



# Annual Report

2021



A large, stylized graphic of an eye in shades of teal, positioned in the upper half of the page. The eye is composed of concentric circles and a pointed shape on the right side, resembling a stylized iris and pupil.

Meltwater, the **leading global social and media intelligence provider**, analyzes ~1 billion online documents each day and enables PR, Communications, and Marketing professionals to make informed strategic decisions and influence the world around them.

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**DISCLAIMER:** This PDF version is not the official annual report. It has been prepared for ease of use and does not contain the ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulating (EU) 2019/815). The official ESEF reporting package is available via [www.meltwater.com/en/about/investor-relations/events-reports#additional-annual-reports](http://www.meltwater.com/en/about/investor-relations/events-reports#additional-annual-reports). In case of any discrepancies between this PDF version and the ESEF package, the latter prevails.

# Letter from Founder & Chairman

In the summer of 2001, I started Meltwater with Gard Haugen, a colleague of mine from a previous startup. We started Meltwater in a shack with \$15,000 and a coffee machine. Our vision was that when executives and decision-makers arrived for work in the morning and enjoyed their usual cup of coffee, our software would create a summary of what had happened in the world during the previous 24 hours in a format that was so simple to read that within seconds they would get the key updates that they needed about competitors, key clients and their own brand.

At the time we did not realize how big a macro trend we had stumbled upon. Initially, we focused on online news and company websites. We didn't anticipate the rise of social media. Facebook was founded in 2004, Twitter in 2006. Blogs didn't reach mainstream attention until around 2007. All this new online content fueled a need for new, sophisticated software with the ability to analyze billions of documents every day. Today, smart algorithms, natural language processing (NLP), machine learning and big-data techniques are used to create analytics and insights from online news and social media that we would not have dreamed of back in 2001.

For the first 12 years we built the company without any external funding. We bootstrapped it from 0 to \$125 million dollars in revenue financed exclusively with cash flow from customers. This forged a scrappy and customer-centric culture. Our main bottleneck for growth was our ability to attract and develop talent, which in turn created a culture passionate about people and an ability to grow and promote talent from within. Our CEO John Box and his leadership team are a testament to this.

From these humble beginnings, we have grown to 2,200 employees, with 50 offices in six continents. Today, Meltwater is a global business serving 27,000 of the world's most innovative and ambitious companies. Our clients comprise a wide range of organizations from every industry, from The Coca-Cola Company to the Vatican in Rome. Our client base is so diverse because every company and organization in the world needs to understand the market they operate in to stay successful. And that is the value we offer at Meltwater. We automatically track and analyze the world's online news and social media in real time and provide alerts about threats and opportunities tailored to every organization's unique needs.



A stylized, handwritten signature in black ink, consisting of a large, sweeping 'J' followed by several loops and a final flourish.

**JØRN LYSEGGEN**  
EXECUTIVE CHAIR

Working with clients all over the world and seeing the value they can extract from external data has over the years created a growing realization that we have barely scratched the surface in terms of the role external data will play in decision-making. Consumers and companies today produce online content at an unprecedented rate. Companies are embracing the internet as a strategic arena to promote their brand, products and jobs, and are increasing their online investment and content creation accordingly.

Every day the amount of information on the internet is growing exponentially, a trend to which we see no end. We are all drowning in data. And the more data there is, the more need there is for a software like Meltwater that can cut through the clutter and extract the key insights that are really important.

I believe we are on the cusp of a big transformation when it comes to corporate decision-making. Everyone wants to be rigorous, and data-driven, but decision making today is mostly based on internal data. The need to manage, understand, and analyze internal data created a massive industry with ERP companies such as Oracle, SAP, Salesforce, and a whole bunch of BI and data warehouse companies. We can expect to see a similar development for external data.

Today, companies are ad hoc when it comes to tracking external signals that can be found on the internet. External data is arguably the biggest blind spot in corporate decision making today. External data is rich of leading indicators, in contrast to internal data which is predominantly composed of lagging indicators. As companies jockey to improve their positions in an increasingly dynamic and fast-paced competitive environment, the companies with the best ability to use external data to anticipate change, and to respond accordingly, will win.

For over 20 years, Meltwater has galvanized the technology, content partnerships, and institutional skill sets required to extract and successfully commercialize critical business insights extracted from the unstructured, messy environment that is the internet. We are well positioned to become the global leader in a new software category emerging from the need to mine external data. We have 50 local offices on 6 continents and already serve 27,000 companies in 130 countries. We started with online news. Today we double down on social media. In the future we will pursue additional data types that can be mined for signals, flagging threats and opportunities.

As you will see from this Annual Report, 2021 was a very good year for Meltwater. We improved across pretty much all key performance indicators and exited the year as a stronger and healthier company than we entered it. We see robust demand in the market for our offerings, we have a strong balance sheet, and we have a healthy cash flow generation from operations.

We are grateful for the support we have received by all our customers and investors in this journey. I want to congratulate the new generation of leadership at Meltwater which has vitalized the organization with new energy and new ambitions and thank all the hard-working people at Meltwater for all their tireless efforts.

As we look forward, the world today is facing a number of uncertainties because of an unstable geopolitical situation. We are likely entering challenging macro-economic times, but in spite of this I continue to be optimistic. Meltwater has experienced many turbulent times. We started the company in 2001 which was a nuclear winter for internet start-ups. We experienced 9/11, SARS in 2003, the financial crisis in 2008/2009 and of course the global pandemic in 2020/2021. Through challenging times, we have experienced that our services are remarkably robust. We have continued to grow at a healthy pace through recessions and global turbulence. That said, we are facing times of more uncertainty so we will stay alert and monitor the development closely.





Long term, I am very optimistic. When we started Meltwater in a shack in Oslo back in 2001, we were bullish on how important mining external data was going to become. 20 years later, I am more confident than ever that the most successful companies in the world will be the ones with the best ability to use external data, and that Meltwater is uniquely positioned to become the global leader in a new and exciting software category.



For over 20 years, Meltwater has built the technology, content partnerships, global client base, and institutional skill sets required to become the global leader in a new software category emerging from the need to mine external data.

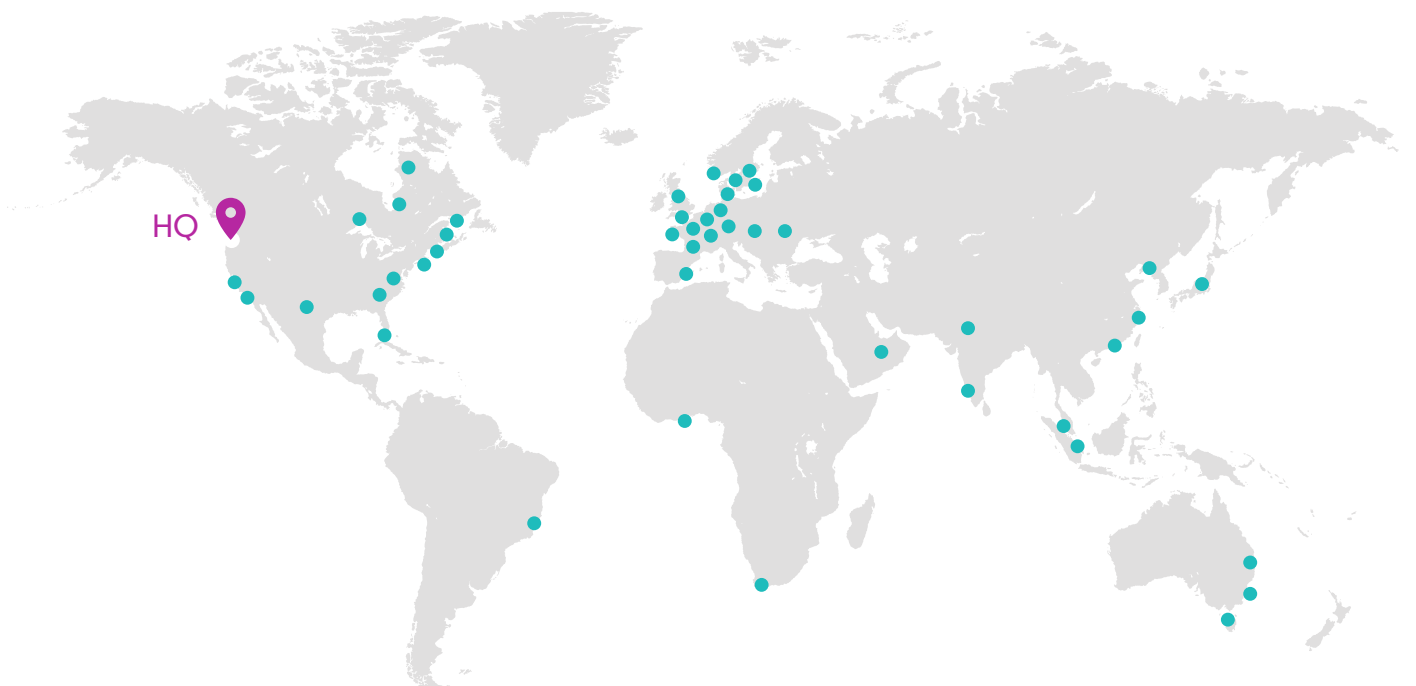
# Meltwater at a Glance

Since 2001, we have been providing solutions that help our customers make more informed business decisions. Today, we are a global leader in social and media intelligence with teams and customers on six continents.

|   |  |  |   |
|---|--|--|---|
|  <h3>Customer-centricity</h3> <p>More than 27,000 companies use Meltwater to get the full picture of their brand, competitors and industry. Our teams are intimately acquainted with their customers' biggest challenges, enabling us to create, adapt and innovate our solutions with our clients' needs in mind.</p> |  <h3>Innovation</h3> <p>At Meltwater, innovation is at the core of everything we do. Over the years, the company has been able to grow rapidly by staying ahead of the technological trends that have shaped our industry. We will continue to invest in our products and technology to create even more value for our customers.</p> |  <h3>People + Culture</h3> <p>Our people, values and award-winning culture have fueled our success for more than 20 years. We have a fundamental belief in people and the potential that they possess and aspire to provide all of our employees with the opportunities they need to succeed.</p> |  <h3>Growth</h3> <p>Meltwater has experienced strong growth for two decades. We are a market leader with an integrated SaaS offering, founded on profitable growth both organically and through strategic M&amp;A. We plan to grow 20% organically with 20% adjusted EBITDA margins long term.</p> |
|---|--|--|---|

Meltwater is the global leader in social & media intelligence.

|   |                                    |   |   |   |
|---|------------------------------------|---|---|---|
| <p><b>~27,000</b><br/>Corporate Customers<br/>in 130+ countries</p> | <p><b>~2,200</b><br/>Employees</p> | <p><b>~50</b><br/>Offices across<br/>6 continents</p> | <p><b>\$444m</b><br/>ARR as of 2021</p> | <p><b>~100%</b><br/>Recurring revenue</p> |
|---|------------------------------------|---|---|---|



## Key Figures

\$444m<sup>▲</sup>

TOTAL ANNUAL RECURRING REVENUE (ARR)

20% YoY growth

2020: \$371m  
2% YoY growth

\$402m<sup>▲</sup>

REVENUE

12% YoY growth

2020: \$360m  
4% YoY growth

\$39m<sup>▲</sup>

ADJUSTED EBITDA

2020: \$37m

10%<sup>▶</sup>

ADJUSTED EBITDA MARGIN

2020: 10%

36%<sup>▲</sup>

PREMIUM CLIENT ARR  
YoY GROWTH

2020: 12%

55%<sup>▲</sup>

SOCIAL SEGMENT  
ARR GROWTH

2020: 22%

95%<sup>▲</sup>

TTM CLIENT NET RETENTION  
[%]

2020: 86%

ARR based on constant currency rate as of December 2020  
TTM = Trailing twelve months

# 2021 Highlights

## JAN 2021

Meltwater becomes title sponsor of the Meltwater Champions Chess Tour

## FEB 2021

CEO John Box named to PRWeek's Dashboard 25 as a leader in shaping the comms tech sector

## MAR 2021

**ACQUISITION** Meltwater announces agreement to acquire social media intelligence company Linkfluence

**PRODUCT** Launch of Competitive Benchmarking dashboards for Facebook and Instagram in Engage. Compare audience growth, engagement rates, and post performance on Instagram and Facebook against competitors and industry peers with Competitive Benchmarking templates

## APR 2021

**ACQUISITION** Meltwater announces agreement to acquire leading social influencer marketing company Klear

Launch of Meltwater Academy Customer Certification Program

## JUNE 2021

Meltwater brings on global DEI consultant Nicole Sanchez to support DEI strategy

**ACQUISITION** Meltwater announces agreement to acquire Silicon Valley business intelligence company Owler

## JULY 2021

**PRODUCT** New Data Sources in Explore, including TikTok, Twitch, Pinterest, Weibo, WeChat, Douyin, and Red

## AUG 2021

**PRODUCT** Launch of predictive mode in Klear, enabling users to predict campaign results based on the influencers they plan to work with and the number of posts they expect them to publish

## SEPT 2021

Meltwater joins the Twitter Official Partner Program

## OCT 2021

Meltwater launches the Oxford Meltwater Leadership Programme at Oxford University's Said Business School

**LEADERSHIP** Welcoming two new executives, CFO Elena Shishkina and CSO Alexandra Bjertnaes

**PRODUCT** Launch of Monitor – a multi-stream monitoring experience that helps PR Pros consume more content, more efficiently across multiple searches, tags and RSS feeds

## NOV 2021

Inaugural Capital Market's Day

**ACQUISITION** Meltwater acquires Oxford University spin-off, DeepReason.ai

## DEC 2021

Uplisting from Euronext Growth Market to the Main Market of the Oslo Børs

Launch of long-term partnership with The New York Times to provide full-text content for all customers globally

Integrations added in 2021 include Slack, Microsoft Teams and Gmail, allowing users to integrate Meltwater with their existing workflows and gaining maximum value and efficiency

### 886 Premium Customers\* Added (up from 345 in 2020)

### SELECTED NEW PREMIUM CUSTOMERS IN 2021

\* >\$25.5K ARR

- |                     |                      |                                   |
|---------------------|----------------------|-----------------------------------|
| Alibaba             | LVMH                 | PricewaterhouseCoopers            |
| Allianz             | Marriott             | Ralph Lauren                      |
| Amazon Web Services | McKinsey & Company   | Strava                            |
| Bayer AG            | Monster Energy       | UNICEF World Health Organization  |
| Baidu               | Nestle               | U.S. Department of Commerce       |
| Colgate-Palmolive   | Nike Inc.            | U.S. Department of Transportation |
| Estée Lauder        | Olympus Corporation  | Warner Music Group                |
| Ferrari             | Penguin Random House | Zalando                           |
| HBO                 | Pernod Ricard        |                                   |
| LEGO                |                      |                                   |

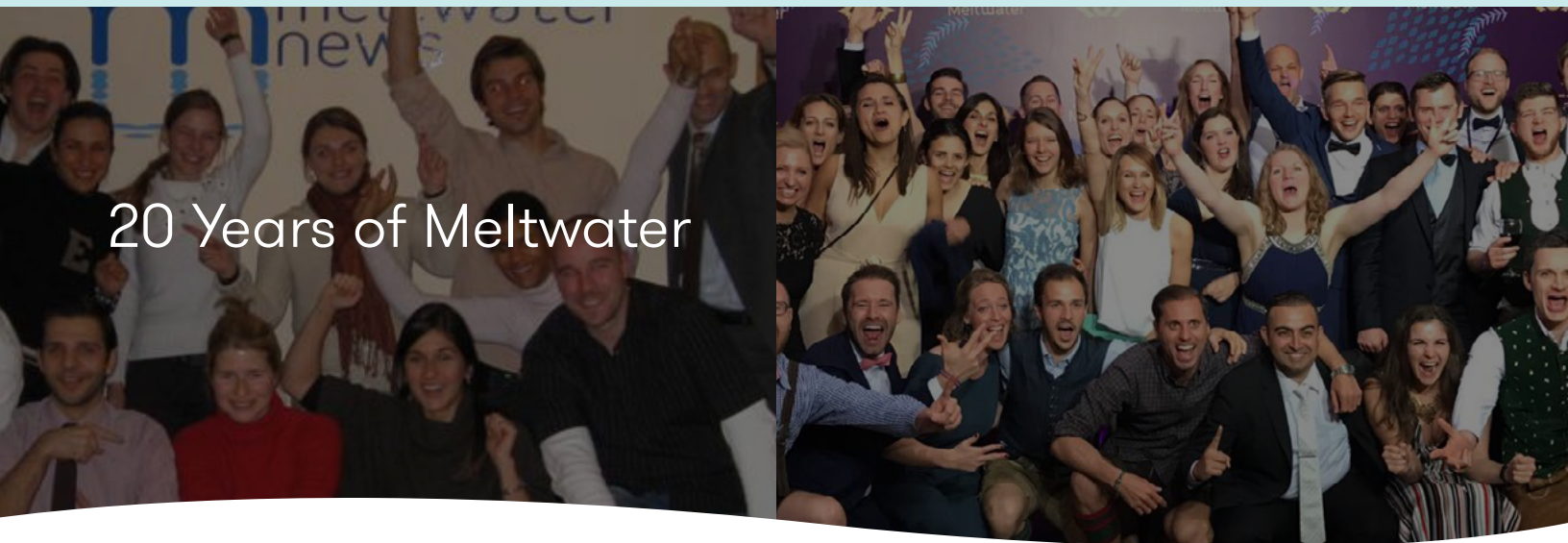
### SELECTED AWARDS

**COMPARABLY** Awards:

- 2021 Best CEO
- 2021 Best Company for GLOBAL CULTURE
- 2021 Best Company for DIVERSITY
- 2021 Best Company for WOMEN

**G2** Awards:

- Leader SPRING 2021
- Leader SUMMER 2021
- Leader FALL 2021
- Leader WINTER 2021



# 20 Years of Meltwater

Meltwater was founded in 2001 based on a simple product idea: a software supplying executives with relevant updates about their customers, competitors, and industry. Meltwater's founder, Jørn Lyseggen, knew first-hand the time and manual research needed for an executive to track all this information. His vision was a sophisticated software tool that in real time could track and analyze thousands of websites and highlight the key relevant news in an executive summary. Leaders of companies, big and small, around the world could read the Meltwater morning report in the same time it took them to enjoy their morning coffee, and be ready to start their day armed with the information they need to make better business decisions.

Established in Norway with only \$15,000 and a coffee machine, Meltwater was the world's first online media monitoring company. We began our global expansion throughout Scandinavia, then the United Kingdom, and across Europe. After focusing our attention on conquering the United States, we set our eyes on Asia-Pacific. By 2008, we had a physical presence, and an impressive customer list, on every continent.

Throughout this expansion, we always kept a local team in each of the markets we work in. We think globally and act locally, pairing a world-class product and industry-leading innovation with an eye on the needs of each market, and a local team intimately acquainted with their customers' biggest challenges. This is just one of the reasons we have been a trusted partner to many of our customers across industries for more than a decade.

Over the years, we have been able to grow rapidly by staying ahead of the technological trends that have shaped our industry. As we grew our footprint around the world throughout the 2000s, another seismic shift in the digital world was underway—the rise of social media. Meltwater became one of the first companies globally to provide social listening solutions, and since then has continued to tailor our product to adapt to the changing

## HIGHLIGHTS

### 2001

Online Media Monitoring



### 2008

Social Media Monitoring & Engagement



landscape and growing consolidation of today's PR, Comms and Marketing teams.

The past few years have seen significant growth for Meltwater. In 2020, we reached a significant milestone, listing on the Euronext Growth market before uplisting to Oslo Børs in 2021. Fueled by the desire to rapidly accelerate our technology and provide adjacent use cases for our customers, Meltwater completed 7 strategic acquisitions in the last 5 years, including four acquisitions in 2021 alone.

Today, Meltwater is a global business with more than 50 offices, 2,200 employees, and 27,000 customers across six continents. Remarkably, for more than a decade this growth was not based on external capital, but only on cash flow generated from customers.

At the core of Meltwater's success over the last 20 years are our people, values and culture. At Meltwater, we have a fundamental belief in people and the potential that they possess. We firmly believe that when the right people are in the right working environment, great things happen.

Our corporate values can be summarized by the Norwegian word MER or more, which represents our commitment to continuous improvement. We have high ambitions for the future, a strategy to achieve 20% growth and 20% EBITDA growth, the momentum to ensure our leading position in the market, and the right people to get us there.

The future looks no less exciting than the past. There is an exponentially increasing amount of data online, and Meltwater provides the only all-in-one tool that solves for media and social intelligence, media relations, and influencer management, using AI and machine learning to turn unstructured data into insights. This allows our customers to stay on top of content and conversations wherever they occur.

By building on our existing product offerings through investments in technology and acquisitions, Meltwater will continue to define itself as the global leader in social and media intelligence.

## 2015

### Integrated PR/ Marketing Solution



## 2016-2018

### Acceleration through Acquisition



## 2021

### Uplisting to Oslo Børs Exchange



# Letter from the CEO

2021 marked the first year as a public company for Meltwater. Despite a challenging environment with the ongoing COVID-19 pandemic, it is a year that I believe we can be proud of and provides us with a strong platform for further growth in 2022 and beyond. We exit the year off the back of much stronger organic growth, having completed four acquisitions that both expand our Total Addressable Market and enhance our technology stack, and having successfully uplisted from the Euronext Growth Market to the main market of the Oslo Børs.

At the time of our IPO at the end of 2020, the company clearly communicated its ambition to grow its top line by 20% with Adjusted EBITDA margins of 20% for the long term and the long-term time horizon communicated as 3-5 years.

The pathway and strategy to achieve these goals has largely been centered around a few key, strategic focus areas: increasing ARR from premium customers, continuing to sell social products to new and existing customers alike, improving Net Retention Rates and complementing our organic growth with M&A. Our success in these four areas over the last 12 months has created a stronger underlying business, which leaves us well positioned to achieve the long-term model that we have laid out.

ARR from premium clients grew by 36% in the year and now represents exactly half of our overall ARR. These customers continue to be the most profitable for Meltwater and have the highest retention rates, which is why our investments are focused in this area. The success in this area has also helped to drive a 17 point improvement in a customer's average annual spend with Meltwater.

ARR from social products grew by 55% and continues to be a key differentiator for the company in the market, helping us to secure new logos and grow existing accounts across countries and buying centers.

The success in these two focus areas is partly driven by much improved Net Retention Rates across the customer portfolio, which improved by 9 points from Q4 2020 to Q4 2021 on a trailing twelve month basis.

One of the drivers for the initial listing was to be able to execute on M&A and take advantage of opportunities to consolidate the market. The acquisitions of Linkfluence, Klear, Owler and



A handwritten signature in black ink, appearing to read 'John Box'.

**JOHN BOX / CEO**

DeepReason.ai were all completed in 2021 and provide Meltwater with the opportunity to enter into exciting new spaces and use cases such as consumer insights and influencer marketing. Our planned investment into Research & Development in 2022 will accelerate the integration efforts from a technical standpoint and unlock both revenue and cost synergies in both the short and long term.

The company had always communicated its intention to uplist to the main market of Oslo Børs within the first calendar year of its initial listing on Euronext Growth. As part of this process it was necessary to migrate to International Financial Reporting Standards as adopted by the EU (IFRS). The migration was not without challenges, but we are pleased to have been able to successfully complete this process in December 2021 and believe both the uplisting itself as well as the accounting migration will provide shareholders with improved visibility into the company's financials and enhanced reporting from here on out.

Whilst we are conscious that the current external climate is challenging, as the COVID-19 pandemic continues and the war in the Ukraine shows no signs of ending imminently, the company is in a strong position and has proven to be a remarkably resilient business during tough times over the last two decades.

We enter 2022 with strong momentum within the business and see ever-increasing market demand. The demand for social products has never been higher, and Meltwater is uniquely positioned to capture that demand. Our best-in-class, integrated solution empowers over 27,000 customers to better understand, influence and engage with the world around them.

I would like to thank our staff, shareholders, board and customers for all of their support during 2021 and into a new year. The team and I are already working hard to ensure that 2022 is even more successful than the prior year, as we look to execute on our plans to drive further growth in the business, unlocking the obvious potential for greater profitability and shareholder value in the coming years.



Our best-in-class, integrated solution empowers over 27,000 customers to better understand, influence and engage with the world around them.



# Our Solutions

Meltwater partners with over 27,000 customers in over 130 countries across all industries from tech to retailers, pharmaceuticals to universities, NGOs, banks, governments and much more.

With more information at the fingertips of consumers than ever before, the world is drowning in data, and finding the information that's relevant for a particular organization is no longer able to be done manually. At Meltwater, we help our customers better understand, influence and engage with their key stakeholders, through a variety of different touchpoints in our product.

Our customers use Meltwater for a wide and growing range of use cases, fueled by the world's largest body of news and social data and powered by our industry-leading technology and AI platform, which ingests more than 800m pieces of new content every single day from millions of content sources including open web data, social channels, Wordpress and many more. This truly global media scope, supporting customers in 120 countries with 113 distinct languages, enables Meltwater users to extract the most from the world's data.

Through our own incremental innovation, and by way of strategic acquisitions and their subsequent integration, Meltwater is expanding the amount of use cases supported by our product, to continue to meet the evolving needs of our customers.

Historically, Meltwater's most typical use cases have been in media intelligence and media relations, as well as social listening, analytics and management. Today, we see the convergence of these two fields as social media becomes an intangible part of a company's public relations strategies. Meltwater is uniquely positioned to meet the needs of today's integrated PR, Comms and Marketing teams with a single source of truth in one platform designed for multiple use cases. Our intuitive all-in-one solution enables collaboration, consistency in reporting, and consolidation of vendors, so that our customers can get more of their work done using Meltwater than ever before.



## Key Areas of Focus

01

**Integrated Offerings for PR, Comms, Marketing & Beyond**

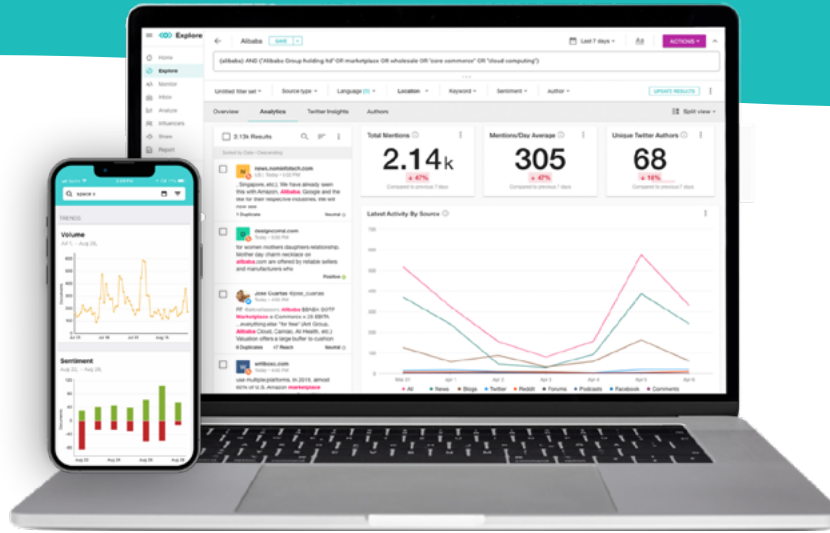
02

**Expansion via Acquisition & Integration**

03

**Focus on Innovations & Enhancements**




# One Integrated Solution to PR, Communications & Marketing Use Cases



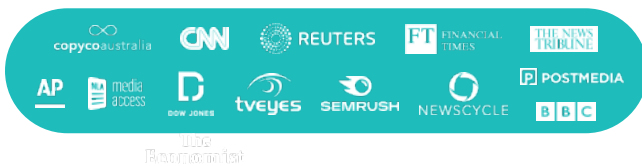
## Key Use Cases

- Brand Management
- Competitive Intelligence
- Risk & Crisis Management
- Social Media Management

## New Use Cases

- Consumer Insights 
- Influencer Marketing 
- Sales Intelligence 

## News and Other Online Sources



## Social Media



## Collaboration Tools



## Visualization Integrations



## E-Commerce Integrations



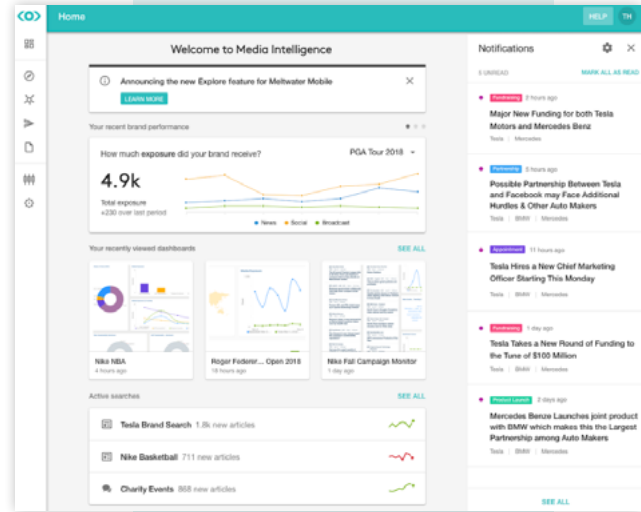
# 01 Integrated Offerings for PR, Comms, Marketing and Beyond

## Brand Management

Capitalize on the broadest data and most advanced AI in the industry to surface strategic insights into your brand, and its place in the industry you operate in.

**Enabling users to:**

- ➔ Listen to external conversations about your company and industry across all channels
- ➔ Identify differences between your messaging and competitors to capitalize on what makes you unique
- ➔ Share insights beyond traditional marketing teams, to create a more integrated listening strategy

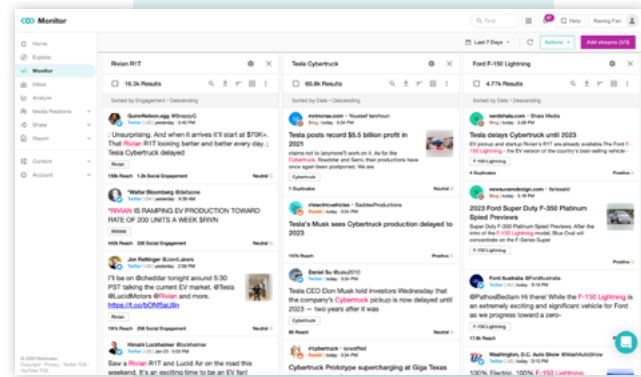


## Competitive Intelligence

Gain competitive advantage over brands in your industry by staying up to date on all their activity, identifying their effective content and capitalize on the gap in their offerings.

**Enabling users to:**

- ➔ Collate and identify effective content from your competitors on social
- ➔ Uncover business opportunities by leveraging customer complaints or unmet needs
- ➔ Easily report on your competitive share of voice scalably, expanding into aspirational brands with unlimited topic tracking

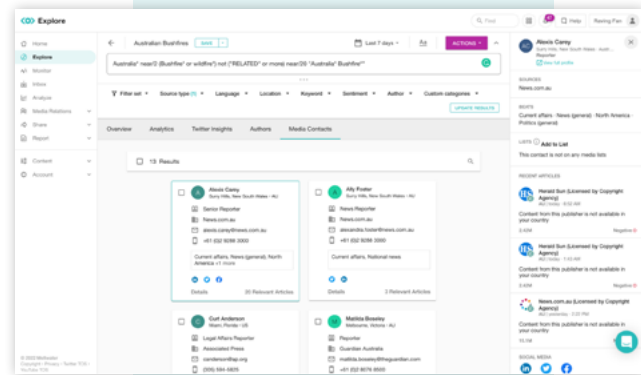


## Risk/Crisis Management

Gain insights from the broadest set of external data, spanning all forms of social and traditional media. Distribute and analyze this content in real time through AI powered alerts, and business integrations such as Slack and Teams.

**Enabling users to:**

- ➔ Surface the right insights in real time via AI
- ➔ Understand the drivers of conversations and crisis'
- ➔ Share relevant insights and content with the right stakeholders in their preferred channels

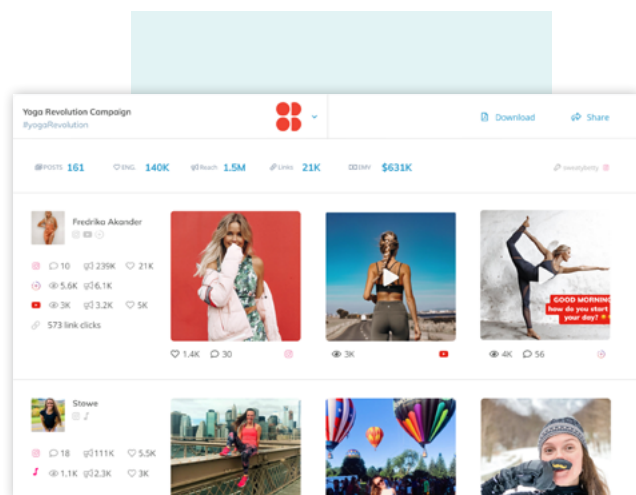


## Community Management

Amplify your community management efforts, by nurturing loyal and influential brand ambassadors. Understand audience demographics, schedule content and analyze its impact, while interacting with customers on their channel of choice.

### Enabling users to:

- ➔ Schedule and analyze content to optimize its impact
- ➔ Build a community to advocate on your behalf
- ➔ Manage earned and owned customer interactions through one integrated platform

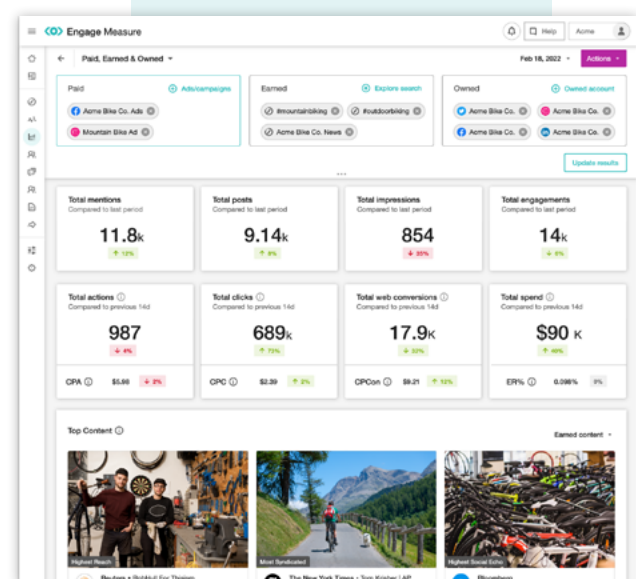


## Campaign Management

Complete solution for campaign management to help you plan, activate, monitor, engage and measure your campaigns across social and news.

### Enabling users to:

- ➔ Build communities through one on one interaction, driving brand loyalty
- ➔ Track the performance of owned, earned & paid content
- ➔ Optimize your paid strategy via feedback loop

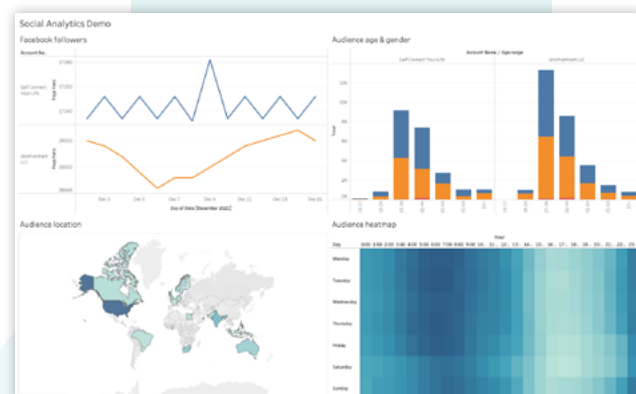


## Market Intelligence

Understand the changes in the market you operate in to stay ahead of the curve. Ensure you take advantage of market gaps and are able to quickly react to shifts in the industry.

### Enabling users to:

- ➔ Expand into new areas of your market based on unmet customer needs
- ➔ Track individuals or topics that can trigger changes in your industry
- ➔ Audit and review your strategy to reflex the latest market trends

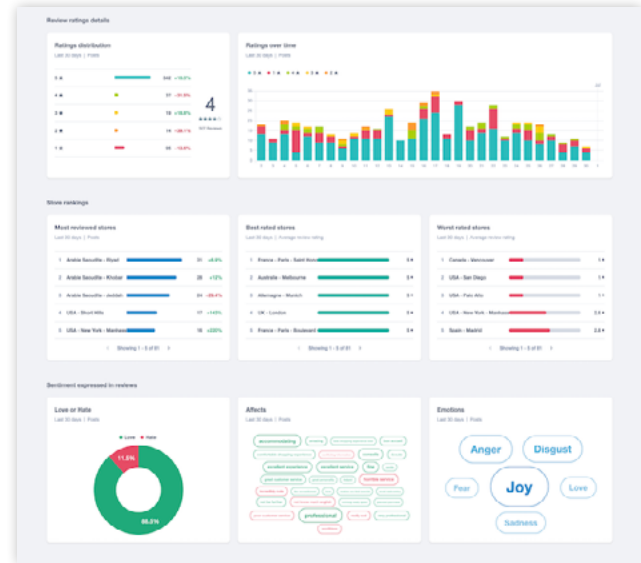


## Consumer Insights

Use online data as an instant focus group to understand the wants, concerns, interests and buying behaviors of your current or potential consumers.

### Enabling users to:

- ➔ Fully understand the needs and feedback of your customers
- ➔ Learn how your consumers differ from competitors or other areas of the market you operate
- ➔ Uncover opportunities for business improvements and growth

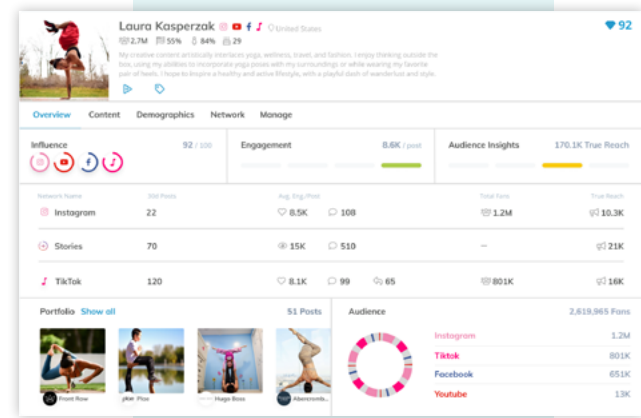


## Influencer Management

Complete end to end solution for influencer identification, management and reporting to help you find opinion leaders, advocates, brand ambassadors, and content creators to partner with.

### Enabling users to:

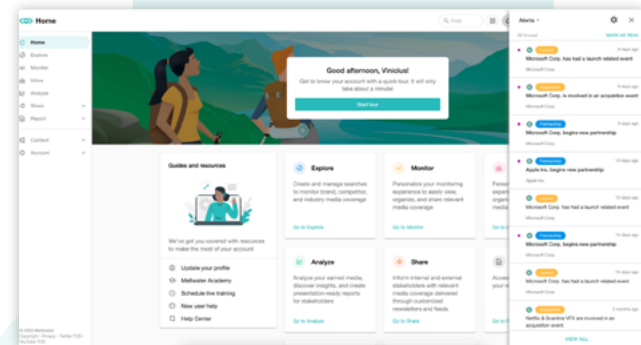
- ➔ Identify & vet relevant influencers to work with, maximizing ROI
- ➔ Manage relationships through one centralized platform
- ➔ Report on ROI & use data to refine future campaigns



## Sales Intelligence

Access business news, data and insight on every company in the world.

