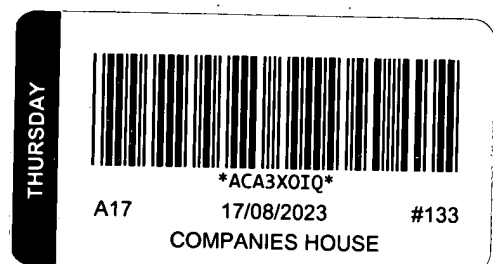


Keyloop (UK) Limited
Annual Report and Financial Statements
For the Year Ended 31 December 2022



Keyloop (UK) Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022

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Keyloop (UK) Limited

Officers and Professional Advisers

The Board of Directors A Johnson (appointed 15 August 2022)
C R Duff (appointed 15 May 2021 and resigned 15 August 2022)
T E Kilroy (appointed 31 January 2022)
L D Goodman (resigned 31 January 2022)

Registered office The Brickworks
35-43 Greyfriars Road
Reading
England
RG1 1NP

Keyloop (UK) Limited**Strategic Report (continued)****For the Year Ended 31 December 2022**

The Directors present their Strategic Report of Keyloop (UK) Limited (the "Company") from 1 January 2022 to 31 December 2022 (referred to as "2022" and "year" throughout the Financial Statements) detailing the main factors impacting upon the business during the year and a review of progress.

Principal activities and business review

The principal activity of Keyloop (UK) Limited continues to be that of the supply, installation and support of computer software and hardware together with related service activities. Keyloop is a leading global supplier of digital solutions for the automotive retail industry. Our powerful open platform connects retailers, OEMs, partners, and consumers to create a car buying and service experience that is seamless and rewarding. Keyloop technology brings it all together, linking all the systems, departments and sites of automotive retail groups for greater power and efficiency. Over 250,000 product users use Keyloop technology across 18,000+ retail sites in more than 90 countries globally. There are no likely changes in the Company's activities in the forthcoming year.

The Company continues to invest in research and development which has resulted in number of updates to the Company's existing products. The Directors regard such investment as necessary for the continued success in the medium to long-term future of the business.

As shown in the Company's Profit and Loss Account on page 18, the Company's sales on continuing operations of £113,005,000 (2021: £144,938,000) have decreased by 22% due to the longer prior period.

The Company achieved an operating margin from continuing operations after direct costs of 20% (2021: 32%).

The Balance Sheet on page 17 shows the Company's financial position at the year-end.

The Company's cash levels have decreased by £11,369,000 from £13,269,000 at the end of December 2021 to £1,900,000 at the end of the current financial year. The cash levels have decreased significantly in comparison with the prior year due to the introduction of cash pool. Cash levels in the branch have decreased by £296,026, and in the parent company the cash levels have decreased by £11,072,646. Various ratios are used by the Directors as key performance indicators of their control over the Balance Sheet. These being the Acid-Test, Return on Capital Employed (ROCE) and Return on Assets (ROA).

- Acid-Test has decreased from 1.68 at the end of December 2021 to 1.44 at the end of December 2022 (calculated as current assets excluding stock/current liabilities).
- ROCE has increased from 42% in December 2021 to 55% for December 2022 (calculated as operating profit/prior period net assets).
- ROA has decreased from 25% for December 2021 down to 17% for December 2022 (calculated as profit after tax/ prior period total assets).

ROCE has increased significantly in comparison with the prior year due to fact that the total value of prior period's net assets has decreased and due to fact that the operating profit has decreased. The value of prior period's net assets has decreased due to a decrease in Debtors which has been driven by a decrease in Loans to Group undertakings.

ROA has decreased in comparison with the prior year due to fact that both the value of prior period's total assets has decreased and due to fact that profit after tax has decreased. The value of prior period's total assets has decreased due to a decrease in Debtors which has been driven by a decrease in Loans to Group undertakings. Profit after tax has decreased as both the cost of sales and other operating expenses have increased year on year.

The Company acquired Silver Bullet Automotive Solutions Limited on 29 July 2022 for the consideration amount of £12,109,239 against the loan from Keyloop (Nederland) B.V. Subsequently, a hive up of trade and other assets took place. The value of net assets transferred was £228,428 and the transfer took place on 31 July 2022. As the transfer of net assets took place at book value, this resulted in posting of the merger reserve in the amount of £990,068. The investment cost was de-recognised and replaced with goodwill in the total net amount of £10,183,552. The relevant details can be seen also in the Notes 10 and 12.

The Company acquired Motor Documents Solutions Limited on 29 July 2022 for the consideration amount of £11,541,679 against the loan from Keyloop (Nederland) B.V. Subsequently, a hive up of trade and other assets took place. The value of net assets transferred was £391,120 and the transfer took place on 31 July 2022. As the transfer of net assets took place at book value, this resulted in posting of the merger reserve in the amount of £1,220,288. The investment cost was de-recognised and replaced with goodwill in the total net amount of £9,461,929. The relevant details can be seen also in the Notes 10 and 12.

Keyloop (UK) Limited**Strategic Report (continued)****For the Year Ended 31 December 2022**

Principal activities and business review (continued)

The Company acquired exclusive rights, title and interest to the Software on 1 August 2022 for the consideration amount of £14,797,477 against the loan from Keyloop Holdings (UK) Limited. The UEL of 7 years was officially considered for the amortisation calculation.

The Company continues to consider, manage and review the impact it has on local communities as part of the delivery of long-term sustainable business performance. Through the Company charities committee, the Company continues to support charities nominated by Company employees and which usually have a personal connection with employees or the local community. The Company continues to seek to reduce its impact on the environment. The Company has taken various carbon reducing initiatives and embarked on obtaining ISO14001 compliance. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Principal risks and uncertainties

The principal risks and uncertainties associated with the Group's activities are set out below.

Strategic Risks

The main strategic risks to Keyloop's business arise from deterioration in general economic conditions, increased competition and the consolidation of key customers. If economic conditions worsen, demand for Keyloop's products and services may fall, meaning that growth in revenues and profits is reduced or reversed. Increased competition in the form of new products and services launched by competitors could also reduce revenues and therefore profits. In addition, consolidation among Keyloop's customers could also reduce revenues as merged companies look for cost savings by reducing the number of systems they operate.

To mitigate the impact of reduced demand for Keyloop's products and services, the Group continues to invest in the development of new products and in identifying, negotiating and completing acquisitions to enhance its customer offering. In addition, the Group plans to continue to increase the proportion of its revenue arising from more stable recurring revenue streams such as Software as a Service ("SaaS") and hosted products, which made up 92% of total revenue during 2022 (89% in 2021).

Keyloop's business operations were not materially impacted by Russia's invasion of Ukraine. Steps were taken to terminate Group revenue originating from Russia, which was of immaterial value. The Group did not experience any adverse impact to its supply chain.

As the Directors expected, Brexit has not had a material impact on the Group.

Operational Risks

Key operational risks involve the delivery and support of customer projects as delays can in turn reduce revenue and profit recognition. In providing SaaS, the Group is reliant on a number of third-party suppliers that provide data centres. The provision of SaaS products hosted on Keyloop managed servers is critical to the Group's strategy of growing recurring revenues. To mitigate against the risk of data centre failure, and to ensure that a high level of service is provided to our SaaS customers, the Group's Support Services teams are required to continually monitor service levels and review the disaster recovery plans that are currently in place.

Where these are found to be inadequate, corrective action is taken. In addition, the Group has a number of data centre locations with no significant geographic concentration. As with all software companies, there is from time to time a risk of potential litigation arising from areas such as customer and supplier relationships or employee matters. Management evaluates each potential litigation item to determine if reserves should be established. As of the balance sheet date, there are €0.8m for items that management has determined require disclosure or a provision. Additional operational risks lie in customers suffering financial failure or alternatively key person loss within the Group.

Keyloop (UK) Limited**Strategic Report (continued)****For the Year Ended 31 December 2022**

Principal risks and uncertainties (continued)*Financial Risks*

The Group is exposed to number of financial risks including Interest Rate Risk, Foreign Exchange Risk, Liquidity Risk and Counterparty Risk. The Group monitors these risks primarily through cash flow forecasting and sensitivity analysis, with a central Treasury Function identifying and evaluating financial risks in close co-operation with the Group's main operational functions. For counterparty credit risk, exposure levels are monitored by way of the Cash Management process to ensure a spread of institutions are used to hold the Group's cash.

