,032	218,746
Nordic region	67,841	65,065
United Kingdom and Ireland	49,964	43,941
Continental Europe	44,133	40,796
Rest of world	28,843	26,331
Total	**413,813**	**394,879**

6 Other income

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Net loss on sale of asset	24	-
Miscellaneous	311	138
Total	**335**	**138**

7 Exceptional items

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Acquisition and integration expenses	4,927	1,176
Refinancing expenses	3,787	-
Restructuring costs	2,733	2,475
System implementation and integration costs	2,908	3,696
Tax services	470	2,270
Onerous contracts	2,176	1,692
Total	**17,001**	**11,309**

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Acquisition expenses of $4.9m relates to acquisition of Netspring and retention bonuses paid to retain key employees from acquired entities together with legacy entity balances and rationalisation. IFRS 3 acquisition accounting requires any acquisition related costs that are not specifically related to issuing debt or an entity's own equity shares to be expensed as incurred.

Refinancing costs of $3.8m relates to professional and legal fees, statutory representation and advisory work related to Group refinancing.

Restructuring costs of $2.7m were incurred in relation to severance payments and related payroll taxes in addition to legal costs related to restructuring.

System implementation of $2.9m were incurred in relation to implementation of new software and costs related to contractors working on different projects.

Onerous contracts costs of $2.2m were incurred in relation to lease contract from which the Group expects no future economic benefit and duplicate software contracts in previously acquired subsidiaries.

Tax services $0.5m incurred are mainly related to voluntary disclosure agreement (VDA) for sales tax purposes, in addition to one-off s382 and s174 tax studies.

These expenses are labelled as exceptional items on the basis that they do not relate to the underlying trading of the Group.

8 Profit/(Loss) from operations

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
The Profit/(Loss) from operations is stated after charging/(crediting):		
Audit fees - Company	419	550
- Company's subsidiaries	556	455
Non-audit fees - tax advisory, compliance and other assurance services	1,529	-
Net decrease in bad debt provision (Note 15)	(1,155)	(3,638)
Staff costs (Note 9)	194,262	185,547
Direct costs including hosting service costs	66,660	64,138
Amortisation of intangible assets included in administrative expenses (Note 13)	51,025	49,277
Research and development expenses (after R&D capitalisation and amortisation)	48,729	44,562
Depreciation of property, plant and equipment (Note 12)	2,772	2,882
Depreciation of right-of-use asset (Note 14)	3,063	2,685
Exceptional items (Note 7)	17,001	11,309
Foreign exchange losses/(gains)	4,965	(1,242)

Research and development expenses exclude $8.5m (2023: $11.7m) of capitalised development costs.

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9 Staff numbers and costs

Staff costs (including directors' emoluments) incurred in the period included in cost of sales and administrative expenses were as follows:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Wages and salaries	163,407	162,818
Social security costs	17,423	16,901
Defined contribution pension cost	6,443	5,616
Share based payment expense	6,989	212
Total	**194,262**	**185,547**

The average number of employees (including directors) during the period was made up as follows:

	31 December 2024 Number	31 December 2023 Number
Management	11	10
Operations and administration	1,532	1,483
Total staff	**1,543**	**1,493**

Key management personnel (comprising directors) compensation was made up as follows:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Salaries	766	556
Defined contribution pension cost	13	8
Short-term benefits	14	15
Share based payments	4,590	203
Total	**5,383**	**782**

Only one director is directly remunerated by the Group. One additional director receives share based compensation. Not other directors received compensation from the Group during the year. Information regarding the highest paid director is as follows:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Salaries	766	556
Defined contribution pension cost	13	8
Short-term benefits	14	15
Share based payments	4,500	79
Total	**5,293**	**658**

All share based payments shown above are IFRS 2 Share Based Payment charges and do not represent cash payments.

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10 Finance income and finance expense

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Bank interest income	1,411	197
Unwinding of interest on lease receivable	-	26
Total	**1,411**	**223**

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Finance expenses		
Interest on bank loans and overdrafts	72,459	65,821
Accretion of interest on lease obligation liability (note 14)	416	530
Dividends on 12.5% preference shares	28,914	30,750
Amortisation of debt issue costs (note 19)	6,373	3,418
Other interest charges	446	65
Total	**108,608**	**100,584**

11 Income tax charge/(credit)

Analysis of the tax credit

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Adjustments in respect of prior years	(3,429)	(304)
Overseas tax	11,575	4,457
Total current tax charge	**8,146**	**4,153**

The standard rate of corporation tax applied to the UK reported profit is 25%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Deferred tax		
Origination and reversal of timing differences	(5,582)	(4,414)
Adjustments in respect of prior years	(5,083)	(987)
Tax rate change relating to future periods	1,728	(109)
Total deferred tax credit	**(8,937)**	**(5,510)**
Total tax credit	**(791)**	**(1,357)**

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Notes to the consolidated financial statements continued

In addition to the amount credited to profit or loss, the following amount relating to tax has been recognised in other comprehensive income as items that may be reclassified subsequently to profit or loss:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Deferred tax		
Exchange gain/(loss) on translation of foreign operations	2,134	(1,676)

Factors affecting the tax credit

The reasons for the difference between the actual tax credit for the period and the applicable rate of corporation tax applied to the result for the period are as follows:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Loss before tax	(82,287)	(62,943)
Applicable rate of corporation tax	25.0%	23.5%
Loss before tax multiplied by the applicable rate of corporation tax	**(20,572)**	**(14,791)**
Tax effects of:		
Non-deductible expenses and non-taxable income	7,256	314
Non-deductible interest	18,429	12,095
Movement in unrecognised deferred tax	-	(6,269)
Adjustments in respect of prior years	(8,512)	(1,291)
Different tax rates of subsidiaries operating in other jurisdictions, current and future tax rates	2,608	8,585
Total tax credit	**(791)**	**(1,357)**

The applicable rate of corporation tax in 2024 is 25% (2023: 23.5%). This is the statutory tax rate in the UK where the parent of the Group is tax resident.

The Group has gross unrecognised carried forward losses and unrecognised deductible temporary differences relating to research and development, interest, and other timing differences amounting to $143,718,000 as at 31 December 2024 (2023: $115,174,000). The majority of the unrecognzed deferred tax assets relate to entity losses in the United States.There is also an unrecognized balance in the parent entity related to capital losses of £19 million. Additionally, the UK Corporate Interest Restriction (CIR) disallowance carried forward amounts to £5.2 million.

The Organization for Economic Cooperation and Development ("OECD") has published Global Anti-Base Erosion ("GloBE") Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). The Group does operate in various jurisdictions that have substantively enacted Pillar Two legislation.

While the Group is a multinational enterprise group, it is not currently within the scope of Pillar Two legislation, as its consolidated revenue does not exceed the €750 million threshold in FY 2024.

