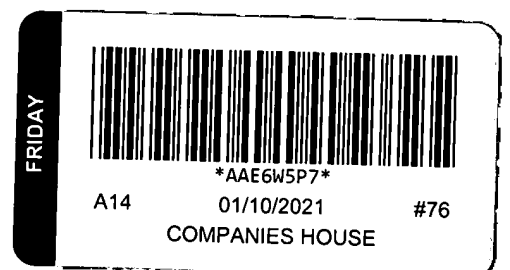


Actimize UK Limited

Registered number: 05135139

Annual Report

For the year ended 31 December 2020



ACTIMIZE UK LIMITED

COMPANY INFORMATION

Director	D Rhodes
Company secretary	D Rhodes
Registered number	05135139
Registered office	Tollbar House Tollbar Way Southampton Hampshire SO30 2ZP
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor, Merck House Seldown Lane Poole Dorset BH15 1TW
Bankers	Citibank N A Canada Square Canary Wharf London E14 5LB

ACTIMIZE UK LIMITED

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ACTIMIZE UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The Director presents his Strategic Report for the year ended 31 December 2020.

About NICE and Actimize

Actimize UK Limited is a limited company registered in Southampton, UK. The ultimate parent company is NICE Ltd ("NICE"), a company incorporated in Israel.

NICE is a global enterprise software leader, providing cloud platforms for AI-driven business solutions that serve two main markets: Customer Engagement and Financial Crime and Compliance. Our core mission is to transform experiences to be extraordinary and trusted. Our solutions are used by customer service organizations of enterprises of all sizes and verticals, and by compliance and fraud-prevention groups in leading financial institutions, offered in multiple delivery models, including cloud and on-premises.

In the Financial Crime and Compliance market, we protect financial services organizations and their customers' accounts and transactions, with solutions that identify risks faster and earlier to prevent money laundering and fraud, as well as ensure compliance in real-time.

NICE is at the forefront of several industry technological disruptions that have greatly accelerated over the course of the recent pandemic: the adoption of cloud platforms by organizations of all sizes and verticals, the shift of consumer and organizational preferences towards digital-centric services and experiences, the growing acceptance of AI, and the need to manage, optimise and engage a diverse and remote workforce. Our suite of integrated portfolio of solutions, based on our unique domain expertise, provide customer experience, financial crime and public safety organizations with industry-leading agility and unmatched innovation that are essential for organizations' success.

Business review

The unprecedented circumstances of 2020 and overnight transition to remote operations certainly placed cloud and digital centre stage in 2020. We are pleased to report another exceptional year at NICE highlighted by ground breaking innovation and speed of execution in cloud, digital and artificial intelligence. We witnessed accelerated cloud growth driven by the success of our cloud platforms which lead in product innovation: X-Sight and Xceed in Financial Crime and Compliance. They are reflected in our ongoing penetration of the large enterprises market with the continued signing of significant cloud deals with many well-known brand names. In parallel to the acceleration in cloud, we witnessed the greatly enhanced use of digital channels and capabilities across our markets.

When we look at our execution and performance in 2020 there are four common themes that made it a banner year for NICE, but are also the driving forces that will fuel our future growth. First, we operate in markets that are at the core of the virtualisation transformation. Second, our strategic pillars, which are at the center of our innovation that embody Cloud, Digital and AI, are the undoubted cornerstones of the new virtual era and are recognized as essential to enable truly "phygital" experiences. Third, our solutions have always been mission critical for our customers, but the last 12 months further reinforced their vital importance and criticality especially in extreme and rapidly changing conditions. Lastly, what we refer to as the NICE "agility muscle," our ability to tackle, manage and thrive in the most extreme situations, has proven to be one of our unique leadership assets.

These four common themes powered 2020, making it a pivotal year for NICE.

ACTIMIZE UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Business review (continued)

2021 is shaping up to be a year of a changed reality, in which the events of 2020 have created a new normal, and at the same time provided new opportunities in cloud and digital. Enterprises are seeking to rapidly accelerate their innovation cycles and leap forward much faster than before while continuously adapting to changes. We are entering 2021 with great momentum, well thought-out strategy and extreme clarity as we begin our journey into the virtual transformation decade. We are the leading player in each of our markets with our native cloud digital platforms. X-Sight with its deep and broad portfolio of cutting-edge analytics, AI and best-in class solutions, clearly set us apart and further cemented our leadership. We are excited about the opportunities ahead of us and we will continue to charge forward. With our industry-leading technology assets and cutting-edge innovation, combined with our fast-growing market share and a burgeoning partner ecosystem, we are in the strongest competitive position in our history as a Company.

Financial key performance indicators

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

Turnover: £50,662k in 2020 (2019: £68,795k)
Shareholders' funds: £16,503k in 2020 (2019: £14,055k)
Average number of employees: 85 in 2020 (2019: 88).

Turnover decreased by 26.4% during the year. This is primarily attributed to the increased adoption of our cloud platforms X-Sight and Xceed by our customers which results in revenue recognition over longer periods compared to revenue of on-premise solutions recognized immediately, as well as decreases in product and professional service revenues primarily resulting from COVID.

Shareholders' funds grew in the year reflecting the profit gained during the year.

COVID-19 Update

Due to the COVID-19 pandemic, we have restricted our employee travel, shifted to work from home in locations around the world and have changed other operating procedures. We continue to actively monitor the situation and have taken and will continue to take certain precautionary and preemptive actions to minimize impact to our business and our employees. In addition, we have and will continue to monitor and take actions to abide with all federal, state and local regulatory requirements. Neither the duration nor the spread of the COVID-19 virus can be predicted. In this respect, see also the discussion under Item "Risk Factors – Risks Relating to the Global Environment – Our business, facilities or operations could be adversely affected by events outside of our control, such as natural disasters or health epidemics." We will continue to drive uninterrupted business continuity in our operations while we closely track developments and may take further actions based on regulatory mandates, or that we determine are in the best interests of our employees, customers, partners, suppliers, and shareholders.