- ➔ Easily find and follow companies that matter to you, including competitors and prospects
- ➔ Get real-time alerts and daily emails about relevant company and market news
- ➔ Build personalized relationships through outreach targeted to company revenue, sector, location, employee count, public/private company status and more



## 02 Expansion via Acquisition and Integration

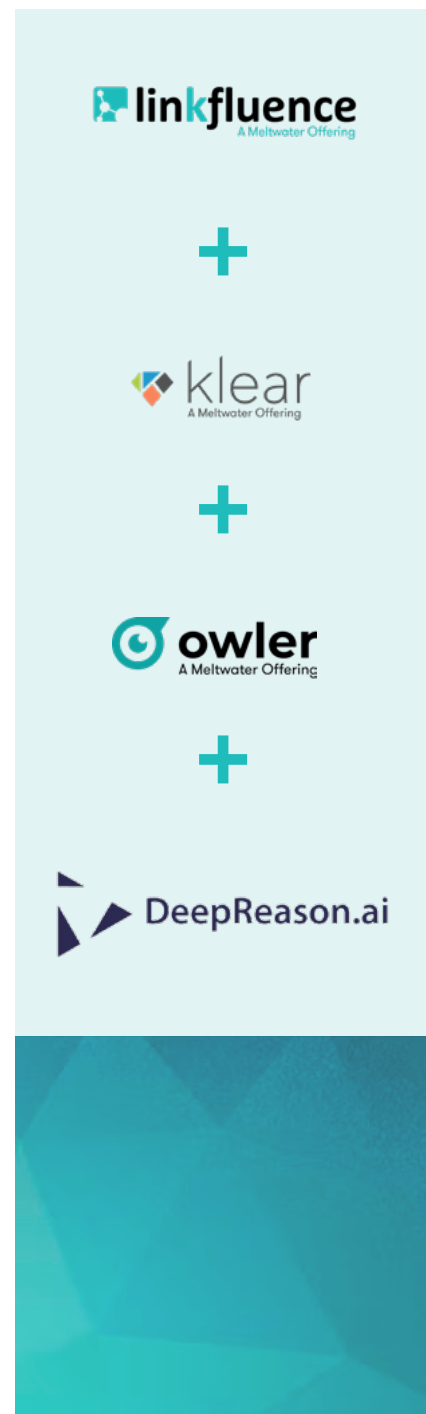
Meltwater has a proven track record of integrating technology and functionality from newly acquired companies into our flagship media intelligence product, having done this with Sysomos, Infomart, Encore Alert and many more acquisitions over the years.

After the acquisitions of Linkfluence, Klear, Owler and DeepReason.ai in 2021, Meltwater's product offering now spans far beyond the use cases we have primarily served, and through deeper integration, will give our customers a wider lens and more detailed insights to help them inform and execute on their strategies.

## 03 Focus on Innovations and Enhancements

Looking ahead, Meltwater's key product objectives include:

- ✔ Increased investment in R&D across defined product focus areas
- ✔ Continuing to leverage AI and data science to better solve customer problems
- ✔ Continuing to provide the most comprehensive catalog of content and people profiles
- ✔ Ensuring all acquisitions are integrated, supporting one platform for our customers



## Customer Testimonial / Shiseido



Shiseido is one of the largest and oldest beauty companies in the world, with the brand and its products present in over 120 countries. Before Meltwater, Shiseido's approach to consumer insights was fragmented and disjointed. A number of media intelligence tools were used by the local teams and data was often inconsistent and inaccurate. To consolidate efforts and provide the leadership with a single source of truth, Shiseido partnered with Meltwater to build a single global framework for its luxury brands. Today, Meltwater is Shiseido's single source of truth for social and media monitoring.

With Meltwater's social management suite, they are now able to capture, analyze and quantify conversations across markets, languages and channels. Strategic insights provided by Meltwater enable Shiseido to streamline and strengthen their communications, targeting the right audience through the right channels. This powerful collaboration is growing, with Shiseido benefiting from Meltwater's innovative technology and strategic vision, with both teams working hand-in-hand to develop solutions to Shiseido's needs.



Across the globe, the \$400 billion beauty industry is facing a lot of disruptive challenges. Primarily, it's coming from the growth of digital and social channels — and how important they have become in creating a better customer experience. This is where Meltwater has helped us get closer to our customers; not just from listening to what they were saying about us, but helping us monitor brand perception and communicating to customers in the channels they frequent in a way that was more resonant.”

**AMIT NAIK**  
Global Head of Analytics



## Customer Testimonial / World Animal Protection



World Animal Protection's teams are based all around the world, including Americas, LatAm, Kenya, India and various locations in Europe, and they partner with a local Meltwater representative in each of these markets. WAP uses Meltwater to track news and social media in real time, globally and locally, and report on the effectiveness of their campaigns.

With many of the team members often in the field, it's important they have constant access to data and the relevant news coverage. Meltwater's mobile app gives them the confidence they're always in the know. The ongoing monitoring of specific interest areas, including natural disasters, farming and animals in the wild, gives WAP instant access to news coverage they might have to engage with. The ability to track and evaluate key opinion leaders and themes means the organization is able to use insights to guide their future partnership and collaboration initiatives. Finding key people who are right for the brand is important, given the values and nature of WAP's business.



World Animal Protection has used the media monitoring services of Meltwater for a number of years now. As an organisation with offices in 14 countries, it was important to us that we receive not only a high level of media monitoring, but that we also had a high level of customer service. We have account managers in each of our country office locations to address the individual enquiries and requests for each of those offices. This means that they receive help and assistance promptly, in their own time zone. This can make all the difference to a global organisation.”

**BEV BOYLE**  
Global Head of Media

 **WORLD ANIMAL PROTECTION**

## Customer Testimonial / Brut



Brut is a French digital media company. A first of its kind, their ethos of a value-driven video and audio storytelling has earned them fans around the world. The company depends on Meltwater's social marketing suite to guide their editorial choices and content strategy.

Brut's video stories are designed to reach specific communities and Meltwater's audience insights solution plays a crucial role in understanding where and how these groups engage with content. The real-time monitoring and analysis capabilities allow the team to assess and select subjects most likely to resonate with the target audience, and maximize both reach and engagement. This consumer-first, data-driven approach contributed to the business' global expansion and new business.

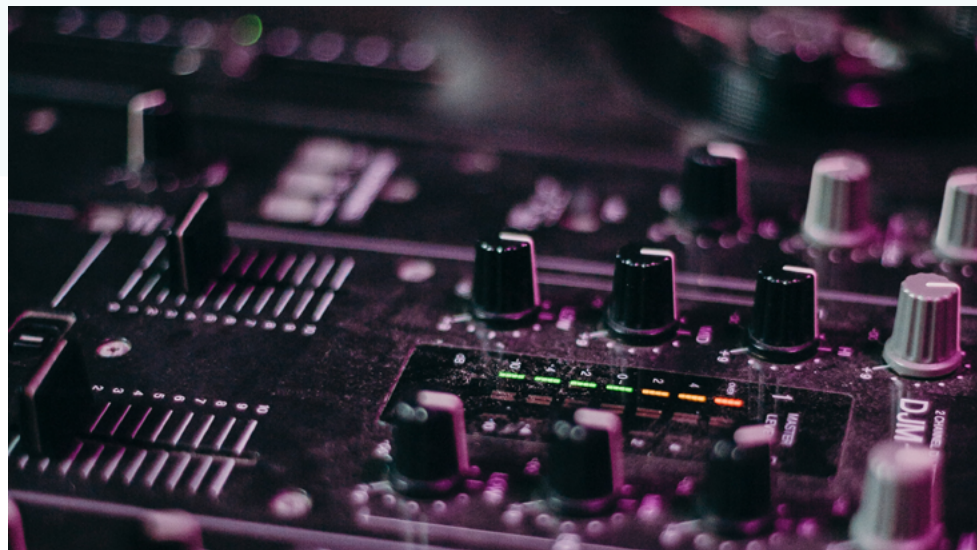


Our partnership with Meltwater enables us to grow as a business, globally. Our innovative business model is based on data analysis and insight that comes from that research. Everything we do is guided by data. This means we stay competitive and relevant in the constantly-evolving media market. Meltwater's social marketing solution enables my team to truly understand what topics currently drive engagement and who, within our target audience, is leading related conversations. This powerful insight guides our strategy, from deciding which story to pursue, its language, tone of voice and focus, through to pitching and winning new business. You simply can't argue with data."

**PAUL TARSIGUEL**  
Lead Data Analyst

**Brut.**

## Customer Testimonial / Warner Music Group



Warner Music Group is a multinational entertainment and record label business. It's one of the “big three” recording companies and the third largest in the global music industry. The company requires constant real-time access to online conversations featuring mentions of topics of interest.

Meltwater provides Warner Music Group with data which is turned into actionable insights when it comes to customer engagement. From marketing campaigns to brand reputation, the marketing teams design their strategies based on Meltwater insights, and measure their success with the comprehensive analytics and benchmarking capabilities. Warner Music Group uses Meltwater's influencer marketing solution to identify and manage partnerships which drive brand awareness and perception amongst key target audiences.

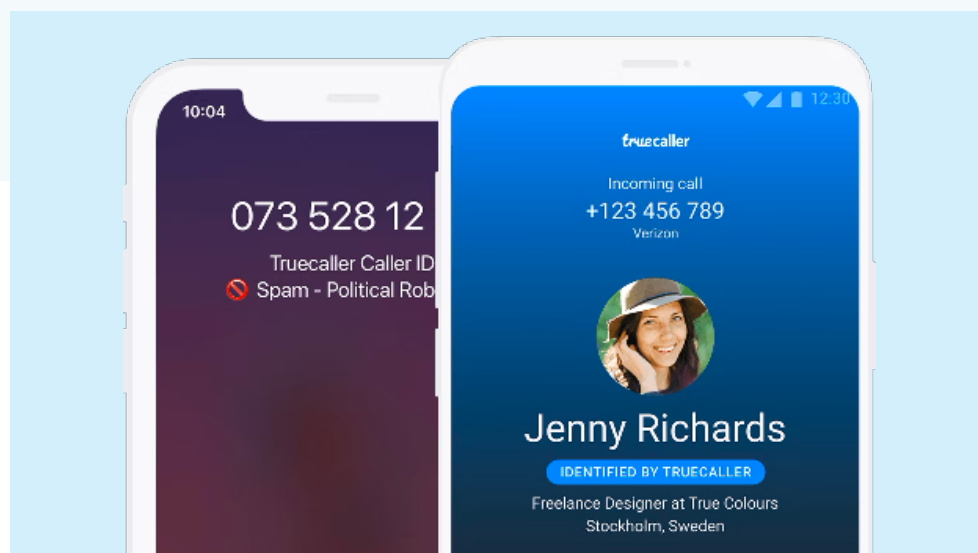


The evolution of the music industry requires us to be agile and proactive in seeking the right opportunities. Meltwater is a comprehensive platform that offers excellent customer support and solid infrastructure, which allows us to extract relevant information anytime, anywhere. Our company uses four services from Meltwater: Explore, Engage, Klear and Audiense. The insights obtained via these four services are helpful and sufficient enough to give our marketing team confidence in building campaigns, managing brand perceptions, engaging the right KOLs and benchmarking results. This additional insight is something we greatly appreciate!”

**Carol Chu**  
Director of International Marketing



## Customer Testimonial / Truecaller



Truecaller is a leading global caller ID and call blocking app. With over 300 million monthly active users, the application is the go-to app for Caller ID and spam blocking. In Q4 2021, the company initiated trading on Nasdaq Stockholm. This, coupled with their impressive growth strategy, meant they needed to streamline and consolidate their approach to PR & Marketing.

On top of the traditional media monitoring, Truecaller added consumer-centric services to their Meltwater solution, including social media listening and management. The new approach enables the business to identify and prioritize consumer needs, and turn this feedback into a proactive communications strategy. With structured and consolidated data, both regional and global stakeholders get access to relevant and accurate analytics in one integrated platform. The teams are able to collaborate and coordinate efforts, ensuring their users experience the same level of service no matter the location.



As part of our expansion plans and recent public listing, we have expanded our current partnership with Meltwater beyond traditional news monitoring and analysis, to now also serve areas like social listening, consumer insights and social media management with Meltwater's unified global solution. This helps us to better understand our users' needs and more efficiently communicate with them. The new solution will initially be used across the Swedish and the Indian teams across PR, Marketing and customer success, with a very strong focus on further global expansion. Meltwater is a very suitable global partner on this journey due to our industry-leading global news and social media footprint in one integrated offering."

**Agnes Adolfsson Lindberg**  
Brand Marketing Manager





# People & Culture

At Meltwater, our culture is our north star, and our company values are the foundation of everything that we do. They are four Norwegian words that translate (loosely!) as follows:



**Moro** [‘mo(·)ro] — “Fun”



**Ener** [‘e nõr’e] — “Number One”



**Respekt** [re’spekt] — “Respect”

& taken together,



**Mer** [mer] — “More”

Which represents our commitment to continuous improvement.

These aren’t just words on our website. Our ambition is to live and breathe these values, so that they are evident to everyone we interact with — our employees, partners, customers, and shareholders. The world is far from a perfect place, we believe that by showcasing these values in all that we do, then we can do our part to improve it.

## Our People

At Meltwater, people are central to everything we do. Attracting and retaining world class talent is one of our key focuses, and the foundation of our success over the years. Together, we push ourselves to deliver best-in-class solutions for our customers and challenge ourselves on the innovation required to stay ahead.

We are proud to have a diverse employee base of over 2,200 employees in 50 locations in over 20 countries on 6 continents. Our employees speak over 50 languages and support our customers in more than 130 different countries.

Meltwater is proudly an equal opportunity employer and is firmly committed to affording equal employment opportunities to all candidates and employees alike without regard to race, color, religion, age, national origin, gender, sexual orientation, gender identity or gender expression, marital status, disability, or veteran status. Women make up 50% of the employee base at Meltwater, with 42% of leadership positions filled by women, well above industry average.

## Hear from Meltwater Employees



The Meltwater Leadership team genuinely cares about my personal development. They're always open to receiving feedback and acknowledge areas of improvement. I feel valued and rewarded at Meltwater."



The culture is incredibly positive. There are always new challenges and our work is team-focused, so when one of us wins, we ALL win!"



Working at Meltwater has given me a deeper belief in myself and more confidence when facing challenges."



## Employee Feedback

95%

95% of employees say they are proud to be a part of Meltwater

91%

91% of employees say that they are invested in Meltwater's goals

94%

94% of employees say that they approve of the job the executive team is doing

83%

83% of employees say that Meltwater provides them with meaningful opportunities for career advancement

98%

98% of employees say that they look forward to interacting with coworkers.



# Corporate Responsibility

## Sustainability at Meltwater

As a global company with more than 2,200 employees and 27,000 clients, we have a responsibility to conduct business in a way that has a positive impact on people, the planet and society as a whole. This is part of our commitment to continuous improvement— one of our four company values— to consistently re-examine our policies and programs and ensure that we are making strides to create a more sustainable and equitable world.

### ENVIRONMENTAL SUSTAINABILITY

#### Protecting our planet

We believe that environmental sustainability is one of the most pressing issues of our day. Our daily choices and the choices we make as a business have an impact on our planet and the resources we have available.

We know that sustainability is important to many of our employees, as well as our customers, prospects and investors. But it is also just the right thing to do. We have a responsibility as a company and individuals to positively contribute to our environment and to create a better platform for future generations.

#### Reducing our environmental footprint

Careful consideration for the environment and our planet is in our very DNA. The first server farms of Meltwater were made from recycled computers destined for the landfill, and we were disrupting an industry by providing an electronic, online solution to something that had been paper based for well over a century.

Meltwater is committed to evaluating and improving our environmental performance, providing our customers with paperless business intelligence solutions, preventing pollution by



#### GOALS FOR 2025

**100%**

of offices involved in green initiatives

**100%**

of e-waste recycled or donated

**0**

Waste commitment across the organization

striving to use teleconferencing facilities instead of promoting travel, and complying with all environmental legislation, regulations and codes of practice relevant to the industry sector in which we operate.

We include environmental factors in our decision making process for vendors, partners, and suppliers. We are proud to partner with AWS as our cloud-vendor today, a company that has committed to powering their operations with 100% renewable energy by 2025.



## Global Green Council

These actions are just the start. Meltwater has created a Global Green Council for employees with a background and passion in environmental sustainability to develop policies that will lessen the impact we have on the environment as a company. The council leads the conversation and education around sustainability, creating a shared model of responsibility where Meltwater leaders and global teams are considering climate change impact when making business decisions and involved in ongoing conversation and education about environmental issues.



## SOCIAL IMPACT

### Putting People First

At Meltwater, people are central to everything we do. This philosophy extends to our employees, customers, investors, partners, suppliers, and the communities in which we operate. By harnessing our people, products, and resources, we are committed to being a force for good in the places where we live and work. We believe in the power of people and technology to have a positive impact on the future, and in building a diverse, equitable and inclusive organization to fuel innovation and sustainable growth.

Our culture and values extend to our work across DEI, employee engagement, philanthropy and community partnerships, and we are committed to continuous improvement in all of these areas.

### Diversity, Equity & Inclusion

Creating a diverse, equitable and inclusive organization is a key focus for Meltwater. Our DEI efforts are organized around key objectives including training & education, recruiting, inclusive culture and leadership diversity and accountability.



### KEY FIGURES

**\$25m+**

dollars in charitable contributions to date

**50%**

of the employee base are women

**42%**

of leadership positions are filled by women

Meltwater supports a number of employee-led Affinity Groups who drive inclusion and education across the organization.

**mPowered** is Meltwater's multi-cultural affinity group with chapters in the Americas and Australia. mPowered promotes inclusion through discussion, education and advocacy. The group provides a forum for employees to discuss issues that affect underrepresented groups and strives to create a culture where employees feel their voice is heard, their opinions are valued, and that they can be a part of positive change. The group has held numerous DEI workshops, trainings, and speaker sessions since its inception in 2020.

**The EMEA DEI Council** is an employee-led task force that works on market-specific initiatives across the region to foster education, discussion, and advocacy on DEI issues. The council has rolled out trainings and leadership sessions across the region on topics such as cultural sensitivity, diversity-based business coaching, and more.

**The Women in Tech Initiative** is a global community spanning all regions at Meltwater which invites in industry-leading speakers and creates an environment to share ideas, discuss topics that genuinely matter and build a mutual learning exchange. The initiative has seen speakers from Coca-Cola, Nike, and Google, and is led by a team of ambassadors spanning the globe.

## Philanthropy

Meltwater regularly partners with nonprofits in the markets in which we work to volunteer and address the needs of the local communities that we operate in. Employees partner with local nonprofits through volunteer days, and the company makes corporate donations to nonprofits with missions that are important to our teams around the world. This is in addition to the \$2.5 million that is given as annual funding to the Meltwater Foundation supporting MEST.

## Continuous Improvement

These are some of the ways that Meltwater shows a commitment to our people and those in our communities, but we are also committed to continuous improvement and expanding these programs in order to have a greater impact. Meltwater conducts an annual Employee Engagement survey to benchmark employee sentiment around key issues and track where we are doing well and where we can still improve, with action plans to build strategies and programs that will impact these areas going forward.



## SPONSORSHIPS

Meltwater chooses corporate sponsorships that are in line with our own values and philosophy. Since 2021, Meltwater has been the title partner of the Meltwater Champions Chess Tour, in partnership with the Play Magnus Group. Play Magnus Group's mission is to promote chess and chess learning that fosters positive social outcomes. They accomplish this through training and education, supporting chess in schools, advancing gender equality, supporting aligned non profits and promoting tolerance, inclusion and respect. Meltwater actively supports PMG in this work through activations, employee participation and sponsorship.





## GOVERNANCE

### Ensuring Accountability & Oversight

As Meltwater continues to grow, we are committed to running our business responsibly, ethically and in line with all regulations in the markets we serve. Governance to us means a defined board structure, diverse perspectives on our board, an established compliance team, and a robust data privacy program.

We believe that sound corporate governance is crucial for Meltwater's success and set high standards for our Executive Leadership Team and Board of directors. We are committed to maintaining an independent and diverse Board of directors. Our Board members bring together a diverse set of skills and experiences from different industries and markets. The Company has a one-tier board structure consisting of one executive director and five non-executive directors elected by the Company's shareholders, on the binding nomination of the Board of directors.

### Board Committees

Meltwater's Board committees serve to prepare the Board of directors' decision-making and to render advice to the Board.

#### Audit committee

The audit committee supports the Board of directors in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control. The audit committee reports and makes recommendations to the Board of directors, but the Board of directors retains responsibility for implementing such recommendations. The composition of the audit committee fulfills the required qualifications and competence in accounting and auditing under Dutch law.

#### Remuneration committee

The remuneration committee is charged in particular with the preparation of the remuneration policy for the Board of directors; proposals for the remuneration of the directors; and the remuneration report on the execution of the remuneration policy, included in the Company's annual accounts.



## DATA PRIVACY

At Meltwater, our customers are at the heart of our business, which means that safeguarding customer data is a priority for the Company. Meltwater supports more than 27,000 customers in more than 130 countries. Our clients include industry leaders across sectors in government, tech, healthcare, consumer goods and finance, to name a few, and protecting the information that our customers entrust to us is one of our key responsibilities.

Meltwater trains employees annually on topics such as data privacy and cybersecurity awareness, with additional secure coding training for R&D team members. The training ensures that Meltwater employees have the knowledge to keep Meltwater's customers' and partners' data safe.

We use and develop new technologies with privacy considerations and also maintain the necessary level of security, privacy, and data protection in compliance with applicable laws.



## KEY FIGURES

5

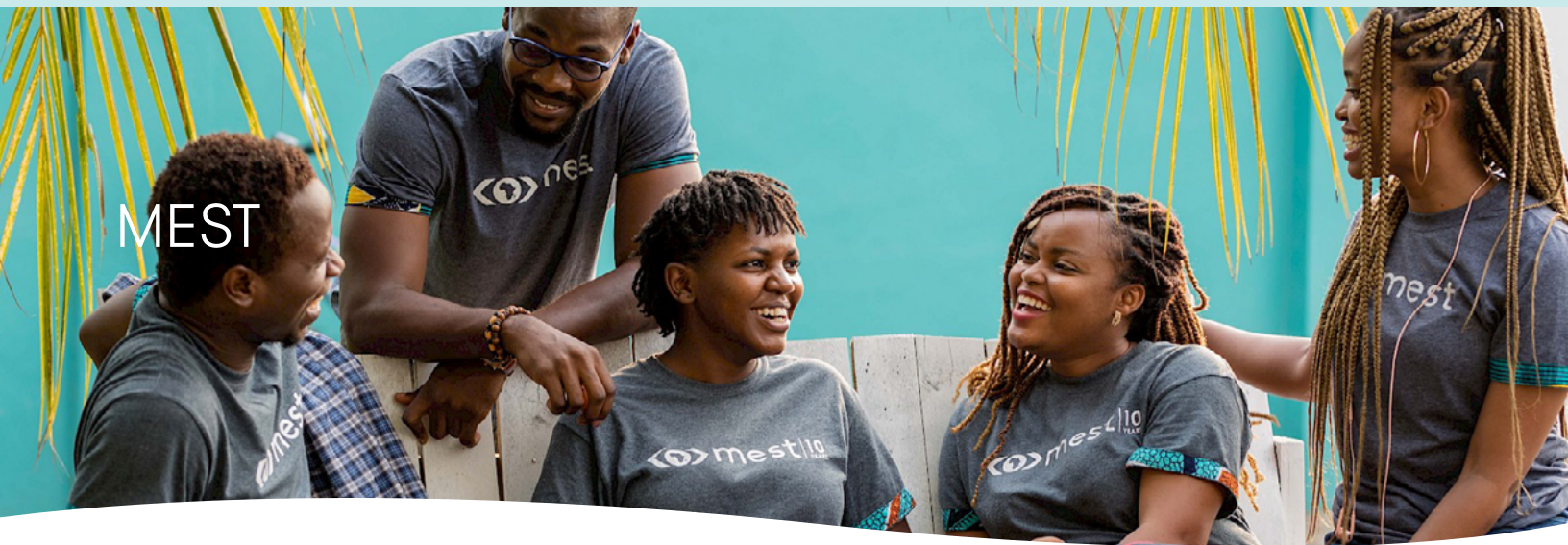
nationalities represented on the Board

50%

of Meltwater's Board is diverse in terms of gender or race

67%

of Meltwater's Board is independent from the Company and its main shareholders



# MEST

In 2008, Meltwater's founder Jørn Lyseggen founded MEST based on the principle that "talent is evenly distributed, but opportunity is not."

Leveraging our core strengths as an innovation leader, Lyseggen chose to invest in innovation on the African continent, an area of the world that historically has been underserved and underfunded, and launch a technology training program to fuel the next generation of African entrepreneurs.

MEST, the Meltwater Entrepreneurial School of Technology, is an Africa-wide technology entrepreneur training program, internal seed fund, and network of hubs offering incubation for technology startups in Africa.

Founded in Ghana in 2008, MEST provides critical skills training, funding, and support in software development, business, and communications to Africa's tech entrepreneurs. Hubs are located in Accra, Ghana; Lagos, Nigeria; Cape Town, South Africa; and Nairobi, Kenya. MEST is funded by the Meltwater Foundation, Meltwater's non-profit arm.



Talent is  
evenly  
distributed,  
opportunity  
is not.

**Jørn Lyseggen**  
Founder, Meltwater and MEST

For young aspiring and established African entrepreneurs, MEST Africa provides the skills, mindset, and experiences to build a globally successful tech company. Beyond tech and entrepreneurial skills training, MEST Africa provides a real-world advantage to entrepreneurs through funding, business incubation, and access to a global tech network.

### Training Program

Providing skills in tech entrepreneurship to aspiring entrepreneurs with a fully-funded, one year full-time graduate level program in software development and business.

### Incubation & Seed Fund

Supporting graduates of the MEST Training Program to launch early-stage startups with seed funding between \$50k-\$250k, incubation, and access to a global tech community.

### African Tech Community

Our tech community of leading entrepreneurs, investors, corporate partners and ecosystem players spans across the continent. Members of MEST have access to our network, and to one another, as they grow their companies.

### Portfolio

**80+** software companies tackling Africa's biggest problems across industries

MEST has launched numerous successful startups that have gone on to receive follow-on funding and admission to the world's top tech accelerators, has hosted guest lecturers from Fortune 100 companies, and counts Mastercard Foundation, Microsoft, and 500 Startups among its partners.



### IMPACT

**\$2.5m**

USD given by Meltwater to MEST in annual funding each year

**750+**

jobs created through MEST programs

**500+**

people trained

**30**

countries reaches

**80+**

businesses funded



# Director's Report

Meltwater N.V. (the “**Company**”) is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its registered office at Singel 250, 1016 AB Amsterdam, the Netherlands. The registration number of the Company at the Chamber of Commerce is 32109376.

The Company's shares are listed on Oslo Børs (the Oslo Stock Exchange), a regulated market operated by Oslo Børs ASA since 20 December 2021 (ISIN: NL00150003D3). Before that, the Company's shares were listed on Euronext Growth Oslo, a multilateral trading facility since 3 December 2020.

The Company and its subsidiaries (the “**Group**” or “**Meltwater**”) help businesses drive growth and build brands. Meltwater's online intelligence platform analyzes billions of digital documents daily to extract precise, timely business insights that help more than 27,000 companies understand their markets, engage their customers, and master the new social business environment. With 50 offices across 6 continents: Europe, North America, South America, Asia/Pacific, Australia, and Africa, Meltwater is dedicated to personal, global service built on local expertise. The principal business activities generate revenue through one operating segment namely Media Intelligence. The revenue geographical split is disclosed under note 22 of the annual consolidated financial statements. These geographical areas are also representative of the customers and suppliers' geographical areas.

## Strategy and long-term value creation

On 19 November 2021, the Company held its first Capital Markets Day. The Board's strategy and long-term vision were clearly formulated that day: provide global clients with an integrated platform for a variety of use-cases, including to handle their public relations management and social media and marketing. The public relations management of clients is supported by efficiently monitoring and analyzing all global, online news content for news and updates on their brand, competitors, industry, trends etc. In addition to that, Meltwater offers social media and marketing solutions that help customers to understand, monitor and manage their business' or organization's social media footprint, i.e. what people are saying about them in social media channels. To properly monitor and influence, companies and organizations must keep track of and interact with their audience on relevant social media channels such as Facebook, Twitter, Instagram, Snapchat, LinkedIn, YouTube and Reddit. Furthermore, companies increasingly embrace new marketing channels, like marketing through social media influencers. Through Meltwater's software, customers can identify, approach, monitor and analyze the outcome from their social media activities.

Meltwater's overall strategic objective is to continue sustainable global market leadership through Meltwater's strong track record of acquisitions and organic growth. To ensure long-term profitability, the Board of Directors believes it is important to invest in innovations. The Group's software development activities are invaluable to sustain competitive differentiation. The Group invests significant human and monetary resources to improve its existing software offerings, integrate acquired products, and design and develop new valuable and innovative services and features that meet the demand of the global media monitoring market. The Group currently has a significant pipeline of research and development projects and has concluded many similar research and development projects in the past. The outcome of such research and development projects are a key factor to implement the Group's long-term strategy, as such projects may open up new markets for the Group to sell its services.

## Culture and core values

Guided by its core values, Meltwater's culture is based on a fundamental belief in people and the potential they possess. Meltwater is not afraid of investing in hidden talent and believes that in an environment where people are motivated and supported by their colleagues, individuals will discover their strengths.

Meltwater is also a company built on an entrepreneurial spirit, hard work and the joy of accomplishment. Meltwater values teamwork, as well as individual excellence. At Meltwater, passion and personability is put into everything it does.

Meltwater's values are at the core of its culture, and they can be summed up by the acronym MER, which, in Norwegian, means "more."

### **Moro** ['mo(·)ro]

Norwegian for "Fun." Meltwater believes that in order to become successful, individuals must enjoy what they do. That is why Meltwater promotes a fun and supportive working environment.

### **Ener** ['e nõr'e]

Norwegian for "Number One." At Meltwater, average isn't good enough. Its goal is to create a company that is ground-breaking and a culture in which employees aspire to exceed their personal expectations.

### **Respekt** [re'spekt]

Norwegian for "Respect." Meltwater believes it matters how a company or an individual becomes number one. When striving to be the best, individuals must treat their colleagues and customers with respect and humility.

## MER

An acronym for Moro, Enere and Respekt. At Meltwater victories are celebrated, but the need is also seen to continuously improve – whether it is to reach personal goals or corporate milestones. Though these values may seem simplistic on the surface, they are what drives Meltwater to reach its objectives, clarifies its expectations, and helps to prioritize and make decisions.

## History

From the humble beginnings, Meltwater was built from scratch, brick by brick. The Group was founded in 2001 with just \$15,000, a trusty coffee machine, used furniture and a borrowed office space in Oslo at an aptly named address, Shack 15. Armed with experience from a two-year computer science research program in cooperation with the Norwegian Computing Center and funded by the Norwegian Science Foundation, Meltwater's founder, Jørn Lyseggen, and his business partner set out to introduce game-changing technology for the traditional press clipping market. The duo's previous work in the field of Internet agents and search technologies provided a strong foundation for the development of Meltwater's initial product: Meltwater News.

## Technology and core services

Meltwater is a global SaaS provider specializing in productivity solutions. It develops high quality software solutions at a reasonable price. Meltwater focuses on well-defined pain points and solves them better than anyone else. Meltwater's SaaS solution helps drive efficiency, reduce costs and improve its clients' bottom line. Today, Meltwater offers solutions that enable businesses to manage their reputation, target the right journalists, collaborate more effectively, streamline their hiring processes, and manage their online marketing campaigns. During the past years, Meltwater marketed and sold its products under multiple product offerings. The products and services offered by the Group enable PR & Communications, Marketing, Executives and Enterprise act on data from the outside.

PR & Communications centric products help quantify PR impact, bring insights from conversation share to brand sentiment, discover key influencers, and create relationships and quickly create presentation-ready reports for the stakeholders.

Marketing centric products help understand brands through the eyes of target audiences across the world, optimize social marketing efforts, benchmark marketing efforts against the competition and discover who's talking about brand, from earned media to authentic conversations.

Executives centric products help reduce risk without complexity by leveraging AI to stay on top of financial, market and competitive information.

Enterprise products help in mapping strategy to competitive environment, automate workflows into custom systems, manage flow of outside information and assist with internal collaboration with external insights.

## Organization structure

The group structure is presented under note 30 in the annual financial statements.

## Code of conduct

The Group's highly international operations, with over 27,000 clients and 2,200 employees in 50 offices across 6 continents, requires the Group to comply with the laws and regulations of various jurisdictions. In particular, the Group's international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010, and economic sanctions programs, including those administered by the United Nations, the EU and the U.S. Office of Foreign Assets Control. These anti-corruption laws and regulations comprehensively and, in some cases in differing ways, cover many forms of public and private corruption.

As part of its business, the Group may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of the U.S. Foreign Corrupt Practices Act of 1977 and other applicable anti-bribery laws and regulations. Economic sanctions programs restrict the Group's business dealing with certain sanctioned countries, and new sanctions programs may be imposed, or existing sanctions programs revised in unpredictable ways, depending on circumstances outside of the Group's control.

In line with the Dutch Corporate Governance Code, Meltwater has a code of conduct, which is published on the Company's website. Businesses in our group apply zero tolerance to violations of the code of conduct. Although Meltwater is occasionally confronted with less desirable behaviors, the Board of Directors considers the code of conduct to be effective. Appropriate action is taken, including disciplinary procedures or improving the control environment to mitigate such occurrences in the future.

Meltwater is committed to conducting its business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. All directors and employees are expected to comply with these principles and, in particular, to avoid conflicts of interest and not to engage in insider trading, illegal anti-competitive activities, and bribery and corruption.

## Internal control systems

Meltwater's system of internal controls in all material subsidiaries aims to prevent or detect risks materializing and to mitigate any adverse consequences. The system provides reasonable assurance on achieving company objectives. This includes the integrity and reliability of the financial statements, safeguarding and maintaining accountability of its assets, and to detect fraud, potential liability, loss and material misstatements while complying with regulations.

Management, with assistance from risk and audit, regularly reviews risks and the design and operating effectiveness of internal controls. The Board reviewed the effectiveness of controls on key risks for the year ended 31 December 2021. This assurance was obtained principally through a process of management self-assessment. Consideration was also given to other input, including reports from risk and audit, compliance and the risk management process. Based on the evaluation, we concluded that, as of 31 December 2021, certain controls and procedures were ineffective. Such conclusion is due to the presence of material weaknesses in internal control over financial reporting. The Company has developed and is in the process of implementing a remediation plan to address these control deficiencies, which will address the underlying causes of material weaknesses.

## Financial review

### Revenue

Revenue from contracts with customers for the year ended 31 December 2021 was \$401.6 million compared to revenue from contracts with customers for the year ended 31 December 2020 of \$359.8 million. The increase of \$41.8 million, or 11.62%, in revenue from contracts with customers compares favorably to the year ended 31 December 2020 which saw an increase of \$14.0 million or 4.05% versus the year ended 31 December 2019. The increase from the organic core business was \$26.1 million or 7.25%. The balance of the increase was from revenue contracts from the acquisition of Klear.com Ltd., Linkfluence SAS and Owler, Inc. which was \$15.3 million. The growth in revenue was the result of the company's strategic focus on the premium client market and growth in sales of its social products. The premium client annual recurring revenue grew 36% in 2021. This growth increased the company's average revenue per customer by 16.66% to \$16.334 (December 2020: \$14,001). Annual recurring revenue of social products increased 55% in 2021. The strategic shift to these growth areas helped to improve overall net retention from 86% for the year ended 31 December 2020 to 95% for the year ended 31 December 2021.

### Cost of sales

Full year 2021 cost of sales increased YoY by \$14.2M and 13.46%. \$9.4 million of the increase in spend is associated with an increase in content (\$7.0 million) which is attributable to contract increases with content partners and hosting (\$2.4 million) because of increased service utilization. The remaining \$4.8 million is related to increased labor costs to support the upshift in sales volume. Within the cost of sales expenses an amount of \$9.1 million is included which pertain to the acquired businesses Overall Cost of Sales as a % of revenue increased by 0.49% from 29.32% to 29.81%, respectively.

### Sales and marketing expenses

Meltwater began reinvesting back into Sales & Marketing in the late stages of 2020, after reducing headcount and cost during the height of the pandemic in April 2020. The investment has predominantly been into sales headcount, to take advantage of strong market demand and to accelerate top line growth.

The Meltwater sales organization is predominantly in 3 key areas: Retention (Customer Success, renewal focus) Newbiz (Customer Acquisition, new logo) and Upsale (upselling and cross selling more seats and modules to existing clients). Increased headcount in Retention roles has primarily been focused on Premium accounts and positively contributed to the improved retention rates.

Headcount in sales is still lower than pre-pandemic levels after the cutbacks made in April 2020 and the revenue growth has accelerated in 2021. This highlights the improved productivity from the sales organization and success of the focus on the Premium segment.

Full year 2021 sales and marketing costs increased YoY by \$43.4 million and 24.41%. \$35.3 million is primarily associated with sales labor costs, of which the majority is related to stock-based compensation and employee buy-back expense. The remaining \$8.0 million consists of \$3.8 million in Outside Services, \$1.4 million in marketing expenses, and \$2.8 million in other costs. Within the total sales and marketing expenses an amount of \$9.8 million is included which pertain to the acquired businesses. Overall sales and marketing costs as a % of revenue increased by 5.65% from 49.42% to 55.07%, respectively.

### General and administrative expenses

Full year 2021 General & Administrative costs increased YoY by \$29.0 million and 56.20%. \$12.4 million of the increase in spend is associated with Labor costs, of which \$11.0 million is stock-based compensation and employee buy-back expense, \$2.2 million is increase labor costs from the acquisitions, offset by \$0.8 million decrease in non-acquisition headcount costs. \$11.5 million of the increase in spend is outside services. And the remaining \$5.0 million in other costs. Within the general and administrative costs an amount of \$4.8 million is included which pertain to the acquired businesses. Overall General & Administrative costs as a % of revenue increased by 5.71% from 14.34% to 20.05%, respectively.

## Research and development

Meltwater continues to invest in research and development activities that complement existing product lines and new products. The Group's software development activities are invaluable to sustain its current growth momentum and competitive differentiation. The Group invests significant human and monetary resources to improve its existing software offerings, integrate acquired products, and design and develop new valuable and innovative services and features that meet the demand of use cases (Media Intelligence, Media Relations, Social Listening & Analytics, Social Media Management, Consumer Insights, Influencer Marketing, Sales Intelligence) we are catering towards. The Group currently has a significant pipeline of research and development projects and have concluded many similar research and development projects in the past. The outcome of such research and development projects are a key factor for the Group, as such projects may open new markets for the Group to sell its services.