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Notes to the consolidated financial statements continued

12 Property, plant and equipment

	Equipment including motor vehicles	Furniture and fixtures	Leasehold improvements	Software	Total
	$'000	$'000	$'000	$'000	$'000
At 1 January 2023					
Cost	3,442	1,854	1,810	2,576	9,682
Accumulated depreciation	(1,104)	(680)	(1,341)	(1,039)	(4,164)
Carrying amount	**2,338**	**1,174**	**469**	**1,537**	**5,518**
Year ended 31 December 2023					
Opening carrying amount	2,338	1,174	469	1,537	5,518
Additions	1,719	91	378	2	2,190
Disposals	-	-	(195)	-	(195)
Depreciation charge for the period	(1,738)	(102)	(163)	(879)	(2,882)
Foreign exchange movement	12	6	(3)	(4)	11
Closing carrying amount	**2,331**	**1,169**	**486**	**656**	**4,642**
At 31 December 2023					
Cost	5,254	1,790	1,339	2,649	11,032
Accumulated depreciation	(2,923)	(621)	(853)	(1,993)	(6,390)
Carrying amount	**2,331**	**1,169**	**486**	**656**	**4,642**
Year ended 31 December 2024					
Opening carrying amount	2,331	1,169	486	656	4,642
Additions	1,417	133	623	-	2,173
Business combinations (note 24)	6	-	-	-	6
Disposals	(19)	(64)	-	-	(83)
Depreciation charge for the period	(1,941)	(110)	(243)	(478)	(2,772)
Foreign exchange movement	(146)	(12)	(22)	(11)	(191)
Closing carrying amount	**1,648**	**1,116**	**844**	**167**	**3,775**
At 31 December 2024					
Cost	6,785	1,381	1,300	2,814	12,280
Accumulated depreciation	(5,137)	(265)	(456)	(2,647)	(8,505)
Carrying amount	**1,648**	**1,116**	**844**	**167**	**3,775**

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Notes to the consolidated financial statements continued

13 Intangible assets

	Customer relationships	*Developed* technology	Trademarks	Non *Competition* Agreements	*Capitalised* R&D	Goodwill	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2023							
Cost	420,440	152,348	59,483	500	17,658	1,032,914	1,683,343
Accumulated amortisation and impairment	(73,232)	(67,270)	(49,183)	(220)	(14,421)	(167,408)	(371,734)
Carrying amount	**347,208**	**85,078**	**10,300**	**280**	**3,237**	**865,506**	**1,311,609**
Year ended 31 December 2023							
Opening carrying amount	347,208	85,078	10,300	280	3,237	865,506	1,311,609
Additions – internal development	-	-	-	-	11,764	-	11,764
Amortisation charge for the period	(22,290)	(21,600)	(2,195)	(100)	(3,092)	-	(49,277)
Foreign exchange movement	5,237	579	-	-	16	15,976	21,808
Closing carrying amount	**330,155**	**64,057**	**8,105**	**180**	**11,925**	**881,482**	**1,295,904**
At 31 December 2023							
Cost	427,620	155,097	61,040	500	29,980	1,052,950	1,727,187
Accumulated amortisation and impairment	(97,465)	(91,040)	(52,935)	(320)	(18,055)	(171,468)	(431,283)
Carrying amount	**330,155**	**64,057**	**8,105**	**180**	**11,925**	**881,482**	**1,295,904**
Year ended 31 December 2024							
Opening carrying amount	330,155	64,057	8,105	180	11,925	881,482	1,295,904
Additions – internal development	-	-	-	-	8,476	-	8,476
Business combinations (note 24)	400	9,500	-	-	-	19,524	29,424
Amortisation charge for the period	(22,479)	(22,079)	(2,143)	(100)	(4,224)	-	(51,025)
Foreign exchange movement	(8,961)	(1,173)	-	-	(199)	(36,148)	(46,481)
Closing carrying amount	**299,115**	**50,305**	**5,962**	**80**	**15,978**	**864,858**	**1,236,298**
At 31 December 2024							
Cost	415,470	158,434	57,193	500	22,010	1,026,265	1,679,872
Accumulated amortisation and impairment	(116,355)	(108,129)	(51,231)	(420)	(6,032)	(161,407)	(443,574)
Carrying amount	**299,115**	**50,305**	**5,962**	**80**	**15,978**	**864,858**	**1,236,298**

The Directors have performed review following an acquisition to identify any intangible assets acquired as part of a business combination. Customer relationships have been identified as an intangible asset as there is an inherent life of the relationship for the customers of the acquired businesses. Additionally, the developed technology and trademark have been identified as intangible assets acquired as part of the acquisitions made during the year.

Trademarks at balance sheet date include Optimizely trademarks with remaining useful economic life of 33 months.

At the balance sheet date, the following amounts are included in customer relationships:

Recognised on acquisition of the Episerver group (2018)	$	167,669,000	with remaining useful economic life of 165 months
Recognised on acquisition of Optimizely (2020)	$	94,728,000	with remaining useful economic life of 153 months
Recognised on other acquisitions (2021-2024)	$	36,718,000	with remaining useful economic life of 57 to 191 months

At the balance sheet date, the following amounts are included in developed technology:

Recognised on acquisition of the Episerver group (2018)	$	7,272,000	with remaining useful economic life of 9 months
Recognised on acquisition of Optimizely (2020)	$	21,248,000	with remaining useful economic life of 33 months
Recognised on other acquisitions (2021-2024)	$	21,785,000	with remaining useful economic life of 57 to 47 months

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Cash generating unit (CGU) assessment

The Directors consider the Group to operate as a single CGU. The Board reviews the financial and operational performance of the Group as a single interdependent entity. All historic acquisitions have been fully integrated with the wider group and there are no subsidiaries, products, regions or business units capable of generating independent cashflows.

Although Netspring was only acquired in October 2024 no further sales of the standalone product were permitted from the date of acquisition and all development efforts were invested in integrating the analytics platform in to the Optimizely product suite, with the IP being transferred to Optimizely North America Inc. As Netspring no longer trades independently and all management and reporting is consolidated with the wider Optimizely group it is considered by management to be part of the singly combined CGU.

Goodwill and impairment review

The Group has goodwill that has been acquired through business combinations but does not hold any other intangible assets that have indefinite lives.

The approach of the Group is to test impairment annually on the carrying value of goodwill, based on the estimated recoverable amount of the CGU to which goodwill has been allocated. All of the Group's goodwill is tested at an aggregate level reflective of the business.

Value in use is used to estimate the recoverable amount of all CGUs. Value in use is calculated as the present value of future cashflows using a discounted cash flow. In preparing the discounted cash flows calculation management uses projected cash flows based on board approved forecasts for the next 5 years for all CGUs.

The assumptions applied in the estimated value in use are level 3 hierarchy based on unobservable market rate. Please refer to sensitivities performed below.

Sensitivity to changes in assumptions - value in use (brought forward Goodwill)

This consists of all subsidiaries. Carrying value of goodwill at year end is $864,858.

The key assumptions used by management are operating cash flows which are driven by the discrete year 1 to 5 revenue growth rates with a cumulative annual growth rate (CAGR) of 10.0% (2023: 12.6%), discount rate of 11.5% (2023: 13.7%) and terminal growth rate of 2.2% (2023: 2.5%).