Director's statement of compliance with duty to promote the success of the Company

The following disclosure describes how the Director has considered the interests of key stakeholders and the broader matters set out in Section 172(1) (a) to (f) of The Companies Act 2006 ("S172").

Employees

Our employees are key assets to drive our growth and allow us to bring our customers the right solutions to address key business challenges and build strong customer partnerships.

We perform an annual employee survey, an opportunity to hear directly from our employees about their experience at NICE and provide important feedback to our management. The survey is a key tool to invest in engagement and to strive to continuously improve our teams. We have adopted a Code of Ethics that applies to our principal executive and financial officers, and that also applies to all of our employees.

ACTIMIZE UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Customers

Our loyal customer base are key assets to drive our growth.

Customer and Business Partner Survey - In the past years we've performed a Customer and Business Partner Survey demonstrating our on going commitment to our customers' success. We run this survey across all parts of our business.

Strategic Alliances

We sell our solutions worldwide, both directly to customers and indirectly through selected partners to better serve our global customers. We partner with companies in a variety of sales channels, including service providers, system integrators, consulting firms, distributors, value-added resellers and complimentary technology vendors. These partners form a vital network for selling and supporting our solutions and platforms. We have established a cross-organization business partner program, which provides full support and a broad portfolio of sales tools to help our partners promote the NICE offerings, helping to drive mutual revenue growth and success. Our strategic technology partnerships ensure full integration with the NICE offerings, delivering value added capabilities that address a variety of technology environments.

Environmental Regulations

Our European activities require us to comply with the Directive 2011/65/EU of the European Parliament and of the Council on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment and the Commission Delegated Directive (EU) 2015/863 (together "RoHS"). RoHS provides, among other things, that producers of electrical and electronic equipment may not place new equipment containing certain materials, in amounts exceeding certain maximum concentration values, on the market in the EU. We are also required to comply with Regulation (EC) 1907/2006 of the European Parliament and of the Council Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH", SVHC-205), which requires producers to manage the risks from chemicals used in their products and to provide safety information on the substances found in their products.

Our products meet the requirements of the RoHS and REACH directives and we are making every effort in order to maintain compliance, without adversely affecting the quality and functionalities of our products. If we fail to maintain compliance, including by reason of failure of our suppliers to comply, we may be restricted from conducting certain business in the EU, which could adversely affect our results of operations.

Our European activities also require us to comply with Directive 2012/19/EU of the European Parliament on Waste Electrical and Electronic Equipment ("WEEE"). The WEEE directive covers the labeling, recovery and recycling of IT/ Telecommunications equipment, electrical and electronic tools, monitoring and control instruments and other types of equipment, devices and items, and we have set up the operational and financial infrastructure required for collection and recycling of WEEE, as stipulated in the WEEE directive, including product labeling, registration and the joining of compliance schemes. We are taking and will continue to take all requisite steps to ensure compliance with this directive. If we fail to maintain compliance, we may be restricted from conducting certain business in the EU, which could adversely affect our results of operations.

Community

NICE encourage the involvement of its employees in the community and initiate several activities and programs over the past ten years to support the community. Among them - "Global Community Month" in which our employees are participating in activities for non-profits organizations and countless individuals.

ACTIMIZE UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Financial Crime and Compliance Business Strategy and future developments

Our long-term strategy is to further strengthen our leadership position in the Customer Engagement market segments, as well as to further enhance our position in adjacent markets. During 2020, we continued to execute on our long-term strategy through both organic activity and acquisitions, enhancing our position as a leader in both markets.

Empowering organizations to lead by adapting to change

We intend to continue leading the market by leveraging several major industry trends and evolving our offering to meet our customers' current and future needs while focusing on key strategic pillars:

- Cloud Foundation – we provide cloud-native open platforms for our Customer Engagement and Financial Crime and Compliance offerings. This allows our customers to facilitate adoption of cloud infrastructure as a means to accelerate innovation and reduce integration, implementation and operational efforts.
- Digital - we enable businesses to deliver digital-first omnichannel experiences, including the ability to service customers across multiple channels, provide secure digital banking and help public safety organizations shift to digital interaction and digital evidence environments.
- AI, Analytics and Automation – our domain expertise and advanced technology in the areas of AI, machine learning and automation, as well as our unique access to data to train these algorithms via our cloud offerings, allow us to provide market leading AI-driven smarter processes to our customers, addressing numerous business use cases across all our market segments.

Strengthening our market leadership

Our brand, global reach, financial resources, extensive domain expertise and ability to deliver solutions for large, as well as small and mid-sized organizations, will further anchor our market-leading position. We plan to continue to develop our open cloud platforms for Customer Engagement markets to enable unified integrated solutions that offer fast innovation and easy implementation. These platforms allow us to deepen our direct relationships with our customers, nurture our partner ecosystem and create new growth opportunities. In our Customer Engagement business, we will continue to expand our offering through our CXone platform. With CXone we provide the broadest suite of analytics and AI-infused integrated applications for customer service, all on an open cloud-native foundation. Alongside our existing offering, we plan to lead in new product categories, as we introduce novel solutions and enter additional market segments. We will continue to extend our leading market position for cloud contact center solutions, catering to organizations of all sizes and replacing legacy on-premises infrastructure players. We will also continue to enable our customers to extend our solutions through innovative third-party solutions via our DEVone dedicated partner ecosystem that our customers can self-select through our platform's CXexchange application marketplace. Our Evidential cloud digital transformation platform allows public safety, law enforcement and criminal justice agencies to transform to the digital age, managing response, investigation and prosecution digitally and embedding analytics and AI throughout the entire criminal justice process, enabling agencies to leverage data to the fullest and work together collaboratively to enhance public safety.