The software development function is truly globalized, but most development resources are grouped together in San Francisco, Raleigh, and Manchester NH in the USA, as well as key European development centers in London, Goteborg, Berlin, & Budapest. The Group's software is designed, coded, tested, and supported by the Group's own employees and external consultants.

Full year 2021 Research & Development costs increased YoY by \$20.4 million and 53.68%. The overall net increase is primarily due to a \$17.8 million increase in labor costs, of which \$15.3 million is stock-based compensation and employee buy-back expense, \$4.6 million is increased labor costs from the acquisitions, offset by \$2.1 million decrease in non-acquisition headcount costs. Within the total Research & Development costs an amount of \$6.6 million is included which pertain to the acquired businesses. Overall Research & Development costs as a % of revenue increased by 3.98% from 10.55% to 14.53%, respectively.

## Other income

Other income for the year ended 31 December 2021 was \$0.016 million compared to other income for the year ended 31 December 2020 of \$0.042 million. The decrease of \$0.026 million, or -61.90%, in other income was mainly due to decreased income from employee benefit plans.

## Finance costs

Finance costs for the year ended 31 December 2021 was \$4.9 million compared to finance costs for the year ended 31 December 2020 of \$60.8 million. The decrease of \$55.9 million, or -91.94%, in finance costs was mainly due to full repayment of the long-term loan per December 2020. The long-term loan was interest bearing and as such the 2020 figures contained significant interest expenses. Following the repayment of the loan per December 2020 the long-term debt as at that date amounted nil. In 2021 new borrowings of \$25.0 million were attracted. On average the interest-bearing debt levels have significantly decreased, and interest expenses decreased accordingly.

## Foreign exchange gain/loss

Foreign exchange gain for the year ended 31 December 2021 was \$5.5 million compared to foreign exchange loss for the year ended 31 December 2020 of \$5.5 million. The decrease of \$11.0 million, or -200.00%, in foreign exchange gain/loss was mainly due to exchange results on transactions and positions held in Euro (EUR), Australian Dollar (AUD), Swedish Krona (SEK) and Swiss Franc (CHF).

## Finance income

Finance income for the year ended 31 December 2021 was \$0.4 million compared to finance income for the year ended 31 December 2020 of \$3.9 million. The decrease of \$3.5 million, or -89.74%, in finance income was mainly due to repayment per the end of 2020 of related party receivables of \$30.9 million, for which interest income was received during the first half of 2020. Since the balance amounted nil as of 31 December 2020 no interest was charged in 2021.

## Income tax expense

Income tax expense for the year ended 31 December 2021 was \$0.8 million compared to income tax expense for the year ended 31 December 2020 of \$0.6 million. The increase of \$0.2 million, or 33.33%, in income tax expense was mainly due to deferred tax adjustments for share-based compensation and temporary adjustments arising due to timing differences for depreciation and amortization expenses.

## Loss before tax

Loss for the year ended 31 December 2021 was \$77.2 million compared to loss for the year ended 31 December 2020 was \$75.4 million. The increase in the loss was \$1.8 million, or 2.39%. The operating expenses increased mainly due to higher FTE levels in 2021 and expenses related to employee share-based payments. The increase in expenses is offset against the increase in gross profit from general operating activities as a result of increased performance in the Media Intelligence market in several geographies, and a strong reduction in finance costs following the repayment of debt per the end of 2020 that decreased interest expenses. Also, the movement in 2021 is the result of completed business acquisitions during the year following which revenue and expenses of the acquired companies are included in the consolidation.

## Financing and liquidity

In December 2020, the Company entered into a multi-currency revolving credit facility (the “**2020 Credit Facility**”) of \$150.0 million. The maturity date of the 2020 Credit Facility is three years from when the first utilization occurs with an option to extend an additional one to two years. Interest accrues on amounts outstanding under the 2020 Credit Facility at LIBOR plus a margin range of 1.50% to 2.00% per annum. The Company is required to meet certain covenants in relation to the 2020 Credit Facility. The covenants mainly related to the achievement of a financial leverage ratio. As of 31 December 2021, the Company had drawn \$25.0 million under the 2020 Credit Facility and had the ability to borrow \$150.0 million under the 2020 Credit Facility.

The outstanding amount is wholly due and payable by 9 June 2025. All covenants were met in 2020 and 2021.

Meltwater’s financing needs relate to strategic growth through acquisitions, where it leverages off the positive equity position.

On 31 December 2021 the Company had cash and cash equivalents of \$44.4 million (2020: \$100.0 million). The Company has robust liquidity to operate and execute its business plans.

## Solvency and liquidity ratios

| RATIO                   | 2021  | 2022   |
|-------------------------|-------|--------|
| Debt-to-equity ratio    | -9.61 | -10.84 |
| Debt-to-asset ratio     | 1.12  | 1.10   |
| Interest coverage ratio | 14.86 | 0.24   |
| Equity ratio            | -0.12 | -0.10  |

The debt-to-equity ratio remained negative in 2021 but stable due to an increase in both total liabilities and a negative equity amount. The debt-to-asset ratio remained stable during 2021 in comparison to 2020 due to the proportionally similar increases in both assets and liabilities. The interest coverage ratio increased due to the loss on loan extinguishment in 2020 on which the loan was settled in the aforementioned year and was thus not applicable in 2021. The equity ratio is stable and negative in 2021 and 2020.

Refer to note 1 in the consolidated financial statements where further details on the going concern and liquidity have been set out.

## Cash flow

The Group's cash inflow from operating activities totaled \$7.1 million compared to a cash inflow of \$34.6 million for the full year 2020. Cash outflow from investing activities totaled \$63.5 million compared to the cash inflow for \$15.3 million for the full year 2020. This was primarily due to the acquisitions done in 2021 and the \$28.1 million related party loan received in 2020. The Group's cash inflow from financing activities totaled \$1.8 million compared to the cash inflow for \$33.3 million for the full 2020, the decrease in 2021 is driven by the repurchase of share in 2021 while increase in 2020 is driven by the proceeds received in 2020 from the Euronext Growth Oslo offering.

## Capital expenditure

The Company capitalized \$12.3 million and \$12.0 million of development costs related to software during the years ended 31 December 2021 and 2020, respectively. Of the amount capitalized, \$0.2 million and \$1.4 million was related to interest in 2021 and 2020, respectively. Any costs associated with research are expensed as they arise, and only identifiable development costs are capitalized.

Many of the development costs related to software stem from the acquisition of companies. Meltwater also acquires intellectual property rights through acquisitions, such as customer relationships and developed technologies.

## Mergers and acquisitions

In April 2021, the Company completed the acquisition of Klear.com Ltd. The total consideration for the acquisition of Klear.com amounted to \$17.8 million in a combination of cash and earn-out payments.

In May 2021, the Company completed the acquisition of Linkfluence SAS. The total consideration for the acquisition of Linkfluence amounted to \$51.1 million in a combination of cash, equity and earn-out payments.

In June 2021, the Company completed the acquisition of Owler Inc. The total consideration for the acquisition of Owler Inc. amounted to \$18.9 million which consisted of an upfront cash payment offset by working capital adjustments.

In November 2021, the Company completed the acquisition of DeepReason.ai Limited. The total consideration for the acquisition of DeepReason amounted to \$5.9 million in a combination of cash, equity and earn-out payments.

Details relating to significant acquisitions during the year are highlighted in note 36 to the consolidated financial statements.

## Suppliers

As a SaaS Company, the data are primary inputs, and the Company has long term contracts with the leading technology companies. Our leading data vendors are located in North America, EMEAI and APAC region.

## Outlook 2022

The Company is well positioned at the beginning of 2022, as it will look to leverage its internal investments made in 2021 in Sales & Marketing and R&D, increasing market demand for social products and the opportunity from successful M&A in 2021 to continue working towards Meltwater's long-term goals and ambitions.

## Subsequent event

Share buyback program. On 3 December 2021, the general meeting authorized the Board of Directors to repurchase Company shares. In December the Company announced a share buyback program, which included general market repurchases. Under the program, Meltwater repurchased shares in the open market in 2022, in line with applicable restrictions, relevant guidelines and main safe harbor principles on price and volume limitations. Refer to note 37 in the consolidated financial statements.

## Segmental review

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the business activities which generates certain classes of revenue and incurs certain classes of expenses. The principal business activities generate revenue through one operating segment namely Media Intelligence, which is also the Group's reportable segment under IFRS 8.

## Risk management

### Risk management framework

The Group, also for the purposes of the best practice provisions relating to internal risk management and control systems as set out in the Dutch Corporate Governance Code, adopts a risk management model that designs and includes suitable tools for identifying, measuring, managing and monitoring risks that could affect the achievement of strategic objectives. In this context, uncertainty and risk are defined as:

- **uncertainty:** state of lack of information, understanding or knowledge.
- **risk:** a possible event whose occurrence can prevent the achievement of company objectives but which, if properly analyzed and managed, can also generate an opportunity.

The model integrated into the business processes is as much in line with the five references of the COSO (Committee of Sponsoring Organizations of the Treadway Commission Report – Enterprise Risk Management (“ERM”) model) principles (as Governance & culture, Strategy & objective setting, Performance, review & revision and Information, communication & reporting). It identifies and classifies the main risks on the basis of strategic and operational objectives, defines the risk profile, and defines an inherent communication process.

The Group has implemented a tool to identify, assess and monitor corporate risks. This tool is based on the self-risk assessment approach, which provides for self-assessment and direct participation by operational management and/or other players responsible for risk assessment.

Risks are analyzed, determining the likelihood of their occurrence and their impact, in order to establish their priority and how they should be managed.

The risks are thus assessed in terms of inherent risk (risk in the absence of any intervention) and residual risk (risk after the interventions to reduce it). Management selects the responses to risk (avoiding it, reducing it, sharing or accepting it) by developing interventions to align the risks found with the levels of tolerance and acceptable risk (risk appetite).

The framework was integrated within the Group's organization and corporate governance. It supports the protection of corporate assets, the efficiency and effectiveness of business processes, the reliability of financial information, and compliance with laws and regulations.

The process is monitored, and modified where necessary, with interventions integrated into normal business operations or in separate and specific assessments and audits, which are eventually communicated to the organization and to the relevant corporate bodies.

Furthermore, the Group operates at three levels of internal control:

- **First level:** identifying operating areas, evaluating and monitoring applicable risks in individual processes, and establishing specific actions for managing such risks. The structures responsible for the individual risks, for their identification, measurement and management, as well as for performing the necessary checks are included in this first level.
- **Second level:** departments responsible for supporting management in setting policies and procedures, developing processes, and monitoring activities to manage risks and issues.
- **Third level:** it provides independent and objective assurance of the adequacy and effective operation of the first and second levels of control and, in general, of the overall method for managing risks.

## Current or planned improvements in the Meltwater's overall risk management system

The Group promotes the continuous improvement of risk management according to the evolution of strategies and information in the financial documents about both the main risks and uncertainties that occurred during the year and the impacts on the Group, as well as the objectives and policies with respect to instruments for the management of financial risks and for the assurance of economic results. We continued to engage the business in key risk areas, benchmark our processes with peer companies, and explore opportunities for improvement, in order to strengthen and improve ERM governance, monitor risks in a more predictive way, and evaluate remediation plans. Meltwater will continue engaging the business in reviewing our management and monitoring activities for key risks throughout the Group in the upcoming year. As we continue to evolve our Group ERM program, we will strive to identify best practices and refine our processes to identify and escalate risk developments.

## Enterprise risk management initiatives during 2022

The Group has planned implementation of internal controls project so as to establish robust financial control environment which will enhance and supplement existing enterprise risk management and control systems.

## Risk appetite

The types of risks identified for the Group are classified as:

### Strategic risks

- a Risk that may derive from the pursuit of the business plan, from strategic changes in the business context, and/or from adverse strategic business decisions that could affect the Group's long-term positioning and performance.
- b Appetite: the Group considers itself ready to take risks in a responsible way that takes into account the interests of our stakeholders and is consistent with our business plan.

### Operational risks

- a Risk that may affect internal processes, people, systems, and/or external resources, hindering the Group's ability to pursue its strategy.
- b Appetite: the Group also pursues the goal of mitigating operational risks through projected cost/benefit assessments.

## Compliance risks

- a Risk of non-compliance with laws, regulations, local standards, the code of conduct, and internal policies and procedures.
- b Appetite: the Group believes, like its employees, in acting with honesty, integrity and respect, including compliance with its code of conduct as well as the laws and regulations applicable wherever it operates.

## Financial risks

- a Risk relating to uncertainty of returns and potential financial losses due to financial performance, together with the risks concerning the reliability of the reported financial information.
- b Appetite: the Group takes a cautious approach to financial risks and tries to maintain a debt/capital structure profile that allows investing in long-term objectives and rewarding stakeholders, as well as to represent the economic and financial information provided correctly.

The Risk management system comprises a structured process aimed at addressing individual risk categories, defining the main guidelines for risk appetite and the risk responses applied.

| RISK CATEGORY | CATEGORY DESCRIPTION  | RISK APPETITE  | RISK RESPONSE   |
|---------------|---|--|---|
| Strategic     | Risk that may derive from the pursuit of the business plan, from strategic changes in the business context, and/or from adverse strategic business decisions that could affect the Group's long-term positioning and performance. | The Group considers itself ready to take risks in a responsible way that takes into account the interests of our stakeholders and is consistent with our business plan.                              | Constantly investing in research and development efforts and constantly updating the Group's product range and offering.  |
| Operational   | Risk that may affect internal processes, people, systems and/or external resources, hindering the Group's ability to pursue its strategy.   | The Group also pursues the goal of mitigating operational risks through cost/benefit assessments.  | Proactively monitoring the operational risks, consistently with the overall risk policy, to ensure that entities in the Group will continue operating. In addition, performing a thorough due diligence on potential acquisition targets to limit operational risks post acquisition. |
| Compliance    | Risk of non-compliance with laws, regulations, local standards, the code of conduct, and internal policies and procedures.  | The Group believes, like our employees, in acting with honesty, integrity and respect, including compliance with our code of conduct as well as laws and regulations applicable wherever we operate. | Monitoring and updating the routines and mechanisms in place to ensure compliance with laws and regulations in the various countries in which the Group operates.   |

|                         |   |   |  |
|-------------------------|---|---|--|
| <p><b>Financial</b></p> | <p>Risk relating to uncertainty of returns and potential financial losses due to financial performance, together with the risks concerning the reliability of reported financial information.</p> | <p>The Group takes a cautious approach to financial risks and tries to maintain a debt/capital structure profile that allows investing in long-term objectives and rewarding stakeholders, as well as to represent the economic and financial information provided correctly.</p> | <p>Monitoring the financial risks, with periodic mapping and reporting to define appropriate mitigation actions. The Group pursues the objective of continually improving the financial information it provides, reporting correct and complete information in line with international accounting standards.</p> |
|-------------------------|---|---|--|

The main risks to which the Group is exposed are detailed in the next paragraphs.

## Strategic risks

### Product offerings that are on pace with changes in end-user demand and preferences

The markets in which the Group competes are characterized by frequent new product introductions and enhancements, as well as shifting end-user preferences and demands. The Group's future success will depend on its ability to consistently address changes in end-user demands and develop and maintain product offerings that meet evolving customer preferences. In order to compete successfully, the Group must proactively address changes in demand and end-user preferences in its research and development, its inventory levels, and the mix of its product offerings. The Group may not adequately adapt to changes in end-user demands and preferences, and it may fail to adapt its product offerings in a timely manner. The described risk showed a high/medium impact also in the last year on financial and economic results. The Group's response actions that had a risk mitigation effect were mainly focused on evolving its product range and offering innovative products compliant with regulatory and sustainability requirements. The Group leverages its in-depth knowledge of the markets in order to tailor its propositions to local market needs and activate locally.

### Competition

The Group competes with both large international market participants and several smaller regional and local competitors that vary by region and product. The markets in which the Group operates require significant investments in research and development. They are also characterized by technical complexity. While this is advantageous for the Group for the purposes of defending its existing market positions, it creates the risk that the Group may not be able to gain additional market share and improve its competitive position. The described risk showed a medium impact on financial and economic results. The Group's response actions that had a risk mitigation effect were mainly focused on increasing competitiveness and innovation ambitions across the entire value chain, by accelerating the development of technologies and products. Furthermore, the Group constantly monitors the initiatives taken by competitors.

### Future growth

The Group's future growth also depends on a successful execution of the Group's business plan, which, in turn, depends on a number of assumptions. These relate to demand for the Group's products, the conditions of the markets in which the Group operates or is planning to expand, the position of the Group's competitors in those markets, and the resources available for planned growth initiatives and the related costs. If the assumptions underlying the Group's business plan for future growth turn out to be materially inaccurate, or if the Group is otherwise unable to execute its business plan, the Group may be unable to grow as planned and its business may be materially affected. The Group's ability to manage growth and integrate operations, technologies, products, and personnel depends on the Group's administrative, financial and operational controls, its ability to create the infrastructure necessary to exploit market opportunities for the Group's products, and its financial capabilities. The described

risk showed a low impact on financial and economic results. The Group's response actions that had a risk mitigation effect were mainly focused on continuing to monitor trends in the markets in which the Company operates and that might affect its business in the future. We focus on evolving customer needs by assessing behavioral patterns, actively engaging advisory boards to prepare potential countermeasures.

### **Local business risks in many different countries**

The Group's growth strategy focuses on continuing to expand within the Group's existing geographical markets, as well as entering new markets. The Group's success as a multinational business depends upon its ability to anticipate and effectively manage different legal, political, social and regulatory requirements, economic conditions, and unforeseeable developments. The Group may not be able to succeed in developing and implementing policies and strategies that will be effective in each location where it does business. In addition, the Group operates in emerging markets, where these risks may be elevated, some of which, such as political and economic instability, few legal protections, and corruption, can create a difficult business environment. This may also put the Group at a competitive disadvantage against competitors that are not subject to, or do not comply with, the same regulations, thereby limiting the Group's growth prospects in such countries. The described risk showed a high/medium impact on financial and economic results. The Group's response actions that had a risk mitigation effect were mainly focused on continuously monitoring the geographical markets in which it operates, in order to anticipate and minimize any vulnerabilities and to adopt prudent measures to mitigate risks, as, for example, broadening the product portfolio and strengthening geographical diversification.

### **Global economic cycles**

Global economic growth remains volatile and could stall or reverse course. A global economic downturn could adversely affect customer confidence and spending patterns, which could result in decreased demand for the products sold by the Group. This could negatively impact the Group's profitability and cash flows. In addition, a deterioration in current economic conditions could negatively impact the Group's customers, which could result in an increase in bad debt expense, customer bankruptcies, or increase in prices. This could negatively impact the Group's ability to distribute, market and sell its products and the Group's business, results of operations, financial position, and prospects. The Group derives most of its revenues from mature markets in Europe and the North America. Decreased demand during an economic downturn in these mature markets can negatively affect profit margins on technologically advanced products. Decreased demand in emerging markets where there is more interest in product diversification can negatively affect sales volumes and profit margins on the Group's core product offerings. In both mature and emerging markets, in times of economic downturn, consumers may choose to delay in spending on the Group's products. This would reduce demand for the Group's products.

### **Financial reporting risks**

As part of its responsibility to prevent and detect errors and fraud affecting its financial statements, the Company has set up specific accounting and reporting procedures in relation to, amongst other things, revenue recognition process, taxation and other complex accounting issues. Any failure to prevent and detect errors and fraud within the implementation of such procedures could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

In connection with the preparation and audit of the Group's consolidated financial statements as of 31 December 2021 and 2020 and for the years ended 31 December 2021 and 2020, material weaknesses were identified in its internal control over financial reporting. In order to maintain and improve the effectiveness of its internal control over financial reporting, the Group has expended, and anticipates that it will continue to expend, significant resources, including accounting-related costs and significant management oversight.

## Operational risks

Meltwater is exposed to a variety of operational risks, including data security and cyber risk, geopolitical risk, failure of information technology systems and fraud. The potential adverse effects of the operational risks are proactively monitored, consistent with the overall risk policy, to ensure that entities in the Group will continue operating.

Meltwater is subject to various legal proceedings, including with respect to intellectual property rights and employment related matters. Management vigorously defends the Group against claims; however, any adverse decisions could affect the business, operating results, or financial condition.

Acquisitions present many risks, and we may not realize the financial and strategic goals that were contemplated at the time of a transaction. Risks are countered by performing a thorough level of due diligence before the completion of an acquisition transaction.

The Group derives a substantial portion of our revenues from, and have significant operations, outside of the U.S.

## Compliance risks

### Changes in legislative and regulatory requirements

Meltwater's extensive operations in international markets expose the Group to a range of risks inherent in international business activities, including, but not limited to, complex interactions and unexpected changes in legislative or regulatory requirements and intellectual property rights related matters. As such, Meltwater risks not being able to respond with sufficient speed or correctness to such changes or complex interactions laws and regulations in the 50 offices it operates in across 6 continents and 28 jurisdictions. Materialization of such risks could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

### Data protection and data privacy

Meltwater collects and processes personal information through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for non-compliance. Although the Group has significant security routines and mechanisms in place to ensure compliance with data protection and data privacy regulations, any failure to comply with data protection and data privacy policies, privacy-related obligations to customers or third parties, privacy-related legal obligations may result in governmental enforcement actions, litigation or public statements against the Group.

### Tax legislation

Meltwater is subject to prevailing tax legislation, treaties and regulations in every jurisdiction in which it is operating, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects. Moreover, there are risks related to that a tax authority successfully challenges the Group's operational structure, intercompany pricing policies, receivables, the taxable presence of its subsidiaries in certain jurisdictions, or tax authorities does not agree with the Company's and/or any subsidiaries' assessment of the effects of applicable laws, classifications and determinations, treaties and regulations, or that the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful. These risks are derived from the nature of the Group's integrated multijurisdictional operations in media intelligence and its need for tax planning when considering national tax law, double taxation treaties and multilateral tax agreements.

## Intellectual property rights

The value of intellectual property rights is of high importance for the Group, as it operates in a competitive commercial environment where the strength of the intellectual property rights may be an important feature that distinguishes the Group from its competitors. As such, the importance of intellectual property rights means that Meltwater can be particularly exposed to the risks of litigating various intellectual property claims.

## Financial risks

Meltwater is exposed to a variety of financial risks, including the effects of foreign currency exchange rates, credit risk of our customers and interest rate fluctuations. Meltwater's overall risk management policy focuses on monitoring potential adverse effects considered material. Meltwater manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity as applicable. The overall strategy remains unchanged from the prior year.

### Foreign currency exchange rates

Meltwater undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

### Credit risk of customers

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Meltwater performs ongoing credit evaluations on the financial condition of its customers. Credit risks are reduced by doing business only with customers who are creditworthy, and credit limits are designated to customers as applicable.

### Interest rate risk

Meltwater does accept a certain degree of interest rate risk and other financial risks and continue to monitor these on an ongoing basis. It has some exposure to cash flow interest rate risk because the Group has used borrowed funds with variable interest rates to finance its operations. The Group has variable interest rate loans, which are subject to fair value interest rate risk.

### Capital requirements

Meltwater is not subject to any externally imposed capital requirements. Prudent cash management policies are used to reduce exposure to liquidity risk.

## Non-financial risks

Meltwater has not identified any material risks relating to the environment, society, employees, corruption and violation of human rights.

## COVID-19

During 2020, in response to mitigate COVID-19 induced uncertainties, the Group rightsized its cost structure. The Group reduced its average headcount from 1,886 for 2019 to 1,786 for 2020.

Due to COVID-19 during 2020, in China the Company recorded 7.80% Year-over-Year reduction in revenue (2021: RMB 62.8 million 2020: RMB 67.3 million). Except for China market, the impact on the business and results has not been significant and based on its experience to date the Group expects this to remain the case.

Furthermore, during the COVID-19 pandemic, Meltwater did not see any increase in credit risk from its customers and it expects its major customers to stay liquid and to fulfil their payment obligations.

No impairments were experienced due to the pandemic.

## Russia-Ukraine war

The Group has minimal exposure in Ukraine and Russia as it is not present in these markets. The war poses significant challenges to the global economy and the Company is not immune from the waterfall effect of the war. The Company is pro-actively managing any adverse impact on its business.

## Non-financial information

Meltwater is subject to the reporting requirements under the European Directive 2014/95/EU (“NFRD”) which imposes on large public-interest entities with more than 500 employees, the obligation to disclose non-financial information in relation to the environment, society, employees, diversity, respect for human rights and anti-corruption and bribery. In the Netherlands, the NFRD has been implemented by the Act implementing the Directive 2014/95/EU, the Decree disclosure of diversity policy and the Decree on disclosure of non-financial information.

For a brief description of Meltwater’s business model, see the Introduction section. For the description of risks regarding the environment, society, employees, corruption and violation of human rights, see the Risk management section.

### Environmental matters

Meltwater acknowledges its responsibility towards the environment and the importance of the matter for the employees, customers, prospects, and investors. Hence, the Group has established a Global Green Council for employees with a background and passion for environmental sustainability. The aim is to develop policies that will lessen the impact of Meltwater on the environment.

The council leads the conversation and education around sustainability, creating a shared model of responsibility, which assumes including energy, climate change, waste, and recycling aspects in business decision-making.

The Group does not have an environmental policy implemented. Meltwater commits to adopting an environmental policy in 2022.

### Social matters

Meltwater’s corporate social responsibility is to give some of its knowledge and resources back to the world. In 2008, Meltwater’s founder Jørn Lyseggen developed the concept of MEST.

MEST is a non-profit training and mentoring program established by Meltwater that enables Africans to become software entrepreneurs. The goal of the program is to teach MEST students the skills required to launch breakthrough global companies, thus enabling them to create jobs and wealth locally to stimulate the African economy. MEST seeks out talented college graduates who are interested in entrepreneurship, technology, and business to participate in the program.

The Company made charitable contributions of \$2.5 million and \$2.4 million to Meltwater Foundation, Meltwater’s non-profit arm, in 2021 and 2020, respectively. These contributions were made with the restriction that the funds will be donated to MEST.

Social matters are covered by the Group’s code of conduct.

### Employee matters

Meltwater is an organization consisting of compassionate people with an interest and commitment that goes beyond mere commercial objectives and aspirations.

The Company employed 56 employees as of 31 December 2021 (2020: 50) and the Group employed 2,255 employees as of 31 December 2021 (2020: 1,667). On average, approximately 1,962 employees were employed during 2021 (2020: 1,785).

Meltwater immensely values its employees, and it has fundamental belief in the potential they possess. Meltwater regularly invests in staff training and skills development. It provides a conducive environment where people are motivated and supported by their colleagues so as individuals discover their strengths. Employee matters are covered by the Group's code of conduct and the diversity policy (see below).

## Diversity

Meltwater recognizes that differences in skills, experience, education, nationality, age, gender, and other characteristics of people are important – they enable both the Board of Directors and the Group as a whole to look at issues and to solve problems in different ways, to respond differently to challenges, and to make more robust decisions. As such, the Board of Directors has adopted a diversity policy.

To create an environment of inclusion and acceptance within the Group in which each person is treated equally without discrimination, Meltwater adopted a Diversity Policy in December 2021.

Through the Diversity Policy, the Board has committed to ensuring diversity in skills, experience, education, background, nationality, gender, and other directors' characteristics when selecting new candidates for the Board. Additionally, the Board declares commitment to the Group's objective of ensuring that more of the senior management roles are (or continue to be) held by persons with different expertise, experience, and diversity.

The Board will review the Diversity Policy, including its effectiveness, periodically and recommend revisions if appropriate.

As of 31st December 2021, 17% of Meltwater's Board positions were filled by women (1 in 6). Women make up 50% of Group's employee base and fill 42% of leadership positions, which is well above the industry average.

## Human rights and whistleblower matters

In December 2021, Meltwater adopted a whistleblower policy, which establishes a procedure for dealing with reports of suspected wrongdoing within the Group. This whistleblower policy aims to promote and support a culture of openness, responsibility, and integrity by providing an internal mechanism for reporting, investigating, and remedying any suspected wrongdoing in the workplace without fear of dismissal or retaliation and at an early stage.

The whistleblower policy ensures support of the employees or persons performing services for the Group who file a report without jeopardizing their legal position, even if they turn out to be mistaken. Responsibility for monitoring the procedure for dealing with a report is assigned to the non-executive directors of Meltwater.

Outcomes of the Whistleblower Policy will be disclosed in Meltwater's Directors Report for financial year 2022.

## Anti-corruption and bribery matters

Meltwater is committed to maintain high ethical standards in its relations with customers, suppliers and employees and to comply with laws and regulations within the anti-corruption regulatory framework of all jurisdictions in which the Group operates.

Anti-corruption and bribery matters are covered by Meltwater's whistleblower policy and the Group's code of conduct.

## Non-financial KPIs

Meltwater has adopted the following non-financial key performance indicators:

| NON-FINANCIAL KPI (Group)                        | FY 2021 |
|--|---------|
| Material breaches of the code of conduct         | 0       |
| Board of directors positions filled by women (%) | 17%     |
| Number of employees (year-end)                   | 2,255   |

## EU Taxonomy

In accordance with applicable laws, Meltwater is subject to the obligation to disclose the proportion of its turnover, its capital expenditures, and operating expenditure that is eligible under the EU Taxonomy.

The EU Taxonomy stipulates which activities can be labelled as ‘green’, that substantially contribute to one or more of six environmental objectives. As of December 2021, two out of six environmental objectives, being climate change mitigation (“**CCM**”) and climate change adaptation (“**CCA**”) are adopted and business activities can be assessed.

Meltwater needs to identify if its activities are eligible under the EU Taxonomy. Our main activity is computer programming. As this activity is currently not described in the EU Taxonomy, turnover, capital expenditure and operating expenditure related to this activity can be classified as EU Taxonomy-non-eligible. The next paragraphs shortly describe our eligibility assessment.

### Turnover eligibility assessment

The turnover KPI is calculated by the proportion of the net turnover derived from products or services that are Taxonomy-eligible. The denominator of the turnover KPI is based on net turnover which equates to revenue in accordance with IFRS 15. For further details on accounting policies refer to Significant accounting policies note 3.18 Revenue from contracts with customers. Management considered whether these activities could be eligible under Computer programming activities but concluded that these are not enabling activities for CCM and CCA. Based on the above, the Taxonomy-eligible turnover amounts to 0%.

### Capital expenditure eligibility assessment

Under the EU-taxonomy regulation, the capital expenditure (“CapEx”) KPI is calculated as the CapEx associated with Taxonomy-eligible activities divided by the total CapEx. Total CapEx covers additions to tangible (property, plant and equipment (IAS 16) and right-of-use assets (IFRS 16)) and intangible assets (IAS 38) considered before depreciation, amortization, and any re-measurements, including those resulting from revaluations and impairments and excluding fair value changes during the financial year. For further details on accounting policies refer to note 4 Property, plant and equipment and note 5 Other intangible assets. Management assessed that there were no material additions during the year which fulfilled the Taxonomy-eligible activity criteria. Further, Management do not currently have a “CapEx plan” as no Taxonomy-eligible economic activities are planned to become Taxonomy-aligned activities, as no Taxonomy-eligible activities are identified in the first instance. Management concludes that Taxonomy CapEx eligibility is 0%. Refer to table under Eligible activities for climate change mitigation and climate change adaptation.

### Operating expenditure eligibility assessment

The operating expenditure (“OpEx”) KPI is calculated by the proportion of the operating expenditure associated with Taxonomy-eligible activities. Total OpEx relates to direct, non-capitalized costs such as research and development, maintenance and repair and any other direct expenditure. These costs recognized during the reporting period are contained in the consolidated statement of profit or loss. As the nature of Meltwater’s business model is not centered around tangible assets, Management assessed that there were no assets or processes associated with Taxonomy-eligible activities. Management concludes that Taxonomy OpEx eligible activities is 0%. Refer to table under Eligible activities for climate change mitigation and climate change adaptation.

### Eligible activities for climate change mitigation and climate change adaptation

Meltwater concluded that its activities related to turnover, capital expenditure and operating expenditure are not included in the current EU taxonomy regulation.

|              | REVENUE | CAPEX | OPEX |
|--------------|---------|-------|------|
| Eligible     | 0%      | 0%    | 0%   |
| Non-eligible | 100%    | 100%  | 100% |

## Economic impact

The Company is a global provider with international operations. With over 27,000 clients and employees in 50 offices across six continents, the Group has positive impacts on economies worldwide – this includes job creation and salaries, taxes, vendor purchases, R&D, social investments, and more.

The Company's direct economic value generation (including revenue, R&D expenses, operating expenses, labor costs, income tax) can be found in the financial review section. See the Non-financial information section (Social matters and Employee matters subsections) for more on social investments and job creation.

## Statements by the Board of Directors

Meltwater's consolidated and company financial statements for 2021 have been prepared in accordance with IFRS as adopted by the EU and with Part 9, Book 2 of the Dutch Civil Code.

In accordance with best practice provision 1.4.3 of the Dutch Code and based on the evaluation carried out, the Board of Directors declares that, to the best of its knowledge:

- a the Board of Directors report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems (please refer to section 'Risk management');
- b the internal risk management and control systems are designed to provide reasonable assurance that the financial reporting does not contain any material inaccuracies (please refer to section 'Internal control systems');
- c based on the current state of affairs, it is justified that the financial statements are prepared on a going concern basis please section 'Financial statements'; and
- d the Board of Directors report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this annual report (please refer to section 'Risk management').

As required by Section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, the Board of Directors declares that, to the best of its knowledge:

- a the financial statements provide a true and fair view of the assets, liabilities, financial positions and profit or loss for the year of the Company and its enterprises included in the consolidation taken as a whole;
- b the Board of Directors report provides a fair view of the position at the balance sheet date and developments during the year under review of the Company and its enterprises included in the consolidation taken as a whole, together with a description of the principal risks confronting Meltwater.

Jørn Lyseggen  
Executive Chair

Sang Kim  
Non-executive director

David Faugno  
Senior non-executive director

Erik Langaker  
Non-executive director

Mattias Erik Holmström  
Non-executive director

Stefanie Witte  
Non-executive director

# Governance Report

In December 2021, the Company's admission to listing and trading on Euronext Growth Oslo was transferred to a main listing at Oslo Børs (the "Uplisting"). In connection therewith, the Company was converted from a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) into a Dutch public company with limited liability (*naamloze vennootschap*). The Company's articles of association were lastly amended on 6 December 2021 in connection with the Uplisting and the conversion into a Dutch public company with limited liability.

The Company is the ultimate parent company of the Group. Details of the Company's significant subsidiaries are disclosed in note 30 to the consolidated financial statements.

Since the Uplisting, the Company has adopted and implemented a corporate governance regime which in all material respects complies, except as set out below, with the Code of Practice for Corporate Governance last updated 14 October 2021 (the "Norwegian Code"). Furthermore the Company has adopted, except as set out below, the best practice provisions of the Dutch Corporate Governance Code dated 8 December 2016 (the "Dutch Code"), which contains principles and best practice provisions for listed companies that regulate relations between, inter alia, the Board of directors of the Company (the "Board of directors") and its committees and the relationship with the general meeting of the Company.

In this governance report the Company addresses its overall corporate governance and discloses any material departure from the best practice provisions of the Norwegian Code and the Dutch Code and the reasons for such departure.

The Netherlands is the Company's home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended).

## Board of directors

### Composition and powers

The Company maintains a one-tier board consisting of executive directors and non-executive directors. The executive directors are responsible for the day-to-day management of the Company. The non-executive directors supervise and advise the executive directors. The board as a whole is responsible for the strategy and the management of the Company. Dutch law provides that resolutions of the Board of directors involving major changes in the Company's identity or character are subject to the approval of the general meeting.

As per 31 December 2021, the Board of directors comprises one executive director, being the

Executive Chair and five non-executive directors. In accordance with the articles of association of the Company the Board of directors designated one of the non-executive directors as Senior Non-Executive Director.

Other than Mattias Holmström and Jørn Lyseggen, who are affiliated with the Company's major shareholders (Altor Fund III, through Big Data Holding Ltd., and Fountain Venture AS, respectively), all directors are independent from the Company and its main shareholders. The independence requirements of the Norwegian Code and Dutch Code are both met.

As at the date of this annual report, the Board of directors comprises the following directors:

| NAME                   | AGE | POSITION                               | SINCE | TERM       |
|------------------------|-----|--|-------|------------|
| Jørn Lyseggen          | 53  | Executive Chair and executive director | 2011  | Indefinite |
| David Faugno           | 52  | Senior Non-Executive Director          | 2019  | Indefinite |
| Mattias Erik Holmström | 39  | Non-executive director                 | 2017  | Indefinite |
| Sang Kim               | 51  | Non-executive director                 | 2021  | Indefinite |
| Erik Langaker          | 58  | Non-executive director                 | 2021  | 2025       |
| Stefanie Witte         | 48  | Non-executive director                 | 2021  | 2025       |

## Director biographies



### Jørn Lyseggen

#### Non-independent Executive Chair and Executive Director

Jørn Lyseggen was born in 1968 and is of Norwegian nationality. Jørn Lyseggen is Meltwater's Founder and has been the Executive Chair of the Company since 15 November 2011. He is a Norwegian serial-entrepreneur with four start-ups, two trade sales and two public listings on his track record. He began his career as a research scientist in artificial intelligence at the Norwegian Computing Center. He has been awarded two technical patents and has written the book "Outside Insight" which describes the business opportunities in utilizing external data and has been translated to 8 languages. Lyseggen is also member of the board of Meltwater Entrepreneurial School of Technology ("MEST"), the innovation community MESH, and Brandbassador AS.



### David Faugno

#### Independent Senior Non-Executive Director

David Faugno was born in 1970 and is of American nationality. David Faugno is the Senior Non-Executive Director of the Company. He has been a non-executive director since 1 July 2019. He has more than 25 years of management experience, including as CFO of Barracuda Networks and EVP and CFO of Qualtrics. He is currently a board member of Eagle Eye Networks and Browserstack.



### Mattias Erik Holmström

#### Non-independent Non-Executive Director

Mattias Erik Holmström was born in 1983 and is of Swedish nationality. He is a non-executive director of the Company, a position he has held since 16 February 2017. Mattias Holmström is a Partner at Altor and is, among others, a board member of Meltwater, QNTM, ARC, Raw Fury, Hesehus, Raptor and Transcom. He has extensive experience as a private equity investor and board member from over 10 years with Altor and working with Meltwater since Altor Fund III's investment in 2012, as well as working as strategy consultant with Booz & Company for 2 years.



### Sang Kim

#### Independent Non-Executive Director

Sang Kim was born in 1970 and is of American nationality. He is a non-executive director of the Company, a position he has held since 3 December 2021. He is a partner and global board member of DLA Piper LLP, Co-Chair Global Tax DLA Piper LLP, and chairs the Bronx Science Foundation. Sang Kim has led several hundred global expansion and structuring matters for companies across a wide spectrum of industries from emerging enterprises to the largest multinationals.



### Stefanie Witte

#### Independent Non-Executive Director

Stefanie Witte was born in 1973 and is of German nationality. She is a non-executive director of the Company, a position she has held since 30 June 2021. Stefanie has been working for more than 10 years at Google, most recently as Director for Chrome OS Consumer, where she is responsible for Northern Europe and DACH. Prior to that she worked, among others, in Business Development for Novartis and as a consultant at McKinsey & Company. She is also a member of the Board of directors at EcoOnline AS and Myneva Group GmbH.