The most significant of these assumptions is the revenue CAGR. This is driven by focus on Optimizely One and a strategic and multi-product deals, which will drive revenue growth and improve retention. This growth in revenue is supported by strong early growth seen in 2025 and expected increase in Group's total addressable market over the same period of 14.9%.

The impacts of changes to these assumptions are:

Assumption	Change in assumption (base points)	Change in recoverable amount
Revenue CAGR	+/- 2.5%	+11%/-9%
Discount rate	+/- 0.5%	-6% /+6%
Terminal growth rate	+/- 0.5%	+4%/-4%

If the following base point changes were made to these assumptions the carrying amount would equal the recoverable amount:

Revenue CAGR - decrease	10.5%	(i.e. a negative rate of 0.5%)
Discount rate - increase	4.2%	(i.e. a rate of 15.7%)
Terminal growth rate - decrease	7.3%	(i.e. a negative rate of 5.1%)

As a result of the impairment analysis performed above it was determined that the recoverable amount was higher than the carrying value. As such the Group recognised no impairment in the period (2023: $nil).

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14 Right-of-use assets and lease liabilities

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Properties
	$'000
Cost	
At 2 January 2023	11,075
Additions	2,480
Lease modifications	278
Derecognition of right-of-use assets	(2,460)
Foreign exchange movement	201
At 31 December 2023	**11,574**
Additions	40
Lease modifications	477
Derecognition of right-of-use assets	(1,018)
Foreign exchange movement	(617)
At 31 December 2024	**10,456**
Accumulated amortisation	
At 2 January 2023	5,646
Charge for the period	2,685
Derecognition of right-of-use assets	(2,460)
Foreign exchange movement	174
At 31 December 2023	**6,045**
Charge for the period	3,063
Derecognition of right-of-use assets	(1,018)
Foreign exchange movement	(396)
At 31 December 2024	**7,694**
Carrying amount	
At 31 December 2023	5,529
At 31 December 2024	**2,762**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024	2023
	$'000	$'000
At 1 January	6,913	8,733
Additions	40	2,480
Lease modifications	477	388
Accretion of interest	416	530
Payments	(3,726)	(5,255)
Foreign exchange movement	(245)	37
At 31 December	**3,875**	**6,913**
Current	1,585	2,938
Non-current	2,290	3,975
At 31 December	**3,875**	**6,913**

The discount rate used is the Group's incremental borrowing rate of 6.2% to 10%, as the interest rate implicit in the leases cannot readily be determined.

During the year, right-of-use assets with cost of $1,018,000 (2023: $2,460,000) and carrying amount of $nil were derecognised as a result of lease terminations.

The Group recognised an expense of $37,000 (2023: $505,000) in profit and loss relating to short-term leases.

Some property leases contain extension and termination options exercisable at a certain point in time of the contract period. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension or termination options. The Group reassesses the likelihood of the option to extend or terminate if a significant event or significant change in circumstances occurs which is within its control. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. Extension options have not been included in the lease liability at 31 December 2024 or at 31 December 2023.

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The following table sets out a maturity analysis of lease payments, showing the undiscounted amounts to be paid after the reporting date.

	31 December 2024 $'000	31 December 2023 $'000
Maturity analysis:		
Year 1	1,767	3,344
Year 2	766	2,054
Year 3	761	798
Year 4	669	792
Year 5	240	696
Onwards	122	122
Total	**4,325**	**7,806**

15 Trade and other receivables

	2024 $'000	2023 $'000
Current		
Trade receivables	86,263	100,760
Provision for doubtful debt	(1,899)	(3,054)
Trade receivables	**84,364**	**97,706**
Prepayments	15,541	16,657
Restricted cash	511	2,449
Other receivables	6,623	5,273
Contract costs capitalised (note 16)	9,522	8,538
Total	**116,561**	**130,623**
Non-current		
Long term prepaid assets	46	1,057
Other long term receivables	4,166	4,016
Contract costs capitalised (note 16)	19,331	19,518
Total	**23,543**	**24,591**

Trade receivables comprise amounts outstanding for trade sales. The average credit period taken for trade sales is 49 days (2023: 62 days). For most customers no interest is charged on the trade receivables for the first five days from the due date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all receivables are paid within the pre-agreed credit terms.

Amounts reclassified out of cash and cash equivalents are shown above in restricted cash. This includes credit card collateral, amounts restricted by letter of credits associated with leases and security deposits from subleases.

The reconciliation of the closing loss allowance on trade receivables to the opening loss allowance is shown below:

Bad debt provision

	2024 $'000	2023 $'000
At 1 January	3,054	6,692
Decrease in loss allowance	(1,155)	(3,638)
At 31 December	**1,899**	**3,054**

16 Contract costs

Incremental costs of obtaining contacts, such as sales commissions, are capitalised and amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates (i.e. over the estimated period of benefit). Applying the practical expedient in paragraph 94 of IFRS 15, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less. Capitalised incremental costs are amortised over the period the related revenues are recognised. Movements on the contract costs balance are as follows:

	2024 $'000	2023 $'000
Opening balance as at 1 January	28,056	24,667
Capitallsation during the period	11,156	14,086
Amortisation during the period	(9,717)	(11,116)
Exchange differences	(642)	419
Closing balance at 31 December	**28,853**	**28,056**

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	2024	2023
	$'000	$'000
Current	9,522	8,538
Non-current	19,331	19,518
Closing balance at 31 December	**28,853**	**28,056**

17 Cash and cash equivalents

	2024	2023
	$'000	$'000
Cash at bank and in hand	60,388	21,784

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown above.

18 Trade and other payables

	2024	2023
	$'000	$'000
Current		
Deferred income	188,489	179,293
Accruals	31,641	31,650
Trade payables	11,236	11,843
Other taxes and social security costs	5,946	5,678
Total Current	**237,312**	**228,464**
Non-current		
Deferred income	1,527	239
Other taxes	21	-
Total non-current	**1,548**	**239**
Total	**238,860**	**228,703**

Deferred income relates to the remaining performance obligation that are unsatisfied at the period end. The Group expects to recognise this amount as revenue in line with the revenue recognition policy in Note 2d.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 22 days (2023: 21 days). For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19 Loans and borrowings

	2024	2023
	$'000	$'000
Current		
Syndicate bank loans	5,645	6,565
Obligations under finance lease and hire purchase contracts	11	122
Total Current	**5,656**	**6,687**
Non-current		
Syndicate bank loans	1,002,012	617,551
Non-redeemable 12.5% preference shares	-	262,151
Total Non-current	**1,002,012**	**879,702**
Total	**1,007,668**	**886,389**

- The loans and borrowings are initially recognised at fair value and subsequently measured at amortised cost. The carrying value of the loans and borrowings approximates to their fair value at balance sheet date.
- The syndicated bank loans are secured by a charge over certain assets of the Group.
- Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

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The Group's outstanding bank term loans at 31 December 2023 were $624.1m. The Group had two principal bank loans which were split into the respective currency tranches.