The Group had term loans outstanding totalling €697.5m and £125m (gross of fees) as of 31 December 2022. With the EUR term loan debt maturing March 2028 and the GBP term loan maturing March 2029.

The Group remains exposed to interest rate fluctuations in relation to its borrowings but is actively monitoring this exposure. As at 31 December 2022 The Group has taken external advice on the mitigation of rising interest rates with respect to its external borrowings and interest rate caps were procured in January 2023.

Financial risk management objectives and policies

The Company operates as a major trading subsidiary within the wider Keyloop Group. The decisions in respect of financial risk management are not taken at the Company's level.

Furthermore, the Company's activities expose it to number of financial risks including cash flow risk, credit risk and price risk. The Company policies as governed and approved by the Board of Directors are used to manage these risks. The Company does not use derivative financial instruments.

Cash flow risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. The Company uses foreign currency bank accounts to limit exposure.

Credit risk

The Company's principal financial assets are bank balances, trade and other receivables and investments. The Company'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 Company has no significant concentration of credit risk, with exposure spread over a large number of counter parties and customers.

Price risk

Inflation: The Company has already started to feel the impact of inflation on its costs from suppliers, but equally, the Company has got an Annual Price Increase process in place where such an increase is subsequently passed to its customers.

Rising energy prices: The Company has already started to feel the impact of rising energy prices. However, this fact was not reflected in the Energy & Carbon Reporting below within the Director's report as this externality has started to manifest itself during the year 2022 and was not a matter of concern as at December 31st, 2021.

Supply Chain Disruptions: The Company is not directly impacted as hardware does not constitute a major part of its business. Nevertheless, the Company feels it indirectly because supply chain disruptions can impact its customers (auto dealerships) and therefore it can impact the sale of some of its layered applications products.

Rising cost of living: The Company feels the impact in its labour costs. Again, however, the Company has got an Annual Price Increase process in place where such an increase is subsequently passed to its customers.

Future prospects

The Directors intend to take advantage of their position in the United Kingdom market place and open up further sales opportunities by providing value added services to new and existing customers, and also to capture additional market share by winning new customers and building manufacturer relationships in the automotive retail market.

Furthermore, apart from the integration of the already acquired entities, the Company will continue to position itself on the market such that it would be able to execute any further new acquisitions decisively.

Keyloop (UK) Limited**Strategic Report (continued)****For the Year Ended 31 December 2022**

Section 172

The Directors of Keyloop (UK) Limited (Company) and those of all UK companies must act in accordance with a set of general duties. These duties are detailed in Section 172 of the UK Companies Act 2006, which is summarised as follows:

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

- the likely consequences of any decisions in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the company.

Francisco Partners acquired the international division of CDK Global with effect from 1 March 2021 which included the Company. Since that date the international division of CDK Global has been rebranded as Keyloop and the Company itself has been renamed Keyloop (UK) Limited.

In large and complex organisations such as Keyloop, the directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the Company. The directors recognise that such delegation needs to be part of a robust governance structure which covers the values and the behaviours expected of employees; the standards they must adhere to; how the Company engages with stakeholders and how the directors ensure its governance system and controls continue to be robust.

The following summarises how the Directors had regard to the respective elements of Section 172 factors set out above in the fulfilment of their duties during the fiscal year.

Long term consequences of decisions

The Company remains focused on its five long term ambitions which were set in the previous period. These are to make Keyloop: a scalable company; a supplier of world class products; focused on customers; a great place to work; and an organisation that produces strong financial results.

The new operating model is led by the Executive Leadership Team (ELT), which consists of functional leaders from Alliances, Customer Enablement, Engineering, Finance, HR, Product, Professional Services and Sales. There were personnel changes to the ELT during the year, with functional expertise joining the business to lead several functions.

The Keyloop senior leadership team, consisting of approximately 100 colleagues, played a key role in progressing the five long term ambitions this year.

In February 2022, Keyloop acquired SERTI, a provider of Dealer Management Systems in Canada. Keyloop already had a significant presence in Canada following its acquisition of RAPID RTC in March 2021. The acquisition of SERTI provides an opportunity to combine RAPID RTC products with SERTI's DMS as well as Keyloop's wider portfolio of applications to provide an end-to-end automotive retail solution to dealerships across Canada. This investment decision was made by the Keyloop board and the ELT with the long-term interests of Keyloop in mind.

Keyloop (UK) Limited

Strategic Report (continued)

For the Year Ended 31 December 2022

Section 172 (continued)

Shareholder relationships

The ultimate shareholder relationship is with Francisco Partners. A Keyloop board of directors was established, consisting of representatives from Francisco Partners and the Keyloop Chief Executive Officer. There are quarterly board meetings during which the KLT provides the board with updates regarding business performance across each function and the key strategic initiatives.

An Audit Committee was also established and meets quarterly in line with board meetings. Consisting of a non-executive Chair, the Keyloop CFO and representatives from Francisco Partners the Audit Committee reviews Keyloop financial metrics including profit and loss, the balance sheet, treasury and tax and the Keyloop risk management and compliance framework.

In addition to a range of meetings on business topics the KLT hold regular fortnightly meetings ensuring good communication so that Keyloop's interests (and ultimately its shareholders) are discussed and then communicated into the Company. The senior leadership team of the Company meet at least on a monthly basis which enables shareholder interests to be considered when taking decisions.

The interest of Company employees

The Directors actively consider the interests of our employees in decision making; recognise the importance of recruiting and retaining a high calibre and motivated workforce and involve all employees in the performance and development of the Group. Accordingly, it is the policy of management to develop and encourage employee involvement throughout the Group using our employee engagement platform where everyone is encouraged to take part in the dissemination of news across the Group. The Chief Executive Officer and his leadership team present monthly updates virtually, or in office locations if travelling at that time. All time zones are catered for.

At the end of 2022 Keyloop introduced the 'Star Awards'. This is a peer-to-peer recognition programme where employees are nominated and then voted for monetary awards on a quarterly basis.

At Keyloop we want to stimulate curiosity and a growth mindset in our learners. They have access to over 16K+ online core skills courses and 220K+ videos from LinkedIn Learning, 7K+ technical skills courses from Pluralsight, 3 x 30 mins of virtual executive coaching from Thrive Partners, free access to TedTalks, GetAbstract and books/audiobooks from our Keyloop Library. Our Manager and Leaders benefit from bespoke development programmes covering the latest theory and approaches in the world of leadership and management.

Employment is based upon personal capabilities and qualifications without discrimination because of race, colour, genetic information, religious creed, gender, pregnancy, national origin, ancestry, age, veteran status, marital status, sexual orientation, disability or any other protected characteristic as established by applicable international, federal, state and local laws. This equal employment opportunity commitment is related to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment.

Business relationships

Customers

In 2021 Keyloop implemented a new operating model, transitioning from a geographically structured organisation to a functional model. This included the creation of the Customer function which was responsible for customer support, implementation and professional services. During the year 2022, in order to provide greater focus on key operational areas that impact customers, the Company decided to split the Customer function into: Customer Enablement, responsible for customer support, learning and customer success; and Professional Services, responsible for implementation and professional services. The previous Chief Customer Officer was split into two new roles: Global Head of Customer Enablement; and Global Head of Professional Services. The Global Head of Customer Enablement and the Global Head of Professional Services are members of the ELT.

A number of customer facing roles participate on the Keyloop senior leadership team. Customer matters are discussed at each regular meeting of the senior leadership team. Additional monthly meetings are held to identify and discuss significant new or developing customer relationships. This enables a good flow of information to the ELT and the Keyloop board enabling customer issues to be considered when making decisions.

Close customer engagement is an ongoing activity of the Company. This is generally conducted by senior management, key account managers and the customer success team. In addition, members of the ELT meet regularly with customers and share feedback directly within the business and with the board.

Keyloop (UK) Limited**Strategic Report (continued)****For the Year Ended 31 December 2022****Section 172 (continued)****Business relationships (continued)**

The Company participates in and sponsors several industry events further enabling near and longer terms relationships to be built and maintained with customers.