### Erik Langaker

#### Independent Non-Executive Director

Erik Langaker was born in 1963 and is of Norwegian nationality. He is a non-executive director of the Company, a position he has held since 30 June 2021. Erik is an investor and entrepreneur with significant experience from various directorships in both listed and private companies in Scandinavia and the rest of world. Erik chaired the boards of Stormgeo Group, Datarespons (listed on Oslo Børs), EPC Plc (now Verra Mobility, listed on NASDAQ) and CMR Surgical (UK) Ltd and served as board member of HitecVision, Seram Coating, Aschehoug publishing AS, Link Mobility Group (listed on Oslo Børs) and ELOP Group (listed on Oslo Børs). Erik Langaker has been a member of the association of certified financial analysts in Norway since 1987. He is currently the chair of Vestland Group, Pragmatic Semiconductor (UK) Ltd, Papirfly Group, Kezzler and ComplAI as. He is also a board member of Zalaris ASA (listed on Oslo Børs) and Resoptima AS.

## Executive management biographies



### John Box

CEO

John Ryan Box is a British citizen and the company's CEO. John has been with the Company since 2006, holding several management positions, including five years as Area Director and six years as Executive Director. In his position as Executive Director, John was responsible for the Company's offices in Tokyo, Hong Kong, Shanghai, Beijing, Singapore, Kuala Lumpur, Perth, Sydney, Brisbane and Melbourne. This has provided John with extensive international business experience. John holds a Bachelor of Arts in French and History from the Canterbury Christ Church University and a Master Level Diploma in Organizational Leadership from Said Business School, University of Oxford.



### Elena Shishkina

CFO

Elena Shishkina is the company's CFO, and joined the company in October 2021. Lena brings over 20 years global experience in enterprise software and B2B SaaS market to Meltwater. Previously she held positions such as CFO of UK & Ireland at Fortune 100 ranked software company SAP, as well as VP of Finance for EMEA, Asia Pacific & Japan at the NASDAQ listed SaaS company Workday. Most recently she held the position of Chief Financial & Operations Officer at Red Points, a global leader in brand protection. Elena is a British citizen, and has lived and worked in six countries. She has a Master of Business Administration (MBA) degree from Durham University in the United Kingdom.



### Aditya Jami

CTO

Aditya Jami is the company's CTO and has been with the company since 2016. Aditya is an experienced technology leader with demonstrated history in executing complex engineering systems, developing product strategy, creating high velocity engineering culture, driving M&A integrations at Meltwater, and at international corporations such as Netflix and Yahoo. His industry & academic efforts have been translated into successful products, open source software and recognized in form of awards for research papers as well as in the popular press. Jami holds an M.S. in Computer Science from Stanford University and served as a visiting scientist at Cornell University.

## Appointment, suspension and dismissal of directors

The articles of association of the Company provide that the number of directors shall be determined by the Board of directors. The Board of directors will designate one of the executive directors as Executive Chair. In the event only one executive director has been appointed the sole executive director will also act as Executive Chair. Furthermore, the Board of directors will designate one of the non-executive directors as Senior Non-Executive Director.

Directors are appointed by the general meeting pursuant to a binding nomination of the Board of directors. If a director is to be appointed, the Board of directors shall nominate one or more candidates. A resolution of the general meeting to appoint a director in accordance with a nomination by the Board of directors shall be adopted by absolute majority of the votes cast. The general meeting may at all times overrule the binding nature of such a nomination by a resolution adopted by a majority of at least half of the votes cast, provided such majority represents more than half of the Company's issued capital.

The articles of association of the Company provide that a director may be suspended or dismissed as a director by the general meeting at any time. A suspension by the general meeting can be ended by the general meeting at any time.

Unless at the proposal of the Board of directors, a resolution of the general meeting to suspend or dismiss a director requires a resolution adopted by a majority of at least half of the votes cast, provided such majority represents more than half of the Company's issued capital.

## Diversity

The Company recognizes the benefits of having a diverse Board of directors and sees diversity at Board of directors level as an important element in maintaining a competitive advantage. As such, the Board of directors has adopted a diversity policy. The diversity policy will be taken into account when considering the appointment and reappointment of directors.

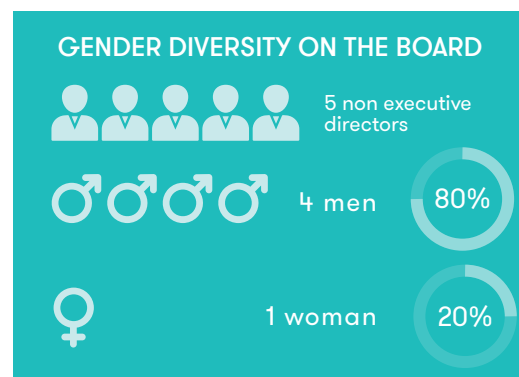
The diversity policy will provide that a diverse Board of directors will include, and make use of, differences in the background, gender, geographical and industry experience, skills and other distinctions between directors. These differences will be considered in determining the composition of the Board of directors and, when possible, will be balanced appropriately. Board of directors appointments are made on merit, in the context of the diversity, experience, independence, knowledge and skills the Board of directors as a whole requires to be effective. The Board will review the diversity policy, including its effectiveness, periodically and recommend revisions if appropriate.

Since the Uplisting, the Board of directors comprised five non-executive directors, of which four men (80%) and one woman (20%). As of 31 December 2021, women make up 50% of Group's employee base and fill 42% of leadership positions, which is well above the industry average.

## Board of directors rules

The Board of directors has adopted rules with respect to the holding of meetings by and the decision-taking process of the Board of directors and other matters concerning the Board of directors, its committees and the directors.

Where unanimity cannot be reached, all resolutions of the Board of directors are adopted by an absolute majority of the votes cast, unless the law, the articles of association or the Board of directors rules provide otherwise. Resolutions of the Board of directors require approval of the general meeting when these relate to an important change in the identity or character of the Company or its enterprise. A director may only be represented by another director authorized in writing. Each director shall have one vote.



## Indemnification

The articles of association include provisions regarding the indemnification, to the extent permissible by the rules and regulations applicable to the Company, of current and former directors against reasonable actual costs, including the reasonable actual costs of legal counsel, made by a director or former director in connection with a dispute resulting from the act or the failure to act of a director or former director in the performance of his/her duties and in which a director or former director has become personally involved.

There shall, however, be no entitlement to reimbursement and any person concerned will have to repay the reimbursed amount if and to the extent that: (i) if a Dutch court of law has rendered an irrevocable ruling to the effect that the costs are the result of willful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct on the part of the director or former director, unless Dutch law provides otherwise or this would, in the view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness (*redelijkheid en billijkheid*); (ii) when it concerns a dispute initiated by or on behalf of the director or former director against the Company, any of the Group companies or a third party, primarily aimed at pursuing a claim on his / her own behalf; or (iii) when the costs are covered by an insurance for the benefit of the director or former director.

## Conflicts of interest

Dutch law provides that a member of the board of a Dutch public company with limited liability, such as the Company, may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the company. Such a conflict of interest in any event exists if in the situation at hand the director is deemed to be unable to serve the interests of the company and the business connected with it with the required level of integrity and objectivity. Pursuant to the articles of association, any director shall immediately report any (potential) conflict of interest to the Board of directors and shall provide all information relevant to the (potential) conflict.

Jørn Lyseggen (Executive Chair) is the Company's largest shareholder. Mattias Erik Holmström (non-executive director) is independent from management, but not independent of a major shareholder as he is appointed to the Board of directors by Altor Fund III (through Big Data Holding Limited).

Other than set out above, during the year under review, no conflict of interests matters occurred with respect to the Company and its directors.

## Related party transactions

The Company has a related party transactions policy providing for procedures for directors to notify a potential related party transaction. Potential related party transactions shall be subject to review by and approval of the Board of directors in accordance with Dutch law. The Board of directors may approve the related party transaction only if it determines that it is in the interests of the Company and its affiliated business.

Related party transactions include transactions between the Group and "related parties" as defined in the related party transactions policy, including, one or more shareholders representing 10% of the issued share capital in the Company, a director and any parties qualifying as such in accordance with IFRS (IAS 24 – Related Party Disclosures).

The Company has entered into related party transactions, primarily loan agreements, with its Executive Chair and other founders and entities with which they are affiliated.

The Executive Chair is a director at the Meltwater Foundation and MEST, both of which are not-for-profit organizations. The Company made charitable contributions of \$2.5 million and \$2.4 million to Meltwater Foundation in 2021 and 2020, respectively. These contributions were made with the restriction that the funds would be donated to MEST.

Jørn Lyseggen is also a founder of Shack15. In February 2019, the Company entered into a new sublease with Shack15 to rent office space. Due to COVID-19, in December 2020 the Company amended the agreement to extend the term of the sublease up to June 2023. The total obligation during the term of sublease is \$6 million and was fully settled in December 2020.

In April 2019, the Company entered into a \$28.1 million non-convertible promissory note agreement (the **"2019 Related Party Note Receivable"**) with the Company's then Chief Executive Officer. The 2019 Related Party Note Receivable was entered into at arm's length terms. The note matured in April 2020. In April 2020, June 2020 and October 2020, the Company extended the maturity date of the 2019 Related Party Note Receivable to July 2020, October 2020, and December 2020, respectively. The loan agreement stated an effective interest rate of 13.2% per annum, which accrued on a quarterly basis, which was payable either at the loan's maturity or upon prepayment of the note. For the financial year ended 31 December 2020, the Company accrued interest related to the 2019 Related Party Note Receivable of \$4.1 million. The Related Party Note including all accrued interest was paid in full in December 2020.

## Board of directors committees

The Board of directors has two committees that discuss specific issues and prepare items on which the full Board of directors takes decisions. The chair of each committee reports on the main points of discussion and the resulting recommendations are discussed at the subsequent Board of directors meeting. The two committees are:

01 The audit committee

02 The remuneration committee

The audit committee and the remuneration committee consist of non-executive directors.

### 01 Audit committee

- David Faugno (chair)
- Sang Kim
- Erik Langaker

On 30 June 2021, Andreas Jan-Ulrik Säfweräng resigned as member of the audit committee and was replaced by Erik Langaker. David Flannery resigned on 3 December 2021 and was replaced by Sang Kim.

The audit committee advises the Board of directors and prepares decision-making on matters such as the supervision of the integrity and quality of the financial reporting and the effectiveness of the internal risk management and control systems.

All members of the audit committee, including the chair, are considered to be independent within the meaning of the Norwegian Code and the Dutch Code and David Faugno is a financial expert. The audit committee as a whole has competence relevant to the sector in which the Company operates.

The chief financial officer, the head of the internal audit department and the external auditor shall attend the audit committee meetings, unless the audit committee determines otherwise. The audit committee decides whether and, if so, when the Executive Chair and the chief executive officer shall attend audit committee meeting. The audit committee shall meet as often as deemed necessary for the proper functioning of the audit committee and at least four times a year. The audit committee shall meet with the external auditor as often as it considers necessary but shall meet at least once a year with the external

auditor without the Board of directors being present.

In 2021, the audit committee met five times. At these meetings several matters were discussed.

The main issues related to the:

- approval of audit committee rules;
- approval of the updated whistleblowing policy;
- information on the financial and economic situation of the Group;
- information on the external audit function;
- presentation of the internal audit function, activities and related principles and methodologies with information on the main audit activities 2021 and on the audit plan for 2022.

## 02 Remuneration committee

- Mattias Erik Holmström (chair)
- David Faugno
- Stefanie Witte

On 23 February 2021, David Faugno was appointed as member and chair of the remuneration committee. On 23 February 2021, Mattias Erik Holmström was appointed as member of the remuneration committee, and he replaced David Faugno as chair on 14 December 2021. On 30 June 2021, David Flannery resigned as member of the remuneration committee and Stefanie Witte joined the remuneration committee in December 2021.

The remuneration committee advises the Board of directors on remuneration matters including the remuneration policy for the directors, the remuneration of the executive director and management remuneration structures including incentives programs. In addition, the remuneration committee is a sounding board to management on specific employee remuneration topics.

All members of the remuneration committee are independent within the meaning of the Dutch Code and the Norwegian Code, except for Mattias Holmström, who is affiliated with one of the Company's major shareholders (Altor Fund III, through Big Data Holding Ltd.).

In 2021 the remuneration committee met six times. At these meetings, several matters were discussed, including formalizing of the workplan inclusive of the role of the committee, the establishment of the remuneration of the executive director and the preparation of a new long term equity incentive plan as replacement of the Company's equity incentive plan 2011. In consultation with the Board, the remuneration committee appointed a leading executive compensation expert firm to advise on the new equity incentive plan. The remuneration committee met several times with the expert firm to discuss the new equity incentive plan and made a set of recommendations to the Board. In addition, the remuneration committee discussed the new remuneration policy that was approved by the general meeting in December 2021.

## General meetings

At least one annual general meeting shall be held every year, which meeting shall be held within six months after the close of the financial year. Additional general meetings will be held as often as the Board of directors considers such to be necessary. All convocations of the general meetings and all

announcements, notifications and communications to shareholders shall be made available on the Company's corporate website. Notice of a general meeting must be given by at least 42 days prior to the day of the meeting. General meetings must be held in the Netherlands in Amsterdam, Rotterdam, The Hague, or Haarlemmermeer (including Schiphol Airport). At general meetings, each share confers a right to cast one vote.

Shareholders representing alone or in aggregate at least 10% of the issued and outstanding share capital may request that a general meeting be convened. If no general meeting has been held within eight weeks of the shareholders making such request, the shareholders making such request may, upon their request, be authorized by the district court in summary proceedings to convene a general meeting.

Shareholders holding at least 3% of the Company's issued and outstanding share capital may request, by a motivated request, that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Executive Chair at least 60 days before the day of the general meeting. No resolutions may be adopted on items other than those that have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

Pursuant to the Dutch Code, if one or more shareholders intend to request that an item be put on the agenda for a general meeting that may result in a change in the Company's strategy, for example as a result of a proposed dismissal of one or more executive directors or non-executive directors, the Board of directors may invoke a reasonable response time that does not exceed 180 days from the moment the Board of directors is informed by one or more shareholders of their intention to put an item on the agenda to the day of the general meeting at which the item is to be dealt with. The relevant shareholder(s) should respect the response time invoked by the Board of directors. The Board of directors shall use the response time for further deliberation and constructive consultation, in any event with the relevant shareholder(s) and shall explore alternatives. At the end of the invoked response time, the Board of directors shall report on the outcome of such deliberation and consultation to the general meeting. The response time may only be invoked once for any given general meeting and shall not apply to an item in respect of which the response time has previously been invoked, or to a general meeting where a shareholder holds at least three-quarters of the issued capital as a consequence of a successful public offer.

## Issuance of shares and pre-emptive rights

Resolutions to issue shares shall be adopted by the general meeting or, if the general meeting authorizes the Board of directors to do so, by the Board of directors. A resolution of the general meeting to issue shares or to designate the Board of directors, as the competent body to issue shares, can only be adopted with an absolute majority. The foregoing also applies to the granting of rights to subscribe for shares, such as options, but does not apply to the issue of shares to a person exercising a previously acquired right to subscribe for shares. The resolution authorizing the Board of directors must specify the number of shares which may be issued (which may be expressed as a percentage of the issued capital). An authorization by the general meeting to issue shares must state the term for which it is valid, which term may not be longer than five years. The authorization may be renewed in each case for another maximum period of five years. Unless provided otherwise in the authorization, it may not be withdrawn. The Company may not subscribe for its own shares on issue.

Pursuant to a resolution adopted by the general meeting, the Board of directors has been granted the authority for a period of 18 months commencing on 7 December 2021, to resolve to issue shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire shares up to (a) a maximum of 10% of the issued shares as at 7 December 2021 for general corporate purposes and (b) a maximum of 10% of the issued shares as at 7 December 2021 for M&A transactions.

Upon the issue of shares or the granting of rights to subscribe for shares, each holder of shares shall have

a pre-emptive right in respect of the shares to be issued, in proportion to the number of shares held by it. Exceptions to these pre-emptive rights include: (i) the issue of shares against a contribution in kind, (ii) the issue of shares to employees of the Company or of a group company (*groepsmaatschappij*) pursuant to an employee share scheme or as an employee benefit, and (iii) the issue of shares to persons exercising a previously granted right to subscribe for shares.

Pursuant to the articles of association, the pre-emptive rights may be restricted or excluded pursuant to a resolution of the general meeting. The proposal to this effect must explain in writing the reasons for the proposal and the intended issue price. The pre-emptive right may also be restricted or excluded by the Board of directors if the Board of directors has been authorized by a resolution of the general meeting for a limited period of time of no longer than five years to restrict or exclude the pre-emptive right. Unless provided otherwise in the authorization, it may not be withdrawn. A resolution of the general meeting to restrict or exclude the pre-emptive right to shares or to issue an authorization to restrict or exclude the pre-emptive right requires a majority of at least two-thirds of the votes validly cast if less than 50% of the issued share capital is represented at the general meeting.

Pursuant to a resolution adopted by the general meeting, the Board of directors has been granted the authority for a period of 18 months commencing on 7 December 2021, to resolve to restrict or exclude the pre-emptive rights of shareholders in relation to the issue of, or the grant of rights to subscribe for, shares for which the Board of directors has been authorized by the general meeting to resolve to issue, as described above.

## Major shareholders

Dutch law requires shareholders to report their holdings in Dutch listed companies to the AFM if they exceed 3% of total outstanding share capital (and at certain higher thresholds). As per the AFM register, three shareholders held a position in the Company of 3% or more per 31 December 2021: Jørn Lyseggen (via Fountain Venture A.S.) (42.02%), Big Data Holding Limited (13.05%) and Incentive AS (as AIF Manager for Incentive Investment Funds ICAV) (5.73%).

The articles of association do not provide for any specific provisions beyond those required by applicable law and regulation to ensure that control by the major or controlling shareholders is not abused.

## Dividend policy and dividend

The Company does not have a dividend policy. The Company has not paid any dividend during the financial years ended 31 December 2021 and 31 December 2020.

If the Company does decide to pay dividends in the future, a distribution of dividends may only take place after the adoption of the annual accounts by the general meeting that show that the distribution is allowed, or, in the case of an interim dividend, it appears from an interim statement of assets signed by the Board of directors that the Company's equity does not fall below the sum of called-up and paid-up share capital and any statutory reserves.

## Control systems

The Statements by the Board of directors confirm with best practice provision 1.4.3 of the Dutch Corporate Governance Code. The information concerning the main features of Meltwater's risk management and control systems relating to the financial reporting process, as required by article 3a(a) of the Decree, can be found in the 'Internal control systems' and 'Risk management' sections of the Director's Report.

## Compliance with corporate governance codes

Since the Company has its seat in the Netherlands and its shares are listed on the Oslo Børs, the Company has decided to implement a corporate governance regime in line with both the Norwegian Code and the Dutch Code. The full text of the Norwegian Code is available on [www.nues.no](http://www.nues.no) and the full text of the Dutch Code is available on [www.mccg.nl](http://www.mccg.nl). The Board of directors is responsible for ensuring satisfactory corporate governance.

In accordance with article 2a(3) of the decree on the content of the management report (*Besluit inhoud bestuursverslag*) this Governance Report is deemed to be part of the annual report, including the annual financial statements for the year ended 31 December 2021.

Both the Norwegian and the Dutch Code are based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their board report whether or not they are complying with the various best practice provisions of the code. If a company deviates from a best practice provision in the code, the reason for such deviation must be properly explained in its directors' report.

### Norwegian code

The Company has adopted and implemented a corporate governance regime which in all material respects complies with the Norwegian Code. The Company complies in all material respects with the principles of the Norwegian Code, except for the following provisions:

- **Provision 3(4) (mandate granted to the Board of directors):** The Company does not comply with provision 3(4) which provides that mandates granted to the Board of directors to increase the company's share capital or to purchase own shares should be limited in time to no later than the date of the next annual general meeting. Instead, the Company complies with the Dutch market practice to grant this authority for a period of eighteen months.
- **Provision 7 (nomination committee):** The Company deviates from provision 7 which provides that the company should have a nomination committee. The Board of directors has not established a selection and appointment, since most Directors are appointed for an indefinite period of time and if a vacancy arises, the non-executive directors will fulfil this role.
- **Provision 8 (Board of directors: composition and independence):** The Company partly deviates from provision 8 which provides that the Board of directors should not include executive personnel and the term of office should not be longer than two years at the time. Under Dutch law, it is required that a one-tier board includes at least one executive director and the Company complies with the provisions of the Dutch Code in relation to the term of office.
- **Provision 11(2) (remuneration Board of directors):** The Company deviates from provision 11(2) which provides that the remuneration of the Board of directors should not be linked to the company's performance. The non-executive directors will receive their remuneration in the form of restricted share units to ensure alignment between the non-executive directors and the Company's value creation.
- **Provision 12(2) (remuneration of executive personnel):** The Company deviates from provision 12(2) which provides that the remuneration of the executive personnel should be subject to an absolute limit. In line with competitors and peers, the Company uses options and RSUs as part of the compensation packages. These are linked to share price performance.

### Dutch code

Since the Uplisting of the Company took place in December 2021, several provisions of the Dutch Code have not been complied with in 2021. The Company intends to comply with the provisions in 2022, except for the provisions set out below:

- **Best practice provisions 2.2.1 and 2.2.2 (term directors):** The Company does not comply with best practice provision 2.2.1, since most Directors are appointed for an indefinite period of time. Currently, the Board of directors does not believe there is a driving interest in limiting the members to the four-year terms. The Board of directors believes that a depth of history and knowledge of the Company, which can be developed through long-term service, continues to be key to an effective oversight of the Company. The Board of directors revisits the provisions in its governing documents regularly and may determine that limitations of the term for directors is appropriate.
- **Best practice provision 2.2.4 (succession):** The Company partly deviates from best practice provision 2.2.4 which provides that the non-executive directors should draw up a retirement schedule in order to avoid, as much as possible, non-executive directors retiring simultaneously and that the retirement schedule should be published on the website. The non-executive directors have not drawn up a retirement schedule, since most Directors are appointed for an indefinite period of time.
- **Best practice provision 2.3.2 (establishment of committees):** The Company partly deviates from best practice provision 2.3.2, which provides that if the board consists of more than four members, it shall appoint an audit committee, a remuneration committee and a selection and appointment committee. The Board of directors has not established a selection and appointment, since most Directors are appointed for an indefinite period of time and if a vacancy arises, the non-executive directors will fulfil this role.
- **Best practice provision 2.3.4 (composition of the committees):** The Company partly deviates from best practice provision 2.3.4, which provides that the audit committee and the remuneration committee should not be chaired by the chairman of the Board or by a former executive director. Since the Company has an Executive Chair, the Company believes that the audit committee could best be chaired by the Senior Non-Executive Director, an independent non-executive director and financial expert.
- **Best practice provision 2.3.6.ii (vice-chairman):** The Company does not comply with best practice provision 2.3.6.ii, which provides that the non-executive directors elect a vice-chairman. The Company has no vice-chairman, but instead has an Executive Chair and a Senior Non-Executive Director.
- **Best practice provision 2.3.10 (company secretary):** The Company does not comply with best practice provision 2.3.10, which provides that a non-executive directors are supported by a company secretary. No company secretary has been appointed. The non-executive directors are instead supported by the general counsel and outside counsel.
- **Best practice provisions 3.1.2.v (remuneration policy):** The Company partly deviates from best practice provision 3.1.2.vii, which provides that share options cannot be exercised during the first three years after they are awarded. The Company grants rights to shares in the form of restricted share units with a four-year vesting schedule, part of which vest before, and part of it vest after, the third anniversary of the award, which is in line with the market practice for restricted share unit plans and applies in the same way to other eligible employees of the Company.
- **Best practice provision 3.2.3 (severance payments):** The Company does not comply with best practice provision 3.2.3, which provides that the remuneration of executive directors in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). The agreement of the Executive Chair provides for an agreed compensation and benefits through 31 December 2023 upon termination of his position as Executive Chair. This compensation was agreed with the Executive Chair before the Company's shares were listed on a regulated market and the Company wishes to fulfil existing arrangements.
- **Best practice provisions 3.3.2 (remuneration non-executive directors):** The Company does not comply with best practice provision 3.3.2, which provides that non-executive directors may not be awarded remuneration in the form of shares and/or rights to shares. The non-executive directors will receive their remuneration in the form of restricted share units to ensure alignment between the non-executive directors and the Company's value creation.

- **Best practice provisions 4.3.3 (cancelling the binding nature of a nomination or dismissal):**

The Company does not comply with best practice provision 4.3.3, which provides that the general meeting of shareholders of a company not having statutory two-tier status (*structuurregime*) may pass a resolution to cancel the binding nature of a nomination for the appointment of an executive or non-executive director by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. To respect the interests of the founder, the Company's articles of association provide that the general meeting may at all times overrule the binding nature of such a nomination by a resolution adopted by a majority of at least half of the votes cast, provided such majority represents more than half the issued share capital of the Company.

## Disclosures pursuant to decree article 10 EU-Directive on takeovers

In accordance with the Dutch Takeover Directive (Article 10) Decree (*Besluit artikel overnamerichtlijn*, the "**Decree**"), the Company makes the following disclosures:

- a As of 31 December 2021, the issued share capital of the Company consisted of 302,558,555 shares with a par value of €0.01 each. As of 31 December 2021, the Company owned no treasury shares and entered into a commitment to buy back 1,625,236 shares. Treasury shares are not entitled to dividend and there are no voting rights attached to these shares. For information on the rights attached to shares reference is made to the articles of association which can be found on the Company's website. To summarize, the rights attaching to shares comprise pre-emptive rights upon the issue of shares, the right to attend general meetings of the Company and to speak and vote at such meetings and to resolve on and the entitlement to the distribution of such amount of the Company's profit as remains after allocation to the reserves. All shares rank *pari passu* and will have equal rights and obligations with respect to all matters.
- b The Company has imposed no limitations on the transfer of shares. Part of the Company's shares are held by Stichting Administratiekantoor Meltwater Holding, a Dutch foundation (the "**Foundation**"), who issued Dutch depository receipts for Company shares (*certificaten van aandelen*, "**STAK DRs**") to eligible employees and contractors in accordance with the Company's stock purchase plan adopted in December 2008, as amended in 2010 and 2011 (the "**SPP**"). Pursuant to the SPP, a restricted period may be imposed during which period a participant may not transfer or create any encumbrance over any STAK DR. Generally, STAK DRs are freely transferable once they are vested.
- c For information on participations in the capital of the Company for which a disclosure obligation exists under Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), please see the section 'Major shareholders' in this governance report. There you will find a list of shareholders who are known to the Company to have holdings of three percent or more at the stated date.
- d No special control rights or other rights accrue to shares in the capital of the Company.
- e In accordance with the SPP, the Foundation issued STAK DRs to employees and contractors. The Board of directors of Meltwater manages the SPP. The Foundation enables the Company to separate the beneficial and economic rights from the voting rights of the Company's shares by issuing STAK DRs for each Company share it holds. The holders of the STAK DRs are entitled to the beneficial and economic rights of the Company shares and the board of the STAK is entitled to exercise the voting rights attached to the Company shares. While the shares are held by the Foundation on trust, pursuant to the SPP the Foundation shall take all reasonable steps in respect of any vote on the shares to seek and comply with any direction from any of the participants as to

the exercise of such voting rights on the shares which correspond to the Participant's STAK DRs.

**f** No restrictions apply to voting rights attached to the shares in the capital of the Company. No shareholder will have any voting rights different from any other shareholders. The articles of association allow the Company to cooperate in the issuance of registered depositary receipts for shares, but only pursuant to a resolution to that effect by the Board of directors.

**g** The Company is not aware of the existence of any agreements with shareholders of the Company which may result in restrictions on the transfer of shares or depositary receipts or the limitation of voting rights, other than the SPP.

**h** The rules governing the appointment and dismissal of directors are stated in the articles of association. All directors are appointed by the general meeting. The Board of directors nominates a candidate for each vacant seat. A nomination by the Board of directors will be binding as described above in the section 'Appointment, suspension and dismissal of directors. Directors are appointed for a period of time to be determined by the general meeting.

The general meeting may at any time dismiss or suspend any director. If the Board of directors proposes the dismissal of a director to the general meeting, the general meeting can resolve upon such dismissal by resolution adopted by an absolute majority of the votes cast.

If the Board of directors has not made a proposal for the dismissal of a director, the general meeting can only resolve upon the dismissal of such director by resolution adopted by majority of at least half of the votes cast, representing more than half of the issued capital of the Company. Executive directors may at all times also be suspended by the Board of directors.

The rules governing an amendment of the articles of association are included in article 29 of the articles of association and require a resolution of the general meeting.

**i** The general powers of the Board of directors are stated in articles 15.6 and 15.7 of the articles of association. Pursuant to article 18.1 of the articles of association, the general authority to represent the Company is vested in the Board of directors, the Executive Chair, acting solely and all executive directors acting jointly.

The Board of directors has been granted the authority to issue shares and to limit or exclude pre-emptive rights as described above in the section 'Issuance of shares and pre-emptive rights'.

The Company is entitled to acquire fully paid-up shares in its capital. The terms and conditions for the acquisition of shares by the Company in its capital are set out in article 9 of the articles of association. The Board of directors has been granted the authority for a period of 18 months commencing 7 December 2021, to acquire, in one or more transactions, fully paid shares or depositary receipts (whether or not listed) in the Company's capital either through a purchase on a multilateral trading facility, stock exchange or otherwise up to a maximum of 10% of the total issued share capital of the Company as at the calendar day following the date of conversion, for a minimum price, excluding expenses, of the nominal value of the shares or depositary receipts concerned and a maximum price equal to 110% of:

- (x)** the volume weighted average trading price, as quoted on Oslo Børs of the shares or depositary receipts, the so-called VWAP, during a specified period not exceeding 15 trading days ending on a specified date prior the date of repurchase (such period and such date to be determined by the Board of directors, which period shall fall within the two-month period prior the date of repurchase); or
- (y)** for accelerated repurchase arrangements, the VWAP for over the term of the arrangement.

- j The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of section 5:70 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), provided that the facility agreement entered into by the Company with DNB Bank ASA contains clauses that, as is customary for financing agreements of similar type, may require early repayment or termination in the event of a change of control of the Company.
- k The Company did not enter into any agreement with a director or employee of the Company providing for a payment upon the termination of employment as a result of a public offer within the meaning of section 5:70 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

# Report of Non-executive Directors

This is the report of the non-executive directors of the Company over the financial year 2021, as referred to in best practice provision 5.1.5 of the Dutch Code.

The Board of directors is a one-tier board, comprising both members having responsibility for the day-to-day management of the company (executive directors) and members not having such day-to-day responsibility (non-executive directors). The tasks of the executive and non-executive directors in a one-tier board such as the Board of directors may be allocated under or pursuant to the articles of association, provided that the general meeting has stipulated whether such director is appointed as executive or as non-executive director and furthermore provided that the task to supervise the performance by the directors of their duties can only be performed by the non-executive directors. Regardless of an allocation of tasks, all directors remain collectively responsible for the proper management and strategy of the company (including supervision thereof in case of non-executive directors).

It is the responsibility of the non-executive directors to supervise the policies carried out by the executive directors and the general affairs of the Company and its affiliated enterprise, including the implementation of the strategy of the Company regarding long-term value creation. In so doing, the non-executive directors act solely in the interest of the Company. With a view of maintaining supervision on the Company, the non-executive directors regularly discuss the Company's long-term business plans, the implementation of such plans and the risks associated with such plans with the executive director.

Details of the current composition of the Board of directors, including the non-executive directors, and its committees are set forth in the sections "Board of directors" and "Board of directors committees."

## Supervision by the non-executive directors

The non-executive directors supervise the policies carried out by the executive directors and the general affairs of the Company and its affiliated enterprise. In so doing, the non-executive directors have also focused on the effectiveness of the Company's internal risk management and control systems, the integrity and quality of the financial reporting and the Company's long-term business plans, the implementation of such plans and the risks associated.

The responsibility of supervising the policy pursued by the Board of directors includes evaluating the way the Board of directors implements Meltwater's strategy for long-term value creation and promotes a culture aimed at creating value. In the performance of its duties, the directors act in accordance with the interests of the Company and weigh up the interests of all stakeholders, in line with Meltwater's multi stakeholder approach. The non-executive directors are confident that the existing strategy of Meltwater is the right approach for the long-term success of Meltwater and provide a sound basis for the future.

Furthermore, the non-executive directors have examined and monitored each and all stages of the process of the Uplisting and adopted all relevant resolutions.

The non-executive directors supervised the adoption and implementation of the strategies and policies by the Group, reviewed this annual report, including the Group's financial results and received updates on legal and compliance matters. The non-executive directors have also reviewed the reports of the Board of directors and its committees.

## Committees

Furthermore, the Board of directors has allocated certain specific responsibilities to the audit committee and the remuneration committee. Further details on the manner in which these committees have carried out their duties are set

forth in the section 'Board of directors committees'. The non-executive directors have been regularly informed by each committee as referred to in best practice provision 2.3.5 of the Dutch Code and the conclusions of those committees were taken into account when drafting this report of the non-executive directors.

The Company operated only less than one month as a company listed on a regulated market in 2021. The non-executive directors will evaluate and supervise the performance of the directors and the committees for the first time in 2022.

## Attendance at meetings

During the financial year 2021, there were six meetings of the Board of directors.

The composition of the Board of directors has changed several times during the financial year 2021 which explains the difference in the total number of meetings attended by some of the directors mentioned below.

- Until 1 January 2021, the Board of directors comprised the following directors: Jørn Lyseggen as Executive Chair and David Flannery, David Faugno, Mattias Erik Holmström and Andreas Jan-Ulrik Säfweräng as non-executive directors.
- On 30 June 2021, the Company appointed Erik Langaker and Stefanie Witte as non-executive directors and Jan-Ulrik Säfweräng resigned as non-executive director.
- On 3 December 2021, the Company appointed Sang Kim as non-executive director and David Flannery resigned as non-executive director.

An overview of the attendance of the individual directors per meeting of the Board of directors and its committees set out against the total number of such meetings is set out below:

| NAME                        | Board of directors | IN % | AUDIT COMMITTEE | IN % | REMUNERATION COMMITTEE | IN % |
|-----------------------------|--------------------|------|-----------------|------|------------------------|------|
| Jørn Lyseggen               | 6/6                | 100% | -               | -    | -                      | -    |
| David Faugno                | 6/6                | 100% | 5/5             | 100% | 6/6                    | 100% |
| David Flannery              | 6/6                | 100% | 3/4             | 75%  | 1/2                    | 50%  |
| Mattias Erik Holmström      | 6/6                | 100% | -               | -    | 5/6                    | 83%  |
| Sang Kim                    | -                  | 100% | 1/1             | 100% | -                      | -    |
| Erik Langaker               | 3/3                | 100% | 2/2             | 100% | -                      | -    |
| Andreas Jan-Ulrik Säfweräng | 3/3                | 100% | -               | -    | -                      | -    |
| Stefanie Witte              | 3/3                | 100% | -               | -    | -                      | -    |

## Independence of the non-executive directors

Each non-executive director owes a duty to the Company to properly perform his duties and to act in the Company's corporate interest.

The composition of the Board of directors is in compliance with the independence requirements of the Norwegian Code, meaning that (i) the majority of the shareholder-elected directors are independent from the Company's executive management and material business connections, and (ii) at least two of the shareholder-elected directors are independent from the Company's main shareholders. In line with the Dutch Code and the Company's articles of association, the Board of directors does, however, include one executive director (Jørn Lyseggen, Executive Chair).

The composition of the Board of Directors is also in compliance with the independence requirements of the Dutch Code. Pursuant to best practice provisions 2.1.7 and 2.1.8 of the Dutch Code, one non-executive director does not have to meet the independence criteria as set out in the Dutch Code. In addition, for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than 10% of the shares in the Company, there is one non-executive director who may be affiliated with or representing such shareholder. In total, the majority of the non-executive directors should be independent. The non-executive directors have determined that four of the five non-executive directors qualify as independent in accordance with the Dutch Code.

In addition, for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than 10% of the shares in the Company, there is one non-executive director who may be affiliated with or representing such shareholder. In total, the majority of the non-executive directors should be independent. The non-executive directors have determined that four of the five non-executive directors qualify as independent in accordance with the Dutch Code.



# Remuneration Report

In December 2021, the Company's admission to listing and trading on Euronext Growth Oslo was transferred to a main listing at Oslo Børs (the "Uplisting") and the Company was converted from a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) into a Dutch public company with limited liability (*naamloze vennootschap*). In connection with the Uplisting, the general meeting approved a remuneration policy for the Directors on 3 December 2021 and became effective on 20 December 2021, the date of the Uplisting. The Board of directors has decided to apply the remuneration policy to the remuneration of the directors as of 1 January 2022.

The remuneration policy aims to contribute to the Group's business strategy and is expected to enable the Company to achieve its business objectives. The non-executive directors are responsible for the implementation and monitoring of the remuneration policy.

This remuneration report summarizes the guidelines and the principles followed by the Company in order to define and implement the remuneration policy. In addition, this remuneration report provides the remuneration paid to the executive director and the non-executive directors for the year ended 31 December 2021.

In 2021, the remuneration of the executive director consisted of base salary and other benefits. In 2021, the remuneration of the Senior non-executive director comprised a fixed cash fee per annum. As of 1 January 2022, the remuneration of the executive director consists of annual base salary, short term incentive, long-term incentive and other benefits. As of 1 January 2022, the remuneration of the non-executive directors comprises a fixed fee per annum, payable in the form of restricted shares units ("**RSUs**").

In accordance with Dutch law, the remuneration policy will be submitted to the general meeting at least every four years, as well as each time in case of amendments to the remuneration policy. Pursuant to the Company's articles of association, a resolution of the general meeting to adopt and amend the remuneration policy requires an absolute majority of the votes cast.

The remuneration report will be submitted to the general meeting for an advisory vote as from 2022. The Company will convey any information on how an advisory vote on the remuneration report has been taken into account in the next annual report.

## Remuneration policy

The Company's remuneration policy is based on the following remuneration principles:

- a it aims to recruit, retain and motivate talented and skilled directors while protecting and promoting the objectives and strategy of the Company and its Group;
- b it provides for a market competitive remuneration package and fosters alignment of interests of Directors with shareholders and stakeholders;
- c the remuneration reflects the Company's size and complexity, as well as the responsibilities of the role and the time spent and aims to be consistent with effective risk management policies; and
- d the remuneration intends to reward directors to utilize their skills and competences to the maximum extent possible to execute the tasks delegated to them including but not limited to tasks and responsibilities imposed by the Dutch Civil Code and the articles of association.

Even though the Company is not in principle in favor of making exceptions to the principles underlying the remuneration policy, the Company, upon recommendation of the remuneration committee, shall be allowed to temporarily derogate from the remuneration policy in exceptional circumstances as defined by the Dutch Civil Code. Exceptional circumstances only cover situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability, such as the appointment of an interim Director or the appointment of a new Director.