2018 loan - USD Tranche

A loan of $136.5m was taken out on 9 October 2018 as part of the funding of the acquisition of the Episerver Group of companies. Repayments commenced on 31 March 2019 and continue quarterly at an amount of 0.25% ($0.341m) of the principal amount. On 26 May 2021, the Group refinanced the loan and extended the Term Maturity Date to 9 April 2026. On 30 October 2024 the Group repaid the loan.

The loan carried an interest rate of 5.25% above Alternate Base Rate and interest was paid on a monthly basis, and quarterly from August 2020.

2018 loan - GBP Tranche

A loan of £44.8m was taken out on 9 October 2018 as part of the funding of the acquisition of the Episerver Group of companies. Repayments commenced on 31 March 2019 and continue quarterly at an amount of 0.25% (£0.112m) of the principal amount. On 26 May 2021, the Group refinanced the loan and extended the Term Maturity Date to 9 April 2026. On 30 October 2024 the Group repaid the loan.

The loan carried an interest rate of 5.7826% above Alternate Base Rate and interest was paid on a monthly basis, and quarterly from August 2020.

2018 loan - EUR Tranche

A loan of €170.0m was taken out on 9 October 2018 as part of the funding of the acquisition of the Episerver Group of companies. Repayments commenced on 31 March 2019 and continue quarterly at an amount of 0.25% (€0.425m) of the principal amount. On 26 May 2021, the Group refinanced the loan and extended the Term Maturity Date to 9 April 2026. On 30 October 2024 the Group repaid the loan.

The loan carried an interest rate of 5.5% above Alternate Base Rate and interest was paid on a monthly basis, and quarterly from August 2020.

2021 Loan

A loan of $205.0m was taken out on 26 May 2021 after the refinancing exercise. Repayments commenced on 30 June 2021 and continued quarterly at an amount of 0.25% ($0.513m) of the principal amount. On 30 October 2024 the Group repaid the loan.

A loan of $70.0m was taken out on 21 December 2021. Repayments commenced on 31 March 2022 and continue quarterly at an amount of 0.25% ($0.175m) of the principal amount. On 30 October 2024 the Group repaid the loan.

The loans carried an interest rate of 5.25% above Alternate Base Rate and interest was paid on a quarterly basis.

Other facilities

At 31 December 2023, the Group had a committed revolving credit facility agreement of $50m which expired on the date when the term loans were fully paid. The amount of undrawn facilities at 31 December 2023 was $50m. A fee of 0.5% was charged on the undrawn funds.

The preference shares principal liability of $132.8m which bears a dividend payable of 12.5% was classified as liability for accounting purposes as the terms of this loan provides the Group with a legal requirement to ultimately settle the instrument in cash. On 30 October 2024 the Group settled the liability.

The total of the principal and cumulative dividend accrual liability at repayment date was $291.1m (2023: $262.2m). The liability at repayment date accrued dividends for the period to 30 October 2024 of $28.9m (2023: $30.8m) which are disclosed in finance expenses.

Capitalised Issue costs

Fees amounting to $7.63m relating to the issuance of the 2018 loans were capitalised on 9 October 2018. The outstanding issue costs netted off against the above bank loans at 31 December 2023 were $0.77m. The issue costs amortised over the life of the loans and the amortisation accelerated on repayment. Amount amortised and expensed for the period was $0.77m (2023: $0.96m).

Fees amounting to $0.68m relating to the issuance of the revolving credit facility were capitalised on 9 October 2018. The outstanding issue costs netted off against the above bank loans at 31 December 2023 were $0.09m. The issue costs amortised over the life of the facility and the amortisation accelerated on facility expiry. Amount amortised and expensed for the period was $0.09m (2023: $0.11m).

Fees amounting to $4.69m relating to the issuance of the 2021 loans were capitalised on 26 May 2021. The outstanding issue costs netted off against the above bank loans at 31 December 2023 were $2.17m. The issue costs amortised over the life of the loans and the amortisation accelerated on repayment. Amount amortised and expensed for the period was $2.17m (2023: $0.95m).

Fees amounting to $0.38m relating to the issuance of the revolving credit facility were capitalised on 26 May 2021. The outstanding issue costs netted off against the above bank loans at 31 December 2023 were $0.17m. The issue costs amortised over the life of the facility and the amortisation accelerated on facility expiry. Amount amortised and expensed for the period was $0.17m (2023: $0.08m).

Fees amounting to $1.89m relating to the issuance of the debt were capitalised on 22 December 2021. The outstanding issue costs netted off against the above bank loans at 31 December 2023 were $0.90m. The issue costs amortised over the life of the loans and the amortisation accelerated on repayment. Amount amortised and expensed for the period was $0.44m (2023: $0.44m).

Modification gains

On 26 May 2021, the refinancing exercise was completed by the Group for 2018 loans. Under IFRS 9, modification gains of $4.1m was recognised at the date of modification. The balance is netted off against the above bank loans at 31 December 2023 was $2.08m. The modifications gain balance amortised over the life of the loans and the amortisation accelerated on repayment. Amount amortised and expensed for the period was $2.08m (2023: $0.88m).

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The Group's outstanding bank term loan at 31 December 2024 is $1007.7m. The Group has a principal bank loan which is split into the respective currency tranches.

2024 loan - USD term loan

A loan of $673.0m was taken out as part of the refinancing exercise completed by the Group on 30 October 2024. Repayments will commence on 30 June 2025 and continue quarterly at an amount of 0.25% ($1.68m) of the principal amount. The Term Maturity Date is 29 October 2031.
Fees amounting to $9.3m relating to the issuance of this debt were capitalised on 30 October 2024 and are being amortised over the life of the loan. The outstanding issue costs net off against the above bank loan at 31 December 2024 were $9.07m.

The loan carries an interest rate of 5.00% above variable Base Rate and interest is paid on a monthly basis.

2024 loan - GBP term loan

A loan of £80.0m was taken out as part of the refinancing exercise completed by the Group on 30 October 2024. Repayments will commence on 30 June 2025 and continue quarterly at an amount of 0.25% (£0.20m) of the principal amount. The Term Maturity Date is 29 October 2031.
Fees amounting to £0.80m relating to the issuance of this debt were capitalised on 30 October 2024 and are being amortised over the life of the loan. The outstanding issue costs net off against the above bank loan at 31 December 2024 were £0.78m.

The loan carries an interest rate of 5.50% above variable Base Rate and interest is paid on a monthly basis.

2024 loan - EUR term loan

A loan of €238.0m was taken out as part of the refinancing exercise completed by the Group on 30 October 2024. Repayments will commence on 30 June 2025 and continue quarterly at an amount of 0.25% (€0.60m) of the principal amount. The Term Maturity Date is 29 October 2031.
Fees amounting to €2.38m relating to the issuance of this debt were capitalised on 30 October 2024 and are being amortised over the life of the loan. The outstanding issue costs net off against the above bank loan at 31 December 2024 were €2.32m.

The loan carries an interest rate of 5.25% above variable Base Rate and interest is paid on a monthly basis.

Revolver facility

The Group has a committed revolving credit facility agreement of $100m which expires on 29 October 2031. The undrawn amount at 31 December 2024 is $100m. Revolving commitment fee is charged on the undrawn portion of the revolving credit facility at a rate of 0.50% per annum and is payable quarterly in arrears.