Help our customers transform to the cloud

The majority of our customers still rely exclusively or heavily on traditional on-premise software deployment, which is slow-moving and costly to maintain. We continue to leverage our leading cloud platforms as well as our brand and relationships and domain expertise to help our customers adopt cloud solutions at the pace that matches their needs and preferences. We intend to continue offering our solutions in a variety of delivery models, which enable us to be flexible in effectively addressing our customers' needs.

ACTIMIZE UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Continuing to offer our full solutions portfolio to our existing customer base

One of our main assets is our growing customer base. We believe there are many opportunities to expand, up-sell and cross-sell within our existing customer base. This includes increasing our customers' exposure to the full breadth of our portfolio. We continue to provide our customers with new benefits by expanding the offering they already use, adding new products and migrating our customers to the cloud.

Maximizing the synergies across our businesses

At NICE, we value and promote a synergetic approach to our platforms and solutions. We will continue leveraging the fact that many of our solutions are based on common cloud architectures as well as on methodology of capturing and analysing massive amounts of structured and unstructured data, providing real-time insight and driving process automation. Maximizing these synergies and cooperation between our business areas is a key pillar of our corporate strategy. We have several joint offerings across our business segments and combined go-to-market efforts. We will continue leveraging our extensive complementary domain expertise, technological know-how, capabilities and development, in order to grow our business through additional cross-sell and up-sell opportunities.

Financial Crime and Compliance Business Strategy

We plan to continue extending our market leading position and our addressable market, while further supporting the move to the cloud by financial institutions. We also plan to leverage our capabilities to facilitate both better financial crime protection and help our customers realize significant cost reductions. We intend to achieve this by focusing on:

- Delivering integrated Financial Crime and Compliance solutions that help financial services organizations identify risks faster and earlier throughout all phases of the customer lifecycle.
- Expanding our market reach within the mid-tier banks and financial institutions with Xceed. Xceed platform is a native cloud, AI- Financial Crime and Compliance platform that provides AML and Fraud solutions, enabling smaller organizations to enjoy the capabilities previously only afforded to large organizations in a fully packaged SaaS offering.
- Providing X-Sight, our cloud-native AI platform for Financial Crime and Compliance solutions for the top tiers of the market to further strengthen and grow our market leadership position. X-Sight combines data and analytics agility and our ability to cross-sell solutions. Our cloud platform leverages Big Data, AI, machine learning, advanced automation and other technologies to help customers reduce the cost of operations, while increasing their adherence to compliance and preventing financial crime.
- Offering X-Sight AI, a data driven, machine learning, analytics managed service (Actimize Watch) or do-it-yourself toolset (X-Sight Studio) to retain and optimise analytic models and develop new analytics by leveraging insights from our market-wide view of transactions.
- Offering X-Sight DataIQ, our orchestration and aggregation engine that seamlessly connects to multiple premium and public data sources, turning raw data into the intelligence to fight financial crimes.
- Expanding the X-Sight Marketplace, an ecosystem of innovative third-party partners where our customers can select complementary offerings to extend our platforms and products.
- Offering our solutions to verticals outside of the traditional financial services, such as technology, gaming, energy, insurance, healthcare, industry regulators, government agencies, as well as to fintech and alternative payments providers.
- Continuing to cross-sell and up-sell into our existing customer base around the world.
- Partnering with world-class consultancy and other firms to identify additional significant opportunities.
- Increasingly selling holistic solutions, combining Financial Crime and Compliance offerings with Customer Engagement offerings.

ACTIMIZE UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Industry and Technology Trends

Following are the key cross-industry trends that we have identified as driving demand for our solutions:

- Organizations prefer using open cloud platforms as the foundation for their applications to allow quick innovation cycles and business agility.
- Accelerated adoption of cloud solutions by organizations of all sizes.
- Organizations are going through accelerated digital transformation in response to consumer preferences enhanced by recent social distancing practices.
- Artificial Intelligence and Automation are disrupting businesses across all industries.

Financial Crime and Compliance trends that are driving demand for our solutions:

- The need to embed risk management controls into digital first strategies.
- Preventing financial crime and ensuring stringent compliance with evolving regulatory environments.
- An unpredictable threat landscape environment.
- An increasing need to control cost of compliance
- Financial institutions are seeking a single platform that aggregates and analyses financial crime related Risk in one place
- Process automation and machine learning are increasingly used to automate financial investigation tasks where it may not be necessary to have human involvement.
- Financial institutions are being disrupted by digital players providing improved experiences and more personalized products and services.

Principal risks and uncertainties

The markets in which we operate are highly competitive and we may be unable to compete successfully.

The markets for our products, solutions and related services are, in general, highly competitive. Our competitors include a number of large, established software development vendors. Some of our principal competitors or potential competitors may have advantages over us, including greater resources, a broader portfolio of products, applications and services, greater brand recognition, larger patent and intellectual property portfolios and access to larger customer bases, all of which would enable them to better adapt to new or emerging technologies or customer requirements or devote more resources to the marketing and sale of their products and services.

We may not be successful in our Cloud Software-as-a-Service business.

Our cloud-based business has grown significantly, and therefore we are more dependent now on the success of this area of our business. If we are not able to compete effectively, generate significant revenues or maintain the profitability of our cloud offerings, or if we do not successfully execute our cloud strategy or anticipate the cloud needs of our customers, our revenues could decline and our reputation may be adversely affected.

Conditions and changes in the local and global economic environments may adversely affect our business and financial results.