## Remuneration executive director

The authority to establish the remuneration of executive directors is vested with the non-executive directors, with due observance of the remuneration policy and applicable provisions of law.

As of 1 January 2022, the remuneration of executive directors will consist of annual base salary, annual performance-related short-term incentive, long-term incentive and other benefits.

### Annual base salary

The annual base salary, including holiday allowance and other local statutory requirements, is set at a market competitive level to attract and retain the calibre of executive directors required to devise and execute the Company's strategy.

The amount of annual base salary is reviewed annually and in the event of the appointment of a new executive director by the non-executive directors or the remuneration committee of the Board of directors. Various factors may be considered when determining any annual base salary changes, including, but not limited to, salary increases of the Company's global workforce, business performance, personal performance, the scope and nature of the role, relevant market benchmark data and local economic indicators, such as inflation and cost-of-living changes, to ensure that the remuneration is fair, sensible and market competitive.

### Short-term incentive

The purpose of the short-term incentive is to ensure executive alignment with and focus on the annual business plan as set by Board of Directors. Performance measures and targets for those measures are set by the non-executive directors.

The short-term incentive is linked to a percentage of the annual base salary of the executive directors. The short-term incentive is in principle settled in cash but, in order to encourage ownership and proprietary interest in the Company, the non-executive directors have the possibility to determine that any short-term incentive awards are settled in shares in the capital of the Company.

After the end of each year the non-executive directors review the actual performance against the set performance targets to determine the extent to which each of the targets has been achieved, in order to determine the final pay-out level. There is no minimum bonus pay-out. As a consequence, there will be no bonus pay out if none of the performance thresholds are met.

### Long-term incentive

The long-term incentive awards are made available in the form of RSUs. They represent conditional rights to receive a number of shares in the capital of the Company, subject to continued engagement during the vesting period.

The RSUs will vest over a period of four years. The RSUs will vest as follows: 25% on the first anniversary of the date of appointment; and 75% on a quarterly basis over the following three-year period (6.25% per quarter) until 100% on the fourth anniversary of the date of appointment.

The award value will be set by the non-executive directors. The maximum award value of RSUs is equal to 50% of the executive director's annual base salary. RSUs that are unvested at the time a non-executive director ceases to be a director of the Company as a result of the relevant non-executive director on its own initiative terminating, resigning or retiring (other than as a result of permanent incapacity due to ill health) will lapse.

### Other benefits

Other benefits for which the executive directors are eligible are intended to be competitive in the relevant market and may evolve from year to year. The executive directors may be eligible for benefits such as health insurance, disability and life insurance, a directors' and officers' liability insurance, mobility allowance or travel expenses, housing allowance, fitness allowance, representation costs and to participate in whatever all-employee benefits plans may be offered at any given point.

Additional benefits and allowances may be offered to the executive directors in case of a relocation or an international assignment, such as relocation support, storage costs, expatriation allowance, housing support, reimbursement of flight costs, reimbursement of costs of temporary living arrangements and other benefits which reflect local market practice, all in accordance with the applicable mobility policy.

### Scenario analysis

When formulating the remuneration policy and before determining the individual remuneration of the executive directors, the non-executive directors will conduct analyses of the possible results of the variable remuneration components and the way in which this affects the remuneration of the executive directors.

### Severance

A transition agreement with Jørn Lyseggen (Executive Chair) was entered into on 12 May 2020. This transition agreement provides that upon termination of his position as Executive Chair, he is entitled to receive agreed compensation and benefits through 31 December 2023. The Company has elected to respect and maintain this agreement following the Uplisting.

### Right to reclaim variable remuneration

In accordance with Dutch law, the non-executive directors may adjust the outcome of variable compensation of the executive directors if the pay-out would, in their view, be unacceptable based on

reasonability and fairness criteria (a 'malus'). The Company can also claim back variable payments (in whole or in part) if the pay-out was based on incorrect information about the achievement of the targets ('claw back'). In 2021, there was no cause for a claw back or value adjustment by the non-executive directors.

## 2021 remuneration

In 2021, the remuneration of the executive director consisted of base salary and other benefits. The executive director did not receive any short-term or long-term incentive. There are no loans, advances or guarantees provided by the Company or any undertaking belonging to the Group to or on behalf of an executive director.

The following table summarizes the remuneration received by the executive director for the year ended 31 December 2021 and the previous financial year ended 31 December 2020.

| EXECUTIVE DIRECTOR, POSITION   | YEAR | FIXED REMUNERATION | SHORT TERM INCENTIVE | LONG-TERM INCENTIVE <sup>1</sup> | EXTRAORDINARY ITEMS | OTHER BENEFITS | TOTAL REMUNERATION | PROPORTION OF FIXED AND VARIABLE REMUNERATION |
|--------------------------------|------|--------------------|----------------------|----------------------------------|---------------------|----------------|--------------------|---|
| Jørn Lyseggen, Executive Chair | 2021 | \$600,000          | -                    | -                                | -                   | \$23,909       | \$623,909          | 100% fixed<br>0% variable                     |
|                                | 2020 | \$600,000          | -                    | -                                | -                   | \$19,850       | \$619,850          | 100% fixed<br>0% variable                     |

(1) Since the Executive Chair did not receive any share-based compensation in 2020 and 2021 and no options or awards were outstanding in these years, no share-based payment expenses were recognized 2020 and 2021.

## Remuneration non-executive directors

The remuneration of the non-executive directors shall be determined by the general meeting, with due observance of the remuneration policy and applicable provisions of law.

The remuneration of the non-executive directors reflects the time spent and responsibilities of their roles and aims to reward the non-executive directors for utilizing their skills and competences to the maximum extent possible to execute the tasks delegated to them.

### Remuneration components non-executive directors

In 2021, the Senior Non-Executive Director received a fixed cash fee. In order to ensure alignment between the non-executive directors and the Company's value creation, the non-executive directors will be rewarded a fixed fee only as of 1 January 2022, payable in the form of RSUs. The RSUs represent conditional rights to receive a number of shares in the capital of the Company, subject to continued engagement during the vesting period.

The RSUs will vest over a period of four years and the vesting period starts on the date of appointment. If a participant remains employed with the Company, the RSUs will vest as follows: 25% on the first anniversary of the date of appointment; and 75% on a quarterly basis over the following three-year period (6.25% per quarter) until 100% on the fourth anniversary of the date of appointment. RSUs that are unvested at the time a non-executive director ceases to be a Director as a result of the relevant Director on its own initiative terminating, resigning or retiring (other than as a result of permanent incapacity due to ill health) will lapse.

The RSUs to be awarded to the non-executive directors is as follows:

- a Senior non-executive director: \$200,000 per annum, to be settled in the form of RSUs; and
- b other non-executive directors: \$100,000 per annum, to be settled in the form of RSUs

The RSUs include any fee for being a member of committee of the Board of directors. The grant value of the RSUs will be determined based on a 30-day volume weighted average share price prior to each grant.

The non-executive directors will be reimbursed for all reasonable business expenses incurred in the course of performing their duties, subject to appropriate evidence of payment and VAT receipts.

## 2021 remuneration

In 2021 three non-executive directors have commenced their first term as a member of the Board of directors: Sang Kim, Erik Langaker and Stefanie Witte. Former non-executive director Andreas Jan-Ulrik Säfweräng resigned as per 30 June 2021 and former non-executive director David Flannery resigned as per 3 December 2021.

In 2021, only David Faugno received remuneration. The other non-executive directors will receive remuneration in accordance with the remuneration policy as of 1 January 2022. There are no loans, advances or guarantees provided by the Company or any undertaking belonging to the Group to or on behalf of a non-executive director.

In 2021, David Faugno received a fixed cash fee of \$90,000 (2020: \$90,000). On 11 August 2019, David Faugno was awarded stock options for which the Company recorded stock-based compensation expense in the amount of \$134,192 (2020: 269,641), in total \$224,192 (2020: \$359,641). The cost of stock-based awards granted is measured at the grant date, based on the fair value of the award, and is recognized as expense on a straight-line basis over the requisite service period from 11 August 2019 to 1 July 2023. The fair value of stock-based awards to employees is estimated using the Black-Scholes option-pricing model.

The following table shows a comparison of the total remuneration of non-executive directors who served as Directors in 2021 since the year of the Company's Uplisting.

| NON-EXECUTIVE DIRECTOR      | 2020      | 2021      |
|-----------------------------|-----------|-----------|
| David Faugno <sup>1</sup>   | \$359,641 | \$224,192 |
| David Flannery              | -         | -         |
| Mattias Erik Holmström      | -         | -         |
| Sang Kim                    | -         | -         |
| Erik Langaker               | -         | -         |
| Andreas Jan-Ulrik Säfweräng | -         | -         |
| Stefanie Witte              | -         | -         |

(1) These amounts include the stock compensation expense recorded from the option grant made in 2019

The following table includes an overview of the outstanding options in 2021:

| NON-EXECUTIVE DIRECTOR      | MAIN CONDITIONS OF SHARE OPTION PLANS |             |                      |                 |                 |                           | INFORMATION REGARDING 2021                         |                       |                      |                                    |  |
|-----------------------------|---------------------------------------|-------------|----------------------|-----------------|-----------------|---------------------------|--|-----------------------|----------------------|------------------------------------|--|
|                             |                                       |             |                      |                 |                 |                           | OPENING BALANCE                                    | DURING THE YEAR       |                      | CLOSING BALANCE                    |  |
|                             | Plan                                  | Award date  | Vesting period       | Expiration date | Exercise period | Strike price of the share | Share options awarded at the beginning of the year | Share options awarded | Share options vested | Share options awarded and unvested | Share options vested but not exercised |
| David Faugno                | 2011 EIP <sup>1</sup>                 | 11 Aug 2019 | Monthly over 4 years | 10 Aug 2029     | 10 years        | \$1.94                    | 862,400  | 0                     | 215,600              | 341,400                            | 521,000                                |
| David Flannery              | -                                     | -           | -                    | -               | -               | -                         | -  | -                     | -                    | -                                  | -                                      |
| Mattias Erik Holmström      | -                                     | -           | -                    | -               | -               | -                         | -  | -                     | -                    | -                                  | -                                      |
| Sang Kim                    | -                                     | -           | -                    | -               | -               | -                         | -  | -                     | -                    | -                                  | -                                      |
| Erik Langaker               | -                                     | -           | -                    | -               | -               | -                         | -  | -                     | -                    | -                                  | -                                      |
| Andreas Jan-Ulrik Säfweräng | -                                     | -           | -                    | -               | -               | -                         | -  | -                     | -                    | -                                  | -                                      |
| Stefanie Witte              | -                                     | -           | -                    | -               | -               | -                         | -  | -                     | -                    | -                                  | -                                      |

(1) 2011 Equity Incentive Plan

The non-executive directors held no RSUs in 2021.

## Change of remuneration of executive directors and Company performance

The following table shows a comparison of the total remuneration of Directors who served as Directors in 2021 since the year of the Company's Uplisting.

|  | 2020         | 2021         |
|--|--------------|--------------|
| <b>Executive director's remuneration</b>                                 |              |              |
| Jørn Lyseggen<br>(Executive Chair)                                       | \$619,850    | \$623,909    |
| <b>Company performance</b>   |              |              |
| Annual Recurring Revenue Growth  | \$6,603,900  | \$73,207,761 |
| Revenue Growth   | \$13,960,550 | \$41,837,434 |
| Adjusted EBITDA Margin Growth  | \$24,400,732 | \$2,170,801  |
| <b>Average remuneration on a full-time equivalent basis of employees</b> |              |              |
| Employees of the Netherlands   | \$87,224     | \$89,762     |
| Employees of the Group   | \$106,829    | \$87,743     |
| <b>Internal pay ratio executive director</b>                             |              |              |
| Jørn Lyseggen<br>(Executive Chair)                                       | 5.80         | 7.11         |

### Internal pay ratio

In accordance with Dutch law and the Dutch Corporate Governance Code, the internal pay ratio is an important factor for determining the remuneration policy. The internal pay ratio set out above is calculated as the total remuneration of the Executive Chair divided by the average employee compensation of all employees of the Group (excluding the Executive Chair) under IFRS principles. For 2021, the internal pay ratio is in line with the Company's acceptable bandwidths.

# Financial Statements

## 2021





## Annual consolidated and company only financial statements for the year ended 31 December 2021

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**2021** **Meltwater N.V.**  
**Annual consolidated financial**  
**statements**



## Consolidated statement of financial position as at 31 December 2021

|  | Notes | 31<br>December<br>2021<br>\$'000 | 31<br>December<br>2020<br>\$'000 |
|--|-------|----------------------------------|----------------------------------|
| <b>Assets</b>  |       |                                  |                                  |
| <b>Non-current assets</b>                              |       |                                  |                                  |
| Goodwill   | 5/6   | 80 427                           | 16 285                           |
| Other intangible assets                                | 5     | 60 633                           | 42 469                           |
| Property, plant and equipment                          | 4     | 3 656                            | 3 373                            |
| Right-of-use assets                                    | 4     | 25 615                           | 29 959                           |
| Financial assets at fair value through profit and loss | 8     | 1 292                            | 2 036                            |
| Financial assets at amortized cost                     | 8     | 10 891                           | 5 267                            |
| Contract costs   | 11    | 25 690                           | 20 980                           |
| Deferred tax asset                                     | 27    | 8 586                            | 4 289                            |
| <b>Total non-current assets</b>                        |       | <b>216 790</b>                   | <b>124 658</b>                   |
| <b>Current assets</b>                                  |       |                                  |                                  |
| Trade receivables                                      | 9     | 88 152                           | 75 749                           |
| Other current assets                                   | 10    | 23 854                           | 15 828                           |
| Contract costs   | 11    | 32 491                           | 25 470                           |
| Cash and cash equivalents                              | 12    | 44 387                           | 99 927                           |
| <b>Total current assets</b>                            |       | <b>188 884</b>                   | <b>216 974</b>                   |
| <b>Total assets</b>                                    |       | <b>405 674</b>                   | <b>341 632</b>                   |
| <b>Liabilities</b>                                     |       |                                  |                                  |
| <b>Non-current liabilities</b>                         |       |                                  |                                  |
| Borrowings   | 18    | 25 046                           | -                                |
| Lease liabilities                                      | 7     | 19 969                           | 23 254                           |
| Contract liabilities                                   | 22    | 10 585                           | 11 168                           |
| Other non-current liabilities                          | 19    | 13 576                           | -                                |
| Deferred tax liability                                 | 27    | 13 825                           | 7 005                            |
| Employee benefit obligation                            | 15    | 423                              | 334                              |
| <b>Total non-current liabilities</b>                   |       | <b>83 424</b>                    | <b>41 761</b>                    |
| <b>Current liabilities</b>                             |       |                                  |                                  |
| Borrowings   | 18    | 13                               | -                                |
| Trade and other payables                               | 17    | 122 901                          | 114 674                          |
| Contract liabilities                                   | 22    | 234 821                          | 206 097                          |
| Lease liabilities                                      | 7     | 9 928                            | 10 258                           |
| Current tax liabilities                                | 27    | 1 588                            | 3 424                            |
| Employee benefit obligation                            | 15    | 104                              | 127                              |
| <b>Total current liabilities</b>                       |       | <b>369 355</b>                   | <b>334 580</b>                   |
| <b>Total liabilities</b>                               |       | <b>452 779</b>                   | <b>376 341</b>                   |
| <b>Equity</b>  |       |                                  |                                  |
| Share capital  | 13    | 3 421                            | 29                               |
| Share premium  | 13    | 417 255                          | 351 657                          |
| Accumulated deficit                                    |       | (464 233)                        | (386 295)                        |
| Other reserves   | 14    | (3 548)                          | (100)                            |
| <b>Total equity</b>                                    |       | <b>(47 105)</b>                  | <b>(34 709)</b>                  |
| <b>Total equity and liabilities</b>                    |       | <b>405 674</b>                   | <b>341 632</b>                   |



## Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021

|   | Notes | 2021<br>\$'000  | 2020<br>\$'000  |
|---|-------|-----------------|-----------------|
| Revenue from contracts with customers   | 22    | 401 628         | 359 791         |
| Cost of sales   |       | (119 731)       | (105 504)       |
| <b>Gross profit</b>   |       | <b>281 897</b>  | <b>254 287</b>  |
| Sales and marketing expenses  |       | (221 188)       | (177 813)       |
| General and administrative expenses   |       | (80 537)        | (51 580)        |
| Research and development expenses   |       | (58 365)        | (37 952)        |
| Other income  |       | 16              | 42              |
| <b>Operating profit/(loss)</b>  |       | <b>(78 177)</b> | <b>(13 016)</b> |
| Finance costs   | 25    | (4 865)         | (60 791)        |
| Foreign exchange gain/(loss)  |       | 5 454           | (5 479)         |
| Finance income  | 26    | 432             | 3 919           |
| <b>Profit/(loss) before tax</b>   |       | <b>(77 156)</b> | <b>(75 367)</b> |
| Income tax benefit/ (expense)   | 27    | (782)           | (624)           |
| <b>Profit/(loss) for the year</b>   |       | <b>(77 938)</b> | <b>(75 991)</b> |
| <b>Profit/(loss) attributable to:</b>   |       |                 |                 |
| Shareholders  |       | (77 938)        | (75 991)        |
| Earnings/(loss) per share for profit attributable to the ordinary equity holders of the Company |       |                 |                 |
| Basic earnings/(loss) per share   | 28    | (0.26)          | (0.31)          |
| Diluted earnings/(loss) per share   | 28    | (0.26)          | (0.31)          |
| <b>Other comprehensive income</b>   |       |                 |                 |
| <i>Items that may be reclassified to profit and loss, net of tax</i>                            |       |                 |                 |
| Exchange difference on translation of foreign operations  |       | (3 467)         | 1 688           |
| <i>Items that will not be reclassified to profit or loss</i>                                    |       |                 |                 |
| Remeasurements of defined benefit obligation  | 14    | 19              | 60              |
| <b>Total other comprehensive income/(loss)</b>  |       | <b>(3 448)</b>  | <b>1 748</b>    |
| <b>Total comprehensive income/(loss)</b>  |       | <b>(81 386)</b> | <b>(74 243)</b> |
| <b>Attributable to:</b>   |       |                 |                 |
| Shareholders  |       | (81 386)        | (74 243)        |



## Consolidated statement of changes in equity for the year ended 31 December 2021

|  | Share capital | Share premium  | Other reserves | Accumulated deficit | Total equity     |
|--|---------------|----------------|----------------|---------------------|------------------|
|  | \$'000        | \$'000         | \$'000         | \$'000              | \$'000           |
| <b>Notes</b>   | 13            | 13             | 14             |                     |                  |
| <b>Balance as of 1 January 2020</b>  | <b>24</b>     | <b>105 179</b> | <b>(1 911)</b> | <b>(310 241)</b>    | <b>(206 949)</b> |
| Loss for the period  | -             | -              | -              | (75 991)            | (75 991)         |
| Foreign currency translation adjustments   | -             | -              | 1 751          | (63)                | 1 688            |
| Remeasurements of defined benefit obligation   | -             | -              | 60             | -                   | 60               |
| <b>Total comprehensive income / (loss)</b>   | <b>-</b>      | <b>-</b>       | <b>1 811</b>   | <b>(76 054)</b>     | <b>(74 243)</b>  |
| Share-based compensation expense   | -             | 5 769          | -              | -                   | 5 769            |
| Share-based compensation tax   | -             | 1 681          | -              | -                   | 1 681            |
| Issuance of common shares in connection with Euronext Growth (Merkur) Oslo Børs offering, net of issuance cost | 5             | 237 536        | -              | -                   | 237 541          |
| Issuance of Series A common shares upon exercise of option   | -             | 1 088          | -              | -                   | 1 088            |
| Issuance of Series A common shares upon exercise of warrant  | -             | -              | -              | -                   | -                |
| Issuance of Series A common shares in consideration for acquisition  | -             | 404            | -              | -                   | 404              |
| <b>Total other movements</b>   | <b>5</b>      | <b>246 478</b> | <b>-</b>       | <b>-</b>            | <b>246 483</b>   |
| <b>Balance as of 31 December 2020</b>  | <b>29</b>     | <b>351 657</b> | <b>(100)</b>   | <b>(386 295)</b>    | <b>(34 709)</b>  |



|  |              |                |                |                  |                 |
|--|--------------|----------------|----------------|------------------|-----------------|
| <b>Balance as of 31 December 2020</b>  | <b>29</b>    | <b>351 657</b> | <b>(100)</b>   | <b>(386 295)</b> | <b>(34 709)</b> |
| Loss for the period  | -            | -              | -              | (77 938)         | (77 938)        |
| Foreign currency translation adjustment  | -            | -              | (3 467)        | -                | (3 467)         |
| Remeasurements of defined benefit obligation   | -            | -              | 19             | -                | 19              |
| <b>Total comprehensive income</b>  | <b>-</b>     | <b>-</b>       | <b>(3 448)</b> | <b>(77 938)</b>  | <b>(81 386)</b> |
| Share-based compensation expense   | -            | 60 425         | -              | -                | 60 425          |
| Share-based compensation tax   | -            | (1 218)        | -              | -                | (1 218)         |
| Issuance of common shares in connection with Euronext Growth (Merkur) Oslo Børs offering, net of issuance cost | -            | (35)           | -              | -                | (35)            |
| Issuance of Series A common shares upon exercise of option   | 5            | 5 475          | -              | -                | 5 480           |
| Issuance of Series A common shares in consideration for acquisition  | 1            | 16 553         | -              | -                | 16 554          |
| Issuance of Series A common shares in consideration for post combination services                              | -            | 1 527          | -              | -                | 1 527           |
| Change in par value of share capital   | 3 404        | (3 404)        | -              | -                | -               |
| Issuance of Series A common shares, other  | -            | 895            | -              | -                | 895             |
| Repurchase of series A common shares   | (18)         | (5 146)        | -              | -                | (5 164)         |
| Repurchase of equity securities  | -            | (9 474)        | -              | -                | (9 474)         |
| <b>Total other movements</b>   | <b>3 392</b> | <b>65 598</b>  | <b>-</b>       | <b>-</b>         | <b>68 990</b>   |
| <b>Balance as of 31 December 2021</b>  | <b>3 421</b> | <b>417 255</b> | <b>(3 548)</b> | <b>(464 233)</b> | <b>(47 105)</b> |



## Consolidated statement of cash flows for the year ended 31 December 2021

|   | Notes | 2021<br>\$'000  | 2020<br>\$'000  |
|---|-------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                           |       |                 |                 |
| <b>Net profit/(loss) before tax</b>                                   |       | <b>(77 156)</b> | <b>(75 367)</b> |
| <b>Adjustments for:</b>   |       |                 |                 |
| Depreciation of right-of-use-assets                                   | 4     | 11 149          | 11 196          |
| Depreciation of property, plant and equipment                         | 4     | 1 707           | 2 769           |
| Amortization of other intangible assets                               | 5     | 11 274          | 10 600          |
| Amortization of capitalized software costs                            | 5     | 11 075          | 10 323          |
| Impairment of capitalized software costs                              | 5     | 2 729           | 1 100           |
| Amortization of debt discount and financing cost                      |       | 239             | -               |
| Share-based compensation expense                                      | 16    | 60 425          | 5 769           |
| Loss on loan extinguishment   | 25    | -               | 34 346          |
| Interest paid   |       | (4 656)         | (32 206)        |
| Interest expense accrued  |       | 4 626           | 27 262          |
| Interest received   |       | -               | 6 951           |
| Unrealised FX (gains)/losses relating to working capital items        |       | (7 320)         | 6 617           |
| Tax (paid)/received   |       | (4 694)         | (1 315)         |
| Share-based compensation expense related to post combination services |       | 1 527           | -               |
| <b>Changes in working capital items:</b>                              |       |                 |                 |
| Decrease/ (increase) in trade receivables                             | 9     | (10 472)        | 5 619           |
| Decrease/ (increase) in other current assets                          | 10    | (1 908)         | 1 281           |
| Decrease/(increase) in contract costs                                 | 11    | (13 198)        | (1 888)         |
| (Decrease)/increase in contract liabilities                           | 22    | 28 372          | 832             |
| (Decrease)/increase in trade and other payables                       |       | (6 499)         | 20 700          |
| (Decrease)/increase in employee benefit obligation                    |       | (98)            | 25              |
| <b>Cash generated from / (used in) operating activities</b>           |       | <b>7 122</b>    | <b>34 614</b>   |
| <b>Cash flows from investing activities</b>                           |       |                 |                 |
| Payments for acquisition of property and equipment                    | 4     | (1 894)         | (2 276)         |
| Related party loans   |       | -               | 28 100          |
| Proceeds from sale of property and equipment                          |       | -               | 50              |
| Capitalized software development costs and other intangible assets    |       | (12 106)        | (10 590)        |
| Amounts paid for business combinations, net of cash acquired          |       | (49 565)        | -               |
| Proceeds from sale of minority interest investment                    |       | 60              | -               |
| <b>Cash generated from / (used in) investing activities</b>           |       | <b>(63 505)</b> | <b>15 284</b>   |
| <b>Cash flows from financing activities</b>                           |       |                 |                 |
| Proceeds from borrowings  |       | 25 000          | 25 000          |
| Payments of debt issuance cost  |       | (638)           | -               |
| Repayment of non-convertible borrowings                               |       | -               | (200 000)       |
| Payment of loss on loan extinguishment                                |       | -               | (30 587)        |
| Proceeds from issuance of common shares                               |       | 5 480           | 1 088           |



|   |                 |               |
|---|-----------------|---------------|
| (Payments)/ Proceeds from Euronext Growth (Mercur)          | (10 674)        | 248 404       |
| Oslo Børs offering, net of issuance costs                   | (6 927)         | -             |
| Purchase of equity shares                                   | (10 437)        | (10 648)      |
| Payment of principal portion on lease liability             |                 |               |
| <b>Cash generated from / (used in) financing activities</b> | <b>1 804</b>    | <b>33 257</b> |
| <b>Net increase in cash and cash equivalents</b>            | <b>(54 579)</b> | <b>83 155</b> |
| Effects of foreign exchange rates                           | (961)           | 1 408         |
| Cash and cash equivalents at the beginning of the year      | 99 927          | 15 364        |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>44 387</b>   | <b>99 927</b> |



## Notes to the annual consolidated financial statements

### 1. General information

#### 1.1 Operations

Meltwater N.V. (the “Company”) and its subsidiaries (the “Group”, or “Meltwater”) is a group of companies founded in Norway. The Company has its statutory seat in Amsterdam, The Netherlands. The Company is listed on the Oslo Børs in Oslo, Norway. The address of the Company’s registered office is Singel 250, 1016 AB, Amsterdam. The registration number of the Company at the Chamber of Commerce is 32109376.

The operations of the Group are mainly comprised of providing cloud-based news, social media monitoring and related services.

In 2020 the Company changed its name from Meltwater Holding B.V. to Meltwater B.V.

On 3 December 2021 the general meeting of Meltwater B.V. approved the conversion of the Company to a public limited company in the Netherlands (naamloze vennootschap) (N.V.). This conversion was effected on 6 December 2021 through a change in the articles of association. Additionally, the par value of the shares was changed from USD 0.001 per share to EUR 0.01 per share resulting in an increase of the paid share capital to EUR 3 million, the increase being funded from share premium. As of 6 December 2021, the name of the entity changed to Meltwater N.V.

#### 1.2 Going concern

The consolidated financial statements have been prepared on a going concern basis. For 2021, the Company ended with total revenues of \$401.6 million (2020: \$359.8 million) with a net loss of \$77.9 million (2020: net loss of \$76.0 million). As a result of the losses in 2021 and previous years, the Company has a negative equity of \$47.1 million (2020: \$34.7 million). The negative equity is reduced due to the additional paid-in capital of \$417.3 million (2020: \$351.7 million).

As of 31 December 2021, current liabilities exceeded current assets by \$180.5 million, of which \$234.8 million of current liabilities consists of the current portion of contract liabilities, most of which will not be settled in cash. Cash provided by operating activities was \$7.1 million positive and \$34.6 million positive during the years ended 31 December 2021 and 2020, respectively.

The Company’s cash and cash equivalents balance as of 31 December 2021 was \$44.4 million (Note 12).

In December 2020, the Company completed the Euronext Growth (Mercur) Oslo Børs offerings. Upon completion, the Company repaid the 2019 Note Payable balance. The repayment of the 2019 Note Payable resulted in the application of extinguishment accounting, whereby, the difference between the reacquisition price of the debt and its net carrying amount was recognized in the period of extinguishment. For the year ended 31 December 2020, the Company recorded a loss on loan extinguishment totalling \$34.3 million.

In December 2020, the Company entered into a multi-currency revolving credit facility (the “2020 Credit Facility”) of \$150.0 million. The maturity date of the 2020 Credit Facility is three years from when the first utilization occurs with an option to extend an additional one to two years. Interest accrues on amounts outstanding under the 2020 Credit Facility at LIBOR plus a margin range of 1.50% to 2.00% per annum. The Company is required to meet certain covenants in relation to the 2020 Credit Facility. The covenants were mainly related to the achievement of a financial leverage ratio. As of 31 December 2020, the Company had not drawn any borrowings



under the 2020 Credit Facility and had the ability to borrow \$150.0 million under the 2020 Credit Facility.

In June 2021, the Company drew down \$25 million from the Revolving Credit Facility which remained outstanding as of 31 December 2021. In September 2021 Meltwater utilized the option to extend the due date by one year making the outstanding amount wholly due and payable by 9 June 2025.

Management believes that the cash balances and the credit facility available as of 31 December 2021 and the funds generated from future operations will enable the Company to meet its cash requirements for the foreseeable future (at least twelve months from the date of these financial statements).

### COVID-19 pandemic

The COVID-19 pandemic has developed rapidly in 2020 and continued in 2021, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Company has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for the Company's people (such as social distancing and working from home). In every country the Company operate, there are promising signs of abatement of Omicron variants and governmental authorities are gradually relaxing COVID-19 restrictions. At this stage, the impact on the business and results has not been significant and based on the Company's experience to date we expect this to remain the case.

As the Company operates in media intelligence and analytics business, the Company has found increased demand for their services and expect this to continue. The Company will continue to follow the various government policies and advice and, in parallel, they will do their utmost to continue the Company's operations in the best and safest way possible without jeopardising the health of our people.

As of 31 December 2021, and to the date that these financial statements have been issued, there has been no significant impact from COVID-19 on the Company's operating results or financial position.

## **2. Basis of preparation**

### **2.1 Accounting basis**

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), hereafter IFRS-EU or IFRS.

The annual consolidated financial statements have been prepared on the historical cost basis unless otherwise indicated.

The significant entities that are part of the Group are disclosed in Note 30.

The annual consolidated financial statements were authorized for issue by the Board of Directors on 26 April 2022.

### **2.2 Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These annual consolidated financial statements are presented in US Dollar (\$), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand (\$'000), unless otherwise indicated. The Basic and Diluted earnings (loss) per



share as presented in the Consolidated statement of profit or loss and other comprehensive income have been presented in cents.

### **2.3 Use of estimates and judgements**

The preparation of these annual consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions, which affect the reported amounts in these annual consolidated financial statements. Estimates are based on historical experience, where applicable, and other assumptions which management believes are reasonable under the circumstances. The Group evaluates its estimates on an ongoing basis. These estimates are inherently subject to judgement and actual results could differ from those estimates. Revisions to accounting estimates are recognized prospectively.

Information about significant judgements and estimates used are included in the relevant notes to the financial statements.

The areas involving significant estimates and judgements are:

#### Significant estimates and judgements:

- Determining the lease term of contracts with renewal and termination options (Note 7)
- Capitalization of development costs (Note 3.6.1)
- Estimated useful life of intangible assets (Note 3.6.3)
- Estimation of the incremental borrowing rate ('IBR') applied to lease accounting (Note 7);
- Estimation of the loss allowance for expected credit losses (Note 32)
- Estimation of the recoverable amounts of cash generating units for impairment of goodwill (Note 6)
- Valuation of share-based payments (Note 16)
- Valuation of deferred tax assets and liabilities (Note 27);
- Estimation of fair values of contingent purchase consideration in a business combination (Note 3.2);
- Estimation of fair values of intangible assets acquired as part of a business combination and subsequent measurement thereof (Note 3.2)
- Recognition of deferred tax asset for carried-forward tax losses (Note 3.21.2)

### **2.4 New and amended IFRS Standards that are effective for the current year**

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates ("IBOR") to alternative benchmark interest rates (also referred to as "risk free rates" or "RFRs") without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Company has not restated the prior period, instead, the amendments are applied retrospectively with any adjustments being recognized in the appropriate components of equity. There has been no impact to the financial year ended 31 December 2021 as referred to the table below.

Details of non-derivative financial instruments affected by the interest rate benchmark reform together with a summary of the actions taken by the Company to manage the risks relating to the reform and the accounting impact thereof:



| Non- derivative financial instrument prior to transition | Date of Maturity | Nominal currency | Total nominal value | Transition progress for non- derivative financial instruments |
|--|------------------|------------------|---------------------|---|
| Bank borrowings linked to USD LIBOR                      | 2025             | USD              | 150,000,000         | Transition required before June 2023                          |

### Progress towards implementation of alternative benchmark interest rates

The Company is in communication with the relevant financial institutions regarding the reformation related to the above instruments.

The changes are expected to be finalised in 2022.

## 3. Significant accounting policies

### 3.1 Basis of consolidation

The annual consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

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

Subsidiaries are entities over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated as soon as control ceases.

All intercompany balances, transactions, income and expenses and profits and losses resulting from transactions between Group companies are eliminated. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

### 3.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred if the costs do not relate to the issuance of debt or equity instruments. The Company's estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill.



At the acquisition date, the identifiable assets acquired, the liabilities and contingent liabilities assumed are recognized at their fair value at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) and the amount of any non-controlling interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

### **3.3 Goodwill**

Goodwill is initially recognized and measured as set out above.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a business, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### **3.4 Foreign currency**

#### ***3.4.1 Foreign currency transactions and balances***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate at the reporting date. Foreign currency differences are recognized in profit or loss and presented within the foreign exchange gain/(loss) line item. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-



monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

### **3.4.2 Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities of foreign operations are translated to US Dollar at closing rates at the reporting date.
- The income and expenses of foreign operations are translated into US Dollar at the average exchange rates.
- Foreign currency differences are recognized in other comprehensive income (“OCI”) and accumulated in the foreign currency translation reserve in equity. When a foreign operation is disposed of in its entirety or partially, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

## **3.5 Financial instruments**

### **3.5.1 Recognition and derecognition**

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments, except for trade receivables, are recognized on settlement date. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset with substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

### **3.5.2 Classification and initial measurement of financial assets**

Except for the trade receivables that are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs where applicable. Financial assets are classified as either:

- amortized cost (including cash and cash equivalents, deposits, trade and most of other receivables); or
- fair value through profit or loss (“FVTPL”) (including equity investments).

The classification is determined by considering both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs and finance income. The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account- which is also presented within Trade and other receivables (note 9).

### **3.5.3 Subsequent measurement of financial assets**

#### Financial assets at amortized cost

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



- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the assets are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

#### Financial assets through other comprehensive income

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets through profit and loss

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

Assets in this category are measured at fair value with gains or losses, including any interest and dividend income, recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### **3.5.4 Recoverability of financial assets**

The Group uses the simplified approach in accounting for its financial assets (trade- and lease receivables and deposits) and records the loss allowance as lifetime expected credit losses (“ECL”). The ECL are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group makes use of the practical expedient by which they can use a provision matrix as the basis to determine the expected loss for its trade accounts receivable. The expected credit loss is based on the historical observed default rates per trade accounts receivable ageing category over the expected life of the trade account receivables. Forward-looking adjustment is considered to have very limited impact due to very short maturity of financial assets exposed to credit risk.

The Group recognizes, within general and admin expenses in the consolidated statement of profit or loss and other comprehensive income, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. When a trade receivable is uncollectable (in severe financial difficulty and there is no realistic prospect of recovery), it is written off against the allowance account.

#### **3.5.5 Classification and measurement of financial liabilities**

The Group’s financial liabilities include debt to shareholders, related parties and third parties as well as accounts payable to suppliers and trade creditors and lease liabilities. Financial liabilities are initially measured at fair value and are adjusted for transaction costs where applicable. Subsequently, financial liabilities are measured at amortized cost using the effective interest rate method. All interest-related charges are recognized within finance costs in the consolidated statement of profit or loss and other comprehensive income.



### 3.5.6 *Offsetting*

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and the Group intends to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 3.6 Intangible assets

### 3.6.1 *Recognition and measurement*

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|          |                   |
|----------|-------------------|
| Goodwill | Refer to note 3.3 |
|----------|-------------------|

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|                               |  |
|-------------------------------|--|
| Research and development cost | <p>Expenditure on research activities is recognized in the statement of profit or loss and other comprehensive income as incurred. These costs consist primarily of research and development employee-related expenses, third-party contractor fees and allocated overhead associated with developing new services.</p> <p>Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. During the period of development, the asset is tested for impairment annually.</p> |
|-------------------------------|--|

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|                         |   |
|-------------------------|---|
| Other intangible assets | <p>Other intangible assets, including developed technology, customer relationships, content supplier relationships, tradenames and others, that are acquired by the Group and have finite useful lives are measured at cost, being the fair value at acquisition date, less accumulated amortization and any accumulated impairment losses. The cost of a separately acquired intangible asset comprises:</p> <ul style="list-style-type: none"><li>(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and</li><li>(b) any directly attributable cost of preparing the asset for its intended use.</li></ul> |
|-------------------------|---|

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Initial capitalized development cost is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has



reached a defined milestone according to an established project management model. In determining the impairment considerations as well as the useful life, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

### **3.6.2 Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

### **3.6.3 Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognized in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

| <u>Assets</u>           | <u>Years</u> |
|-------------------------|--------------|
| Capitalized software    | 3 years      |
| Other intangible assets | 2 - 10 years |

Amortization methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

## **3.7 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The rate used to capitalize interest was based on consideration of the following:

- The 2016 Note Payable accrued interest on a quarterly basis, which was payable on a quarterly basis. The loan agreement provided for the Company to elect the interest rate from alternatives that include Prime Rate plus a margin range of 7.75% to 8.50% per annum for 2019 based on the senior leverage ratio and LIBOR plus a margin range of 9.00% to 9.75% per annum for 2019 based on the senior leverage ratio.
- The 2019 Note Payable accrued interest on a quarterly basis, of which 4.00% was payable either at the loan's maturity or upon prepayment of the note and the remainder was payable on a quarterly basis. The loan agreement provided for the Company to elect the interest rate from alternatives that include Prime Rate plus a margin range of 7.75% to 8.50% per annum in 2020 and LIBOR plus 9.50% per annum. During the year ended 31 December 2021, no interest accrued relating to the 2019 Note Payable. Please refer to note 1.2 Going Concern where the repayment of loan is disclosed.
- The Company entered a multi-currency revolving credit facility (the "2020 Credit Facility") of \$150.0 million. The maturity date of the 2020 Credit Facility is three years from when the first utilization occurs with an option to extend an additional one to two years. Interest accrues on amounts outstanding under the 2020 Credit Facility at



LIBOR plus a margin range of 1.50% to 2.00% per annum. During the year ended 31 December 2021 the interest rates used to accrue and pay interest ranged from 0% to 1.65% (2020: 11.10% to 13.10%).