Vendors

As part of the separation of Keyloop (formerly CDK Global International) from CDK Global, Inc. Keyloop has established direct contractual relationships with vendors that previously were managed by CDK Global's procurement function in the US. The procurement function is represented on the Company senior management through the finance and legal teams. Vendor issues, concerns and considerations feature as a regular topic in this forum. This enables a good flow of information that allows the ELT to take vendor issues into consideration in its decision making.

For the sake of consistency, effectiveness and cost, the Company seeks to create longer term relationships with its vendors. The Company acknowledges that many of its customers are of long tenure and a key to maintaining such relationships is the underlying stability of the Company's own supply chain.

Impact on community and environment

The Company continues to consider, manage and review the impact it has on local communities as part of the delivery of long-term sustainable business performance. Keyloop is a proud long-term member of the Automotive 30% Club, meaning it has pledged to be led by women in at least 30% of key positions by 2030. Through the Company's charities committee, the Company continues to support charities nominated by Company employees and which usually have a personal connection with employees or the local community.

During the year the Company achieved ISO 14001 certification; an international standard that specifies requirements for an effective environment management system. The Company is committed to maintaining this certification and using the standard to ensure it continues to be as environmentally responsible as it can be.

Reputation for high standards of business conduct

The Company maintains its reputation for high standards of business conduct. During the period it launched the following new corporate values:

We are:

- **Bold** - we choose to challenge the status quo and are ready to face adventure. We are excited about innovation. We are courageous, we step into the unknown and take risks. We are visionaries. We choose progress over perfection because we know that sometimes we must break things to make them better. Most of all we are determined to use our experience and our abilities to benefit everyone we work with colleagues, partners and customers. We set the pace, transforming the industry as we know it as we strive to make tomorrow better.
- **Authentic** - every person counts. We value individuality, experience, creativity and vulnerability. We are kind, we encourage creativity and participation, coming together for the benefit of the Keyloop family. We embrace our differences and respect everyone; we encourage our people to bring their true selves to work which enables us to create amazing things together and make the journey fun.
- **United** - we work together as one Keyloop. We work better and achieve more when we support one another, collaborate and co-create. We appreciate the little things as well as the big things and recognise one another on a job well done. We enjoy every moment; we celebrate when we succeed and pull together in the face of adversity.

Responsible business conduct is fundamental to the long-term success of the Company. During the period Keyloop established a risk management governance framework which is managed by the Keyloop Risk Committee, consisting of senior leaders from key functions such as Legal, Facilities, Finance, HR and Information Security. The Keyloop Risk Committee is responsible for identifying, assessing and monitoring corporate risks across the organisation including the publication of policies, procedures and the annual staff training programme. The Keyloop Risk Committee meets at least quarterly, reports to the KLT and provides updates to the Keyloop Audit Committee.

Keyloop (UK) Limited

Strategic Report (continued)

For the Year Ended 31 December 2022

Section 172 (continued)

Acting fairly between members of the Company

While the directors understand their duty to act fairly between different shareholders as required by UK company law, they acknowledge that there is a single shareholder of the Company. The directors remain transparent in all matters with its immediate shareholder and indirect parent companies.

The Strategic Report was approved by the Board of Directors on August 15th, 2023, and signed on their behalf by:

Tony Johnson

A Johnson
Director

The Brickworks
35-43 Greyfriars Road
Reading
England
RG1 1NP

Keyloop (UK) Limited

Directors' Report (continued)

For the Year Ended 31 December 2022

The Directors present their report and the Financial Statements of Keyloop (UK) Limited (the "Company") from 1 January 2022 to 31 December 2022 (referred to as "2022" and "year" throughout the Financial Statements). The comparatives are the 18 month period ended 31 December 2021 (referred to as "2021" and "period" throughout the Financial Statements). On 4 March 2021, there was a resolution to change the name of the Company from CDK Global (UK) Limited to Keyloop (UK) Limited.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future, which reflects a period of at least 12 months from the date of approval of the financial statements. The Company's business activities, together with the factors likely to affect its future performance are set out in the Strategic Report.

The Company meets its day-to-day working capital requirements using cash on hand and is expected to generate free cash flow going forwards. At year-end, the Company had cash holdings of €1.9m and access to a €60m revolving cash flow facility which remains undrawn and is available until 2027.

The Group's long-term funding includes a senior term loan facility of €697.5m and second lien term loan facility of £125m (€141.2m) repayable in single bullet repayments during 2028 and 2029 respectively. Interest on these loans is paid quarterly. Lending covenants in respect of these facilities are tested upon occurrence of specific events rather than on an ongoing basis and therefore can only be violated because of voluntary action by the Board.

Current economic climate with external factors like increasing inflation contributes to increase of interest rates. Group holds term loans as described in previous paragraphs with the interest rate tied to EURIBOR and SONIA with the additions of respective margins. The group entered the hedging arrangement in January 2023 to mitigate risk arising from significant cash outflows driven by continuous increase of interest rate

In addition to bank debt the Group's capital structure includes €479.1m redeemable preference shares held by Francisco Partner funds. The Directors have received confirmation from the preference shareholders that they will not exercise their right to redeem any of the preference shares prior to 31 May 2024.

The Group generates 92% of its annual revenue from recurring streams such as software-as-a-service and hosted products. The software and applications sold are critical to the operations of most customers and accordingly attrition is low. The combination of a high proportion of recurring revenue and low attrition provides strong visibility over revenue forecasts.

For fiscal year 2022, the Group prepared a budget for the twelve-month period to 30 June 2024. The Group's forecasts and projections, which include key assumptions as to growth in new contract bookings, customer churn rates, and headcount increases, show that the Group will be able to operate within the level of its current resources and borrowing facilities.

Various sensitivity analyses were performed, including a severe but plausible case without mitigating actions, by decreasing the assumed growth rate for new contract bookings and increasing assumed customer churn rates while keeping headcount assumptions unchanged.

In both the base and severe but plausible downside scenarios, the forecasts indicated that there was sufficient headroom and liquidity for the business to continue based on the facilities currently available to it. Consequently, the Directors have concluded that using the going concern basis for preparation of the financial statements is appropriate.

Results and dividends

The profit for the financial year amounted to £23,781,000 (2021: £40,071,000). The Directors do not recommend the payment of dividend (2021: £nil), and the Directors propose that the remaining profit for the period is transferred to reserves.

Research and development activities

Details of future prospects of can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

Fixed assets

Acquisitions and disposals of tangible fixed assets during the period are recorded in note 11.

Financial risk management objectives and policies

Details on financial risk management objectives and policies can be found in the Strategic Report on page 5 and form part of this report by cross-reference.

Keyloop (UK) Limited**Directors' Report (continued)****For the Year Ended 31 December 2022**

Donations

During the period the Company made charitable donations amounting to £2,700 (2020: £38,594).

Political Contributions

The Company made no political donations or incurred any political expenditure during the period.

Directors

The Directors who served the Company during the period and up to the date of signing the Financial Statements are listed on page 2.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

Wherever possible, arrangements are made for the continued employment of persons who become disabled during service and for the appropriate training, career development and promotion of disabled persons.

Locations

The Company had operations in the following locations worldwide during the period:

Country	Location
United Kingdom	Reading
United Kingdom	Glasgow
United Kingdom	Bristol
United Kingdom	Telford
South Africa	Johannesburg - branch

Directors' indemnities

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

Keyloop (UK) Limited**Directors' Report (continued)****For the Year Ended 31 December 2022****Events after the reporting period**

There was an interim ordinary dividend paid out on 30 June 2023 in the amount of £29,117,662 to the Company's immediate parent undertaking, Keyloop (Nederland) B.V. Apart from the above-mentioned payment, there were no post balance sheet events with the impact on financial statements.

Indication of future developments

Details of future prospects of can be found in the Strategic Report on page 5 and form part of this report by cross-reference.

Disclosure of information to auditors

The Company was given a guarantee by the ultimate parent (Concorde TopCo Limited) that declared itself jointly and severally liable for the liabilities of the Company.

For the financial year in question, the company was entitled to exemption under S477 Companies Act 2006 relating to small companies. No member has required the company to obtain an audit of its accounts for the year in question in accordance with S476 Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of report and accounts. These report and accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

Section 172

Section 172 is included in Strategic report from page 6 to 9.