Adverse economic conditions in markets or regions in which we operate can harm our business. Our results of operations can be affected by adverse changes in local and global economic conditions, slowdowns, recessions and economic instability. To the extent that our business suffers as a result of such unfavourable economic and market conditions, including a potential downturn as a result of COVID-19 pandemic (as further described below), our operating results may be materially adversely affected. In particular, enterprises may reduce spending in connection with their contact centres, financial institutions may reduce spending in relation to trading floors and operational risk management (as IT-related capital expenditures are typically lower priority in times of economic slowdowns), and our customers may prioritise other expenditures over our solutions.

ACTIMIZE UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

In addition, enterprises' ordering and payment patterns are influenced by market conditions and could cause fluctuations in our quarterly results. If any of the above occurs, and our customers or partners significantly reduce their spending or significantly delay or fail to make payments to us, our business, results of operations, and financial condition would be materially adversely affected. Disruption to the global economy could also result in a number of follow-on effects in addition to a slow-down in our business, including a possible (i) negative impact on our liquidity, financial condition and share price, which may impact our ability to raise capital in the market, obtain financing and secure other sources of funding in the future on terms favourable to us, and (ii) decrease in the value of our assets that are deemed to be other than temporary, which may result in impairment losses.

Our business, facilities or operations could be adversely affected by events outside of our control, such as natural disasters or health epidemics.

Natural disasters or other unexpected events that adversely affect the business climate in any of our markets could have a material adverse effect on our business, financial condition and results of operations. Our business operations may be subject to interruption by natural disasters, fire, power shortages, telecommunications failures, pandemics and epidemics and other events beyond our control. Although we maintain disaster recovery and business continuity plans, such events could make it difficult or impossible for us to deliver our products and services to our customers, and could decrease demand for our products and services. The novel coronavirus (COVID-19) pandemic is contributing to a general slowdown in the global economy, which may impact the mode of operation of our customers, including the possible impact on their buying decisions and the sale cycles. At this time, the extent and duration of the continued impact of the pandemic is unknown, and therefore we cannot predict how it may affect our future business, results of operations, financial condition and strategic plans. Furthermore, due to our subscription-based business model, the effect of the COVID-19 pandemic may not be fully reflected in our results of operations until future periods. In addition, due to the COVID-19 pandemic, we have restricted our employee travel, shifted to work from home in most locations around the world and have changed other operating procedures. The result of such changes may impact our ability to attract and retain employees.

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

DocuSigned by:

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D Rhodes
Director

Date: September 30, 2021

ACTIMIZE UK LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Director presents his report and the audited financial statements for the year ended 31 December 2020.

Director's responsibilities statement

The Director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the Director is required to:

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

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

Principal activity

The Company's main activity is to market, distribute, service and maintain products and solutions, within its jurisdictions, for the Financial Crime & Compliance markets.

Results and dividends

The profit for the year, after taxation, amounted to £1,880,172 (2019: profit of £2,169,462).

The Director does not propose the payment of a final dividend (2019: £nil).

Director

The Director who served during the year and to the date of this report was:

D Rhodes

Qualifying third party indemnity provisions

The Director benefits from a third party qualifying indemnity provision in the form permitted by Section 234 of the Companies Act 2006 in respect of certain third party actions against the director. No claim or notice of claim in respect of these indemnities has been received in the year. The qualifying indemnity provision was in force throughout the financial year and up to the date of approval of the Director's Report.

ACTIMIZE UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Streamlined Energy and Carbon Reporting (SECR)

NICE Environmental Management

NICE prides itself on being fully committed to minimizing our environmental impact and holds itself accountable for operating with integrity and responsibility in the communities we call home. We comply with the standards, regulations and requirements concerning the environmental aspects of our operations and products. We believe that maintaining market leadership cannot preclude corporate commitment to a cleaner and safer world.

Our Policy

At NICE we have an ongoing commitment to improving our operations in order to help cut energy use, reduce the use of plastic and generation of waste, encourage recycling, and lower our carbon footprint.

Our goal is to increase the awareness of the need to preserve the environments in which we operate and to minimize any environmental impact from our activities and products.

In coordination with our quality management policy, we are committed to:

Complying with ISO14001, applicable environmental legislation, regulations and the majority of customer requirements;

Striving towards prevention and continual reduction of any adverse environmental effects from our activities and products;

Demonstrating continual improvement of environmental objectives and fostering environmental awareness among NICE personnel and promoting internal communication of this policy.

How Our Policy is Implemented

Monitoring of energy use through BMS (Building Management System), in addition to monitoring of energy efficiency on an ad-hoc basis through an external auditor;

Environmental Training: All New hires are provided environmental training;

All Electric and Electronic equipment is disposed of by complying with WEEE Directive in the EU and local directives in all other jurisdictions, in addition to waste management and monitoring in our facilities;

The majority of data centres we currently use have reported on using renewable energy and applicable target setting.

Suppliers are contractually obligated to comply with our Supplier Code of Conduct which includes environmental related commitments. Critical suppliers undergo an initial due diligence questionnaire, annual monitoring and audits.

Although the manufacture of hardware in our products is now minimal, we have adopted responsible End-of-Life policies for the applicable products to ensure ease of dismantling, removal of hazardous materials and our participation in take-back schemes of hardware manufacturers.

ACTIMIZE UK LIMITED

Streamlined Energy and Carbon Reporting (SECR) (continued)

Carbon Footprint Report.

As a leading global hi-tech firm, NICE Ltd acknowledges the importance of environmental responsibility in its daily operations.