Fees amounting to $1.00m relating to the credit facility setup were capitalised on 30 October 2024 and are being amortised over the life of the facility. The outstanding issue costs net off against the above bank loan at 31 December 2024 were $0.98m. Amount amortised and expensed for the period was $0.02m.

20 Deferred tax liabilities

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current period:

	Capitalised development costs	Other Intangible assets	Losses[2]	Other timing differences[1]	Total[3]
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 January 2023	636	93,810	(41,519)	(9,420)	43,507
Charge/(credit) to profit and loss	1,652	(9,736)	22,912	(28,692)	(13,864)
Charge/(credit) to profit or loss - rate change impact	-	11,462	-	(2,121)	9,341
Charged directly to OCI	380	1,277	-	19	1,676
Adjustments in respect of prior years	-	-	(987)	-	(987)
At 31 December 2023	**2,668**	**96,813**	**(19,594)**	**(40,214)**	**39,673**
(Credit)/charge to profit or loss	(120)	(10,914)	8,631	(3,179)	(5,582)
(Credit)/charge to profit or loss - rate change impact	-	(1,988)	-	3,716	1,728
Credit directly to OCI	(73)	(2,061)	-	-	(2,134)
Adjustments in respect of prior years	-	-	(4,877)	(206)	(5,083)
At 31 December 2024	**2,475**	**81,850**	**(15,840)**	**(39,883)**	**28,602**

Restatement of 2023 comparatives

The 2023 balances as presented in Consolidated Statement of Financial Position in respect of deferred tax assets and deferred tax liabilities are restated to better reflect the presentational offsetting as required under IAS 12.74, including in relation to the presentation of consolidation adjustments. The effect is a reduction in both deferred tax assets and deferred tax libaillities of $59,808,000. The offset position at 1 January 2023 is shown in the table above. There is no impact on the net deferred tax position in any period.

[1] Within other timing differences, $9.8m (2023: $12.6m) relate to carried forward interest disallowances, $22.9m (2023: $18.7m) is for capitalised research costs and $4.2m (2023: $8.9m) relate to other temporary timings differences. For further information on tax see Note 11.

[2] Relates to deferred tax assets arising on historical losses.

[3] The deferred tax liabilities and assets shown in the table above are presented prior to presentational offsetting as required under IAS 12.74. Deferred tax implications relating to IFRS 15 and IFRS 16 have been recognised at the UK level.

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21 Provisions

	2024	2023
	$'000	$'000
Dilapidation provision	5	125
Balance at 31 December 2024	**5**	**125**

Dilapidation provision relates to the estimated cost of returning leased offices to their original condition at the end of the leases in accordance with the lease terms. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

22 Share capital and share premium

Share capital allotted and fully paid up

The shares are denominated in USD ($). The table below shows the movements in share capital for the period:

	Number of shares	$'000
Authorised:		
'A' Ordinary of $0.10 each	95,000,000	9,500
'B' Ordinary of $0.10 each	10,000,000	1,000
Balance at 1 January 2023	**88,484,821**	**8,849**
Issued and fully paid during the year:		
'B' Ordinary of $0.10 each	45,942	4
Balance at 31 December 2023	**88,530,763**	**8,853**
Issued and fully paid during the year:		
'A' Ordinary of $0.10 each	305,912	31
'B' Ordinary of $0.10 each	2,580,759	258
Balance at 31 December 2024	**91,417,434**	**9,142**

Share premium, allotted and fully paid:	**2024**	**2023**
	$'000	$'000
Balance as at 1 January	219,017	218,857
Premium arising on issue of equity shares:		
'A' Ordinary of $0.10 each	5,476	-
'B' Ordinary of $0.10 each	7,107	160
Balance at 31 December	**231,600**	**219,017**

23 Subsidiaries

The following are subsidiaries of the Company, all of which have been included in the consolidated financial information:

Name	Principal activity	Parent company	Proportion of shares directly held by parent[15]	Country of incorporation
Episerver Group Holdings Limited	Holding company	Epsilon Group New Holdings Limited	100%	Jersey[14]
Epsilon Holdco 1 Limited	Holding company	Epsilon Group Holdings Limited	100%	Jersey[14]
Epsilon Holdco 2 Limited	Holding company	Epsilon Holdco 1 Limited	100%	Jersey[14]
Delaware Epsilon Midco, LLC	Holding company	Epsilon Group Holdings Limited	100%	USA[12]
Epsilon US Holdings, Inc.	Holding company	Epsilon Holdco 2 Limited	100%	USA[7]
Optimizely North America, Inc.	Digital Experience Management ("DXM")	Epsilon US Holdings, Inc.	100%	USA[7]
Welcome Bangladesh (Branch)	DXM	Optimizely North America, Inc.	100%	Bangladesh[11]
Optimizely Pte Ltd	Marketing and Sales	Optimizely North America, Inc.	100%	Singapore[9]
Optimizely Pty Ltd	Marketing and Sales	Optimizely North America, Inc.	100%	Australia[8]
Optimizely Sweden Holdings AB (formerly Episerver Sweden Holdings AB)	Holding company	Epsilon Holdco 2 Limited	99%	Sweden[1]
Optimizely BV (formerly Episerver Benelux BV)	Marketing and Sales	Optimizely Group AB	100%	Netherlands[3]
Optimizely Aps	DXM	Optimizely Group AB	100%	Denmark[4]
Optimizely AB (formerly Episerver AB)	DXM	Optimizely Group AB	100%	Sweden[1]
Optimizely OY	DXM	Optimizely Group AB	100%	Finland[5]
Optimizely Limited (formerly Episerver UK Ltd)	DXM	Optimizely Group AB	100%	UK[2]

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Name	Principal activity	Parent company	Proportion of shares directly held by parent[14]	Country of incorporation
Optimizely FZ-LLC (UAE)	Marketing and Sales	Optimizely Group AB	100%	Dubai[13]
Optimizely Vietnam Company Ltd (Vietnam)	DXM	Optimizely AB	100%	Vietnam[6]
Optimizely GmbH (formerly Episerver GmbH)	Email Marketing Solutions	Endeavour Acquisition GmbH	100%	Germany[10]
NetSpring Data, Inc	Data Analytics Platform	Optimizely North America, Inc.	100%	USA[7]

Registered address of the entities:

1 Sweden: 4th Floor, Hamngatan 26111 47, Stockholm, Sweden
2 UK: Spaces, 60 St Martins Lane London, WC2N 4JS UK
3 Netherlands: Paleisstraat 1, 1012 RB Amsterdam
4 Denmark: Automatikvej 1 2860 Søborg, Denmark
5 Finland: Backasgranden 7, 01510 Vantaa, Finland
6 Vietnam: Song Hong Land Office Building 7th Floor, 165 Thai Ha Street, Dong Da DistrictHanoi, Vietnam
7 USA: 119 Fifth Avenue 7th FloorNew York, NY 10003
8 Australia: Suite 14.02/1 Pacific Hwy, North Sydney NSW 2060 Australia
9 Singapore: BATTERY ROAD, 15 - 01 MYP CENTRE, 049910, SINGAPORE
10 Germany: Wallstraße 59,10179 Berlin, Germany
11 Bangladesh: Floor 16, Gulshan Centre Point, Plot 23-26 Rd 90, Dhaka 1212
12 USA: Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle, DE 19801, USA
13 Dubai: Dubai Internet City, Office 312, Building 3, Al Jaddi Street, Al Sufouh 2,Dubai, UAE
14 Jersey:PO Box 536, 13 - 14 Esplanade, St. Helier, JE4 5UR, Jersey
15 All shares directly held by the parent are 'A' ordinary shares