### **3.8 Property, plant and equipment**

#### ***3.8.1 Recognition and measurement***

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

#### ***3.8.2 Subsequent expenditure***

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be reliably measured.

#### ***3.8.3 Depreciation***

Depreciation is calculated using the straight-line method over the estimated useful lives of property, plant and equipment.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

| <u>Assets</u>                  | <u>Years</u> |
|--------------------------------|--------------|
| Right-of-use assets            | 4 years      |
| Computer equipment             | 3 years      |
| Office equipment and furniture | 3 – 5 years  |

Leasehold improvements are amortized over the lesser of their useful life or the term of the applicable lease.

Leased assets (refer to note 3.10) are depreciated over the shorter of the asset useful life or the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **3.9 Impairment of assets**

Goodwill is not subject to amortization and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Where an impairment indicator has been identified on an individual asset level, the impairment is assessed for that individual asset. Goodwill is reviewed for possible impairment at the end of each reporting period. Non-financial assets other



than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **3.10 Leases**

#### **3.10.1 As a lessee**

The lease portfolio of the Group consists of corporate office spaces. The Group recognizes a right-of-use asset and a lease liability at the commencement date. The right-of-use assets are presented separately from property, plant and equipment in the financial statements but are disclosed together with property, plant and equipment in note 4. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the incremental borrowing rate (“IBR”), being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. The Group applies a single IBR to a portfolio of leases with reasonably similar characteristics. The total lease payments include fixed payments, rent-free periods as well as variable lease payments that depend on an index or rate as at the commencement date. The Group determined the lease term of each lease as the non-cancellable period of a lease, together with periods covered by an option to extend and terminate the lease if the lessee is reasonably certain to exercise those options. If the Group cannot readily determine the interest rate implicit in the lease, it uses its IBR to measure the present value of future lease payments.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group accounts for lease modifications as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets; and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For modifications that are not accounted for as a separate lease, the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The remeasurement is recognized as an adjustment to the right-of-use asset.

The Group has elected to account for the lease and non-lease components as a single lease component. The fixed payments therefore include fixed payments for lease and non-lease components.



The Group has also elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets. The lease payments associated with these leases are recognized as an expense within the statement of profit and loss and other comprehensive income on a straight-line basis over the lease term.

### **3.10.2 As a lessor**

The Company enters into lease agreements as a lessor with respect to some of its right of use assets. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

### **3.11 Prepayments**

Prepayments are carried at cost. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down and the corresponding impairment loss is recognized in profit or loss within other expenses.

### **3.12 Other receivables**

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed a year. Collateral is not normally obtained.

### **3.13 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank and on hand and deposits held at call with financial institutions.

### **3.14 Equity**

#### **3.14.1 Share capital**

Share capital represents the nominal (par) value of issued shares.

#### **3.14.2 Share premium**

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. The share premium is also used to recognize the value of equity-settled share-based payments provided to employees, including management personnel, as part of their remuneration.

#### **3.14.3 Foreign currency translation reserve**

Foreign currency translation reserve comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign operations.



#### **3.14.4 Accumulated deficit**

Accumulated deficit includes all current and prior period retained profits and losses.

### **3.15 Employee benefits obligations**

#### **3.15.1 Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **3.15.2 Other long-term employee benefits**

Other long-term employee benefits relate to the long-service leave benefit. The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

The Group has liabilities for long-service leave benefit that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **3.15.3 Post-employment obligations**

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment or legal obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **3.15.4 Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### **3.15.5 Share-based payments**



The cost of equity-settled share-based payments to employees and others providing similar services is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period which is the period over which all of the specified vesting conditions are to be satisfied.

For certain restricted share units (“RSUs”), a liquidity condition needs to be satisfied in addition to the service condition. The liquidity event condition is satisfied on the earlier of (i) an acquisition or change in control of the Company or (ii) one hundred and eighty days after the effective date of the Company filing a registration statement on Form S-1 (or equivalent filing) with the U.S. Securities and Exchange Commission for the initial public offering of its shares. No compensation expense is recognized for restricted share units until the liquidity condition is deemed probable. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The liquidity condition aforementioned only applied until the RSU’s were modified during 2021. Refer to note 16 for discussion of the accounting for this modification.

The fair value excludes the effect of non-market-based vesting conditions. The fair value of share-based awards to employees is estimated using the Black-Scholes option-pricing model. The Company does not anticipate paying any cash dividends in the foreseeable future and therefore uses an expected dividend yield of zero in the option pricing model. The impact of the revision of the forfeitures, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

#### **3.15.6 Defined benefit plan**

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the finance costs and finance income in the statement of profit or loss and other comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in accumulated deficit in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

#### **3.16 Contingent liabilities**

Contingent liabilities are disclosed when the Group has:



- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because
  - o it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - o the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not disclosed if the possibility of any outflow in settlement is remote.

### **3.17 Contingent assets**

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

### **3.18 Revenue from contracts with customers**

The Company derives its revenue primarily from subscription fees for its cloud-based news and social media monitoring services.

Revenue is recognized when a customer obtains control of promised services, consisting of subscriptions of our software platform. The amount of revenue recognized reflects the consideration that the Company expects to be entitled to receive in exchange for these services. The Company applies the following five steps to recognize revenue:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to performance obligations in the contract.
5. Recognize revenue when or as the Company satisfies a performance obligation.

Revenue is generally recognized on a gross basis where the Company acts as a principal, as the Company is primarily responsible for fulfilling the contract and has discretion in establishing the price when selling to the customer. To the extent the Company does not meet the criteria for recognizing revenue on a gross basis, the Company records the revenue on a net basis.

Certain of the Company's contracts with its customers include potential adjustments such as price concessions. The Company estimates the variable consideration related to these price adjustments as part of the total transaction price and constrains the amount of revenue recognized to the extent it is probable that a significant reversal will not occur. The Company determines the amounts to be recognized based on the amount of potential refund or concession, historical experience and other surrounding facts and circumstances. The Company estimates the variable consideration at each reporting period, and recognizes revenue when the uncertainty is resolved.

#### **Subscription revenue**

The Company derives its revenue primarily from subscription fees for its cloud-based news and social media monitoring services. The Company hosts software applications over subscription periods generally up to 12 months or may extend to longer periods. The Company provides customers with access to training and support that help them use the cloud-based news and social media monitoring services over the subscription periods. The subscription agreements are noncancelable and do not contain provisions for refunds. Customers do not have any contractual rights to take possession of the Company's software applications. The services the Company provides each day are substantially the same and have the same pattern of transfer



to the customer, thus, meeting the definition of a series of distinct services that form a single performance obligation.

The Company satisfies the subscription and related services evenly over the contract period as customers simultaneously receive and consume the services provided. Revenue is recognized ratably over the subscription period from the contract effective date which is also the date the Company makes its services available to customers. Payment is typically due up-front in its entirety or throughout the contract period, usually monthly. Fees for services are generally fixed, however certain contracts include variable charges based on usage that occurs in a given month. Those variable fees are recognized as revenue in the month the usage occurs and typically are billed in the subsequent month.

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

Recorded revenue excludes any sales, use or other similar taxes that the Company is required to collect from customers for remittance to governmental authorities.

#### **Costs capitalized to obtain revenue contracts**

The Company capitalizes incremental costs of obtaining a revenue contract. The capitalized amounts consist primarily of sales commissions and fringe benefit costs associated with the Company's direct sales force. Costs capitalized related to new revenue contracts are amortized on a straight-line basis over four years, which although longer than the typical initial contract period, reflects the average period of benefit, including expected contract renewals. Additionally, the Company amortizes capitalized costs for renewal over the renewal period.

In the year ended 31 December 2021, the Company capitalized \$49.7 million of incremental contract costs and recorded amortization of \$36.8 million related to amounts capitalized in the current and prior years. In the year ended 31 December 2020, the Company capitalized \$33.8 million of incremental contract costs and recorded amortization of \$32.9 million related to amounts capitalized in the current and prior years.

#### **Concentration of credit risk and significant Customers**

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with major financial institutions in countries where it and its subsidiaries are located. For banks located in the United States, the Company has exposure to credit risk to the extent cash balances exceed amounts covered by federal deposit insurance.

There were no customers whose balance represented 10% or more of the accounts receivable balance as of 31 December 2021 and 2020, or whose revenue represented 10% or more of revenue during the years ended 31 December 2021 and 2020.

#### **Contract liabilities**

Contract liabilities consist of billings or payments received in advance of recognition of revenue from the Company's services described above and is only recognized as revenue when the revenue recognition criteria are met. The portion of contract liabilities that the Company will recognize during the twelve-month period from the balance sheet date is recorded within current liabilities and the remaining portion is recorded as non-current.

#### **Cost of revenue**

Cost of revenue consists of hosting costs, content royalties, data communications expenses, employee-related expenses, allocated overhead costs based on headcount, software license fees, costs associated with website development activities, depreciation expense associated



with computer equipment, and amortization expense associated with capitalized software related to the Company's cloud-based customer services and acquired developed technologies.

The accounting policies for the Group's revenue from contracts with customers are explained further in Note 22 (Revenue from contracts with customers) and note 11 (Contract costs).



### **3.19 Operating result**

Operating profit/loss is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit/loss excludes net finance costs, foreign exchange gain or loss and income taxes.

### **3.20 Finance income and finance costs**

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- net interest expense on defined benefit obligation;
- Gains/losses on loan extinguishment; and
- Foreign exchange gains/losses

Interest income or expense is recognized using the effective interest method.

The difference between the reacquisition price of debt and its net carrying amount is recognized in the period of extinguishment as a gain/loss on loan extinguishment.

### **3.21 Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income (OCI).

#### **3.21.1 Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

#### **3.21.2 Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able



to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The Group elected to apply the initial recognition exemption (IRE) on initial recognition as well as for subsequent measurement, therefore the right-of-use asset and the lease liability are considered separately for deferred tax purposes.

### **3.21.3 Uncertainty over income taxes**

The Group's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the Tax Authorities. Uncertain tax items relate principally to the interpretation of tax legislation regarding arrangements entered into by the Group. Due to the uncertainty associated with tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ.

The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

### **3.22 Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

### **3.23 Government grants**

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included as a deduction in arriving at the asset's carrying amount and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

### **3.24 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit attributable to owners of the Company (excluding any costs of servicing equity other than ordinary shares) by the weighted average number of ordinary



shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### 4. Property, plant and equipment and right-of-use assets

Property, plant and equipment

|  | Leasehold<br>improvements<br>\$'000 | Computer<br>Equipment<br>\$'000 | Office<br>equipment<br>\$'000 | Total<br>\$'000 |
|--|-------------------------------------|---------------------------------|-------------------------------|-----------------|
| <b>As at 1 January 2020</b>                          |                                     |                                 |                               |                 |
| Acquisition costs                                    | 4 853                               | 6 686                           | 5 045                         | 16 584          |
| Accumulated depreciation                             | (3 600)                             | (4 907)                         | (3 613)                       | (12 120)        |
| <b>Net book amount</b>                               | <b>1 253</b>                        | <b>1 779</b>                    | <b>1 432</b>                  | <b>4 464</b>    |
| <b>Movements for the year ended 31 December 2020</b> |                                     |                                 |                               |                 |
| Additions  | 1 734                               | 292                             | 263                           | 2 289           |
| Depreciation   | (1 171)                             | (989)                           | (609)                         | (2 769)         |
| Disposals  | (3 505)                             | (1 457)                         | (2 069)                       | (7 031)         |
| Accumulated depreciation on disposals                | 3 069                               | 1 405                           | 1 804                         | 6 278           |
| Foreign exchange differences                         | 42                                  | 46                              | 55                            | 143             |
| <b>As at 31 December 2020</b>                        |                                     |                                 |                               |                 |
| Acquisition costs                                    | 3 155                               | 5 685                           | 3 394                         | 12 234          |
| Accumulated depreciation                             | (1 733)                             | (4 609)                         | (2 519)                       | (8 861)         |
| <b>Net book amount</b>                               | <b>1 422</b>                        | <b>1 076</b>                    | <b>875</b>                    | <b>3 373</b>    |
| <b>Movements for the year ended 31 December 2021</b> |                                     |                                 |                               |                 |
| Additions  | 465                                 | 1 497                           | 104                           | 2 066           |
| Additions through acquisitions                       | -                                   | 32                              | 30                            | 62              |
| Depreciation   | (538)                               | (858)                           | (311)                         | (1 707)         |
| Disposals  | (141)                               | (260)                           | (294)                         | (695)           |
| Accumulated depreciation on disposals                | 141                                 | 260                             | 294                           | 695             |
| Foreign exchange differences                         | (74)                                | (12)                            | (52)                          | (138)           |
| <b>As at 31 December 2021</b>                        |                                     |                                 |                               |                 |
| Acquisition costs                                    | 3 351                               | 7 029                           | 3 737                         | 14 117          |
| Accumulated depreciation                             | (2 076)                             | (5 294)                         | (3 091)                       | (10 461)        |
| <b>Net book amount</b>                               | <b>1 275</b>                        | <b>1 735</b>                    | <b>646</b>                    | <b>3 656</b>    |



| Right-of-use assets                                  | Buildings<br>\$'000 |
|--|---------------------|
| <b>As at 1 January 2020</b>                          | <b>22 748</b>       |
| <b>Net book amount</b>                               |                     |
| <b>Movements for the year ended 31 December 2020</b> |                     |
| Additions  | 19 401              |
| Depreciation   | (11 196)            |
| Modifications  | (1 130)             |
| Foreign exchange differences                         | 136                 |
| <b>As at 31 December 2020</b>                        | <b>29 959</b>       |
| <b>Net book amount</b>                               |                     |
| <b>Movements for the year ended 31 December 2021</b> |                     |
| Additions  | 6 048               |
| Depreciation   | (11 149)            |
| Modifications  | 1 307               |
| Foreign exchange differences                         | (550)               |
| <b>As at 31 December 2021</b>                        | <b>25 615</b>       |
| <b>Net book amount</b>                               |                     |



## 5. Intangible assets (including goodwill)

|  | Goodwill<br>\$'000 | Capitalized<br>software<br>\$'000 | Other intangibles<br>\$'000 | Total<br>\$'000 |
|--|--------------------|-----------------------------------|-----------------------------|-----------------|
| <b>As at 1 January 2020</b>                          | 15 526             | 54 915                            | 49 231                      | 119 672         |
| Acquisition cost                                     | -                  | (22 786)                          | (29 493)                    | (52 279)        |
| Accumulated amortization and impairments             | 15 526             | 32 129                            | 19 738                      | 67 393          |
| <b>Net book amount</b>                               |                    |                                   |                             |                 |
| <b>Movements for the year ended 31 December 2020</b> |                    |                                   |                             |                 |
| Additions  | -                  | 12 000                            | -                           | 12 000          |
| Amortization   | -                  | (10 323)                          | (10 600)                    | (20 923)        |
| Impairments  | -                  | (1 100)                           | -                           | (1 100)         |
| Foreign exchange differences                         | 759                | 334                               | 291                         | 1 384           |
| <b>As at 31 December 2020</b>                        |                    |                                   |                             |                 |
| Acquisition cost                                     | 16 285             | 61 290                            | 50 839                      | 128 414         |
| Accumulated amortization and impairments             | -                  | (28 250)                          | (41 410)                    | (69 660)        |
| <b>Net book amount</b>                               | <b>16 285</b>      | <b>33 040</b>                     | <b>9 429</b>                | <b>58 754</b>   |



| <b>Movements for the year ended 31 December 2021</b> |               |               |               |                |
|--|---------------|---------------|---------------|----------------|
| Additions  | -             | 12 278        | -             | 12 278         |
| Additions through acquisitions                       | 64 556        | -             | 30 855        | 95 411         |
| Disposals  | -             | (5 726)       | (802)         | (6 528)        |
| Accumulated amortization on disposals                | -             | 5 726         | 802           | 6 528          |
| Amortization   | -             | (11 075)      | (11 274)      | (22 349)       |
| Impairments  | -             | (2 729)       | -             | (2 729)        |
| Foreign exchange differences                         | (414)         | (136)         | 245           | (305)          |
| <b>As at 31 December 2021</b>                        |               |               |               |                |
| Acquisition cost                                     | 80 427        | 67 706        | 81 137        | 229 270        |
| Accumulated amortization and impairments             | -             | (36 328)      | (51 882)      | (88 210)       |
| <b>Net book amount</b>                               | <b>80 427</b> | <b>31 378</b> | <b>29 255</b> | <b>141 060</b> |

Goodwill consists of the acquisitions disclosed under note 36. Impairment considerations for goodwill is disclosed under Note 6.

Included in the other intangible assets are the following items:

|                            | <b>Cost at 31 December 2021</b> | <b>Accumulated amortization at 31 December 2021</b> | <b>Net book value 31 December 2021</b> |
|----------------------------|---------------------------------|---|--|
|                            | <b>\$'000</b>                   | <b>\$'000</b>                                       | <b>\$'000</b>                          |
| Customer relationships     | 23 796                          | (14 946)  | 8 850                                  |
| Developed technologies     | 44 375                          | (25 704)  | 18 671                                 |
| Non-compete agreements     | 30                              | (30)  | -                                      |
| Trademarks                 | 3 991                           | (2 297)   | 1 694                                  |
| Content supplier relations | 8 945                           | (8 905)   | 40                                     |
| <b>Total</b>               | <b>81 137</b>                   | <b>(51 882)</b>                                     | <b>29 255</b>                          |

Remaining useful life of other intangibles:

|                            | <b>Remaining useful life</b> |
|----------------------------|------------------------------|
| Customer relationships     | 0.2 – 8.4 years              |
| Developed technologies     | 0.2 – 9.5 years              |
| Non-compete agreements     | 0 years                      |
| Trademarks                 | 0.2 – 9.5 years              |
| Content supplier relations | 0.1 years                    |

The Company capitalized \$12.2 million and \$12.0 million of development costs related to software during the years ended 31 December 2021 and 2020, respectively. Of the amount capitalized, \$0.2 million and \$1.4 million was related to interest in 2021 and 2020, respectively. Additionally, during the years ended 31 December 2021 and 2020, the Company recognized



impairment losses on capitalized software amounting to \$2.7 million and \$1.1 million related to abandoned projects.

**Impairment on intangible assets**

The Company provided a vendor notice of termination of their contract due to the COVID-19 pandemic per the terms of its license agreement. As of October 2021, the vendor noted \$1.8 million in outstanding invoices. As the Company has not used the services, the Company's position is it is not required to pay the outstanding invoices or remaining fees due under the contract from the date of notice of termination. In October 2021, the Company and the vendor settled the dispute by the Company agreeing to pay \$0.7 million to the vendor and the vendor will waive the remaining outstanding balance of \$1.1 million and terminate the contract. In relation to the vendor services, the Company capitalized \$2.5 million of development costs. As the contract is terminated, the Company will not be able to utilize the capitalized software, and as such, the Company recognized an impairment of the capitalized development costs of \$2.5 million related to the abandoned project in October 2021.



## 6. Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, assigned to the Group's cash-generating unit (CGU). Goodwill is tested for impairment, annually or more frequently if there are indications that goodwill might be impaired.

Goodwill is allocated to the cash-generating unit as indicated below:

|                                 | <b>Media<br/>intelligence<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---------------------------------|--|-------------------------|
| Carrying value 31 December 2021 | 80 427                                   | 80 427                  |
| Carrying value 31 December 2020 | 16 285                                   | 16 285                  |

Meltwater consists of one CGU. The CGU is tested for impairment by comparing the carrying amount of the CGU to its recoverable amount. Recoverable amount is based on value in use and is determined using a discounted cash flow model with a five-year forecast period that is approved by management.

The key assumptions used by management in setting the financial budgets for the five-year period were as follows:

*Note: The 2020 and 2021 forecasted values are based on a five-year average. The 2020 forecast uses 2021-2025 forecasted figures and the 2021 forecast uses 2022-2026 forecasted figures.*

### Impairment analysis as per 31 December 2021:

|                           | <b>2021<br/>Actual</b> | <b>2022 Forecast (Average<br/>2022-2026)</b> |
|---------------------------|------------------------|--|
| Sales growth rate (%)     | 11.63%                 | 19.04%                                       |
| Gross margin (%)          | 70.19%                 | 78.62%                                       |
| Long-term growth rate (%) | -                      | 1.9  |
| Pre-tax discount rate (%) | -                      | 14.5   |

### Impairment analysis as per 31 December 2020:

|                           | <b>2020<br/>Actual</b> | <b>2021 Forecast (Average<br/>2021-2025)</b> |
|---------------------------|------------------------|--|
| Sales growth rate (%)     | 4%                     | 11.5%  |
| Gross margin (%)          | 70.68%                 | 77.44%                                       |
| Long-term growth rate (%) | -                      | 1.7  |
| Pre-tax discount rate (%) | -                      | 13.4   |

#### *Sales 31 December*

Revenues mainly consist of recurring revenue due to the subscription-based SaaS model which the Company has in place.

Sales are projected to grow between 16% and 20.4% (2020: 8.4% and 19.2%) in the five forecasted years due to the expectations that acquisition will further materialize in the forecast period. The forecast was extended in 2020 by two years in order to linearly decrease the revenue growth rate in the third year of each forecast to 1.70% in the terminal year.



#### *Budgeted gross margin*

Based on past performance and management's expectations for the future.

#### *Other operating costs*

Operational expenses mainly relate to general and administrative expenses, sales and marketing expenses and research and development expenses. It is expected to increase from \$336 million in 2022 to \$572 million in 2026 (2020: from \$261 million in 2021 to \$302 million in 2023).

#### *Annual capital expenditure*

Capital expenditures relate to maintenance CAPEX of fixed assets and capitalized software. Capex and amortization as a percentage of revenues are forecasted to be stable after the third year, and depreciation is assumed to converge to Capex in the terminal period.

#### *Long-term growth rate*

This is the growth rate used to extrapolate cash flows beyond the budget period. It is in line with the 30-year US risk-free rate.

#### *Pre-tax discount rate*

The discount rate is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt reflects the (pre-tax) borrowing costs at current market rates as if the Company were to be refinanced at Valuation Date. Segment-specific risk is incorporated by applying individual beta factors. Beta is driven by the sensitivity of a firm's earnings to market conditions, its operational leverage and its financial leverage.

For the impairment valuation analysis, a post-tax discount rate of 12% (2021) and 10.6% (2020) was calculated. For disclosure purposes a pre-tax WACC of 14.5% (2021) and 13.4% (2020) is applied.

#### (ii) Recoverable amount and impairment estimate

It was concluded that the recoverable amount of approximately \$1.31 million (2020: \$826 million) exceeded the CGU carrying amount of approximately -\$40 million (2020: -\$121 million). As a result of this analysis no impairment loss was recognized in both 2021 and 2020. The recoverable amount disclosed is based on the mid-point range.

#### (iii) Impact of possible changes in key assumptions:

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGU. Specifically, the WACC and terminal growth rate:

#### *2021 financial year*

If the post-tax WACC were to decrease to 9.60% or increase to up 14.40% the estimated enterprise value ranges from \$1.716 million to \$1.053 million.

If the terminal growth rate would decrease to 0.90% or increase up to 2.90% the estimated enterprise value ranges from \$1.194 million to \$1.444 million.

#### *2020 financial year*



If the post-tax WACC were to decrease to 8.40% or increase to up 12.70% the estimated enterprise value ranges from \$671 million to \$1.077 million.

If the terminal growth rate would decrease to 0.70% or increase up to 2.70% the estimated enterprise value ranges from \$736 million to \$939 million.

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

## 7. Leases

### Right-of-use assets

The carrying amount of right-of-use assets related to leased buildings are included in property, plant and equipment (Note 4).

### Lease liabilities

The IBR is determined as the sum of a reference rate, credit risk premium and country risk premium. The calculation of IBR considers the currency of the lease contract, the lease term, type of leased assets, the region of the lessee and the credit rating of the lessee. A single IBR is applied to a portfolio of leases, which are similar in nature and in lease term within a region. The weighted average IBR applied to lease liabilities was 12.00% (2020: 13.00%).

The carrying amount of lease liabilities and the related movements during the period are as follows:

|                            | 2021<br>\$'000 | 2020<br>\$'000 |
|----------------------------|----------------|----------------|
| As at 1 January            | 33 512         | 25 792         |
| Additions                  | 6 121          | 19 548         |
| Modifications              | 1 373          | (909)          |
| Interest                   | 4 088          | 3 608          |
| Payments of lease invoices | (14 515)       | (14 894)       |
| Exchange rate differences  | (682)          | 367            |
| As at 31 December          | 29 897         | 33 512         |
| <b>Non-current</b>         | 19 969         | 23 254         |
| <b>Current</b>             | 9 928          | 10 258         |

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

|                   | 31<br>December<br>2021<br>\$'000 | 31<br>December<br>2020<br>\$'000 |
|-------------------|----------------------------------|----------------------------------|
| Less than 1 year  | 12 501                           | 13 999                           |
| 1 to 2 years      | 10 054                           | 10 879                           |
| 2 to 3 years      | 7 513                            | 8 757                            |
| 3 to 4 years      | 4 403                            | 6 639                            |
| 4 to 5 years      | 848                              | 3 968                            |
| More than 5 years | 75                               | 765                              |



|   |               |               |
|---|---------------|---------------|
| <b>Total undiscounted lease liability</b> | <b>35 394</b> | <b>45 007</b> |
| Unpaid finance expense                    | (5 497)       | (11 495)      |
| <b>Total lease liability</b>              | <b>29 897</b> | <b>33 512</b> |

Amounts recognized in the statement of profit and loss:

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Depreciation on right-of-use asset                     | 11 149        | 11 196        |
| Interest expense (included in finance cost in note 25) | 4 088         | 3 805         |
| Expense related to short-term leases                   | 1 384         | 172           |
| Variable lease payments                                | 1 237         | 1 939         |
| Income from subleasing right-of-use asset              | 433           | 222           |

The total cash outflows recognized in the statement of cash flows is as follows:

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Payments of lease invoices (principal portion) | 10 437        | 10 648        |
| Interest on lease liabilities                  | 4 078         | 3 523         |
| Expenses related to short-term leases          | 1 384         | 172           |
| Variable lease payments                        | 1 237         | 1 939         |

## 8. Financial assets at fair value through profit and loss and amortized cost

The Group holds the following financial assets:

|   | <b>Financial assets at<br/>amortized cost</b> | <b>Financial assets<br/>measured at fair value<br/>through profit and loss</b> | <b>Total</b>  |
|---|---|--|---------------|
|   | <b>\$'000</b>                                 | <b>\$'000</b>  | <b>\$'000</b> |
| <b>As at 1 January 2020</b>             | 5 154   | 2 535  | 7 689         |
| Additions                               | 113   | -  | 113           |
| Other (exchange rate effects and other) | -   | 1  | 1             |
| Disposals                               | -   | (500)  | (500)         |
| <b>As at 31 December 2020</b>           | <b>5 267</b>                                  | <b>2 036</b>   | <b>7 303</b>  |
| Additions                               | 1 348   | -  | 1 348         |
| Additions through acquisitions          | 2 861   | -  | 2 861         |
| Other (exchange rate effects and other) | 1 730   | (658)  | 1 072         |
| Disposal                                | (315)   | (86)   | (401)         |
| <b>As at 31 December 2021</b>           | <b>10 891</b>                                 | <b>1 292</b>   | <b>12 183</b> |

### Financial assets at amortized cost

The financial assets at amortized cost include deposits and restricted cash held in as collateral in the event of default of our operating lease agreements. As of each of 31 December 2021 and 2020, restricted cash comprise \$2.3 million and \$2.4 million respectively.



## Financial assets at fair value through profit and loss

The Financial assets at fair value through profit and loss are purchased equity investments in privately held technology companies and limited partnerships, in total \$1.9 million (2020: \$2.0 million). For these investments, the Company does not have the ability to exercise significant influence over the investees. Furthermore, the fair value of these investees has not materially changed year on year.

## 9. Trade receivables

### Trade receivables

|                                  | 31<br>December<br>2021<br>\$'000 | 31<br>December<br>2020<br>\$'000 |
|----------------------------------|----------------------------------|----------------------------------|
| Trade receivables                | 88 090                           | 75 682                           |
| Receivables from related parties | 62                               | 67                               |
|                                  | <b>88 152</b>                    | <b>75 749</b>                    |

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are classified as current and are expected to be collected within one year. The Company's allowance for expected credit losses was not material for the years ended 31 December 2020 and 2021.

## 10. Other current assets

|                     | 31<br>December<br>2021<br>\$'000 | 31<br>December<br>2020<br>\$'000 |
|---------------------|----------------------------------|----------------------------------|
| Prepayments         | 9 763                            | 9 918                            |
| Lease deposits      | 31                               | 1 058                            |
| VAT receivable      | 10 056                           | 2 000                            |
| Short-term deposits | 1 249                            | 1 778                            |
| Other receivables   | 2 755                            | 1 074                            |
|                     | <b>23 854</b>                    | <b>15 828</b>                    |

## 11. Contract costs

|                                       | 31 December 2021<br>\$'000 | 31 December 2020<br>\$'000 |
|---------------------------------------|----------------------------|----------------------------|
| <b>As at 1 January</b>                | <b>46 450</b>              | <b>44 562</b>              |
| Movements                             |                            |                            |
| Investment in contract costs          | 49 754                     | 33 815                     |
| Amortization                          | (36 757)                   | (32 856)                   |
| Other (foreign exchange rate effects) | (1 266)                    | 929                        |
| <b>As at 31 December</b>              | <b>58 181</b>              | <b>46 450</b>              |
| <b>Non-current</b>                    | <b>25 690</b>              | <b>20 980</b>              |
| <b>Current</b>                        | <b>32 491</b>              | <b>25 470</b>              |
|                                       | <b>58 181</b>              | <b>46 450</b>              |



The Company capitalized incremental costs of obtaining a revenue contract. The capitalized amounts consist primarily of sales commissions and fringe benefit costs associated with the Company's direct sales force. Costs capitalized related to new revenue contracts are amortized on a straight-line basis over four years, which although longer than the typical initial contract period, reflects the average period of benefit, including expected contract renewals. Additionally, the Company amortizes capitalized costs for renewal over the renewal period.

## 12. Cash and cash equivalents

|              | <b>31<br/>December<br/>2021<br/>\$'000</b> | <b>31<br/>December<br/>2020<br/>\$'000</b> |
|--------------|--|--|
| Cash at bank | 44 387                                     | 99 927                                     |

## 13. Share capital

The Company's Articles of Association, as amended, authorized the Company to issue an unlimited number of shares of Series A common shares with a par value of \$0.0001 per share and zero preference shares with no par value. Additionally, the shares were converted from \$0.0001 per share to €0.01 per share resulting in an increase of the paid share capital to €3.0 million, the increase being funded from share premium.

The issued shares of Meltwater N.V. were as follows:

|                                       | <b>Total ordinary shares</b> |                                |
|---------------------------------------|------------------------------|--------------------------------|
|                                       | <b>Total Shares</b>          | <b>Total amount<br/>\$'000</b> |
| <b>Opening balance 1 January 2020</b> | 237 356 001                  | 24                             |
| Issuance of Series A common shares    | 54 430 699                   | 5                              |
| <b>31 December 2020</b>               | <b>291 786 700</b>           | <b>29</b>                      |
| Issuance of Series A common shares    | 7 659 351                    | 6                              |
| Release of restricted share units     | 4 737 740                    | -                              |
| Change in par value of share capital  | -                            | 3 404                          |
| Repurchase of shares                  | (1 625 236)                  | (18)                           |
| <b>31 December 2021</b>               | <b>302 558 555</b>           | <b>3 421</b>                   |

The share premium of Meltwater N.V. was as follows:

|  | <b>2021<br/>\$'000</b> | <b>2020<br/>\$'000</b> |
|--|------------------------|------------------------|
| <b>As at 1 January</b>                       | 351 657                | 105 179                |
| Premium arising on issue of shares           | 24 415                 | 239 028                |
| Premium decrease due to repurchase of shares | (14 620)               | -                      |
| Change in par value                          | (3 404)                | -                      |
| Share-based compensation expense             | 60 425                 | 5 769                  |
| Share-based compensation tax                 | (1 218)                | 1 681                  |
| <b>As at 31 December</b>                     | <b>417 255</b>         | <b>351 657</b>         |



The total amount of transaction costs paid by the Company relating to the issue of shares and recorded as a deduction from equity in the 2021 financial year is \$35 thousand relating to shares issued in 2020 (2020: \$22.4 million).

On 2 December 2020, the Company effected a one hundred-for-one share split to shareholders of record as of the same day. All share, par value, options, restricted share unit (“RSU”) and per share information has been retroactively adjusted to reflect the share split.

#### Share repurchases

In December 2020 the Company’s Board of Directors approved a share repurchase program authorizing the Company to repurchase 10% of shares, depository receipts, vested options and vested RSUs (“Eligible Securities”) from current employees at a repurchase price of \$4.96 per share subject to a reduction for transaction expenses and exercise prices. The January 2021 amendment subsequently modified the valuation to be the greater of \$4.96 or the average closing price on the Euronext Growth Oslo over the period from 11 January 2021 through 15 January 2021. The average closing price for that time period was \$6.81. The share repurchase program commenced on 24 December 2020 and completed on 27 January 2021. The Company repurchased 1 902 680 in Eligible Securities for an aggregate amount of \$11.4 million. All share repurchases were made using cash resources. In February 2021 the Company’s Board of Directors approved the repurchase of 1 486 639 options from certain Executives and Officers of the Company with a repurchase price of \$6.81 less the option exercise price for an aggregate amount of \$8.9 million. All option repurchases were made using cash resources. The repurchases were made above fair value. The amount of compensation expense recognized as a result of repurchase above fair value is \$13.4 million.

#### Employee buyback program

On 1 December 2021 the Company announced a share buyback program of up to \$50 million.

The share buyback program comprised an initial offer to eligible Meltwater employees, to be followed by general market repurchases. The general meeting authorized the Board of Directors to repurchase Company shares on 3 December 2021, reconfirming the authorization granted by the general meeting on 30 June 2021.

Additionally, The Company facilitated an opportunity for employee holders to sell up to 25% of their total holdings through an employee offer. The price per share that was paid in the offer was equal to the volume weighted average trading price in a five-trading day period starting ten trading days after launch. In December 2021, management repurchased \$7.4 million of shares tendered by employees, however the amount was not paid to employees until January 2022 due to typical settlement period timing differences.

Additionally, under the program, Meltwater repurchased shares in the open market, in line with applicable restrictions, relevant guidelines and main safe harbor principles on price and volume limitations. Repurchases took place as from January 2022 and the duration of the program is until 31 May 2022 or such earlier time as the Board of Directors resolves to terminate the program.



## 14. Other reserves

The other reserves comprise of the following:

|  | Foreign currency<br>translation reserve<br>\$'000 | Remeasurement on<br>employee benefit<br>obligation reserve<br>\$'000 | Total<br>\$'000 |
|--|---|--|-----------------|
| <b>Balance as of 1 January 2020</b>          | (1 807)   | (104)  | (1 911)         |
| Foreign currency translation adjustments     | 1 751   | -  | 1 751           |
| Remeasurement on employee benefit obligation | -   | 60   | 60              |
| <b>Total comprehensive income/(loss)</b>     | 1 751   | 60   | 1 811           |
| <b>Balance as of 31 December 2020</b>        | <b>(56)</b>                                       | <b>(44)</b>  | <b>(100)</b>    |
| <b>Balance as of 1 January 2021</b>          | (56)  | (44)   | (100)           |
| Foreign currency translation adjustments     | (3 467)   | -  | (3 467)         |
| Remeasurement on employee benefit obligation | -   | 19   | 19              |
| <b>Total comprehensive income/(loss)</b>     | (3 467)   | 19   | (3 448)         |
| <b>Balance as of 31 December 2021</b>        | <b>(3 523)</b>                                    | <b>(25)</b>  | <b>(3 548)</b>  |

## 15. Employee benefit obligations

Employee benefit obligations as per statement of financial position comprise of:

|   | Current<br>\$'000 | Non-current<br>\$'000 | Total<br>\$'000 |
|---|-------------------|-----------------------|-----------------|
| <b>31 December 2021</b>                   |                   |                       |                 |
| Long service leave obligation (i)         | 148               | 123                   | 271             |
| Defined pension benefits (ii)             | -                 | 133                   | 133             |
| <b>Total employee benefit obligations</b> | <b>148</b>        | <b>256</b>            | <b>404</b>      |
| <b>31 December 2020</b>                   |                   |                       |                 |
| Long service leave obligation (i)         | 127               | 114                   | 241             |
| Defined pension benefits (ii)             | -                 | 220                   | 220             |
| <b>Total employee benefit obligations</b> | <b>127</b>        | <b>334</b>            | <b>461</b>      |

### i) Long service leave obligation

Meltwater Australia employees earn additional leave days after a certain number of service years under this plan, which is comparable to a jubilee plan which utilizes leave days instead of jubilee benefits (e.g. monthly salary).



The amounts recognized in the balance sheet and the movements in the long service leave obligation over the year are as follows:

|  | Present value of obligation<br>\$'000 |
|--|---------------------------------------|
| <b>1 January 2020</b>                            | <b>(216)</b>                          |
| Current service cost                             | (40)                                  |
| Interest (expense)/income                        | (4)                                   |
| Gains/(losses) on other long-term benefits       | 8                                     |
| <b>Total amount recognized in profit or loss</b> | <b>(36)</b>                           |
| Exchange differences                             | 11                                    |
| <b>Total other comprehensive income/(losses)</b> | <b>11</b>                             |
| <b>31 December 2020</b>                          | <b>(241)</b>                          |

|  | Present value of obligation<br>\$'000 |
|--|---------------------------------------|
| <b>1 January 2021</b>                            | <b>(241)</b>                          |
| Current service cost                             | (42)                                  |
| Interest (expense)/income                        | (3)                                   |
| Gains/(losses) on other long-term benefits       | (1)                                   |
| <b>Total amount recognized in profit or loss</b> | <b>(46)</b>                           |
| Exchange differences                             | 16                                    |
| <b>Total other comprehensive income/(losses)</b> | <b>16</b>                             |
| <b>31 December 2021</b>                          | <b>(271)</b>                          |

The net liability disclosed above is unfunded.

The significant actuarial assumptions were as follows:

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Discount rate                                | 2.49%            | 1.46%            |
| Inflation rate                               | 2.00%            | 2.00%            |
| Annual salary increase (including inflation) | 10.00%           | 10.00%           |
| Leave taken in service                       | 3.00%            | 3.00%            |

*Superannuation and on-cost assumption*

The entity has advised the amount of on-costs to apply. These include workers' compensation, payroll tax and superannuation as well as annual leave and LSL that accrues on leave taken in service. An allowance has been made for an increase in the minimum Superannuation Guarantee rate which is progressively increasing from 10.00% currently to 12.00% by 1 July 2025.

Payroll tax, workers compensation and the accrual of additional long service leave are state-based assumptions.



Note that only workers compensation and payroll tax are payable on benefits paid on termination. All on-costs apply to payments for leave taken in service.