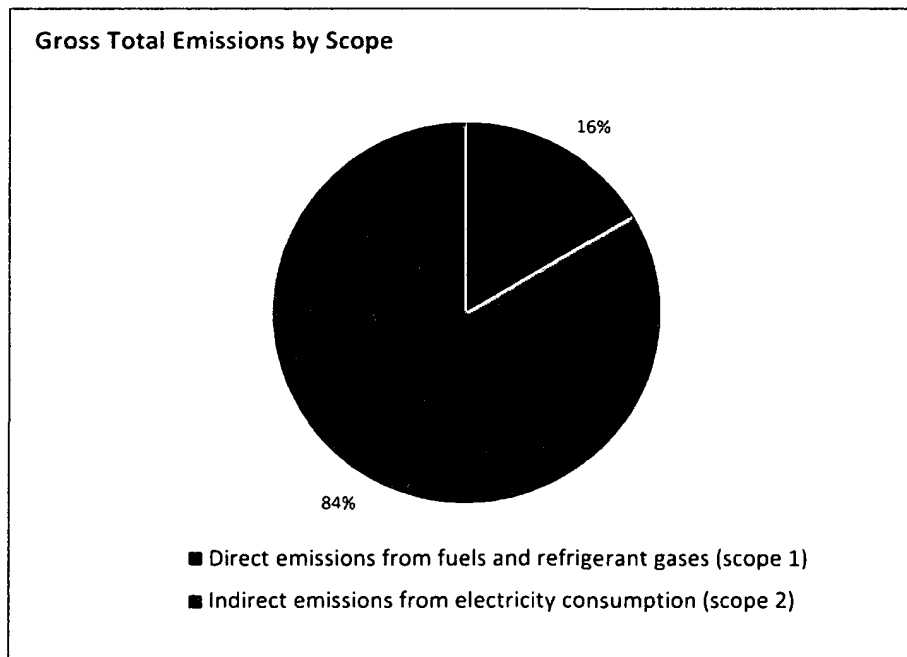
Global warming and climate change are the foremost environmental challenges facing the world today and NICE realises the first step in tackling these issues is by calculating the corporate carbon footprint.

A report prepared by EcoTraders Ltd on the corporate carbon footprint for the company's operations in 2018 was published in July 2019.

Key Findings:

NICE's total emissions were 10,058 tCO₂e, which amounts to 6.96 kg CO₂e / Million USD of revenue or 1.83 tCO₂e per full time equivalent (FTE) employee. The energy expenses accounted for only 0.3% of NICE's total operational expense.

Only 16% of NICE's total emissions were caused by direct emissions while the remaining emissions were caused by NICE's electricity consumption:



Of the Company's direct emissions, the vast majority were caused by fuel consumption in company vehicles (85%), with the remainder caused primarily by the release of refrigerant gases during maintenance of the company's chillers (HVAC equipment). Fuel consumption in emergency generators owned and operated by the Company were negligible (0.02%):

ACTIMIZE UK LIMITED

Streamlined Energy and Carbon Reporting (SECR) (continued)
Scope 1 Emissions

Scope 1 emissions refer to direct GHG emissions which occur from sources that are owned or controlled by the Company. The main sources of direct emissions in NICE's UK operations are from the maintenance of chillers

During periodic maintenance of chillers, refrigerant gases can escape from the chiller systems; in addition, the gases can leak out over time. According to international best practice in terms of GHG accounting, it is assumed that the quantity of gas that was emitted from existing chillers in a given year is equal to the quantity of gas added to the systems during periodic maintenance during that year.

NICE has operational control of the chillers at the London site in England. During periodic maintenance of chillers, HFC gas were added to the chillers, causing emissions of 247.6 tCO₂e:

Site	Amount of gas filled (kg)	Gas type	GWP (tCO ₂ e/kg)	Emissions (tCO ₂ e)	Source
London	15	R410A	2.088	31.32	EnviroAir

It is important to note that at the vast majority of NICE sites, NICE does not have operational control over the maintenance of the chillers. As NICE leases office space, this generally falls under the property manager's responsibility.

Scope 2 Emissions

Scope 2 accounts for indirect GHG emissions from consumption of purchased electricity, heat or steam. As NICE does not purchase heat or steam, the company's scope 2 emissions are from purchased electricity only.

The estimated total electricity consumption was 15,793,169 kWh, 15,566,305 kWh of which are covered in the carbon footprint assessment (98.6%).

Market vs. location based

Calculating scope 2 emissions requires a method of determining the emissions associated with electricity consumption. Two primary methods can be used in order to account for the emissions from electricity consumption: location-based and market-based methods.

The location-based method involves to quantifying scope 2 emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries, during a defined time period.

The market-based method involves quantifying the scope 2 emissions based on GHG emissions emitted by the generators from which the Company contractually purchases electricity.

In accordance with the GHG Protocol standard, emissions must be calculated using both methods, as long as at least one of the Company sites is located in an area in which it can purchase electricity through contractual instruments – even if it does not do so in practice.

ACTIMIZE UK LIMITED

Streamlined Energy and Carbon Reporting (SECR) (continued)

As such, in this report emissions from electricity consumption were calculated using both the location-based and the market-based methods.

For the market-based method, emissions were calculated by using the emission factor of the electricity companies or the residual mix where publicly available; for all other sites the market-based emissions factor was assumed to be identical to the location-based factors, in accordance with the instructions of the GHG Protocol. The residual mix emission factor represents the average emission factor of electricity that remains after electricity purchases by other consumers in the market.

Emissions from electricity consumption

As previously noted, this assessment includes emissions from an estimated 98.6% of the electricity consumed by NICE, amounting to a total of 15,566,305 kWh emitting 8,256 – 8,430 tCO₂e, which includes emissions from the UK sites as follows:

Scope 2 emissions		Location-based		Market-based	
Southampton	135,239.63	0.000283	38.28	0.00031	41.92
London QVS	467,969	0.000283	132.47	0.000283	132.47

Data accuracy and data gaps

NICE rents office space at numerous sites around the world. In some sites, electricity is included in the fixed monthly payment and is therefore not monitored directly.