24 Acquisitions

The Group acquired 100% of the issued share capital of NetSpring Data, Inc. ("NetSpring") on 15 October 2024. NetSpring is business intelligence and analytics platform designed to streamline and enhance data analysis for companies. The main reason for this acquisition was to enhance the Group's data-driven experimentation platform by integrating warehouse-native analytics.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill for the NetSpring acquisition are as follows:

	Book value $'000	Fair value adjustment $'000	Fair value $'000
Trademarks	4	(4)	-
Customer Relationships	-	400	400
Developed Technology	-	9,500	9,500
Property, Plant and Equipment	6	-	6
Trade Receivables	386	-	386
Other Receivables	540	-	540
Cash and Cash Equivalents	3,589	-	3,589
Trade Payables	(118)	-	(118)
Other Payables	(2,346)	-	(2,346)
Loans	(4,628)	-	(4,628)
Deferred Revenue	(853)	-	(853)
Net Assets	**(3,420)**	**9,896**	**6,476**
Goodwill			19,524
Total consideration			**26,000**
Satisfied by:			
Cash			20,494
Shares			5,506
Total consideration transferred			**26,000**
Net cash outflow arising on acquisition:			
Cash consideration			20,494
Less: cash and cash equivalent balances acquired			(3,589)
Cash outflow on acquisition (net of cash acquired)			**16,905**

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The fair value of the financial assets includes receivables with a fair value and gross contractual value of $926,000. All contractual cash flows are expected to be collected.

The goodwill of $19,524,000 arising from the acquisition consists of the excess of consideration paid over the fair value of net assets and represents the growth and development opportunities of the Group. None of the goodwill is expected to be deductible for income tax purposes.

Merger agreement contains terms for the payment of contingent consideration based on meeting certain conditions and achieving certain customer and technical milestones related to the performance of the NetSpring Analytics business post-acquisition. The amounts payable are treated as deferred compensation expense and not part of goodwill or other assets acquired in the business combination.

The fair value of the ordinary shares issued as part of the consideration paid ($5,506,000) was determined on the basis of market value determined as part of the acquisition.

Acquisition-related costs (included in administrative expenses) amount to $2,979,000.

Since the acquisition date, NetSpring has contributed $241,000 to Group revenue and loss before tax of $438,000 to Group loss before tax for the year ended 31 December 2024.

If the acquisition of NetSpring had been completed on the first day of the financial year, contribution to Group revenues for the year would have been $740,000 and contributing a loss before tax of $6,243,000 to Group loss before tax for the year ended 31 December 2024.

There was no change in Goodwill from acquisition date to 31 December 2024. The year end position is shown below:

	US$'000
Goodwill as at 15 October 2024 and 31 December 2024	19,524

25 Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium - the amount of capital contributed in excess of the nominal value of each ordinary share, being $231.6m (2023: $219.0m) at 31 December 2024.

The merger reserve of $673.1m (2023: $673.1m) represents the premium arising on shares issued as part of Epsilon Group New Holding's acquisition of subsidiaries accounted for under the common control transaction method.

Foreign exchange reserve of $77.6m (2023: $53.4m) represents foreign exchange translation losses arising on the translation of the financial statements from the functional to the presentation currency.

Share based payment reserve of $20.1m (2023: $13.2m) at 31 December 2024 representing the fair value of share entitlements granted, recognised as an employee expense in the statement of profit or loss with a corresponding increase in equity, which are transferred to retained earnings when vested options are exercised, forfeited or lapsed.

Accumulated losses - all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere being $690.2m at 31 December 2024 (2023: $535.6m). Accumulated losses are distributable subject to legal restriction.

26 Related party transactions

Optimizely trades with ORO Labs (ORO), which is a spend management platform. Alex Atzberger, CEO of Optimizely is on the Board of Directors at ORO Labs as as such Optimizely considers ORO a related party.

Optimizely purchases software from ORO. There is an annual subscription contract running from December 2024 to November 2025 with a total contract value of $52,500 (2024: 24 month contract running from December 2022 to December 2024, with a total contract value of $75,000), include the subscription fee, implementation cost and support services. Optimizely recognized costs of $54,000 (2023: $25,000) and made cash payments totalling $50,000 to the related party during the year 2024 (2023: $25,000). At 31 December 2024, the Group has $52,500 owed to the related party (2023: $nil).

ORO is also a customer of Optimizely. Optimizely provides cloud subscription including experimentation full Stack and rollout plus tier to ORO. There are two contracts running from February 2023 to February 2025 with a total contract value of $30,000. Optimizely recognized $15,000 of revenue in 2024 (2023: $13,000) and received cash payments totalling $15,000 during the year (2023: $15,000).

All the terms between Optimizely and ORO are on standard commercial and 'arm's length' basis.

27 Share based payments

Epsilon Group Holdings Limited acquired the Episerver Group of companies from Endeavour Acquisition UK Limited (EAUK) on 9th October 2018. As part of this acquisition certain employees of EAUK rolled over an element of their shareholding into a new share based payment plan in the Epsilon Group Holdings Limited. These A Ordinary shares were purchased at a subscription price of $10 per share. The shares are deemed to have a grant date fair value of $nil. Therefore under IFRS 2, no share based payment expense was recognised for the year ended 31 December 2024 (2023: $nil).

The Company has 3 types of share option plans for management and other key employees of the Group.

Plan 1 - Share incentive plan ("SIP")

This scheme was introduced on 21 March 2019. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, certain employees may be granted options to buy ordinary B shares.

Each employee share option converts into one ordinary B share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

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The number of options granted is fixed, that is to say not calculated using a performance-based formula, although additional options can be granted to any employee at a later date.

Options are exercisable at a price of $9.20-$17.20 per share. 20% of the total options granted vest at the end of the first year and then in 16 equal quarterly tranches thereafter, on the anniversary of the grant date.

If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

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

	31 December 2024		31 December 2023	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at the beginning of the year	**5,566,473**	**$10.85**	**4,850,077**	**$10.85**
Granted during the year	1,074,500	$16.89	1,011,000	$15
Forfeited during the year	(52,984)	$14.20	(288,662)	$11.34
Exercised during the year	(364,054)	$10.99	(5,942)	$10
Outstanding at the end of the year	**6,223,935**	**$12.44**	**5,566,473**	**$10.85**

In 2024, options were granted on 19 January, 13 March, 08 July, 18 October, 12 November, 24 December.