The following table summarises the on-cost assumptions adopted:

| Item                                   | Assumption                       |
|--|----------------------------------|
| Superannuation on-cost                 | 10.00% - 12.00%                  |
| Workers' compensation                  | 0.25% to 0.59% (varies by state) |
| Payroll taxes*                         | 4.85% to 5.45% (varies by state) |
| Annual leave (working days p.a.)       | 20                               |
| Long service leave (working days p.a.) | 4.33 - 6.5                       |

\*NSW (New South Wales, Australia) payroll taxes are temporarily reduced from 5.45% to 4.85% (1 July 2020 to 30 June 2022)

#### Exit rate assumption

The exit rate assumptions are shown below for various years of service. In addition, we have assumed that all employees retire at age 65 if they have not exited earlier.

These assumptions were set after considering the actual exit experience over the 3 years ended 31 December 2021, and applying smoothing given the small numbers of employees in Meltwater Australia and hence some volatility in exit experience. The actual experience over the year ended 31 December 2021 showed continued high employee turnover rates, and therefore the Base Assumptions remain appropriate. As relatively high rates of employee turnover have been observed, we have also developed an alternative set of exit rate assumptions (lower turnover rates) for sensitivity purposes. We have retained the same assumed rates for both of these sets of assumptions as those adopted for the 31 December 2020 valuation.

Given that Victorian employees are entitled to receive long service leave payments upon termination at 7 years' service or more, whereas NSW and Queensland employees are only entitled to long service leave payments upon termination from 10 years' service onwards, we have set a different assumption for expected exit experience based on State (as employees are less likely to leave service as they approach the minimum service for entitlement).

#### Experience analysis

| Years of service | Actual exit rate p. a |       |         |
|------------------|-----------------------|-------|---------|
|                  | 2021                  | 2020  | Average |
| 0-1 year         | 45.5%                 | 34.3% | 40.7%   |
| 1-2 years        | 26.1%                 | 26.3% | 29%     |
| 2-3 years        | 57.1%                 | 37.5% | 37.1%   |
| 3-4 years        | 40%                   | 50.0% | 41.1%   |
| 4-5 years        | 40%                   | 33.3% | 35.6%   |
| 5+ years         | 28.3%                 | 33.3% | 22.2%   |

*The average in the table above is a three years average, including 2019. Due to the fact that 2019 is not disclosed as a comparative it is not included in the table above but is included in the average.*



*Exit rate assumptions*

| Years of service      | Base assumptions                      |   | Sensitivity assumptions               |   |
|-----------------------|---------------------------------------|---|---------------------------------------|---|
|                       | Probability of termination (Victoria) | Probability of termination (other states) | Probability of termination (Victoria) | Probability of termination (other states) |
| 0-1 year              | 40%                                   | 40%                                       | 35%                                   | 35%                                       |
| 1-2 years             | 30%                                   | 30%                                       | 25%                                   | 25%                                       |
| 2-3 years             | 30%                                   | 30%                                       | 25%                                   | 25%                                       |
| 3-4 years             | 30%                                   | 30%                                       | 25%                                   | 25%                                       |
| 4-5 years             | 30%                                   | 30%                                       | 25%                                   | 25%                                       |
| 5-6 years             | 15%                                   | 30%                                       | 8%                                    | 25%                                       |
| 6-7 years             | 15%                                   | 30%                                       | 8%                                    | 15%                                       |
| 7-8 years             | 30%                                   | 30%                                       | 15%                                   | 15%                                       |
| 8-9 years             | 30%                                   | 15%                                       | 15%                                   | 0%  |
| 9-10 years            | 30%                                   | 15%                                       | 15%                                   | 0%  |
| Greater than 10 years | 30%                                   | 30%                                       | 15%                                   | 15%                                       |

The sensitivity of the long service leave obligation to changes in the weighted principal assumptions is:

| Liability value             | 31 December 2021 | Impact | Percentage |
|-----------------------------|------------------|--------|------------|
| Base cost                   | 271              |        |            |
| Sensitivities               |                  |        |            |
| Discount rate + 25 bps      | 268              | (3)    | -1%        |
| Discount rate - 25 bps      | 274              | 3      | 1%         |
| Salary increase +50 bps     | 277              | 6      | 2%         |
| Salary increase - 50 bps    | 266              | (6)    | 2%         |
| Lower exit rate assumptions | 430              | 159    | 58%        |

| Liability value             | 31 December 2020 | Impact | Percentage |
|-----------------------------|------------------|--------|------------|
| Base cost                   | 242              |        |            |
| Sensitivities               |                  |        |            |
| Discount rate + 25 bps      | 239              | (3)    | -1%        |
| Discount rate - 25 bps      | 245              | 3      | 1%         |
| Salary increase +50 bps     | 248              | 6      | 2%         |
| Salary increase - 50 bps    | 237              | (6)    | -3%        |
| Lower exit rate assumptions | 421              | 179    | 43%        |

*ii) Defined benefit pension plan*

Meltwater Switzerland employees are entitled to a pension plan valid from 01 December 2010 including old-age pension, spouse and orphan pension, disability pension and death benefit. It is a funded pension plan and compulsory for employees. The pension plan is financed by both employees and employers via a pension fund (*Pensionskasse*). The old-age pension benefit is calculated by multiplying the contribution with a conversion rate (according to pension scheme plans). Spouse pension benefit is 60% of the old-age benefit or 20% for orphan.



Disability pension benefit amounts to 6.80% of the projected regulatory retirement assets without interest. In addition, the child of the disabled employee will also receive 20% of the employee's disability pension benefit. In case of death of an employee, spouse or orphan will receive 60% or 20% of disability pension benefit.

The insured salary multiplied by an age-dependending percentage defines the employee's contribution. The risk premium is 0.80% of the employee's annual salary.

The plan's entry age is 17. The earliest retirement age is 58. The normal retirement age is 65 for men and 64 for women.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

|   | Present value of<br>obligation<br>\$'000 | Fair value of plan<br>assets<br>\$'000 | Total<br>\$'000 |
|---|--|--|-----------------|
| <b>1 January 2020</b>   | <b>(764)</b>                             | <b>544</b>                             | <b>(220)</b>    |
| Current service cost  | (85)                                     | -                                      | (85)            |
| Interest (expense)/income   | (2)                                      | 10                                     | 8               |
| <b>Total amount recognized in profit or loss</b>                        | <b>(87)</b>                              | <b>10</b>                              | <b>(77)</b>     |
| Return on plan assets, excluding amounts included in interest income    | -  | 50                                     | 50              |
| Loss from change in financial assumptions                               | (29)                                     | -                                      | (29)            |
| Experience losses   | 39                                       | -                                      | 39              |
| Change in asset ceiling, excluding amounts included in interest expense | -  | -                                      | -               |
| <b>Total amount recognized in other comprehensive income</b>            | <b>10</b>                                | <b>50</b>                              | <b>60</b>       |
| Exchange differences  | (80)                                     | 63                                     | (17)            |
| Contributions:  |  |  |                 |
| Employer  | -  | 34                                     | 34              |
| Plan participants   | (34)                                     | 34                                     | -               |
| Benefit payments  |  |  |                 |
| <b>31 December 2020</b>   | <b>(955)</b>                             | <b>735</b>                             | <b>(220)</b>    |



|   | Present value of<br>obligation | Fair value of plan<br>assets | Total        |
|---|--------------------------------|------------------------------|--------------|
|   | \$'000                         | \$'000                       | \$'000       |
| <b>1 January 2021</b>   | <b>(955)</b>                   | <b>735</b>                   | <b>(220)</b> |
| Current service cost  | (88)                           |                              | (88)         |
| Interest (expense)/income   | (2)                            | 7                            | 5            |
| <b>Total amount recognized in profit or loss</b>                        | <b>(90)</b>                    | <b>7</b>                     | <b>(83)</b>  |
| Return on plan assets, excluding amounts included in interest income    | -                              | 5                            | 5            |
| Loss from change in financial assumptions                               | 51                             | -                            | 51           |
| Loss from change in demographic assumptions                             | 38                             | -                            | 38           |
| Experience losses   | 35                             |                              | 35           |
| Change in asset ceiling, excluding amounts included in interest expense | -                              | -                            | -            |
| <b>Total amount recognized in other comprehensive income</b>            | <b>124</b>                     | <b>5</b>                     | <b>129</b>   |
| Exchange differences  | 34                             | (26)                         | 8            |
| Contributions:  |                                |                              |              |
| Employer  | -                              | 33                           | 33           |
| Plan participants   | (33)                           | 33                           | -            |
| Benefit payments  | 76                             | (76)                         | -            |
| <b>31 December 2021</b>   | <b>(844)</b>                   | <b>711</b>                   | <b>(133)</b> |

The total net liability relates to funded plans.

The significant actuarial assumptions were as follows:

|                                    | 31 December 2021 | 31 December 2020 |
|------------------------------------|------------------|------------------|
| Discount rate beginning of year    | 0.10%            | 0.25%            |
| Discount rate end of year          | 0.35%            | 0.10%            |
| Inflation rate                     | 1.00%            | 1.00%            |
| Salary increase                    | 1.00%            | 1.00%            |
| Social security increase rate      | 1.00%            | 1.00%            |
| Pension increase rate (in payment) | 0.00%            | 0.00%            |

Assumptions regarding future mortality are set based on the BVG 2020 generational mortality tables that were published on 15 December 2020 and are based on the experience during period 2015 to 2019 of the largest autonomous Swiss pension plans. The normal retirement age for men is 65 and for women it is 64.



### *Sensitivity analysis:*

The sensitivity of the defined benefit obligation to changes in the actuarial principal assumptions is:

| <b>Liability value</b>               | <b>31 December 2020</b> | <b>Impact</b> | <b>Percentage</b> |
|--------------------------------------|-------------------------|---------------|-------------------|
| Base cost                            | 955                     |               |                   |
| Sensitivities                        |                         |               |                   |
| Discount rate + 25 bps               | 904                     | (51)          | -6%               |
| Discount rate - 25 bps               | 1 011                   | 56            | 6%                |
| Inflation +50 bps                    | 976                     | 21            | 2%                |
| Inflation -50 bps                    | 936                     | (19)          | -2%               |
| Salary increases +50 bps             | 976                     | 21            | 2%                |
| Salary increases - 50 bps            | 936                     | (19)          | -2%               |
| Social security increase rate +50bps | 976                     | 21            | 2%                |
| Social security increase rate -50bps | 936                     | (19)          | -2%               |
| Lower exit rate assumptions          | 1 436                   | 481           | 33%               |

| <b>Liability value</b>               | <b>31 December 2021</b> | <b>Impact</b> | <b>Percentage</b> |
|--------------------------------------|-------------------------|---------------|-------------------|
| Base cost                            | 845                     |               |                   |
| Sensitivities                        |                         |               |                   |
| Discount rate + 25 bps               | 805                     | (40)          | -5%               |
| Discount rate - 25 bps               | 888                     | 43            | 5%                |
| Inflation +50 bps                    | 858                     | 14            | 2%                |
| Inflation -50 bps                    | 832                     | (13)          | -2%               |
| Salary increases +50 bps             | 858                     | 14            | 2%                |
| Salary increases - 50 bps            | 832                     | (13)          | -2%               |
| Social security increase rate +50bps | 858                     | 14            | 2%                |
| Social security increase rate -50bps | 832                     | (13)          | -2%               |
| Lower exit rate assumptions          | 1 142                   | 298           | 35%               |

## **16. Share-based payments**

### Stock Purchase Plan

In December 2008, the Company adopted the stock purchase plan (“SPP”), as amended in 2010 and 2011. Under the SPP, the Company grants share purchase rights to all eligible employees and contractors who provide significant services to the Company. Since the Company was a Dutch B.V. incorporated in the Netherlands, any transfer of shares to employees required prior notarization. Thus, rather than directly issuing Company shares to the employee, the Company issues depository receipts to its employees as evidence of their beneficial and economic ownership of the Company. The depository receipts are issued through Stichting Administratie kantoor Meltwater Holding (“STAK”), a Dutch entity that was created by the Company for the purpose of facilitating the issuance of depository receipts. The Company issues or transfers the relevant number of Company shares to STAK for the benefit of the relevant participants and STAK, in due observance of its articles of association



and in accordance with its terms and conditions of administration, issues one depository receipt to the relevant eligible participant for each Company share issued.

Employees are invited to participate in the SPP, when the Company's Board of Directors approves an offering, typically once a year or once every two years. The Board of Directors determines the terms of the purchase, including employee eligibility, acquisition price, and maximum number of depository receipts that participants may purchase according to eligibility levels. The purchase price is due and payable upon the purchase of the shares; however, participants may elect to submit payment in whole or in part via payroll deductions. Deferred payments, plus interest (annualized rate of 4.50%), are deducted in equal instalments from the employee's salary over a six-month period, commencing at the issuance of the depository receipts. The Company has a full recourse provision in instances where an employee leaves the Company.

SPP participants with fully-paid depository receipts have full entitlement to all the economic benefits and risks of the shares as shareholders. The depository receipts vest in two to three tranches over one to three years.

Generally, depository receipts are transferable once they are vested. In the event of termination of employment services, the shares can be repurchased by the Company at a repurchase price determined in accordance with the provisions of the SPP, which depends on the original sale price of the shares, the fair market of the shares at the time of repurchase, and the reason for the employee's departure from the Company.

As of 31 December 2021, and 2020, STAK owned 770 780 and 4 731 200 shares of Series A common shares, against which 348 750 and 4 366 000 depository receipts had been issued to employees pursuant to the program, and 422 030 and 365 200 shares remained unissued, respectively.

During each of the years ended 31 December 2021 and 2020, the Company recorded no compensation expense related to the SPP.

#### 2011 Equity Incentive Plan

In June 2011, the Company adopted the 2011 Equity Incentive Plan ("2011 EIP"), with 30 000 000 shares of Series A common shares reserved for issuance under the 2011 EIP. Equity awards granted under this plan may be incentive share options, non-statutory share options, restricted shares or restricted share units. Non-statutory share options, restricted shares and restricted share units may be granted to employees, directors, and consultants. Incentive share options may only be granted to employees. The exercise price of incentive share options and non-statutory share options may be no less than fair market value per share on the date of grant. Options granted under the 2011 EIP have a term of up to ten years from the date of grant. The vesting for options granted under the plan vary, generally monthly over a period of three to four years and are subject to certain liquidity and other conditional events that the Company did not deem probable as of 31 December 2020. The liquidity event condition is satisfied on the earlier of (i) an acquisition or change in control of the Company or (ii) one hundred and eighty days after the effective date of the Company filing a registration statement on Form S-1 (or equivalent filing) with the Securities and Exchange Commission for the initial public offering of its shares. Vested but unexercised options generally expire within ninety days after termination of services with the Company. No more awards are currently subject to these terms as of 31 December 2021.



In April 2021, the Company modified RSU Agreements to change the vesting terms so that 50% of RSUs vest on 4 December 2021 and the remaining 50% vest on 31 March 2022 with no Liquidity Event condition. In addition, the Company modified the termination date of these RSUs to 31 December 2022. The modification is effective only upon the execution of Amendment Letter by the awardee. The amount of incremental fair value resulting from the modification was \$50.2 million and the amount of incremental expenses recognized in 2021 resulting from the modification was \$40.9 million.

During September 2021, 2 820 561 options (selected option awards) were also modified to change the vesting conditions. These modified awards originally included a liquidity event (exit event) and accompanying vesting period as a requisite to vest. During the third quarter the conditions were modified to remove the liquidity event since that was deemed improbable of being met. The corresponding vesting period was also removed that resulted in all options deemed vested on the grant date. The expiration date of these options was extended by 5 years to enable the holders of these modified awards to still exercise them after the modification. Modification accounting was applied to these awards. The amount of incremental fair value resulting from the modification was \$11.2 million and the amount of incremental expenses recognized in 2021 resulting from the modification was \$11.2 million.

On 2 December 2020, the Company effected a one hundred-for-one share split to shareholders of record as of the same day. All share, par value, options, restricted share unit (“RSU”) and per share information has been retroactively adjusted to reflect the share split. These tables below reflect the shares after share split.

The following table summarizes the Company’s share option activity related to the 2011 EIP for the two years ended 31 December 2021 and 2020:

|   | Number of<br>share options<br>outstanding | Weighted-<br>average<br>exercise<br>price | Weighted-<br>average<br>remaining<br>contractual<br>term<br><i>(in years)</i> |
|---|---|---|---|
| <b>Balance as of 1 January 2020</b>               | 37 240 800                                | 1,31                                      | 6,71  |
| Granted   | 3 520 000                                 | 2,00                                      |   |
| Exercised   | (865 400)                                 | 1,26                                      |   |
| Forfeited or cancelled                            | (4 056 500)                               | 1,45                                      |   |
| <b>Balance as of 31 December 2020</b>             | 35 838 900                                | 1,36                                      | 5,94  |
| Granted   | 7 059 600                                 | 5,26                                      |   |
| Exercised   | (4 046 816)                               | 1,35                                      |   |
| Repurchased                                       | (1 616 024)                               | 1,03                                      |   |
| Forfeited or cancelled                            | (4 618 125)                               | 1,61                                      |   |
| <b>Balances as of 31 December 2021</b>            | 32 617 535                                | 2,13                                      | 6,36  |
| <b>Options exercisable as of 31 December 2021</b> | 24 807 979                                | 1,39                                      | 5,36  |

Restricted share units granted under 2011 EIP are valued at their fair market value on the date of grant and have a term of up to ten years from the date of grant.

The weighted average share price at the date of exercise is \$5.38 for the current financial year (2020: \$3.38).

The range of exercise prices for share options outstanding as at 31 December 2021 is \$0.83 to \$5.73.



### Restricted share units (RSUs)

The following table summarizes the Company's RSU activity related to the 2011 EIP for the two years ended 31 December 2021 and 2020:

|  | Number of<br>RSU's<br>outstanding | Weighted-<br>average fair<br>value price | Weighted-<br>average<br>remaining<br>contractual<br>term<br><i>(in years)</i> |
|--|-----------------------------------|--|---|
| <b>Balance as of 1 January 2020</b>    | 10 938 100                        | 1,13                                     | 2,45  |
| Forfeited or cancelled                 | (675 100)                         | 1,23                                     |   |
| <b>Balance as of 31 December 2020</b>  | 10 263 000                        | 1,13                                     | 2,57  |
| Granted                                | 1 064 239                         | 5,18                                     |   |
| Vested                                 | (4 896 050)                       | 5,21                                     |   |
| Repurchased                            | (3 928)                           | 0,88                                     |   |
| Forfeited or cancelled                 | (841 554)                         | 1,28                                     |   |
| <b>Balances as of 31 December 2021</b> | <b>5 585 707</b>                  | <b>5,32</b>                              | <b>0,64</b>   |

In April 2020, the Company extended the expiration date by 5 years for 2 516 200 RSUs that were initially scheduled to expire during 2020. This extension did not result in an additional accounting impact since the corresponding vesting condition (liquidity event) did not change as a result of the modification. The liquidity event was deemed improbable before and after the extended expiration date.

The following table summarizes the Company's activity of available share-based awards related to the 2011 EIP for the two years ended 31 December 2021 and 2020:

|  | Number of<br>available<br>awards |
|--|----------------------------------|
| <b>Balance as of 1 January 2020</b>    | 661 200                          |
| Granted                                | (3 520 000)                      |
| Forfeited or cancelled                 | 4 731 600                        |
| <b>Balance as of 31 December 2020</b>  | <b>1 872 800</b>                 |
| Increase in shares authorized          | 8 700 000                        |
| Granted                                | (8 123 839)                      |
| Forfeited or cancelled                 | 5 459 679                        |
| <b>Balances as of 31 December 2021</b> | <b>7 908 640</b>                 |

The Company recognized share-based compensation expense as follows:

|                                       | 2021<br>\$'000 | 2020<br>\$'000 |
|---------------------------------------|----------------|----------------|
| Cost of sales                         | 1 642          | 24             |
| General and administrative            | 7 935          | 655            |
| Sales and marketing                   | 36 815         | 3 501          |
| Research and development              | 14 033         | 1 589          |
| <b>Total share-based compensation</b> | <b>60 425</b>  | <b>5 769</b>   |



#### Determining fair value of share options

The assessed fair value at grant date of options granted during the year ended 31 December 2021 was \$2,80 per option (2020 – \$1.33). The estimated grant date fair value of all the Company's equity-based awards was calculated by applying the Black-Scholes option-pricing model to the Employee Incentive Plan options using the following input factors for the years ended 31 December 2021 and 2020:

|                             | <b>2021</b> | <b>2020</b> |
|-----------------------------|-------------|-------------|
| Expected term (years)       | 5,88        | 5,81        |
| Weighted-average volatility | 57.6%       | 49.4%       |
| Risk-free interest rate     | 1.2%        | 0.5%        |
| Expected dividend yield     | -           | -           |

#### Determining the fair value of modified share options

The assessed fair value of the options modified at date of modification was \$3,95 per option. The estimated fair value at modification date of the modified share options was calculated by applying the Black-Scholes option-pricing model to the Employee Incentive Plan options using the following input factors for the year ended 31 December 2021:

|                             | <b>2021</b> |
|-----------------------------|-------------|
| Expected term (years)       | 5,26        |
| Weighted-average volatility | 61.4%       |
| Risk-free interest rate     | 0.8%        |
| Expected dividend yield     | -           |

#### Dividend yield

To date, the Company has not declared or paid any cash dividends and has no plans to do so in the future. Therefore, the Company used an expected dividend yield of zero.

#### Risk-free interest rate

The risk-free interest rate assumption is based on the zero-coupon U.S. Treasury instruments on the date of grant with a maturity date consistent with the expected term of share options granted to the Company's employees.

#### Volatility

Since the Company was private at the time of the offer and did not have any trading history for its common shares, the expected share price volatility was calculated based on the average volatility for comparable publicly traded companies for time horizons equal to the expected term of the share option grants. The Company does not have sufficient historical share price to utilize Meltwater historical data for volatility, as such, the Company utilizes peer-group historical share prices to calculate volatility.

#### Expected Term

There is no historical information available to the Company to develop reasonable expectations about future exercise patterns and post-vesting employment termination behaviour for the share option grants to the Company's employees. As such, the expected term was estimated using data from comparable publicly traded companies.



## 17. Trade and other payables

|   | 31<br>December 2021<br>\$'000 | 31<br>December 2020<br>\$'000 |
|---|-------------------------------|-------------------------------|
| Trade payables                                  | 11 971                        | 6 931                         |
| Wage taxes and social securities                | 8 179                         | 16 803                        |
| VAT   | 15 594                        | 11 821                        |
| Accrued expenses                                | 48 158                        | 35 387                        |
| Audit fees                                      | 1 361                         | 2 177                         |
| Net salaries                                    | 32 222                        | 36 990                        |
| Deferred and contingent purchase considerations | 4 607                         | -                             |
| Other payables                                  | 809                           | 4 565                         |
|   | 122 901                       | 114 674                       |

The carrying values of trade and other payables are a reasonable approximation of fair value due to their short-term nature.

The net salaries accrual consists of salaries to the value of \$8.53 million (2020: \$17.88 million), bonuses of \$13.42 million (2020: \$12.08 million), commissions of \$8.53 million (2020: \$5.39 million) and social charges of \$1.71 million (2020: \$1.63 million).

## 18. Borrowings

|                                    | Non-convertible loans<br>\$'000 | Total<br>\$'000 |
|------------------------------------|---------------------------------|-----------------|
| <b>Balance at 1 January 2020</b>   | 175 516                         | 175 516         |
| Additions                          | 25 000                          | 25 000          |
| Accrued interest                   | 22 640                          | 22 640          |
| Repayment                          | (228 683)                       | (228 683)       |
| Debt issuance cost                 | 5 527                           | 5 527           |
| <b>Balance at 31 December 2020</b> | -                               | -               |
| Additions                          | 25 000                          | 25 000          |
| Additions due to acquisitions      | 59                              | 59              |
| <b>Balance at 31 December 2021</b> | 25 059                          | 25 059          |
| <b>Balance at 31 December 2021</b> | 25 059                          | 25 059          |
| of which (duration)                | -                               | -               |
| < 1 year                           | 13                              | 13              |
| ≥ 1 year ≤ 5 years                 | 25 046                          | 25 046          |
| > 5 years                          | -                               | -               |

Repayment obligations falling due within 12 months from the end of the financial year, as set out above, are included in current liabilities.

### 2019 Note Payable

In February 2019, the Company entered into a \$175 million non-convertible note payable agreement with a consortium of private lenders ("2019 Note Payable") which was due to



mature in February 2024. The 2019 Note Payable accrues interest on a quarterly basis, of which 4.00% is payable either at the loan's maturity or upon prepayment of the note and the remainder is payable on a quarterly basis. The loan agreement provides for the Company to elect the interest rate from alternatives that include Prime Rate plus 8.50% per annum and LIBOR plus 9.50% per annum. During the year ended 31 December 2019, the interest rates used to accrue and pay interest ranged from 11.40% to 12.10%. Principal is payable either at the loan's maturity or upon prepayment of the note.

In August 2020, the Company entered into amendments to the 2019 Note Payable, which resulted in, among other effects (i) certain amendments to non-financial covenants, (ii) amendments to all of the financial covenants, including eliminating the consolidated senior leverage ratio through 31 December 2020 and raising the ratio from 31 December 2020 through the maturity date, and (iii) \$25.0 million of additional liquidity.

#### 2020 Credit Facility

In December 2020, the Company entered a multi-currency revolving credit facility (the "2020 Credit Facility") of \$150.0 million. The maturity date of the 2020 Credit Facility is three years from when the first utilization occurs with an option to extend an additional one to two years. Interest accrues on amounts outstanding under the 2020 Credit Facility at LIBOR plus a margin range of 1.50% to 2.00% per annum. The interest rate margin on unpaid balances is based on the Company's leverage ratio. The Company may choose to repay or reduce its commitments under the 2020 Credit Facility at any time.

The 2020 Credit Facility contains a covenant to provide the Company's financial statements within a certain time period, and a covenant requiring compliance with a financial leverage ratio. The 2020 Credit Facility also includes acceleration of repayment of the borrowings upon event of default, including a material adverse change clause.

As of 31 December 2020, the Company had not drawn any borrowings under the 2020 Credit Facility and had the ability to borrow \$150.0 million under the 2020 Credit Facility. The arrangement fees for the 2020 Credit Facility have been capitalized in Other non-current assets in the Company's consolidated balance sheet and are amortized over the term of the 2020 Credit Facility since the first utilization occurred and the amortization expense are included in interest expense in the Company's consolidated statement of operations.

In June 2021, the Company drew down \$25 million from the Revolving Credit Facility which remained outstanding as of 31 December 2021.

As of 31 December 2021, the undrawn credit facility of the Company is \$125 million (31 December 2020: \$150 million).

After year end the Company drew down an additional \$10 million from the Revolving Credit Facility. At the reporting date the undrawn credit facility of the Company is \$115 million.

## 19. Other non-current liabilities

|                                 | 31<br>December 2021<br>\$'000 | 31<br>December 2020<br>\$'000 |
|---------------------------------|-------------------------------|-------------------------------|
| Contingent consideration        | 9 967                         | -                             |
| Deferred purchase consideration | 1 418                         | -                             |
| Other                           | 2 191                         | -                             |
|                                 | 13 576                        | -                             |



## **20. Contingent asset**

### **Copyright agency limited matter in Australia**

Copyright Agency Limited (“CAL”) is an Australian not-for-profit company incorporated for the purposes of, among other things, licensing the use of copyright material, including news publications, in print or electronic form. On 1 December 2017, an application was filed by the Company in the Copyright Tribunal of Australia “CTA” against CAL’s proposed fee increases. The Company took this step following the unsuccessful attempt to renegotiate the terms of the existing Scraping License Agreement and Press Clipping Service Agreement. In the application, Meltwater rejected the proposed terms on the basis that it was unreasonable in respect of fees and other terms. The Company also believes the proposed terms are against CAL’s mission to provide simple ways to reproduce, store and share words, images and other creative content, in return for fair payment to creators offering innovative products and services. Since Meltwater commenced its proceedings before CTA, other media monitoring organizations in Australia also commenced CTA proceedings. In October 2021, the CTA ruled favorably for the Company. CAL filed an appeal, which will likely be heard in May 2022. Subject to the appeal, the favorable ruling will result in a refund of fees paid during the course of the application and reduced fees going forward compared to historical fees.

## **21. Contingent liabilities**

The Company is subject to litigation arising in the ordinary course of business as described below.

### **Canadian news publishers civil action**

In June 2011, a consortium of Canadian newspaper publishers (Postmedia Networks, Inc., The Globe and Mail Inc., Toronto Star Newspapers Limited, Metroland Media Group Ltd., Sun Media Corporation, The Halifax Herald Limited, Transcontinental Inc., Le Devoir Inc., and CEDROM-SNi Inc.) commenced an action in the Ontario Superior Court against Meltwater News Canada, Meltwater US Holding Inc., Meltwater News US Inc., and Meltwater N.V. (collectively “Meltwater”), seeking declaratory relief in respect of their alleged copyright in news articles, headlines, compilations of articles in their newspapers and websites, and claiming damages in excess of CAD 100 million for alleged copyright infringement, breach of contract, intentional interference with economic relations and trespass to chattels, punitive damages of CAD 10 million, plus unspecified damages and an accounting of profits under the Copyright Act, pre- and post-judgment interest and legal costs.

In January 2012, the Company filed a motion to have this claim struck in its entirety on the basis that the Plaintiffs failed to plead a proper cause of action and was without merit. Since serving the strike motion, three of the plaintiffs (The Globe and Mail Inc., Toronto Star Newspapers Limited and Metroland Media Group Ltd.) changed their legal representation and delivered a Notice of Discontinuance, thus abandoning their claims. The remaining Plaintiffs have agreed that their claim is limited to content published on news websites and that no recovery is sought with respect to newspapers per se.

Currently, the remaining claimants are The Halifax Herald Limited, Transcontinental Inc., Le Devoir Inc., and CEDROM-SNi Inc. Although next steps are for the parties to negotiate a Discovery Plan to guide documentary discovery, settlement discussions are at an advanced stage.



In November 2021, Meltwater announced that it has entered into a confidential agreement (the "Settlement Agreement") with The Halifax Herald Limited, Transcontinental Inc., Le Devoir Inc. (collectively, the "Publishers") and CEDROM-SNI Inc. ("CEDROM") to settle litigation currently pending in the Ontario Superior Court of Justice.

The confidential Settlement Agreement fully resolves the Action without any admission of liability or wrongdoing by any party, any court finding, or any payments to settle the Action.

#### Claim under labor and employment laws by certain former employees

The Company is party to a claim under labor and employment laws brought by certain former U.S. employees for unpaid wages for meal breaks and overtime. The case is known as wage & hour. In December 2020, the Company entered into a settlement agreement with the former U.S. employees, which the Company agreed to pay \$14.5 million plus employer payroll taxes. The Company recognized expense of \$14.9 million for the settlement agreement during the year ended 31 December 2020. In October 2021, the court approved the settlement agreement, which allowed the Company to make instalment payments, with 66% payable during financial year 2021 and 34% payable during financial year 2022. In Q4 2021 the Company paid a part of the settlement approximately \$10 million related to the wage & hour case in the U.S. The next and final part of the settlement will be due in 2022.

## 22. Revenue from contracts with customers

### 22.1 Revenue streams

The Company derives its revenue primarily from subscription fees for its cloud-based news and social media monitoring services. The Company hosts software applications that it makes available to its customers over subscription periods generally up to 12 months or may extend to longer periods. The Company provides customers with access to training and support (included as part of the subscription fees) that help them use the cloud-based news and social media monitoring services over the subscription periods. Generally revenue is recognized over a period of time.

### 22.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by geographical market:

|  | 2021<br>\$'000 | 2020<br>\$'000 |
|--|----------------|----------------|
| <u>Primary geographical markets</u>              |                |                |
| <b>United States</b>                             | 155 931        | 144 174        |
| <b>Europe, Middle East, Africa, India (EMEA)</b> |                |                |
| Germany  | 36 284         | 31 645         |
| United Kingdom                                   | 25 775         | 21 549         |
| Finland  | 15 969         | 14 829         |
| Netherlands                                      | 13 504         | 12 493         |
| Sweden   | 12 339         | 11 948         |
| Middle East                                      | 7 743          | 7 994          |
| Rest of EMEA                                     | 23 341         | 13 710         |
| <b>Asia Pacific (APAC)</b>                       |                |                |
| Australia  | 32 704         | 29 145         |
| Japan  | 13 998         | 13 889         |
| China  | 10 358         | 9 612          |
| Hong Kong  | 10 285         | 9 853          |
| Singapore  | 9 697          | 7 690          |
| Rest of APAC                                     | 2 408          | 1 727          |



|  |                |                |
|--|----------------|----------------|
| <b>Americas, excluding United States</b> |                |                |
| Canada                                   | 30 672         | 28 651         |
| Rest of Americas                         | 620            | 882            |
| <b>Total</b>                             | <b>401 628</b> | <b>359 791</b> |

## 22.3 Contract balances

The following table shows the current period contract liability balance as well as how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities:

|   | <b>31<br/>December<br/>2021<br/>\$'000</b> | <b>31<br/>December<br/>2020<br/>\$'000</b> |
|---|--|--|
| - Contract liabilities  | (245 406)                                  | (217 265)                                  |
| - Revenue recognized that was included in the contract liability balance at the beginning of the period | 206 124                                    | 205 661                                    |

The revenue recognized from performance obligations satisfied in prior periods is zero.

## 22.4 Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to the customer.

The following table provides information about the nature, timing and satisfaction of performance obligations in contracts with customers:

| <b>Type of product/service</b> | <b>Nature and timing of satisfaction of performance obligations, including significant payment terms</b>   | <b>Revenue recognition policies</b>   |
|--------------------------------|--|---|
| Subscription Revenue           | <p>The subscription agreements are non-cancellable and do not contain provisions for refunds.</p> <p>Customers do not have any contractual rights to take possession of the Company's software applications.</p> <p>The services the Company provides each day are substantially the same and have the same pattern of transfer to the customer, thus, meeting the</p> | <p>The Company satisfies the subscription and related services evenly over the contract period as customers simultaneously receive and consume the services provided.</p> <p>Revenue is recognized ratably over the subscription period from the contract effective date which is also the date the Company makes its services available to customers. Payment is typically due up-front in its entirety or</p> |



definition of a series of distinct services that form a single performance obligation.

throughout the contract period, usually monthly.

Fees for services are generally fixed, however certain contracts include variable charges based on usage that occurs in a given month. Those variable fees are recognized as revenue in the month the usage occurs and typically are billed in the subsequent month.

Recorded revenue excludes any sales, use or other similar taxes that the Company is required to collect from customers for remittance to governmental authorities.

### 23. Personnel costs

|                    | 2021<br>\$'000 | 2020<br>\$'000 |
|--------------------|----------------|----------------|
| Wages and salaries | 258 250        | 172 878        |
| Social charges     | 20 540         | 15 913         |
| Pension costs      | 4 672          | 4 106          |
| Other              | (4 450)        | 5 968          |
|                    | 279 012        | 198 865        |

The average number of employees of the Group during the 2021 year, converted to full-time equivalents was as follows: 1 962 of which 56 in the Netherlands (2020: 1 785 of which 50 in the Netherlands).

The average headcount, representing full-time employees per department is presented below:

| Employees by department    | 31 December 2021 | 31 December 2020 |
|----------------------------|------------------|------------------|
| Cost of sales              | 225              | 177              |
| Sales and marketing        | 1 268            | 1 202            |
| General and administrative | 156              | 135              |
| Research and development   | 313              | 271              |
|                            | 1 962            | 1 785            |



## 24. Material profit and loss items

Included in profit and loss are the following material items:

|                                   | 2021<br>\$'000 | 2020<br>\$'000 |
|-----------------------------------|----------------|----------------|
| IT hosting                        | 26 120         | 23 745         |
| Content licensing and partnership | 56 104         | 49 117         |
| Professional fees                 | 30 923         | 18 114         |
| Amortization of intangible assets | 22 349         | 20 923         |
| Depreciation expense              | 12 856         | 13 885         |
| Licenses, leases and equipment    | 14 097         | 12 205         |

### Independent Auditor's fee

Other costs include, among others, independent auditor's fees. PricewaterhouseCoopers Accountants N.V. served as the independent public accountants for the fiscal year ended 31 December 2021 and 31 December 2020. The following table presents the aggregate fees rendered by PricewaterhouseCoopers Accountants N.V. and other professional firms:

|                                   | Pricewaterhouse<br>Coopers<br>Accountants N.V.<br>\$'000 | Pricewaterhouse<br>Coopers<br>Accountants N.V.<br>member firms<br>\$'000 | Total<br>2021<br>\$'000 |
|-----------------------------------|--|--|-------------------------|
| Audit of the financial statements | 414  | 6 668  | 7 082                   |
| Tax service                       | -  | 100  | 100                     |
| Other non-audit services          | -  | 69   | 69                      |
|                                   | 414  | 6 837  | 7 251                   |

|                                   | Pricewaterhouse<br>Coopers<br>Accountants N.V.<br>\$'000 | Pricewaterhouse<br>Coopers<br>Accountants N.V.<br>member firms<br>\$'000 | Total<br>2020<br>\$'000 |
|-----------------------------------|--|--|-------------------------|
| Audit of the financial statements | 108  | 2 392  | 2 500                   |
| Tax service                       | -  | 172  | 172                     |
| Other non-audit services          | -  | 7  | 7                       |
|                                   | 108  | 2 571  | 2 679                   |

## 25. Finance costs

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Interest expense on third party loans   | 673            | 22 351         |
| Interest on taxation                    | 102            | 283            |
| Interest on leases                      | 4 088          | 3 805          |
| Loss on extinguishment of loan          | -              | 34 346         |
| Interest on employee benefit obligation | 2              | 6              |
| Finance costs                           | 4 865          | 60 791         |



## 26. Finance income

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Related party interest income           | -              | 3 909          |
| Interest on defined benefit plan assets | 6              | 10             |
| Other finance income                    | 426            | -              |
| <b>Finance income</b>                   | <b>432</b>     | <b>3 919</b>   |

## 27. Income tax

Major components of income tax expense are as follows:

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Current tax expense   |                |                |
| Current year  | 4 826          | 2 910          |
| Deferred tax expense  |                |                |
| Origination and reversal of temporary differences                     | 360            | (2 540)        |
| Recognition of previously unrecognized tax assets                     | (4 200)        | -              |
| Prior period true up  | (204)          | 254            |
| Total deferred tax expense/(benefit)                                  | (4 044)        | (2 286)        |
| <b>Income tax expense reported in the Statement of profit or loss</b> | <b>782</b>     | <b>624</b>     |

### a. Reconciliation of income tax expenses

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Loss before tax                                   | (77 156)       | (75 367)       |
| US Federal taxes                                  | (16 203)       | (15 652)       |
| US State taxes                                    | 87             | (6)            |
| Permanent non-deductible transactions             | 2 563          | (129)          |
| Share based compensation                          | 14 839         | -              |
| Research & Development credit                     | (732)          | (731)          |
| Tax reserves                                      | (17)           | (10 385)       |
| Others  | 129            | 3              |
| Non-US Operations                                 | (739)          | 1 132          |
| Tax attributes (including losses) not recognized  | 7 469          | 2 634          |
| Use of unrecognized tax attributes                | (2 414)        | 5 957          |
| Debt settlement                                   | -              | 9 003          |
| Tax return adjustments                            | -              | 8 798          |
| Recognition of previously unrecognized tax assets | 4 200          | -              |
| <b>Income tax expense at effective tax rate</b>   | <b>782</b>     | <b>624</b>     |
| Effective tax rate                                | (1.0)%         | (0.8)%         |

The US federal tax rate is used to reconcile to the effective tax rate as this is the Company's highest level of operational activity as well as being jurisdiction with the largest revenue generation. The difference between the Company's effective tax rate and the Netherlands statutory rate of 25% is primarily due to net operating losses for which the related deferred



tax assets have not been valued due to uncertainty of realization thereof, recognition of share based compensation taxes as well as the recognition of previously unrecognized deferred tax assets. Additionally, there have been some significant non-deductible debt settlement expenses which contributes to the difference.