For these sites, the electricity consumption was estimated based on the previous year (London site), or based on an average consumption per employee for similar sites.

Electricity consumption was directly monitored for the Southampton site.

In order to assess the impact of the consumption estimation on the total level of uncertainty in the GHG emissions calculation, emissions were recalculated by estimating consumption at sites in which it was not monitored directly based on the minimum and maximum consumption per employee at those sites in which electricity was monitored. This led to an uncertainty range of between 5% and 10%.

The full Corporate Carbon Footprint report including the methodologies used can be found on NICE's website.

ACTIMIZE UK LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Director's Report have been omitted as they are included in the Strategic Report. These matters relate to future developments.

Disclosure of information to auditor

The Director at the time when this Director's Report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Going concern


The Director, at the time of approving the financial statements, has considered the operating budget and forecast for a period of twelve months and has determined there is a reasonable expectation that the group has adequate resources to continue to support the Company for the foreseeable future. The Company is dependent on its ultimate parent company, NICE Limited, and management of that company have expressed a willingness to support the Company for a period of at least twelve months following the signing of these financial statements.

Accordingly, the Director continues to adopt the going concern basis in preparing the financial statements.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

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D Rhodes
Director

Date: September 30, 2021

ACTIMIZE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIMIZE UK LIMITED

Opinion

We have audited the financial statements of Actimize UK Limited (the 'Company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ACTIMIZE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIMIZE UK LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

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

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

Responsibilities of Director

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

In preparing the financial statements, the director is responsible for assessing the 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 either the director intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

ACTIMIZE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIMIZE UK LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Director's and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the director and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the director and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.


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

ACTIMIZE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIMIZE UK LIMITED

Use of the audit report

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


Lesley Fox (Sep 30, 2021 11:30 GMT+1)

Lesley Fox (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants & Statutory Auditor

5th Floor, Merck House
Seldown Lane
Poole
Dorset
BH15 1TW

Date: Sep 30, 2021

ACTIMIZE UK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	50,662,279	68,794,565
Cost of sales		(39,049,731)	(56,895,313)
Gross profit		<u>11,612,548</u>	<u>11,899,252</u>
Administrative expenses		(9,839,369)	(9,491,442)
Operating profit	5	1,773,179	2,407,810
Interest receivable and similar income	9	503	29,886
Interest payable and similar expenses	10	-	(2,217)
Profit before tax		<u>1,773,682</u>	<u>2,435,479</u>
Tax on profit	11	106,490	(266,017)
Profit for the financial year		<u><u>1,880,172</u></u>	<u><u>2,169,462</u></u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for 2020 (2019: £nil).


The notes on pages 21 to 36 form part of these financial statements.

ACTIMIZE UK LIMITED
REGISTERED NUMBER: 05135139

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	1,551	4,248
		<u>1,551</u>	<u>4,248</u>
Current assets			
Stocks	13	937,063	732,348
Debtors: amounts falling due after more than one year	14	-	2,850
Debtors: amounts falling due within one year	14	42,854,706	32,684,297
Cash at bank and in hand	15	1,112,462	3,288,058
		<u>44,904,231</u>	<u>36,707,553</u>
Creditors: amounts falling due within one year	16	(28,179,351)	(22,575,135)
Net current assets		<u>16,724,880</u>	<u>14,132,418</u>
Total assets less current liabilities		<u>16,726,431</u>	<u>14,136,666</u>
Provisions for liabilities			
Other provisions	18	(223,707)	(81,657)
		<u>(223,707)</u>	<u>(81,657)</u>
Net assets		<u><u>16,502,724</u></u>	<u><u>14,055,009</u></u>
Capital and reserves			
Called up share capital	19	100	100
Profit and loss account	20	16,502,624	14,054,909
Total equity		<u><u>16,502,724</u></u>	<u><u>14,055,009</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 76F1E60AEB0748D...
D Rhodes

Director

Date: September 30, 2021

The notes on pages 21 to 36 form part of these financial statements.

ACTIMIZE UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	100	11,354,336	11,354,436
Comprehensive income for the year			
Profit for the year	-	2,169,462	2,169,462
Total comprehensive income for the year	-	2,169,462	2,169,462
Share-based payments	-	531,111	531,111
At 1 January 2020	100	14,054,909	14,055,009
Comprehensive income for the year			
Profit for the year	-	1,880,172	1,880,172
Total comprehensive income for the year	-	1,880,172	1,880,172
Share-based payments	-	567,543	567,543
At 31 December 2020	100	16,502,624	16,502,724

The notes on pages 21 to 36 form part of these financial statements.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Actimize UK Limited is a private company limited by shares and incorporated in England and Wales, registration number 05135139. The address of its registered office is Tollbar House, Tollbar Way, Southampton, Hampshire, SO30 2ZP.

The Company's main activity is to market, distribute, service and maintain products and solutions, within its jurisdictions, for the Financial Crime & Compliance markets

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are presented in GBP which is the currency of the primary economic environment in which the Company operates and are rounded to the nearest Pound.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of NICE Limited as at 31 December 2020 and these financial statements may be obtained from 22 Zarchin Street, Ra'anana, Israel 43101.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Going concern

The Director, at the time of approving the financial statements, has considered the operating budget and forecast for a period of twelve months and have determined there is a reasonable expectation that the group has adequate resources to continue to support the Company for the foreseeable future. The Company is dependent on its ultimate parent company, NICE Limited, and management of that company have expressed a willingness to support the Company for a period of at least twelve months following the signing of these financial statements.