Energy & Carbon Reporting

Keyloop (UK) Limited has considered the Streamlined Energy and Carbon Reporting (SECR) requirements. We have reported on the underlying energy use during the financial period. The majority of purchased electricity results from heating or cooling in the office, lighting and use of computers. BDO UK have been provided with the requested SECR reporting.

Energy Consumption (kWh)

	Year to 31 December 2022 kWh	Period to 31 December 2021 kWh
Electricity	2,323,691	3,834,548
Natural gas	113,556	208,989
Diesel	8,820	9,450
Fuel for business travel	275,205	689,852
Total	2,721,217	4,742,839

Greenhouse Gas Emissions (tCO₂e)

	Year to 31 December 2022 tCO₂e	Period to 31 December 2021 tCO₂e
Electricity	449	814
Natural gas	21	38
Diesel	2	2
Fuel for business travel	64	163
Refrigerant gas	67	56

Keyloop (UK) Limited**Directors' Report (continued)****For the Year Ended 31 December 2022**

Total	602	1,073
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Energy & Carbon Reporting (continued)

Intensity metric: Emissions Per Total Area (tCO2e/m2)

	Year to 31 December 2022 tCO2e/m2	Period to 31 December 2021 tCO2e/m2
Scope 1	0.01	0.02
Scope 2	0.07	0.12
Scope 3	0.01	0.03
Total	0.09	0.16

Methodology

This energy and carbon report has been prepared by Energy & Technical Services Ltd in line with the Greenhouse Gas Protocol Corporate Standard. The boundaries of the energy and carbon footprint are based on a financial-control approach, and are the same as the boundaries for financial reporting. The reporting period for financial year 2021 is 1 March 2021 to 31 December 2021 and for 2022 is 1 January 2022 to 31 December 2022, covering the period that Keyloop (UK) Limited and Keyloop Holdings (UK) Limited were owned by the group.

The energy footprint includes all electricity, gas and diesel (for back-up generators) consumed at Keyloop (UK) Ltd offices and is based on billing data or meter readings. The transport energy is a sum of the fuel used for business travel in both company-owned vehicles and employee-owned vehicles, and is based on mileage claims data. Employee commuting and personal travel is excluded from scope.

The carbon footprint includes Scope 1 (direct) emissions from the combustion of gas and diesel in offices; fuel used in company cars, and fugitive emissions of refrigerant gas from air-conditioning units. The Scope 2 (indirect) emissions arise from the production of purchased electricity. Scope 3 emissions arise from fuel used in employee-owned vehicles. Energy conversion and emissions factors have been based on the UK Government Conversion Factors for Company Reporting of Greenhouse Gas Emissions. Fugitive emissions have been estimated based on the Simplified Material Balance method.

In 2022 reporting period Keyloop (UK) Ltd and Keyloop Holdings (UK) Limited have implemented a number of energy efficiency measures to reduce their impact on the environment and improve efficiency:

- closure of the Reading location (205m²/100% of UK total electricity consumption);
- closure of Hungerford HQ location at 1 Cygnet Way Hungerford (37,000sqft/~17% of UK total electricity consumption);
- increased investment in electrical vehicles;
- increased investment in collaboration tools to reduce wider business travel;
- promoting teleconferencing to avoid energy spend on transportation.

The Directors' Report was approved by the Board of Directors on August 15th, 2023, and signed on their behalf by:

Tony Johnson

A Johnson
Director

The Brickworks
35-43 Greyfriars Road
Reading
England
RG1 1NP

Keyloop (UK) Limited

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

For the Year Ended 31 December 2022

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial period. Under that law they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Keyloop (UK) Limited**Profit and Loss Account****For the Year Ended 31 December 2022**

	<i>Note</i>	Year to 31 December 2022 £'000	Period to 31 December 2021 £'000
Turnover	3	113,005	144,938
Cost of sales		(49,680)	(52,962)
Gross profit		63,325	91,976
Other operating expenses		(40,214)	(45,863)
Operating profit	4	23,110	46,113
Income from shares in group undertakings	6	-	1,322
Interest receivable and similar income	7	1,273	752
Interest payable and similar expenses	8	(2,873)	(2,065)
Profit before taxation		21,511	46,122
Tax on profit	9	2,270	(6,051)
Profit for the financial period		23,781	40,071

The notes on pages 19 to 39 form an integral part of these Financial Statements.

All of the activities of the Company are classed as continuing for the current and prior periods.

There are no material differences between the profit before taxation and the profit for the financial period stated above and their historical cost equivalents for the current and prior periods.

Keyloop (UK) Limited**Statement of Other Comprehensive Income****For the Year Ended 31 December 2022**

	Year to 31 December 2022 £'000	Period to 31 December 2021 £'000
Profit for the financial period	23,781	40,071
Other comprehensive income		
Currency translation difference on foreign currency net investments	(79)	(1,452)
Other comprehensive (expense) for the period, net of income tax	(79)	(1,452)
Total comprehensive income for the period	23,702	38,619

The notes on pages 19 to 39 form an integral part of these Financial Statements.

Keyloop (UK) Limited**Balance Sheet****As at 31 December 2022**

	<i>Note</i>	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	10	59,196	28,431
Tangible assets	11	4,898	5,624
Investments	12	4,084	3,466
		<u>68,178</u>	<u>37,521</u>
Current assets			
Stocks	13	623	280
Debtors (including £85,785,610 (2021: £56,799,913) due more than one year)	14	158,988	85,584
Cash at bank and in hand		1,900	13,269
Assets held for sale		-	246
		<u>161,511</u>	<u>99,379</u>
Creditors: amounts falling due within one year	15	<u>(111,425)</u>	<u>(58,939)</u>
Net current assets		<u>50,086</u>	<u>40,441</u>
Total assets less current liabilities		<u>118,264</u>	<u>77,961</u>
Creditors: amounts falling due after more than one year	16	<u>(53,673)</u>	<u>(36,012)</u>
Net assets		<u>64,591</u>	<u>41,949</u>
Capital and reserves			
Called up share capital	17	172	172
Share premium account	17	19	19
Merger reserve	17	(3,157)	(947)
Other reserve	17	1,150	-
Profit and loss account	17	66,407	42,705
Shareholders' funds		<u>64,591</u>	<u>41,949</u>

The notes on pages 19 to 39 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on August 15th, 2023, and signed on their behalf by:

Tony Johnson

A Johnson
Director

Company Registration Number: 01281651

Keyloop (UK) Limited**Statement of Changes in Equity****As at 31 December 2022**

	Called up share capital £'000	Share premium £'000	Merger reserve £'000	Other reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 30 June 2020	172	19	-	-	110,466	110,657
Total comprehensive income for the period						
Profit for the financial period	-	-	-	-	40,071	40,071
Currency translation difference on foreign currency net investments	-	-	-	-	(1,452)	(1,452)
Total comprehensive income for the period	-	-	-	-	38,619	38,619
Transactions with owners, recorded directly in equity						
Sale of Business Assets (Merger reserve)	-	-	(947)	-	-	(947)
Dividends	-	-	-	-	(106,380)	(106,380)
Total contributions by and distributions to owners	-	-	(947)	-	(106,380)	(107,327)
Balance at 31 December 2021	172	19	(947)	-	42,705	41,949
Total comprehensive income for the period						
Profit for the financial year	-	-	-	-	23,781	23,781
Currency translation difference on foreign currency net investments	-	-	-	-	(79)	(79)
Total comprehensive income for the year	-	-	-	-	23,702	23,702
Transactions with owners, recorded directly in equity						
Capital contribution (Other reserve)	-	-	-	1,150	-	1,150
Sale of Business Assets (Merger reserve)	-	-	(2,210)	-	-	(2,210)
Total contributions by and distributions to owners	-	-	(2,210)	1,150	-	(1,060)
Balance at 31 December 2022	172	19	(3,157)	1,150	66,407	64,591

Keyloop (UK) Limited

Notes to the financial statements

For the Year Ended 31 December 2022

1. Accounting policies

Keyloop (UK) Limited (the "Company") is a private Company limited by shares and incorporated and domiciled and registered in England and Wales in the UK. The address of its registered office and registered number is given on page 2.

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group Financial Statements. These Financial Statements present information about the Company as an individual undertaking and not about its group.