The aggregate of the estimated fair values of the options granted on those dates is $1.4m (2023: $1.2m). The inputs into the Black-Scholes model are as follows:

	2024	2023
Weighted average share price	$13.48	$4.81
Weighted average exercise price	$16.89	$15.00
Expected volatility	64.1%	60.0%
Expected life	1.50	2.30
Risk-free rate	4.6%	4.2%

Volatility was determined based on the historic volatility of comparable listed companies.

The Group recognised total expenses of $6,648,000 and $313,000 related to Share Incentive Plan share-based payment transactions in 2024 and 2023 respectively.

The number of shares exercisable at 31 December 2024 was 4.03m (2023: 3.59m).

In December 2024, Optimizely undertook a repricing of all outstanding Ordinary B options granted to employees under SIP. The options were originally granted with an exercise price of $10, $15 and $18 per share. The exercise price of the options was reduced to $9.20, $14.20 and $17.20 per share. The repricing resulted in a modification of the terms of the existing options.

The fair value of the options before modifications was determined as $1.00-$4.50 for options with exercise price of $10 per share and $1.53-$3.27 for options with exercise price of $15 per share. The fair value after the modification is recalculated as $3.09 for options with exercise price of $9.20 per share and $1.87 for options with exercise price of $14.20 per share. The fair value of the options with exercise price of $18 per share was $1.40 before the modification and remained unchanged after the modification. The incremental fair value of $0.23-$2.09 will be recognised as an expense over the period from the modification date to the end of the vesting period of unvested options. The incremental fair value of vested options was recognised at modification date. The expense for the original option grant will continue to be recognised as if the terms had not been modified.

The fair value of the modified options was determined using the same models and principles as described above.

Plan 2 - Performance share plan

This scheme was introduced on 21 March 2019. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, if certain performance conditions are met, then certain employees may be granted ordinary B Bonus shares.

Each employee share option converts into one ordinary B Bonus share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of shares granted is fixed, and the grant of all shares is triggered once all performance measures approved by the shareholders at a previous annual general meeting are met. These performance measures include continued service and improvements in share price.

The shares are subscribed at a price of $0.71-$10 per share. 20% of the total options granted vest at the end of the first year and then in 16 equal quarterly tranches thereafter, on the anniversary of the grant date.

If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

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Details of shares outstanding during the year are as follows :

	31 December 2024		31 December 2023	
	Number of shares	Weighted average price	Number of shares	Weighted average price
Outstanding at the beginning of the year	**1,211,774**	**$1.09**	**1,211,774**	**$1.09**
Outstanding at the end of the year	**1,211,774**	**$1.09**	**1,211,774**	**$1.09**

No share was granted in the years 2024 or 2023.

The Group recognised total expenses of $242,000 and $167,000 related to Performance Share Plan share-based payment transactions in 2024 and 2023 respectively.

Plan 3 - Loan funded share purchase

This scheme was introduced on 21 March 2019. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, certain employees may purchase shares using limited recourse loans.

Under the terms of the loans the Group only has recourse to shares purchased by the employee, as such the loans are accounted for under IFRS 2.

The loans are deemed to be options and are exercisable at a price based on the market value of the share at grant date plus interest accrued to exercise date. All shares granted vest in 5 equal tranches on each anniversary of the grant date.

Details of shares outstanding during the year are as follows :

	31 December 2024		31 December 2023	
	Number of shares	Weighted average price	Number of shares	Weighted average price
Outstanding at the beginning of the year	**2,853,948**	**$2.62**	**2,893,948**	**$2.62**
Forfeited during the year	(274,775)	$2.62	-	-
Exercised during the year	(379,383)	$2.62	(40,000)	$2.62
Outstanding at the end of the year	**2,199,790**	**$2.62**	**2,853,948**	**$2.62**

No share was granted in 2024 or 2023.

The Group recognised total expenses of $99,000 and gain of $233,000 related to loan funded share purchase share-based payment transactions in 2024 and 2023 respectively.

28 Events after the reporting date

No event occurred after the reporting period that provides further evidence of the conditions that existed at the end of the reporting period.

29 Control

The parent and ultimate controlling party is Insight Venture Partners X LP, as the general partner of Insight funds holding a majority shareholding in the Group. The smallest and largest undertaking for which the Group is a member and for which group financial statements are prepared is Epsilon Group New Holding Limited.

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Epsilon Group New Holdings Limited
Company Statement of Financial Position
At 31 December 2024

	Note	31 December 2024 $'000	31 December 2023 $'000
Non-current assets			
Investment in subsidiaries	6	978,305	971,409
Deferred tax asset		2,590	-
Other receivables	7	2,632	2,669
Total non-current assets		**983,527**	**974,078**
Current assets			
Intercompany receivables	8	69,975	16,828
Other receivables	7	3,710	8
Cash and cash equivalents		2,936	-
Total current assets		**76,621**	**16,836**
Total assets		**1,060,148**	**990,914**
Current liabilities			
Trade and other payables	9	1,822	906
Intercompany payables	8	49,489	25,294
Total current liabilities		**51,311**	**26,200**
Net current assets/(liabilities)		**25,310**	**(9,364)**
Non-current liabilities			
Intercompany payables	8	111,166	87,626
Total non-current liabilities		**111,166**	**87,626**
Total liabilities		**162,477**	**113,826**
Net assets		**897,671**	**877,088**
Equity attributable to equity holders of the company			
Share capital	11	9,142	8,853
Share premium	11	231,600	219,017
Merger reserve		653,495	653,495
Share based payment reserve	10	20,051	13,170
Accumulated losses		(16,617)	(17,447)
Total equity		**897,671**	**877,088**

The financial statements were approved and authorised for issue by the Board of Directors on 23 May 2025 and were signed on its behalf by:

DocuSigned by:
Alex Atzberger
Alex Atzberger
Chief Executive Officer
Company Registration Number: 130265

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

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Epsilon Group New Holdings Limited
Company Statement of Changes in Equity
For the Year Ended 31 December 2024

	Share capital	Share Premium	Merger reserve	Share based payment reserve	Accumulated losses	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Equity as at 1 January 2023	**8,849**	**218,857**	**653,495**	**10,080**	**(16,374)**	**874,907**
Loss for the year	-	-	-	-	(1,073)	**(1,073)**
Total comprehensive expense	-	-	-	-	**(1,073)**	**(1,073)**
Issue of ordinary shares	4	160	-	-	-	**164**
Credit to equity for equity-settled share-based payments	-	-	-	3,090	-	**3,090**
Equity as at 31 December 2023	**8,853**	**219,017**	**653,495**	**13,170**	**(17,447)**	**877,088**
Equity as at 1 January 2024	**8,853**	**219,017**	**653,495**	**13,170**	**(17,447)**	**877,088**
Profit for the financial year	-	-	-	-	73,970	**73,970**
Total comprehensive gain	-	-	-	-	**73,970**	**73,970**
Issue of ordinary shares	289	12,583	-	(105)	-	**12,767**
Dividends provided for or paid	-	-	-	-	(73,140)	**(73,140)**
Credit to equity for equity-settled share-based payments	-	-	-	6,986	-	**6,986**
Equity as at 31 December 2024	**9,142**	**231,600**	**653,495**	**20,051**	**(16,617)**	**897,671**

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

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Notes to the company financial statements
For the year ended 31 December 2024

1 Company statement of total comprehensive income and cashflow

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of total comprehensive income in the financial statements. There are no other recognised gains or losses other than the profit for the financial year 31 December 2024 of $73,970,000 (2023: loss $1,073,000).