Accordingly, the Director continues to adopt the going concern basis in preparing the financial statements.

2.4 Turnover

The Company generates revenues from sales of software products, services and cloud, which include software license, SaaS and network connectivity, hosting, support and maintenance, implementation, configuration, project management, consulting and training. The Company sells its products directly through its sales force and indirectly through a global network of distributors, system integrators and strategic partners, all of whom are considered end-users.

The Company identifies a contract with a customer and the performance obligations in the contract, determines the transaction price, allocates the transaction price to each performance obligation in the contract and recognizes revenues when (or as) the Company satisfies a performance obligation.

Revenue is measured based on the consideration specified in a contract with a customer, excluding taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer. The Company enters into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations.

The Company allocates the transaction price to each performance obligation identified based on its relative standalone selling price ("SSP") out of the total consideration of the contract. The Company determines SSP based on the price at which the performance obligation is sold separately. If the SSP is not observable through past transactions. The Company estimates the SSP taking into account available information such as geographic or regional specific factors, internal costs, profit objectives, and internally approved pricing guidelines related to the performance obligation. For product where the SSP cannot be determined based on observable prices, given the same products are sold for a broad range of amounts (that is, the selling price is highly variable), the SSP included in a contract with multiple performance obligations is determined by applying a residual approach whereby all other performance obligations within a contract are first allocated a portion of the transaction price based upon their respective SSPs, with any residual amount of transaction price allocated to these product revenues.

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised product or service to the customer. Software license revenues are recognized at the point in time when the software license has been delivered and the benefit of the asset has transferred.

Support and maintenance service revenues are recognized ratably over the term of the underlying maintenance contract term. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognized ratably over the period of the renewal.

Revenues from professional services are recognized as services are performed.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Turnover (continued)**

The Company's SaaS offerings provide customers access to certain of its software within a cloud-based IT environment on a subscription basis, and may also include network connectivity services over the Company's network or through third party network connectivity providers on a usage basis. Because such offerings do not grant customers the right to take possession of the software, the Company considers these arrangements to be service contracts. In addition, the Company also derives revenue from professional services included in implementing or improving a customer's cloud software solutions experience.

Revenues for SaaS offerings are recognized ratably over the contract term or based on actual usage, commencing with the date the service is made available to the customers. Revenue from the network connectivity usage is derived based on customer specific rate plans and call usage and is recognized in the period the call is initiated. Upfront fees related to professional services that are interdependent with SaaS are not considered distinct. These services are considered a material right and as such are deferred and recognized over the estimated life of the customer.

Payment terms and conditions vary by contract type. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company determines its contracts generally to not include a significant financing component since the Company's selling prices are not subjected to billing terms nor is its purpose to receive financing from its customers or to provide customers with financing.

2.5 Tangible fixed assets

Tangible fixed assets 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful life.

Depreciation is provided on the following bases:

Fixtures & fittings	-	10% straight line
Computer equipment	-	33% straight line

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost included all direct costs and an appropriate proportion of fixed and variable overheads.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.7 Debtors

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

2.8 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Creditors

Short term creditors 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.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Interest payable and similar expenses

Finance costs are charged to profit or loss over the term of the debt using the effective interest method 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.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.12 Share based payments - Equity settled transactions

The cost of equity settled transactions with employees is measured by reference to fair value at the date of which they are granted and is recognised as an expense over the vesting periods, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer, using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market conditions, which are treated as vesting irrespective of whether or not the market conditions is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest, or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expenses since the previous balance sheet date is recognised in the Profit and Loss Account, with the corresponding entry in equity.

Where the terms of the equity-settled transaction are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Profit and Loss Account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Profit and Loss Account.

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest receivable and similar income

Interest income is recognised in profit or loss using the effective interest method.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.17 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Company's significant accounting policies are stated in note 2. Not all of these significant policies require the management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgement and estimation involved in their application and their impact on these financial statements.

Judgements and estimates are reviewed on an ongoing basis and actual results may differ from these estimates. The areas involving a higher degree of judgements or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

3.1 Critical judgements in applying the Company's accounting policies

The Director does not consider there to be any critical judgements made in the process of applying the Company's accounting policies.

3.2 Key sources of estimation uncertainty

Allowance for doubtful debts

The Company performs ongoing credit evaluations of its customers and insures certain of its receivables with a credit insurance company. An allowance for doubtful accounts is provided, based on the length of time the receivables are past due.

Share-based payments

Share-based compensation cost is estimated at the grant date based on the fair value of the award and is recognised as expense ratably over the requisite period of the award. We estimate the fair value of stock options granted using the Black-Scholes-Merton option-pricing model and value restricted stock based on the market value of the underlying shares at the date of grant. We recognise compensation costs using the graded vesting attribution method that results in an accelerated recognition of compensation costs.

The fair value of an award is affected by our stock price on the date of grant and other assumptions including the estimated volatility of our stock price over the term of the awards and the estimated period of time that we expect employees to hold their stock options. Share-based compensation expense recognised in our financial statements was reduced for estimated forfeitures.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020	2019
	£	£
Product revenue	5,654,111	19,579,641
Service revenue	15,985,769	18,794,182
Maintenance revenue	24,005,006	26,562,553
Cloud revenue	5,017,393	3,858,189
	<u>50,662,279</u>	<u>68,794,565</u>

Analysis of turnover by country of destination:

	2020	2019
	£	£
United Kingdom	16,986,747	16,490,133
Rest of Europe	17,094,765	25,306,586
Rest of the world	16,580,767	26,997,846
	<u>50,662,279</u>	<u>68,794,565</u>

5. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets	2,697	2,910
Exchange differences	(5,598)	5,127
Research and development charged as an expense	197,377	235,062
	<u>197,377</u>	<u>235,062</u>

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	32,000	30,000
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	6,000	5,510
All other non-audit services not included above	3,550	3,800
	<u>9,550</u>	<u>9,310</u>

7. Staff costs

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	10,569,014	9,507,987
Social security costs	1,306,407	1,070,964
Cost of defined contribution scheme	364,370	360,408
	<u>12,239,791</u>	<u>10,939,359</u>

The average monthly number of employees, including the Director, during the year was as follows:

	2020	2019
	No.	No.
Administration	3	2
Professional services	50	51
Sales and marketing	30	33
Research and development	2	2
	<u>85</u>	<u>88</u>

8. Director's remuneration

The Director's services to the Company did not occupy a significant amount of their time. As such, the Director does not consider that they received any remuneration for their incidental services to the Company for the year ended 31 December 2020 or 31 December 2019.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Interest receivable and similar income

	2020	2019
	£	£
Other interest	503	-
Bank interest	-	29,886
	<u>503</u>	<u>29,886</u>

10. Interest payable and similar expenses

	2020	2019
	£	£
Interest payable	-	2,217
	<u>-</u>	<u>2,217</u>

11. Taxation

	2020	2019
	£	£
Corporation tax - current year	2,586	400,794
Adjustments in respect of previous periods	-	(113,868)
Total current tax	<u>2,586</u>	<u>286,926</u>
Deferred tax		
Origination and reversal of timing differences	(109,076)	(20,909)
Total deferred tax	<u>(109,076)</u>	<u>(20,909)</u>
Taxation on profit on ordinary activities	<u>(106,490)</u>	<u>266,017</u>

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation (continued)**Factors affecting tax (credit)/charge for the year**

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Profit on ordinary activities before tax	1,773,682	2,435,479
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	337,000	462,741
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,064	6,056
Capital allowances for year in excess of depreciation	(1,411)	(2,383)
Adjustments to tax charge in respect of prior periods	2,586	(113,838)
Short term timing difference leading to an increase (decrease) in taxation	(109,076)	(20,909)
Double taxation relief	(220,736)	-
Share based payment adjustment	(112,648)	(48,479)
Group relief	(4,269)	(17,171)
Total tax (credit)/charge for the year	(106,490)	266,017

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Tangible fixed assets

	Fixtures & fittings and Computer equipment £
Cost	
At 1 January 2020	11,142
At 31 December 2020	<u>11,142</u>
Depreciation	
At 1 January 2020	6,894
Charge for the year	2,697
At 31 December 2020	<u>9,591</u>
Net book value	
At 31 December 2020	<u>1,551</u>
At 31 December 2019	<u>4,248</u>

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Stocks

	2020 £	2019 £
Work in progress	937,063	732,348

Stocks are stated net of provisions for impairment of £nil (2019: £nil).

14. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	-	2,850

	2020 £	2019 £
Due within one year		
Trade debtors	15,627,006	20,030,535
Amounts owed by group undertakings	18,088,578	4,014,906
Other debtors	2,595	46,313
Prepayments and accrued income	8,541,270	8,421,001
Tax recoverable	314,639	-
Deferred taxation	280,618	171,542
	<u>42,854,706</u>	<u>32,684,297</u>

Trade debtors are stated after provisions for impairment of £745,934 (2019: £1,014,754).

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

15. Cash

	2020 £	2019 £
Cash at bank and in hand	1,112,462	3,288,058

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	200,294	75,671
Amounts owed to group undertakings	3,685,207	4,178,412
Corporation tax	-	107,850
Other taxation and social security	929,743	785,290
Other creditors	4,911	26,050
Accruals and deferred income	23,359,196	17,401,862
	<u>28,179,351</u>	<u>22,575,135</u>

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

17. Deferred taxation

	2020	2019
	£	£
At beginning of year	171,542	150,633
Charged to profit or loss	109,076	20,909
At end of year	<u>280,618</u>	<u>171,542</u>

The deferred tax asset is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	8,468	8,839
Share based payments	272,150	162,703
	<u>280,618</u>	<u>171,542</u>

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Provisions

	National Insurance on Share Options £
At 1 January 2020	81,657
Additions	237,989
Utilised in year	(95,939)
At 31 December 2020	223,707

National Insurance on share options

The provision relates to the National Insurance on the share options issued in the Parent Company and controlling party, NICE Limited. The amount of National Insurance payable depends upon the number of employees who remain with the Company and exercise their options, the market price of the parent undertaking's ordinary shares at the time of exercise and the prevailing National Insurance rates at the time. A provision has been made taking into account the above factors and movements in the market value of the parent undertaking's shares up to 31 December 2020.

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019: 100) Ordinary shares of £1 each	100	100

The Company has one class of ordinary shares, each share gives rise to one voting right but no right to fixed income.

20. Reserves**Profit and loss account**

The profit and loss account is made up of distributable reserves less any dividends paid and share-based payments.

21. Pension commitments

During the year the Company operated a funded defined contribution Group Personal Pension Plan for eligible employees. The assets of the plan are held separately from those of the Company. The total contributions to the scheme for the year were £364,370 (2019: £360,408). At the year end contributions of £nil (2019: £nil) were outstanding and are included in creditors.

ACTIMIZE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 102, Section 33, from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

23. Post balance sheet events

There have been no significant events affecting the Company since the year end.

24. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company of Actimize UK Limited is NICE Limited, a company registered in Israel. The ultimate parent undertaking of the largest and smallest group which includes the Company for which group financial statements were prepared is NICE Limited.

Copies of the consolidated financial statements of NICE Limited can be obtained from 22 Zarchin Street, Ra'anana, Israel 43101.