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these Financial Statements is sterling. All amounts in the Financial Statements have been rounded to the nearest £1,000.

The Company's immediate parent undertaking is Keyloop (Nederland) B.V., a company incorporated under the laws of the Netherlands. The Company's ultimate parent undertaking and controlling party is Concorde TopCo Limited, a company incorporated in the United Kingdom whose Financial Statements are available at the Companies House and whose registered office is on The Brickworks, 35-43 Greyfriars Road, Reading, England, RG1 1NP. The Concorde TopCo Limited is then owned via an investment/private equity fund managed by Francisco Partners, a company incorporated in the United States of America whose Financial Statements are available at its registered office on One Letterman Drive, Building C - Suite 410, San Francisco, CA 94129, United States of America. In these Financial Statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- cash Flow Statement and related notes; and
- key Management Personnel compensation.

As the consolidated financial statements of Concorde TopCo Limited, the ultimate parent undertaking as of 31 December 2022, included the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- certain disclosures required by FRS 102.26 Share Based Payments; and
- certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next period are discussed in note 2.

Basis of preparation

These Financial Statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future, which reflects a period of at least 12 months from the date of approval of the financial statements. The Company's business activities, together with the factors likely to affect its future performance are set out in the Strategic Report.

Liquidity and financing position

The Company meets its day-to-day working capital requirements using cash on hand and is expected to generate free cash flow going forwards. At year-end, the Company had cash holdings of €1.9m and access to a further €60m revolving cash flow facility via a parent company, which remains undrawn and is available until 2027.

Liquidity is managed on a group basis within the group headed by Concorde Topco Limited. The Group's long-term funding includes a senior term loan facility of €697.5m and second lien term loan facility of £125m (€141.2m) repayable in single bullet repayments during 2028 and 2029 respectively. Interest on these loans is paid quarterly. Lending covenants in respect of these facilities are tested upon occurrence of specific events rather than on an ongoing basis and therefore can only be violated because of voluntary action by the Board.

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022**

1. Accounting policies (continued)

In addition to bank debt the Group's capital structure includes €479.1m redeemable preference shares held by Francisco Partner funds. As specified in the Company's articles of association the preference shares are redeemable on demand at request of either the holder or Company. The Directors have received confirmation from the preference shareholders that they will not exercise their right to redeem any of the preference shares prior to 31 May 2024.

For fiscal year 2023, the Company prepared a budget for the twelve-month period to 31 December 2023 and then a longer forecast period to 30 June 2024 was considered (the "Forecast Period"). The Company's forecasts and projections, which include key assumptions as to growth in new contract bookings, customer churn rates, and headcount increases, show that the Company will be able to operate within the level of these current resources and borrowing facilities.

Reverse stress testing

Various sensitivity analyses were performed, including a severe but plausible case without mitigating actions, by decreasing the assumed growth rate for new contract bookings and increasing assumed customer churn rates while keeping headcount assumptions unchanged. In both the base and severe but plausible downside scenarios, the forecasts indicated that there was sufficient headroom and liquidity for the business to continue based on the facilities currently available to it.

Going concern conclusion

On the basis of the above considerations, the Directors have concluded that using the going concern basis for preparation of the financial statements is appropriate.

The profit for the financial year amounted to £23,781,000 (2021: £40,071,000). The Directors do not recommend the payment of dividend (2021: £nil), and the Directors propose that the remaining profit for the year is transferred to reserves.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account.

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these Financial Statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022**

1. Accounting policies (continued)**Basic financial instruments***Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially, at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for, example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest bearing loans classified as basic financial instruments

Interest-bearing loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost using the effective interest method, less and impairment losses.

Investments in subsidiaries

These are separate Financial Statements of the Company. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Other financial instruments*Financial instruments not considered to be Basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

Intangible assets and goodwill*Goodwill*

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

Furthermore, where, following an acquisition, a group reorganisation transfers business and goodwill from one company to another, it is necessary to consider the effect on the investment's carrying values. In particular, when a business is transferred up but no consideration is paid for the goodwill, the consideration being only equal to the value of the net separable assets, it may be necessary to reallocate part of the investment's carrying value to goodwill.

Other intangible assets

Intellectual property rights are included at cost and amortised in equal annual instalments over a period of 3-5 years which is their estimated useful economic life. Provision is made for any impairment. Client lists are included at cost and amortised in equal annual instalments over a period of 10 years which is their estimated useful economic life. Provision is made for any impairment.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022****1. Accounting policies (continued)****Tangible assets**

Tangible assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	50 years
Leasehold land and buildings	over the length of the lease
Computers and other equipment	2-7 years
Motor vehicles	4 years
Plant and machinery	3-7 years
Office equipment, fixtures and fittings	3-7 years

Residual value is calculated on prices prevailing at the date of acquisition.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Non-current assets held for sale

A non-current asset or a group of assets containing a non-current asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognized in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost represents the net purchase price of stock less trade discounts and allowances. Provision is made for obsolete, slow-moving or defective items where appropriate. An entity uses two cost formulas. For the spare stock, it uses the weighted average cost formula. For the sales stock, it uses the FIFO (first in first out) cost formula.

Impairment*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through the Profit and Loss Account is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Profit and Loss Account. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Profit and Loss Account.

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022**

1. Accounting policies (continued)*Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Employee benefits*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Profit and Loss Account in the periods during which services are rendered by employees.

Share-based payments

The CDK group issued equity-settled and cash-settled share-based payments to certain employees up to the point of sale to Francisco Partners. Since the sale itself, the above-mentioned payments have ceased to be applicable.

The grant date fair value of share-based payments awards granted to employees was recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees became unconditionally entitled to the awards. The fair value of the awards granted was measured based on a binomial option pricing model, taking into account the terms and conditions upon which the awards were granted.

Share-based payment transactions in which the Company received goods or services by incurring a liability to transfer cash or other assets that was based on the price of the Company's equity instruments were accounted for as cash-settled share-based payments.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Maintenance income is credited to revenue over the period of the maintenance agreement.

For any contract that contains bundled elements of consultancy, maintenance and license and implementation fees:

- consultancy fees are deferred to the Balance Sheet to be recognised on an as and when utilised basis;
- maintenance fees are deferred to the Balance Sheet and recognised rateably on a straight-line basis over the length of the maintenance contract; and
- license and implementation fees are recognised upfront for perpetual licenses, or for any fixed length term licenses they are recognised rateably over the period of the license term. For licenses sold only under a hosting arrangement revenue is recognised rateably over the period of the hosting contract and associated direct costs are deferred and expressed proportionately over the same period.

The Company generates revenues from the following three categories: 'subscription', 'on-site licenses and installation', and 'other'. The Company does not evaluate a contract for a significant financing component if payment is expected within one year or less from the transfer of the promised items to the customer.

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022**

1. Accounting policies (continued)*Subscription*

The Group provides software and technology solutions for automotive retailers and OEMs, which includes:

- Dealer Management Systems (“DMSs”) and layered applications, where the software is hosted and provided on a software-as-a-service (“SaaS”) basis;
- Interrelated services such as installation, initial training, and data updates;
- Ongoing maintenance and support related to on-site software; and
- Hardware on a service basis, meaning no specific assets are identified or a substantive right of substitution exists, that provides the customer continuous access to hardware owned by the Group.

SaaS and other hosted service arrangements, which allow the customer continuous access to the software over the contract period without taking possession, are provided on a subscription basis. The Group has concluded that under its SaaS and hosted service arrangements, the customer obtains access to the Group’s software which resides and is maintained on its managed servers. The customer does not obtain the right to take possession of the software. As such, the Group has concluded that its SaaS and hosted services arrangements do not include a software license. Furthermore, the Group has concluded that while the support and maintenance and hosting services are capable of being distinct performance obligations, the obligations are not distinct within the context of the contract. In addition, as the support and maintenance and hosting services are provided over the same period and have the same pattern of transfer of control, the support and maintenance and hosting services are combined and recognized as a single performance obligation. The Group may provide new customers with interrelated setup activities such as installation, initial training and data updates that the Group must undertake to fulfil the contract. These are considered fulfilment activities that do not transfer the service to the customer. In addition to the core DMS software application, the customer may also contract for layered applications, which are each considered a distinct performance obligation. Revenues for SaaS and other hosted service arrangements are recognized rateably over the duration of the contract. The Group has determined its obligation under these arrangements is to stand ready to perform the underlying services as required by the customer.