2 Description of business

As part of a restructuring, Epsilon Group New Holdings Limited (the 'Company') was incorporated in Jersey on 12 November 2019 to act as the immediate parent entity and holding company with 100% of the shares of Epsilon Group Holdings Limited ('Epsilon') (previously known as Epsilon Topco Limited and the former parent company for the consolidation of the Group). Epsilon is a holding company incorporated in Jersey on 9 October 2018. It is the parent company of Epsilon US Holdings Inc and Epsilon Sweden Holdings AB which were established to acquire the Episerver Group operations from Endeavour Acquisition UK Limited on 9 October 2018. There has been no change in the ultimate controlling party, Insight Venture Partners X LP.

Due to the restructuring, ordinary shareholders in Epsilon contribute their ordinary shares to the Company in exchange for newly issued A ordinary shares of the Company.

3 Accounting policies

The accounting policies as set out in note 2 to the consolidated financial statements have been applied in the preparation of these Company financial statements together with the following accounting policies that have been consistently applied in arriving at the financial information:

Basis of preparation

These financial statements have been prepared on a going concern basis. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements contain information about Epsilon Group New Holdings Limited as an individual company and do not contain consolidated financial information as the parent of the Group.

Due to the incorporation of the Company as a new parent entity of Epsilon and its wholly owned subsidiaries as part of the reorganisation, the Company has recognised the net assets in the separate financial statements of Epsilon at the date of the restructuring of 12 November 2019 in a merger reserve.

Foreign currencies

The Company's functional currency is US Dollars and the presentational currency is US Dollars. Transactions entered into by the Company in a currency other than the functional currency of the Company are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the statement of profit or loss.

Investments in subsidiaries

The Company's investment in its subsidiaries is carried at cost less provision for any impairment. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition. The carrying value is tested for impairment when there is an indication that the value of the investment might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management judgement. The Board review the subsidiary forecasts to determine whether any impairment is required and where the forecasts indicate future profitability, no impairment is recorded.

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4 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed in note 3 of the Group financial statements.

The accounting estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

(a) Impairment of investments and intercompany balances

The Directors have reviewed the carrying value of cost of investments in subsidiaries of the Company with reference to current and future trading conditions. The investments have been reviewed with reference to a valuation based on a discounted free cash flow which the Directors consider to be an appropriate valuation methodology, in conjunction with the goodwill impairment review. The key assumptions used by management are operating cash flows which are driven by the discrete year 1 to 5 revenue growth rates with a cumulative annual growth rate (CAGR) of 10.0% (2023: 12.6%), discount rate of 11.5% (2023: 13.7%) and terminal growth rate of 2.2% (2023: 2.5%). The impacts of changes to these assumptions are:

	Change in assumption	Change in recoverable amount
Revenue CAGR	+/- 2.5% (base point)	+11%/-9%
Discount rate	+/- 0.5% (base points)	-6% /+6%
Terminal growth rate	+/- 0.5% (base points)	+4%/-4%

A -1.1% base point movement in the CAGR, +0.4% base point movement in discount rate or a -0.5 base point movement in terminal growth rate would result in the carrying amount being equal to the recoverable amount.

5 Financial instruments – risk management

Foreign exchange risk

Foreign exchange risk arises when the company enter into transactions denominated in a currency other than their functional currency. The Group's policy including the company is, where possible, to allow customers or transactions with its subsidiaries to settle liabilities denominated in the customer's or subsidiary's functional currency, being primarily US Dollar or Swedish Krona. Group foreign currency risk is discussed in note 4 to the consolidated financial statements.

Capital management

The Company's capital is made up of share capital and accumulated losses totalling $897,671,000 at 31 December 2024.

The Company's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of shareholders' equity as set out in the statement of changes in equity. All working capital requirements are financed from its subsidiaries.

On 19 December 2024, the Company distributed a dividend of $0.80 per share to all "A" Ordinary and certain "B" Ordinary shareholders. Dividends paid in cash were $73.14m (2023: $nil).

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Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables

6 Investments in subsidiaries

	Equity interest in subsidiaries 2024	Equity interest in subsidiaries 2023
Cost and Net Book Value	$'000	$'000
At 1 January	971,409	968,313
Capital contribution relating to share-based payment	6,896	3,096
At 31 December	978,305	971,409

Details of the investments which the Company holds are given in note 23 to the Group financial statements.

7 Other receivables

	31 Dec 2024 $'000	31 Dec 2023 $'000
Current		
Other current receivables	3,710	8
Total	3,710	8
Non-current		
Other non-current receivables	2,632	2,669
Total	2,632	2,669

Other non-current receivables are amounts reclaimable from the UK tax authorities in relation to a s455 tax charge on the loan funded share purchase (Note 27, Plan 3) where certain employees may purchase shares using limited recourse loans.

8 Intercompany receivables and payables

	31 Dec 2024 $'000	31 Dec 2023 $'000
Intercompany receivables	69,975	16,828

Intercompany receivables are the amounts due from subsidiary companies in relation to trade transactions and a 2024 loan to a subsidiary. The Company facilitates the pooling, collection and payment of the various intercompany trade balances. Amount receivable at 31 December 2024 was $69.9m (2023: $16.8m). The intercompany receivables are non-interest bearing and repayable on demand.

	31 Dec 2024 $'000	31 Dec 2023 $'000
Intercompany payables	160,655	112,920

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Intercompany payables are the amounts due to subsidiary companies in relation to trade transactions and a 2020 loan from a subsidiary. The intercompany payables are non-interest bearing and repayable on demand.

9 Trade and other payables

	31 Dec 2024 $'000	31 Dec 2023 $'000
Current		
Trade payables	-	62
Accruals	1,822	844
Total	1,822	906

10 Share based payment reserve

Share based payment reserve of $20,051,000 at 31 December 2024 (2023: $13,170,000) represents the fair value of share entitlements granted, recognised as an employee expense in the statement of profit or loss with a corresponding increase in equity, which are transferred to retained earnings when vested options are exercised, forfeited or lapsed. Details of the share based payments can be found in note 27 of the consolidated financial statements.

11 Share capital and share premium

The movements on share capital and share premium are disclosed in note 22 to the consolidated financial statements.

12 Related party transactions

The Company has taken advantage of exemption from the requirements in IAS 24 to disclose related party transactions with wholly owned subsidiaries. There were no other related party transactions during the period. All directors were remunerated for their services within the Group. See note 9 for disclosure of the directors' remuneration. Directors remuneration for qualifying services to the Company is $nil.

13 Contingent liabilities

The Company has no contingent liabilities.

14 Control

The details of ultimate parent and controlling party are disclosed in note 29 to the consolidated financial statements.