The customer receives the benefit of the services and the Group has the right to payment as the services are performed. A time-elapsed output method is used to measure progress as the Group transfers control evenly over the duration of the contract.

On-site licenses and installation

On-site software arrangements include a license of intellectual property as the customer has the contractual right to take possession of the software and the customer can either run the software on its own hardware or contract with another party unrelated to the Group to host the software. The customer receives the right to use the software license upon its installation for the term of the arrangement. As such, the Group has concluded that the software license is a distinct performance obligation and recognizes the transaction price allocated to on-site software upon installation. The Group also provides maintenance and support of the software applications. Such maintenance and support services may include server and desktop support, bug fixes, and support resolving other issues a customer may encounter in utilizing the software. Revenue allocated to support and maintenance is generally recognized rateably over the contract period as customers simultaneously consume and receive benefits, given the support and maintenance comprise distinct performance obligations that are satisfied rateably over time. A time-elapsed output method is used to measure progress as the Group transfers control evenly over the duration of the contract. Accordingly, maintenance and support revenue for on-site licenses is included in subscription revenue.

Other

The Group provides professional services, including customization, and sells hardware such as laser printers, networking and telephony equipment, and related items. Revenue from these services are recorded when the Group’s obligation is satisfied. Where the professional service represents a single performance obligation, the customer receives the benefit of the services only upon their completion, and the Group does not have the right to payment as the services are performed, such service revenues are recognized upon completion. The Group often sells hardware bundled with maintenance services and has concluded that these bundles include two distinct performance obligations. The first performance obligation is to transfer the hardware product and the second performance obligation is to provide maintenance on the hardware and its embedded software. As such, the transaction price allocated to the sold hardware is recognized upon delivery at which point the customer is able to direct the use of, and obtain substantially all of the remaining benefits of the hardware. Upon delivery of the hardware, the Group generally has the right to payment, the customer has legal title, physical possession of, and control of the hardware.

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022**

1. Accounting policies (continued)

The transaction price allocated to the maintenance of hardware and its embedded software is recognized ratably over the duration of the contract as the customer simultaneously consumes and receives the benefit of this maintenance. The Group has determined its obligation under these arrangements is to stand ready to perform the underlying services as required by the customer. A time-elapsed output method is used to measure progress as the Group transfers control evenly over the duration of the contract. Hardware maintenance is included in subscription revenues.

Income from group undertakings

Income from group undertakings is generated under Royalty, Franchise, Hosting and Commercial Operating License agreements in connection with the Autoline product.

Expenses*Operating leases*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Profit and Loss Account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the Profit and Loss Account over the term of the lease as an integral part of the total lease expense.

Research and development

Expenditure on research and development activities is recognised in the Profit and Loss Account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the Profit and Loss Account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Interest receivable and interest payables

Interest payable and similar expenses include interest payable.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or profit for the period, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022****1. Accounting policies (continued)**

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Accounting estimates and judgements

The preparation of Financial Statements in accordance with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.

The estimates and underlying assumptions 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.

Management have identified critical accounting judgements as well as key concerning the future and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The above mentioned has been identified with respect to the hive up of trade and other assets and the relevant goodwill impairment. Please see the Notes 10 and 12.

3. Turnover

The turnover is attributable to the one principal activity of the Company.

An analysis of turnover by destination is given below:

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
United Kingdom	97,150	123,720
Rest of Europe	1,494	1,750
South Africa	11,980	15,899
Rest of World	2,381	3,569
	113,005	144,938

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
Sale of goods	5,904	9,183
Rendering of services	107,101	135,755
	113,005	144,938

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022****3. Turnover (continued)**

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
General & Admin Revenue	-	-
One Time Revenue (implementation, consulting fees, perpetual licenses)	7,748	11,985
Recurring Revenue (term licenses, maintenance fees)	105,257	132,953
	<u>113,005</u>	<u>144,938</u>

4. Expenses

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
<i>Included in profit/loss are the following</i>		
Research and development expenditure	16,984	14,756
Amortisation of intangible assets	7,433	1,582
Depreciation of tangible assets	3,563	4,712
Operating lease expense	788	1,172
Restructuring costs	518	3,508
Costs related to share-based payments	-	1,222
Exchange (gain) / loss	(859)	1,755

Keyloop (UK) Limited**Notes to the financial statements (continued)****For the Year Ended 31 December 2022****5. Directors and employees**

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
Staff costs during the period were as follows		
Wages and salaries	42,406	54,921
Social security costs	3,552	5,178
Contributions to defined Contribution plans (note 20)	3,146	4,601
	<u>49,104</u>	<u>64,700</u>

The average monthly number of employees during the period was as follows:

	2022	2021
	Number.	Number.
Administration	48	53
Sales	513	525
	<u>561</u>	<u>578</u>

Remuneration in respect of Directors of the Company was payable as follows:

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
Emoluments	1,620	3,852
Amounts receivable (other than shares and share options) under long-term incentive schemes	0	685
Company contributions to money purchase pension schemes	10	34
	<u>1,630</u>	<u>4,571</u>

The Directors are Directors of the holding company, Keyloop Holdings (UK) Limited, and are also Directors of Keyloop (UK) Limited. The Directors received total remuneration of £1,630,451 (2021: £4,571,000).

The number of Directors accruing benefits under defined contribution schemes were 2 (2021: 5). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes was nil (2021: 5). The number of Directors that exercised share options during the period was nil (2021: 4).

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****5. Directors and employees (continued)**

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
Remuneration of the highest paid Director		
Emoluments	754	2,225
Amounts receivable (other than shares and share options) under long-term incentive schemes	-	499
Company Contribution to managed purchase schemes	-	7
	<u>754</u>	<u>2,731</u>

6. Income from shares in group undertakings

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
Income from shares in group undertakings		
Dividend received from Keyloop (Ireland) Limited	-	1,322
	<u>-</u>	<u>1,322</u>

7. Interest receivable and similar income

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
Interest receivable from group undertakings	1,260	734
Bank interest received	13	18
	<u>1,273</u>	<u>752</u>

Interest receivable from group undertakings

	Year to 31 December 2022	Period to 31 December 2021
	£'000	£'000
Parent Company	1,069	632
Subsidiary undertakings	98	-
Subsidiary of the same Parent Company	93	98
Ultimate Parent Company	-	4
	<u>1,260</u>	<u>734</u>

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****8. Interest payable and similar expenses**

	Year to 31 December 2022 £'000	Period to 31 December 2021 £'000
Interest payable to group undertakings	2,870	2,065
Bank interest paid	3	-
	<u>2,873</u>	<u>2,065</u>

	Year ended 31 December 2022 £'000	Period to 31 December 2021 £'000
Interest payable to group undertakings:		
Parent Company	2,882	2,065
Subsidiary undertakings	(12)	-
Subsidiary of the same Parent Company	-	-
Ultimate Parent Company	-	-
	<u>2,870</u>	<u>2,065</u>

9. Taxation**Total tax expense recognised in the Profit and Loss Account**

	Period to 31 December 2022 £'000	Period to 31 December 2021 £'000
<i>Current tax</i>		
UK corporation tax	515	7,263
Overseas tax	255	725
Adjustments in respect of prior periods	(4,381)	(139)
Total current tax	<u>(3,611)</u>	<u>7,849</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	562	(759)
Adjustments in respect of prior periods	779	25
Effect of change in tax rate	0	(1,064)
Total deferred tax	<u>1,341</u>	<u>(1,798)</u>
Total tax	<u>(2,270)</u>	<u>6,051</u>

The current tax assessed for the period differs from the standard rate of corporation tax in the UK of 19% (2021: 19%), the differences are explained below.

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****9. Taxation (continued)****Reconciliation of effective tax rate**

	Period to 31 December 2022	Year to 31 December 2021
	£'000	£'000
Profit for the period	23,781	40,071
Total tax expense	(2,270)	6,051
Profit excluding tax	21,511	46,122
Tax using the UK corporation tax rate of 19.00% (2021: 19.00%)	4,091	9,294
Expenses not deductible for tax purposes	876	863
Rate change on profits from overseas branches	92	256
Group relief claimed free of charge	(3,846)	(2,933)
Prior period adjustments	(3,602)	(114)
Income not taxable for tax purposes	(25)	(251)
Rate change on deferred tax	144	(1,064)
Fixed asset differences	-	-
R&D expenditure credits	-	-
Total tax expense	2,270	6,051

Deferred tax	2021	2021
	£'000	£'000
Opening balance (note 14)	4,602	2,802
Credit to Profit and Loss Account	(1,334)	1,800
Closing balance (note 14)	3,268	4,602

Analysis of deferred tax asset

	2022	2021
	£'000	£'000
Depreciation in excess of capital allowances	2,687	3,979
Short-term timing differences	581	623
Closing balance	3,268	4,602

Factors that may affect future tax charges

In the Finance Bill 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 11 March 2021. The UK deferred tax asset as at 31 December 2021 has been calculated based on this rate.

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****10. Intangible assets**

	Purchased Software	Intellectual property rights	Goodwill	Client list	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 1 January 2022	71	343	29,955	1,425	-	31,794
Additions	366	14,797	23,033	-	1	38,198
Balance at 31 December 2022	437	15,140	52,988	1,425	1	69,992
Amortisation						
Balance at 1 January 2022	71	343	1,524	1,425	-	3,363
Amortisation for the year	74	881	6,477	-	1	7,433
Balance at 31 December 2022	145	1,224	8,001	1,425	1	10,796
Net book value						
At 31 December 2022	293	13,917	44,986	-	-	59,196
At 31 December 2021	-	-	28,431	-	-	28,431

During the year ended 31 December 2022 the Goodwill arose from two acquisitions and its subsequent hive ups of trade and other assets.

Silverbullet - The Company acquired Silver Bullet Automotive Solutions Limited on 29 July 2022 for the consideration amount of £12,109,239 against the loan from Keyloop (Nederland) B.V. Subsequently, a hive up of trade and other assets took place. The value of net assets transferred was £228,428 and the transfer took place on 31 July 2022. As the transfer of net assets took place at book value, this resulted in posting of the merger reserve in the amount of £990,068. The investment cost was de-recognised and replaced with goodwill in the total net amount of £10,183,552. The calculated value of goodwill amortisation with the useful economic life of 7 years is £707,191. Upon acquisition by the Company, a transfer of intangible assets of an acquiree took place in the net book value of £72,500. The acquired intangible assets fall completely into the category of Purchased Software.

Motordocs - The Company acquired Motor Documents Solutions Limited on 29 July 2022 for the consideration amount of £11,541,679 against the loan from Keyloop (Nederland) B.V. Subsequently, a hive up of trade and other assets took place. The value of net assets transferred was £391,120 and the transfer took place on 31 July 2022. As the transfer of net assets took place at book value, this resulted in posting of the merger reserve in the amount of £1,220,288. The investment cost was de-recognised and replaced with goodwill in the total net amount of £9,461,929. The calculated value of goodwill amortisation with the useful economic life of 9.9 years is £469,342. Upon acquisition by the Company, a transfer of intangible assets of an acquiree took place in the net book value of £295,000. The acquired intangible assets fall into the categories of Purchased Software and Other.

On 1 August 2022, the Company acquired exclusive rights, title and interest to the Software for the consideration amount of £14,797,477 against the loan from Keyloop Holdings (UK) Limited. The UEL of 7 years was officially considered for the amortisation calculation. The calculated value of amortisation with the useful economic life of 7 years is £881,000. The acquired intangible assets fall completely into the category of Intellectual property rights.

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****11. Tangible assets**

	Freehold, leasehold and improvements	Computers and other equipment	Plant and machinery	Office equipment, fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
Balance at 1 January 2022	4,643	31,758	249	210	36,860
Additions	97	2,834	-	300	3,231
Disposals	-	(443)	-	-	(443)
Transfer	3	15	1	1	20
Balance at 31 December 2022	<u>4,743</u>	<u>34,164</u>	<u>250</u>	<u>511</u>	<u>39,667</u>
Depreciation					
Balance at 1 January 2022	4,041	26,820	234	141	31,236
Depreciation for the year	412	2,844	9	299	3,563
Disposal	-	(43)	-	-	(43)
Transfer	2	10	1	1	14
Balance at 31 December 2022	<u>4,455</u>	<u>29,631</u>	<u>244</u>	<u>441</u>	<u>34,770</u>
Net book value					
At 31 December 2022	<u>288</u>	<u>4,533</u>	<u>6</u>	<u>70</u>	<u>4,898</u>
At 31 December 2021	<u>602</u>	<u>4,938</u>	<u>15</u>	<u>69</u>	<u>5,624</u>

The cost of building amounts to £33,000 with year-end depreciation of £16,000. The remaining amount of £272,000 list is short leasehold.

Silverbullet

Upon acquisition by the Company, a transfer of tangible assets of an acquiree took place in the net book value of £24,000. The acquired tangible assets fall completely into the category of Office Equipment, Fixtures & Fittings.

Motordocs

Upon acquisition by the Company, a transfer of tangible assets of an acquiree took place in the net book value of £5,000. The acquired tangible assets fall completely into the category of Office Equipment, Fixtures & Fittings.

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****12. Investments**

	Shares in group undertakings £'000	Total £'000
Cost		
At beginning of the year	3,466	3,466
Additions	2,828	2,828
Sale of Business Assets	(2,210)	(2,210)
At end of year	<u>4,084</u>	<u>4,084</u>
Net book value		
At 31 December 2022	<u><u>4,084</u></u>	<u><u>4,084</u></u>
At 1 January 2022	<u><u>3,466</u></u>	<u><u>3,466</u></u>

Keyloop (UK) Ltd has the following subsidiary undertakings all directly held:

Subsidiary undertaking	Country of incorporation	Class of share held	2022 % held	2021 % held
Keyloop (Ireland) Limited	Ireland	Ordinary	100%	100%
Keyloop (South East Asia) Pte. Limited	Singapore	Ordinary	100%	100%
Keyloop Poland Spółka z Ograniczoną	Poland	Ordinary	100%	100%
DMT Development Systems (UK) Limited	UK	Ordinary	100%	100%
Enquirymax Limited	UK	Ordinary	100%	100%
Silver Bullet Automotive Solutions Limited	UK	Ordinary	100%	0%
Motor Documents Solutions Limited	UK	Ordinary	100%	0%

The registered office address of Keyloop (Ireland) Limited is Ground Floor 3091, Block 3090-3094, Lake Drive, Citywest, Dublin 24, Ireland.

The registered office address of Keyloop (South East Asia) Pte. Limited is 150 Beach Road #20-07/08 Gateway West Singapore 189720.

The registered office address of Keyloop Poland Spółka z Ograniczoną, Odpowiedzialnością is Poznańska 37, 00-689 Warszawa, Poland.

The registered office address of DMT Development Systems (UK) Ltd is The Brickworks, 35-43 Greyfriars Road, Reading, England, RG1 1NP.

The registered office address of Enquirymax Ltd is The Brickworks, 35-43 Greyfriars Road, Reading, England, RG1 1NP.

The registered office address of Silverbullet is Dalsersf House (Gf), Strathclyde Business Park, Bellshill, Lanarkshire, Scotland, ML4 3RA.

The registered office address of Motordocs is The Brickworks, 35-43 Greyfriars Road, Reading, RG1 1NP.

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****12. Investments (continued)****Acquisitions during the financial year**

During the financial year, the following undertakings took place:

- On July 29th, 2022, the Company acquired 100% of redeemable preference shares of Silver Bullet Automotive Solutions Limited in the total amount of £1,150,000.
- On July 29th, 2022, the Company acquired 100% of ordinary shares of Silver Bullet Automotive Solutions Limited in the total amount of £108.
- On July 29th, 2022, the Company acquired 100% of ordinary shares of Motor Documents Solutions Limited in the total amount of £166.66.

Sale of Business Assets

The Company acquired Silver Bullet Automotive Solutions Limited on 29 July 2022 for the consideration amount of £12,109,239 against the loan from Keyloop (Nederland) B.V. Subsequently, a hive up of trade and other assets took place. The value of net assets transferred was £228,428 and the transfer took place on 31 July 2022. As the transfer of net assets took place at book value, this resulted in posting of the merger reserve in the amount of £990,068. The investment cost was de-recognised and replaced with goodwill in the total net amount of £10,183,552. As the core value for the Company's business gained through the acquisition of Silverbullet was related to Customer relations, the UEL of 7 years was officially considered for the goodwill calculation. The calculated value of goodwill amortisation with the useful economic life of 7 years is £707,191.

The Company acquired Motor Documents Solutions Limited on 29 July 2022 for the consideration amount of £11,541,679 against the loan from Keyloop (Nederland) B.V. Subsequently, a hive up of trade and other assets took place. The value of net assets transferred was £391,120 and the transfer took place on 31 July 2022. As the transfer of net assets took place at book value, this resulted in posting of the merger reserve in the amount of £1,220,288. The investment cost was de-recognised and replaced with goodwill in the total net amount of £9,461,929. As the core value for the Company's business gained through the acquisition of Motordocs was related to Customer relations, the UEL of 9.9 years was officially considered for the goodwill calculation. The calculated value of goodwill amortisation with the useful economic life of 9.9 years is £469,342.

13. Stocks

	2022	2021
	£'000	£'000
Goods for resale	623	280

There is no material difference between the Balance Sheet value of goods for resale and their replacement cost.

During the year £754,058 (2021: £1,146,000) was charged to cost of sales from stocks.

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****14. Debtors**

	2022 £'000	2021 £'000
Trade debtors	29,850	16,671
Amounts owed by other group undertakings	40,362	9,388
Loans to group undertakings	76,052	52,197
Other debtors	150	854
Deferred tax (note 9)	3,268	4,602
Other tax debtor	6,466	-
Prepayments and accrued income	2,840	1,872
	<u>158,988</u>	<u>85,584</u>
Due within one year	73,202	28,785
Due after more than one year	85,786	56,799
	<u>158,988</u>	<u>85,584</u>

Amounts due from group undertakings are non-interest bearing and are repayable on demand. Amounts due from group undertakings are related to Royalties, Hosting and Commercial Operating License Agreements, as well as centrally incurred operating expenses.

The loan to group undertakings represents the outstanding balances on the loans from:

	2022 £'000	2021 £'000
Keyloop (France) SAS	2,492	6,453
Keyloop Holdings (UK) Limited	70,836	45,004
Keyloop Poland Spółka z Ograniczoną	2,305	-
Motor Documents Solutions Limited	419	740
	<u>76,052</u>	<u>52,197</u>

During the year, the Company lent to Keyloop Global (France) SAS £1,143,000, and interest accrues on the loan at 2.20% per annum. Keyloop Global (France) SAS partially repaid the loan in the amount of £5,529,000. The outstanding balance as at balance sheet date was an amount of £2,492,000.

During the year, the Company lent £27,393,000 to Keyloop Holdings (UK) Limited, and interest on the loan changed from 2.08% to 4.00% per annum in May 2022. The loan to Keyloop Holdings (UK) Limited was partially repaid in the amount of £3,689,000. The outstanding balance as at balance sheet date was an amount of £70,836,000.

The loan to Keyloop Poland Spółka z Ograniczoną was granted in March 2022. The total outstanding balance as at balance sheet date was an amount of £2,305,000.

The loan to Motordocs UK was partially repaid during the year and the total outstanding balance as at balance sheet date was an amount of £419,000.

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****15. Creditors: amounts falling due within one year**

	2022 £'000	2021 £'000
Payments received on account for contract work	816	582
Trade creditors	3,246	1,417
Amounts owed to group undertakings	67,798	17,719
Other creditors	327	385
Other taxation and social security	3,303	7,968
Accruals and deferred income	35,935	30,868
	<u>111,425</u>	<u>58,939</u>

Amounts due to group undertakings are non-interest bearing and are repayable on demand. Amounts owed to group undertakings are related to Royalties and Management fees for services incurred by Keyloop (UK) Limited, procured or provided by group undertakings.

There are no disclosures to be made with respect to securities given to creditors.

16. Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Amount owed to group undertakings	52,650	34,991
Other creditors	1,023	1,021
	<u>53,673</u>	<u>36,012</u>

The amount owed to group undertakings represents the outstanding balances on the loans from:

Concorde MidCo Limited	33,954	31,092
Keyloop Canada Limited	3,899	3,899
Keyloop Holdings (UK) Limited	14,797	-
	<u>52,650</u>	<u>34,991</u>

During the financial period 2021 the Company received a loan from Concorde MidCo Limited of £29,027,000, and interest accrues on the loan at 8.49% per annum. The balance as at 31 December 2022 was £33,954,000. The repayment date is on 1 March 2029.

On 1 August 2022, the Company acquired exclusive rights, title and interest to the Software for the consideration amount of £14,797,000 against the loan from Keyloop Holdings (UK) Limited. There is no interest to be accrued on the loan and the loan is repayable on demand.

There are no creditor amounts falling due after more than five years.

Keyloop (UK) Limited**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****17. Capital and reserves**

Share capital	2022 £'000	2021 £'000
Allotted, called up and fully paid:		
171,800 (2021: 171,800) Ordinary shares of £1 each at 31 December	172	172
	<u>172</u>	<u>172</u>

The Company's share premium in the total amount of £19,200 represents the excess paid over the nominal share price.

The Company's merger reserve in the total credit amount of £3,157,383 stands for the sale of business assets' reserve driven by the hive ups of trade and other assets of all the acquired entities as alluded to in note 10.

The Company's other reserve stands for the capital contribution in the total amount of £1,150,275 received from the Company's immediate parent undertaking Keyloop (Nederland) B.V. in the form of gift on 29 July 2022.

The Company's residual reserves are the profit and loss account, representing cumulative profits or losses, net of dividends paid and other adjustments.

18. Share based payments*Share options*

Keyloop (UK) Limited operates a share option scheme for certain employees of the Company. The Company granted nil (2021: nil) equity settled options during the period, vesting from 2 to 4 years with a contractual life of 10 years. During the period nil options (2021: nil) were forfeited.

Restricted stock units

Keyloop (UK) Limited also operates a Restricted Share Unit (RSU) scheme for certain employees of the Company. The Company granted nil (2021: 23,394) equity settled options during the period, vesting over a 2 year period and with a contractual life of 2 years.

19. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2022		2021	
	Property £'000	Other £'000	Property £'000	Other £'000
Less than one year	275	214	707	334
Between one and five years	424	77	516	391
More than five years	-	-	-	-
	<u>699</u>	<u>291</u>	<u>1,223</u>	<u>725</u>

During the period £787,675 (2021: £1,171,823) was recognised as an expense in the Profit and Loss Account in respect of property leases, and £473,495 (2021: £667,988) in respect of other leases.

Keyloop (UK) Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

20. Pension schemes

The Company operates defined contribution pension schemes on behalf of the Directors and employees, the assets of which are held separately from those of the Company in independently administered funds. Pension costs charged to the Profit and Loss Account in the year amounted to £3,146,000 (2021: £4,601,000). As of 31 December 2022, unpaid contributions were in total of £327,000 (2021: £384,000).

21. Capital commitments

There are no capital commitments in the current year or preceding period (2021: none).

22. Related party transactions

The Company has taken advantage of the exemptions from disclosure of related party transactions available in FRS 102.33.1A to disclose transactions with wholly owned subsidiaries of companies with publicly available Financial Statements.

23. Immediate and ultimate parent company

The Company's immediate parent undertaking is Keyloop (Nederland) B.V., a company incorporated under the laws of the Netherlands. The Company's ultimate parent undertaking and controlling party is Concorde TopCo Limited, a company incorporated in the United Kingdom whose Financial Statements are available at the Companies House and whose registered office is on The Brickworks, 35-43 Greyfriars Road, Reading, England, RG1 1NP. The Concorde TopCo Limited is then owned via an investment/private equity fund managed by Francisco Partners, a company incorporated in the United States of America whose Financial Statements are available at its registered office on One Letterman Drive, Building C - Suite 410, San Francisco, CA 94129, United States of America.

24. Post Balance Sheet event

There was an interim ordinary dividend paid out on 30 June 2023 in the amount of £29,117,662 to the Company's immediate parent undertaking, Keyloop (Nederland) B.V. Apart from the above-mentioned payment, there were no post balance sheet events with the impact on financial statements.