Deferred taxes reconciliation per the statement of financial position:

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Deferred tax asset                        | 8 586          | 4 289          |
| Deferred tax and other tax liability      | (13 824)       | (7 005)        |
| - Deferred tax liabilities                | (7 155)        | (2 662)        |
| - Other long term tax liabilities         | (6 669)        | (4 343)        |
| <b>Net deferred tax asset/(liability)</b> | <b>1 431</b>   | <b>1 627</b>   |

#### b. Movement in deferred tax balances

Movement in deferred tax balances 2021:

|   | Net<br>balance at<br>31 December<br>2020<br>\$'000 | Recognized<br>in profit or<br>loss<br>\$'000 | Recognized<br>in OCI<br>\$'000 | Recognized<br>directly in<br>equity<br>\$'000 | Attributable to<br>business<br>combination<br>\$'000 | Net<br>balance at<br>31 December<br>2021<br>\$'000 |
|---|--|--|--------------------------------|---|--|--|
| <i>Deferred tax asset</i>                         |  |  |                                |   |  |  |
| Operating leases                                  | 1 219  | 2 126  | -                              | -   | -  | 3 345  |
| Net operating losses                              | 616  | (44)   | -                              | -   | 144  | 716  |
| Accrued liabilities                               | 494  | (350)  | -                              | -   | -  | 144  |
| Share based<br>compensation                       | 1 928  | 145  | -                              | (1 219)                                       | -  | 854  |
| Intangible assets                                 | -  | 4 648  | -                              | -   | (2 374)  | 2 274  |
| Other   | 3 077  | 27   | -                              | -   | -  | 3 104  |
| <i>Deferred tax liability</i>                     |  |  |                                |   |  |  |
| Operating leases                                  | (1 260)  | (578)  | (17)                           | -   | (469)  | (2 324)  |
| Contract costs                                    | (908)  | (1 879)                                      | -                              | -   | -  | (2 787)  |
| Others  | (3 539)  | (356)  | -                              | -   | -  | (3 895)  |
| <b>Net deferred tax<br/>asset / (liabilities)</b> | <b>1 627</b>                                       | <b>3 739</b>                                 | <b>(17)</b>                    | <b>(1 219)</b>                                | <b>(2 699)</b>                                       | <b>1 431</b>                                       |



Movement in deferred tax balances 2020:

|   | Net<br>balance at<br>1 January<br>2020 | Recognized<br>in profit or<br>loss | Recognized<br>in OCI | Recognized<br>directly in<br>equity | Net<br>balance at<br>31<br>December<br>2020 |
|---|--|------------------------------------|----------------------|-------------------------------------|---|
|   | \$'000                                 | \$'000                             | \$'000               | \$'000                              | \$'000                                      |
| <i>Deferred tax asset</i>                         |  |                                    |                      |                                     |   |
| Operating leases                                  | 392                                    | 827                                | -                    | -                                   | 1 219                                       |
| Net operating losses                              | -                                      | 616                                | -                    | -                                   | 616   |
| Accrued liabilities                               | 159                                    | 335                                | -                    | -                                   | 494   |
| Share based<br>compensation                       | -                                      | 247                                | -                    | 1 681                               | 1 928                                       |
| Other   | 894                                    | 2 139                              | -                    | 44                                  | 3 077                                       |
| <i>Deferred tax liability</i>                     |  |                                    |                      |                                     |   |
| Operating leases                                  | (1 318)                                | 58                                 | -                    | -                                   | (1 260)                                     |
| Contract costs                                    | (271)                                  | (637)                              | -                    | -                                   | (908)                                       |
| Others  | (2 235)                                | (1 300)                            | -                    | (4)                                 | (3 539)                                     |
| <b>Net deferred tax asset /<br/>(liabilities)</b> | <b>(2 379)</b>                         | <b>2 285</b>                       | <b>-</b>             | <b>1 721</b>                        | <b>1 627</b>                                |

Included in the line item Others is the recognition of deferred tax liabilities on intangible assets, as well as the distinction between jurisdictional revenue accounted for differently based on local taxation regulations.

**c. Unrecognized deferred tax assets**

Deferred tax assets have not been recognized in respect of the following items, as it is not probable that future taxable profit will be available against which the Group can use the benefits there from:

|   | 31<br>December 2021<br>\$'000 | 31<br>December 2020<br>\$'000 |
|---|-------------------------------|-------------------------------|
| Loss carried forward                    | 43 479                        | 29 372                        |
| Credit carried forward                  | 6 897                         | 5 845                         |
| Interest                                | -                             | 6 499                         |
| Share based compensation                | 4 780                         | 7 598                         |
| Others                                  | 8 937                         | 17 417                        |
| <b>Unrecognized deferred tax assets</b> | <b>64 093</b>                 | <b>66 731</b>                 |
| Expire                                  | 30 603                        | 32 059                        |
| Never expire                            | 33 490                        | 34 672                        |

Approximately \$18 million of unrecognized deferred tax losses that have expiration date will expire from 2021 until 2024 followed by \$7 million which will expire between 2021 and 2027 while \$3 million will start expiring only after 2030.

**d. Uncertain tax positions**

Meltwater takes income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include the interpretation of income tax laws applied to complex transactions.



The Company periodically reassesses its tax positions. Changes to the financial statement recognition, measurement, and disclosure of tax positions is based on management's best judgment given any changes in the facts, circumstances, information available and applicable tax laws. Considering all available information, the Company believes that the ultimate resolution of such matters will not have a material effect on the Company's financial position, statements of operations or cash flows.

## 28. Earnings/(loss) per share

### 28.1 Basic earnings/(loss) per share

|  | 2021<br>Cents | 2020<br>Cents |
|--|---------------|---------------|
| From continuing operations attributable to the ordinary equity holders of the Company            | (26)          | (31)          |
| Total basic earnings/(loss) per share attributable to the ordinary equity holders of the Company | (26)          | (31)          |

### 28.2 Diluted earnings/(loss) per share

|  | 2021<br>Cents | 2020<br>Cents |
|--|---------------|---------------|
| From continuing operations attributable to the ordinary equity holders of the Company              | (26)          | (31)          |
| Total diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company | (26)          | (31)          |

### 28.3 Reconciliations of earnings/(loss) used in calculating earnings/(loss) per share

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Basic earnings/(loss) per share   |                |                |
| Loss attributable to the ordinary equity holders of the Company used in calculating basic earnings per share: |                |                |
| From continuing operations  | (77 938)       | (75 991)       |
|   | (77 938)       | (75 991)       |

|   |          |          |
|---|----------|----------|
| Diluted earnings/(loss) per share   |          |          |
| Loss from continuing operations attributable to the ordinary equity holders of the Company:                           |          |          |
| Used in calculating basic earnings/(loss) per share   | (77 938) | (75 991) |
| Used in calculating diluted earnings/(loss) per share   | (77 938) | (75 991) |
| Loss attributable to the ordinary equity holders of the Company used in calculating diluted earnings/(loss) per share | (77 938) | (75 991) |

### 28.4 Weighted average number of shares used as the denominator

|   | 2021<br>Number | 2020<br>Number |
|---|----------------|----------------|
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share | 296 094 630    | 241 773 599    |



|   |             |             |
|---|-------------|-------------|
| Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share | 296 094 630 | 241 773 599 |
|---|-------------|-------------|

## 28.5 Information concerning the classification of securities

Details relating to the share options are set out in note 16.

## 29. Related parties

### 29.1 Key management personnel ('KMP') remuneration

KMP consists of 6 directors (2020: 6) and 1 employee (2020: 2) that form the management and leadership teams. The total remuneration of key management personnel was as follows:

|  | 2021<br>\$'000 | 2020<br>\$'000 |
|--|----------------|----------------|
| Short-term employee benefits             | 1 587          | 1 327          |
| Post-employment benefit                  | 6              | -              |
| Share-based payment benefits             | 1 024          | 245            |
| Remuneration of key management personnel | 2 617          | 1 572          |

### 29.2 Related party transactions

#### *Meltwater Foundation and Meltwater Entrepreneurial School of Technology ("MEST")*

The Company's executive director is a director at the Meltwater Foundation and MEST, both of which are not-for-profit organizations. The Company made charitable contributions of \$2.5 million and \$2.4 million to Meltwater Foundation in 2021 and 2020, respectively. These contributions were made with the restriction that the funds will be donated to MEST.

#### *Sublease Agreement with Shack15*

The Company's executive director is a founder of Shack15. In February 2019, the Company entered into a new sublease with Shack15 to rent office space. In August 2019 and December 2020, the Company amended the agreement to extend the term of the sublease. The sublease is expected to end in June 2023 with a total obligation of \$6.0 million during the term. As of 31 December 2021, Meltwater has no obligation outstanding.

### 29.3 Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

#### Related party receivables

|  | 1 January<br>2020<br>\$'000 | Cash<br>payments/<br>(receipts)<br>\$'000 | Foreign<br>currency<br>movements<br>\$'000 | Interest<br>\$'000 | 31<br>December<br>2020<br>\$'000 |
|--|-----------------------------|---|--|--------------------|----------------------------------|
| Chief executive officer                        | 30 944                      | (35 051)                                  | -  | 4 107              | -                                |
| STAK   | 62                          | -   | 5  | -                  | 67                               |
| Other  | 61                          | -   | 2  | -                  | 63                               |
| Total before allowance for doubtful collection | 31 067                      | (35 051)                                  | 7  | 4 107              | 130                              |



|  |               |                 |          |              |           |
|--|---------------|-----------------|----------|--------------|-----------|
| Allowance for doubtful collection      | (61)          | -               | (2)      | -            | (63)      |
| <b>Total related party receivables</b> | <b>31 006</b> | <b>(35 051)</b> | <b>5</b> | <b>4 107</b> | <b>67</b> |

The loan to the Chief Executive Officer amounting to \$35.1 million was fully settled during the 2020 financial year.

|  | 1 January 2021 | Cash payments/ (receipts) | Foreign currency movements | Interest | 31 December 2021 |
|--|----------------|---------------------------|----------------------------|----------|------------------|
|  | \$'000         | \$'000                    | \$'000                     | \$'000   | \$'000           |
| STAK   | 67             | -                         | (5)                        | -        | 62               |
| Other  | 63             | -                         | (2)                        | -        | 61               |
| Total before allowance for doubtful collection | 130            | -                         | (7)                        | -        | 123              |
| Allowance for doubtful collection              | (63)           | -                         | 2                          | -        | (61)             |
| <b>Total related party receivables</b>         | <b>67</b>      | <b>-</b>                  | <b>(5)</b>                 | <b>-</b> | <b>62</b>        |

### 30. List of subsidiaries

The Group's subsidiaries at 31 December 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The registered office is also their principal place of business.

| Entity name                                | Location               | 31 December 2021 % | 31 December 2020 % |
|--|------------------------|--------------------|--------------------|
| Meltwater N.V.                             | Amsterdam, Netherlands |                    |                    |
| Deepreason.ai Ltd                          | London, United Kingdom | 100                | -                  |
| Klear.com. Ltd                             | San Francisco, US      | 100                | -                  |
| Linkfluence SAS                            | Paris, France          | 100                | -                  |
| Linkfluence Asia Pte. Ltd.                 | Singapore              | 100                | -                  |
| Linkfluence China Co. Ltd.                 | Shanghai, China        | 100                | -                  |
| Linkfluence Corp.                          | New York, US           | 100                | -                  |
| Linkfluence France SAS                     | Paris, France          | 100                | -                  |
| Linkfluence Germany GmbH                   | Dusseldorf, Germany    | 100                | -                  |
| Linkfluence Ltd                            | London, United Kingdom | 100                | -                  |
| Scoop.it SAS                               | Paris, France          | 100                | -                  |
| Scoop.it Inc.                              | San Francisco, US      | 100                | -                  |
| Meltwater Emerald Ltd                      | Dublin, Ireland        | 100                | 100                |
| Meltwater (UK) Ltd                         | London, United Kingdom | 100                | 100                |
| Uberlabs Software Technologies Private Ltd | London, United Kingdom | 0,03               | 0,03               |
| Meltwater Argentina BV                     | Amsterdam, Netherlands | 100                | 100                |
| Meltwater News Software Brasil Ltda.       | São Paulo, Brazil      | 0,01               | 0,01               |
| Meltwater News AR S.R.L.                   | Amsterdam, Netherlands | 90                 | 90                 |
| Meltwater News AR1 S.R.L.                  | Amsterdam, Netherlands | 90                 | 90                 |
| Meltwater India Pvt. Ltd.                  | New Delhi, India       | 1                  | 1                  |



|   |                             |       |       |
|---|-----------------------------|-------|-------|
| Meltwater Middle East1 FZ LLC                           | Dubai, United Arab Emirates | 100   | 100   |
| Meltwater Middle East2 FZ LLC                           | Dubai, United Arab Emirates | 100   | 100   |
| Meltwater News Shanghai Co., Ltd.                       | Shanghai, China             | 100   | 100   |
| Meltwater Australia Pty Ltd                             | Sydney, Australia           | 100   | 100   |
| Meltwater Danmark ApS                                   | Copenhagen, Denmark         | 100   | 100   |
| Meltwater Deutschland GmbH                              | Berlin, Germany             | 100   | -     |
| Meltwater Finland OY                                    | Helsinki, Finland           | 100   | 100   |
| Meltwater India Pvt. Ltd.                               | New Delhi, India            | 99    | 99    |
| Meltwater Japan K.K.                                    | Tokyo, Japan                | 100   | 100   |
| Meltwater KFT   | Budapest, Hungary           | 100   | 100   |
| Meltwater News AR S.R.L                                 | Buenos Aires, Argentina     | 10    | 10    |
| Meltwater News AR1 S.R.L                                | Buenos Aires, Argentina     | 10    | 10    |
| Meltwater News AS                                       | Oslo, Norway                | 100   | 100   |
| Meltwater News AT1 GmbH                                 | Vienna, Austria             | 100   | 100   |
| Meltwater News Canada Inc (British Columbia Registered) | Toronto, Canada             | 100   | 100   |
| Meltwater News Deutschland GmbH                         | Berlin, Germany             | 100   | 100   |
| Meltwater News FR1 SAS                                  | Bordeaux, France            | 100   | 100   |
| Meltwater News HK Ltd                                   | Hong Kong                   | 100   | 100   |
| Meltwater News HK1 Ltd                                  | Hong Kong                   | 100   | 100   |
| Meltwater news International Holdings GmbH              | Schaffhausen, Switzerland   | 100   | 100   |
| Meltwater News International GmbH                       | Schaffhausen, Switzerland   | -     | 100   |
| Meltwater News Malaysia Sdn Bhd                         | Kuala Lumpur                | 100   | 100   |
| Meltwater News SA1 (Pty) Ltd                            | Cape Town, South Africa     | 100   | 100   |
| Meltwater South Africa (Pty) Ltd                        | Cape Town, South Africa     | 100   | 100   |
| Meltwater News SG1 Pte Ltd                              | Singapore                   | 100   | 100   |
| Meltwater News Software Brasil Ltda.                    | São Paulo, Brazil           | 99,99 | 99,99 |
| Meltwater Singapore Pte Ltd                             | Singapore                   | 100   | 100   |
| Meltwater Software Private Ltd                          | Bangalore, India            | 99,99 | 99,99 |
| Meltwater Sweden AB                                     | Stockholm, Sweden           | 100   | 100   |
| Meltwater The Netherlands BV                            | Amsterdam, Netherlands      | 100   | 100   |
| Meltwater US Holdings Inc.                              | San Francisco, US           | 100   | 100   |
| Meltwater News US Inc.                                  | San Francisco, US           | 100   | 100   |
| Expion Shanghai Co., Ltd                                |                             | 100   | -     |
| Owler Inc.  |                             | 100   | -     |
| Owler India Pte Ltd                                     |                             | 100   | -     |
| Uberlabs Software Technologies Private Ltd              | London, United Kingdom      | 99,97 | 99,97 |
| Meltwater News US1 Inc.                                 | San Francisco, US           | 100   | 100   |
| Meltwater Software Private Ltd                          | Bangalore, India            | 0,01  | 0,01  |
| Sysomos UK Ltd.   | London, United Kingdom      | 100   | -     |



### 31. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

#### Financial instruments at amortized cost

The majority of the Group financial assets and liabilities are carried at amortized cost using the effective interest method. The fair values of these instruments are not materially different from their carrying values, since the instruments are either short-term in nature or the interest rates are on market terms.

There were no transfers between fair value hierarchy levels in 2021 and 2020.

#### 31 December 2021

| Financial assets                                       | Note | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|------|-------------------|-------------------|-------------------|-----------------|
| Financial assets at fair value through profit and loss | 8    | -                 | -                 | 1 292             | 1 292           |
| Financial liabilities                                  |      | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| Contingent consideration                               |      | -                 | -                 | 13 078            | 13 078          |

#### 31 December 2020

| Financial assets                                       | Note | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|------|-------------------|-------------------|-------------------|-----------------|
| Financial assets at fair value through profit and loss | 8    | -                 | -                 | 2 036             | 2 036           |
| Financial liabilities                                  |      | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| Contingent consideration                               |      | -                 | -                 | 632               | 632             |



Fair value measurements using significant unobservable inputs (level 3)

|   | Financial assets<br>at fair value<br>through profit<br>and loss | Contingent<br>consideration | Total        |
|---|---|-----------------------------|--------------|
| <b>Opening balance 1 January 2020</b>     | <b>2 535</b>  | <b>1 119</b>                | <b>3 654</b> |
| Gains/(losses) recognized in other income | -   | 192                         | 192          |
| Payment                                   | -   | (679)                       | (679)        |
| Additions                                 | 1   | -                           | 1            |
| Other (Exchange rate effects and other)   | (500)   | -                           | (500)        |
| <b>Closing balance 31 December 2020</b>   | <b>2 036</b>  | <b>632</b>                  | <b>2 668</b> |

|   |              |               |               |
|---|--------------|---------------|---------------|
| Additions                                 | -            | 13 232        | 13 232        |
| Gains/(losses) recognized in other income | -            | (82)          | (82)          |
| Payment                                   | -            | (397)         | (397)         |
| Other (Exchange rate effects and other)   | (658)        | (307)         | (965)         |
| Disposals                                 | (86)         | -             | (86)          |
| <b>Closing balance 31 December 2021</b>   | <b>1 292</b> | <b>13 078</b> | <b>14 370</b> |

Financial assets at fair value are measured at cost which approximates fair value as such no disclosures will be included regarding the valuation technique utilised and the sensitivity analysis of such valuation techniques.

### 32. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

| Risk   | Exposure arising from                           | Measurement           | Management                            |
|--|---|-----------------------|---------------------------------------|
| <b>Market risk – foreign currency exchange</b> | Future commercial transactions                  | Sensitivity analysis  | Part of the daily business management |
|  | Recognized financial assets and liabilities not | Cash flow forecasting |                                       |



|                                    | denominated in US Dollar (\$)  |                                  |   |
|------------------------------------|--|----------------------------------|---|
| <b>Market risk – interest rate</b> | Non-current borrowings at fixed and variable rates                           | Sensitivity analysis             | Part of the daily business management   |
| <b>Credit risk</b>                 | Cash and cash equivalents, deposits trade and other receivables              | Aging analysis<br>Credit ratings | Diversification of bank accounts and the placement of cash with major financial institutions<br><br>Ongoing credit evaluation is performed on the financial condition of accounts receivable<br><br>Part of the daily business management |
| <b>Liquidity risk</b>              | Lease liabilities, employee benefit obligations and trade and other payables | Maturity analysis                | Availability of committed credit lines and borrowing facilities<br><br>Prudent cash management policies   |

Susceptibility of the Group to financial risks is monitored as a part of its daily management of the business. Exchange rate exposures are monitored by the Group's Corporate Treasurer.

### 32.1 Market risk- foreign currency exchange

The functional currency of the Company is the US Dollar (\$). The Group faces currency risks related to the transactions carried out in the currencies other than the functional currency. The Group has not entered into transactions designed to hedge against the foreign currency risks. There has been no change in the Group's exposure to market risks or how these risks are managed and measured.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in US Dollar currency units, was as follows:



| 31 December 2021                 | USD           | EUR           | GBP           | CAD          | AUD          | CNY          | AED          | HKD          | JPY          | SGD          | SEK          | ZAR          | INR          | ILS          | NOK        | DKK        | MYR        | BRL        | HUF       | ARS      | CHF            | Total          |
|----------------------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|-----------|----------|----------------|----------------|
| Trade Receivable                 | 33 107        | 17 616        | 5 904         | 5 603        | 4 427        | 4 019        | 2 094        | 2 966        | 2 436        | 2 303        | 2 630        | 985          | 763          | 1 210        | 729        | 569        | 588        | 141        | -         | -        | -              | 88 090         |
| Receivables from Related Parties | 62            | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -          | -          | -          | -          | -         | -        | -              | 62             |
| Other non-current assets         | 5 597         | 1 711         | 320           | 453          | 845          | 176          | 435          | 125          | 193          | 243          | 103          | 111          | 313          | 22           | 157        | 16         | 7          | -          | 34        | -        | 30             | 10 891         |
| LT Investments                   | 1 292         | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -          | -          | -          | -          | -         | -        | -              | 1 292          |
| Cash and Cash Equivalents        | 15 224        | 8 352         | 5 735         | 729          | 2 306        | 1 410        | 2 036        | 777          | 939          | 999          | 619          | 1 497        | 997          | 460          | 310        | 295        | 118        | 299        | 31        | 6        | 248            | 44 387         |
| Trade Payable                    | (5 931)       | (836)         | (450)         | (290)        | (276)        | (108)        | (10)         | (48)         | (1)          | (152)        | (64)         | (15)         | (7)          | -            | (253)      | (21)       | (2)        | (8)        | (19)      | (4)      | (3 476)        | (11 971)       |
| <b>Exposure</b>                  | <b>49 351</b> | <b>26 843</b> | <b>11 509</b> | <b>7 495</b> | <b>7 302</b> | <b>5 497</b> | <b>4 555</b> | <b>3 820</b> | <b>3 567</b> | <b>3 393</b> | <b>3 288</b> | <b>2 578</b> | <b>2 066</b> | <b>1 692</b> | <b>943</b> | <b>859</b> | <b>711</b> | <b>432</b> | <b>46</b> | <b>2</b> | <b>(3 198)</b> | <b>132 751</b> |

| 31 December 2020                 | USD           | EUR           | GBP          | CAD          | AUD          | CNY          | AED          | HKD          | JPY          | SGD          | SEK          | ZAR          | INR          | ILS      | NOK           | DKK        | MYR        | BRL        | HUF        | ARS      | CHF            | Total          |
|----------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------|---------------|------------|------------|------------|------------|----------|----------------|----------------|
| Trade Receivable                 | 29 146        | 13 804        | 4 895        | 4 973        | 4 828        | 2 898        | 1 978        | 2 442        | 2 623        | 1 916        | 2 519        | 1 067        | 582          | -        | 656           | 602        | 458        | 295        | -          | -        | -              | 75 682         |
| Receivables from Related Parties | -             | 67            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -        | -             | -          | -          | -          | -          | -        | -              | 67             |
| Deposits                         | 1 708         | 409           | 249          | 374          | 879          | 166          | 213          | 163          | 216          | 246          | 108          | 61           | 226          | -        | 158           | 16         | 7          | -          | 37         | -        | 31             | 5 267          |
| LT Investments                   | 1 662         | 95            | 46           | -            | -            | -            | 182          | -            | -            | -            | 2            | 25           | 17           | -        | 7             | -          | -          | -          | -          | -        | -              | 2 036          |
| Cash and Cash Equivalents        | 49 762        | 9 490         | 2 433        | 3 943        | 3 039        | 2 042        | 639          | 429          | 830          | 600          | 456          | 569          | 405          | -        | 24 322        | 264        | 219        | 80         | 79         | 2        | 325            | 99 927         |
| Trade Payable                    | (2 832)       | (324)         | (292)        | (324)        | (664)        | (15)         | (175)        | (21)         | (2)          | (66)         | (10)         | (55)         | 9            | -        | (235)         | 5          | (-)        | (4)        | (2)        | (-)      | (1 924)        | (6 931)        |
| <b>Exposure</b>                  | <b>79 446</b> | <b>23 541</b> | <b>7 330</b> | <b>8 966</b> | <b>8 082</b> | <b>5 091</b> | <b>2 837</b> | <b>3 013</b> | <b>3 667</b> | <b>2 696</b> | <b>3 075</b> | <b>1 667</b> | <b>1 239</b> | <b>-</b> | <b>24 908</b> | <b>887</b> | <b>684</b> | <b>371</b> | <b>114</b> | <b>2</b> | <b>(1 568)</b> | <b>176 048</b> |



The aggregate net foreign exchange gains/losses recognized in the consolidated statement of profit and loss and other comprehensive income were:

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Net foreign exchange gain/(loss) included in Profit or loss                         | 5 454          | (5 479)        |
| Total net foreign exchange gains/(losses) recognized in other comprehensive income  | (3 467)        | 1 688          |
| <b>Net foreign exchange gains/(losses) recognized in total comprehensive income</b> | <b>1 987</b>   | <b>(3 791)</b> |

### 32.2 Market risk - Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise.

#### Sensitivity analysis

The Group is exposed to a variety of foreign currencies (see table below).

A possible strengthening (weakening) of the foreign currencies by +/- 10.0% against the US Dollars at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below, expressed in US Dollar currency units. The analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases.



| <b>31 December 2021</b>       | EUR     | GBP     | CAD   | AUD   | CNY   | AED   | HKD   | JPY   | SGD   | SEK   | ZAR   | INR   | ILS   | NOK     | DKK  | MYR  | BRL  | HUF  | ARS | CHF   |         |
|-------------------------------|---------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|------|------|------|------|-----|-------|---------|
| Currency strengthening by 10% | 2 684   | 1 151   | 750   | 730   | 550   | 456   | 382   | 357   | 339   | 329   | 258   | 207   | 169   | 94      | 86   | 71   | 43   | 5    | -   | (320) | 8 341   |
| Currency weakening by 10%     | (2 684) | (1 151) | (750) | (730) | (550) | (456) | (382) | (357) | (339) | (329) | (258) | (207) | (169) | (94)    | (86) | (71) | (43) | (5)  | -   | 320   | (8 341) |
| <b>31 December 2020</b>       | EUR     | GBP     | CAD   | AUD   | CNY   | AED   | HKD   | JPY   | SGD   | SEK   | ZAR   | INR   | ILS   | NOK     | DKK  | MYR  | BRL  | HUF  | ARS | CHF   | Total   |
| Currency strengthening by 10% | 2 354   | 733     | 897   | 808   | 509   | 284   | 301   | 367   | 270   | 307   | 167   | 124   | -     | 2 491   | 89   | 68   | 37   | 11   | -   | (157) | 9 660   |
| Currency weakening by 10%     | (2 354) | (733)   | (897) | (808) | (509) | (284) | (301) | (367) | (270) | (307) | (167) | (124) | -     | (2 491) | (89) | (68) | (37) | (11) | (-) | 157   | (9 660) |



### 32.3 Market risk- interest rate risk management

The Group's main interest rate risk arises from long-term borrowings with both fixed and variable rates which expose the Group to cash flow interest rate risk. Meltwater does not currently have an interest rate hedging policy as interest is paid when it becomes due. Long term borrowings which contain a variable interest rate have been extinguished during December 2020. A rolling credit facility has been entered into for general corporate purpose use to secure the availability of finance on pre-arranged terms over the facility period.

#### Sensitivity analysis

The following table illustrates the sensitivity of profit before tax and equity to a reasonably possible change in interest rates of +/- 1.0% and how it would have affected equity and profit or loss by the amounts shown below, expressed in US Dollar currency units. All other variables are held constant.

|                  | Profit before tax |       |
|------------------|-------------------|-------|
|                  | +1%               | -1%   |
| 31 December 2021 | -142              | 142   |
| 31 December 2020 | -1 796            | 1 796 |

### 32.4 Credit risk management

Credit risk arises from cash at bank and trade and other receivables and is considered to be minimal.

Majority of the cash at bank and deposits are held with high credit quality financial institutions with a credit rating of A or higher. With respect to trade and other receivables the Group mitigates the credit risk through credit limits for each debtor on post-paid terms. These receivables are extremely short term in nature.

|                             | 31<br>December 2021<br>\$'000 | 31<br>December 2020<br>\$'000 |
|-----------------------------|-------------------------------|-------------------------------|
| Trade and other receivables | 88 152                        | 75 749                        |
| Cash at bank                | 44 387                        | 99 927                        |
| Exposure                    | 132 539                       | 175 676                       |

The credit losses on trade receivables due to bankruptcy has been historically immaterial and are not expected to be material in the future.

### 32.5 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible that it will meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

In December 2020 upon the completion of the private placement and listing the Company received aggregate proceeds of \$237.5 million after deducting underwriting discounts commissions and offering costs and repaid the 2019 Note Payable with the proceeds.

In December 2020 the Company entered into a multi-currency revolving credit facility (the "2020 Credit Facility") of \$150.0 million. The maturity date of the 2020 Credit Facility is three years from when the first utilization occurs with an option to extend an additional one to two years. Interest accrues on amounts outstanding under the 2020 Credit Facility at LIBOR plus a margin range of 1.50% to 2.00% per annum. The Company is required to meet certain covenants in relation to the



2020 Credit Facility. The covenants mainly related to the achievement of a financial leverage ratio. As of 31 December 2020 the Company had not drawn any borrowings under the 2020 Credit Facility and had the ability to borrow \$150.0 million under the 2020 Credit Facility. During 2021 the Company drew down \$25 million of the \$150 million revolving credit facility.

The liquidity risk management implies maintaining sufficient cash and committed credit facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's financial liabilities by their remaining period to maturity based on the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows (these amounts may not reconcile to the amounts disclosed on the statement of financial position for debt to shareholders, participants, related parties, lease liabilities, trade and other payables).

|                         | Within the<br>next 12<br>months<br>\$'000 | Between 1<br>and 5 years<br>\$'000 | Beyond<br>5 years<br>\$'000 | Total<br>\$'000 |
|-------------------------|---|------------------------------------|-----------------------------|-----------------|
| <b>31 December 2021</b> |   |                                    |                             |                 |
| Trade payables          | 11 971                                    | -                                  | -                           | 11 971          |
| Lease liabilities       | 12 501                                    | 22 818                             | 75                          | 35 394          |
| Employee benefits       | 44  | 873                                | 1 244                       | 2 161           |
| External borrowings     | -   | 25 059                             | -                           | 25 059          |
| <b>Exposure</b>         | <b>24 516</b>                             | <b>48 750</b>                      | <b>1 319</b>                | <b>74 585</b>   |
| <b>31 December 2020</b> |   |                                    |                             |                 |
| Trade payables          | 6 931                                     | -                                  | -                           | 6 931           |
| Lease liabilities       | 9 795                                     | 22 952                             | 765                         | 33 512          |
| Employee benefits       | 36  | 118                                | 1 569                       | 1 723           |
| External borrowings     | -   | -                                  | -                           | -               |
| <b>Exposure</b>         | <b>16 762</b>                             | <b>23 070</b>                      | <b>2 334</b>                | <b>42 166</b>   |

### 32.6 Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy has changed from 2019 as the Group completed a private placement and listing raising capital to extinguish borrowing agreements whilst also obtaining a multi-currency revolving credit facility.

The capital structure of the Group consists of net debt (borrowings disclosed in notes 7 and 18 after deducting cash and bank balances) and equity of the Group (comprising issued capital reserves retained earnings and accumulated deficit as disclosed in note 13 and the statement of changes in Equity).

|                           | 31<br>December 2021<br>\$'000 | 31<br>December 2020<br>\$'000 |
|---------------------------|-------------------------------|-------------------------------|
| Debt                      | (25 059)                      | -                             |
| Lease liabilities         | (29 897)                      | (33 512)                      |
| Cash and Cash equivalents | 44 387                        | 99 927                        |
| Net debt                  | (10 569)                      | 66 415                        |
| Equity                    | (47 105)                      | (34 709)                      |



Net debt to equity ratio

0,22

(1,19)

The ratio indicates what proportion of equity and debt the Company has been using to finance its assets and how encumbered a company is with debt. Debt does not include trade payables as it relates to operational activities and not capital activities. The positive ratio as at 31 December 2021 indicates that the Group's cash at hand does not exceed its debt. The negative ratio as at 31 December 2020 indicates that the Group's cash at hand exceeds its debt.



### 33. Financing activities

|  | Non-convertible<br>loans<br>\$'000 | Lease liabilities<br>\$'000 | Euronext Oslo Børs<br>offering<br>\$'000 | Repurchase of<br>shares<br>\$'000 | Issuance of Common<br>shares<br>\$'000 | Total<br>\$'000 |
|--|------------------------------------|-----------------------------|--|-----------------------------------|--|-----------------|
| <b>Balance at 1 January 2020</b>       | 175 516                            | 25 792                      | (-)                                      | -                                 | 1 129                                  | 202 437         |
| Cash movements:                        |                                    |                             |  |                                   |  | -               |
| New loans /cash<br>from offerings      | 25 000                             | (-)                         | 248 404                                  | -                                 | 1 088                                  | 274 492         |
| Repayments of<br>Principal             | (200 000)                          | (11 371)                    | (-)                                      | -                                 | (-)                                    | (211 371)       |
| Repayments of<br>Interest              | (28 683)                           | (3 523)                     | (-)                                      | -                                 | (-)                                    | (32 206)        |
| Non-cash<br>movements:                 |                                    |                             |  |                                   |  |                 |
| New lease liabilities<br>recognized    | (-)                                | 19 548                      | (-)                                      | -                                 | (-)                                    | 19 548          |
| Interest accrued                       | 22 640                             | 3 608                       | (-)                                      | -                                 | (-)                                    | 26 248          |
| Exchange<br>differences                | (-)                                | 367                         | (-)                                      | -                                 | (-)                                    | 367             |
| Debt issuance cost<br>amortization     | 5 527                              | (-)                         | (-)                                      | -                                 | (-)                                    | 5 527           |
| Reassessments and<br>modifications     | (-)                                | (909)                       | (-)                                      | -                                 | (-)                                    | (909)           |
| <b>Balance at 31<br/>December 2020</b> | (-)                                | <b>33 512</b>               | <b>248 404</b>                           | -                                 | <b>2 217</b>                           | <b>284 133</b>  |



|                                    |               |               |                |                |              |                |
|------------------------------------|---------------|---------------|----------------|----------------|--------------|----------------|
| <b>Balance at 1 January 2021</b>   | (-)           | 33 512        | 248 404        | -              | 2 217        | 284 133        |
| Cash movements:                    |               |               |                |                |              |                |
| New loans /cash from offerings     | 25 000        | -             | (10 674)       | -              | 5 480        | 19 806         |
| Purchase of equity shares          | -             | -             | -              | (6 927)        | -            | (6 927)        |
| Repayments of Principal            | -             | (10 437)      | -              | -              | -            | (10 437)       |
| Repayments of Interest             | -             | (4 078)       | -              | -              | -            | (4 078)        |
| Non-cash movements:                |               |               |                |                |              |                |
| Additions through acquisitions     | 59            | -             | -              | -              | -            | 59             |
| New lease liabilities recognized   | -             | 6 121         | -              | -              | -            | 6 121          |
| Interest accrued                   | -             | 4 088         | -              | -              | -            | 4 088          |
| Exchange differences               | -             | (682)         | -              | -              | -            | (682)          |
| Debt issuance cost amortization    | -             | -             | -              | -              | -            | -              |
| Reassessments and modifications    | -             | 1 373         | -              | -              | -            | 1 373          |
| <b>Balance at 31 December 2021</b> | <b>25 059</b> | <b>29 897</b> | <b>237 730</b> | <b>(6 927)</b> | <b>7 697</b> | <b>293 456</b> |



## 34. Operating segments

### 34.1 Products and services from which reportable segments derive their revenues

Information reported to the Group's Chief Executive Officer (Chief Operating Decision Maker) for the purposes of resource allocation and assessment of segment performance is focused on the business activities which generates certain classes of revenue and incurs certain classes of expenses. The principal business activities generate revenue through one operating segment namely Media Intelligence, which is also the Group's reportable segment under IFRS 8.

## 35. Standards issued but not yet effective

The amended standards that are applicable to the Company are issued but are not yet effective for 31 December 2021 are listed below:

- Amendments to IAS 37 Onerous contracts effective for reporting periods beginning on or after 1 January 2022.
- Amendments to IAS 16 Property Plant and Equipment - Proceeds before Intended Use effective for reporting periods beginning on or after 1 January 2022.
- Amendments to IFRS 3 that update an outdated reference in IFRS 3 without significantly changing its requirements effective for reporting periods beginning on or after 1 January 2022.
- Amendments to IAS 1- Classification of Liabilities as Current or Non-current effective for reporting periods beginning on or after 1 January 2024.
- Amendments to IAS 1 - Disclosure accounting policies effective for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 8 – Definition of accounting estimates effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period.
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction effective for annual reporting periods beginning on or after 1 January 2023.

The Group will adopt these amended standards when they become effective. The amended standards are not expected to have a material impact on the Group's financial statements.

## 36. Business combinations

### Acquisition of Klear.com Ltd ("Klear")

On 14 April 2021 we acquired all (100%) of the equity interests in Klear.com Ltd., which is engaged in influencer marketing technology development, pursuant to the terms of a definitive Share Purchase Agreement of the same date. The acquisition improved the Company's offering of social intelligence-based products and technology services.

Klear.com Ltd. and the Company were parties to a Reseller Agreement dated 12 October 2017 wherein we were granted license to sell market and promote the product offerings of the acquired company to our customers throughout the world on monthly payment terms. Through the execution of the Share Purchase Agreement this pre-existing relationship was effectively settled. No settlement gain or loss was recognized on account of such contractual preexisting relationship being cancelable by either party without penalty and the stated settlement provision being zero.



Total purchase consideration to complete the acquisition was \$17.8 million consisting of an upfront cash payment of \$11.0 million, preliminary working capital adjustments of \$0.3 million, net cash of \$3.8 million and debt assumed of \$1.4 million, an adjustment for the settlement of a pre-existing relationship of \$0.8 million along with contingent cash payments of up to \$6.8 million upon the achievement of certain performance milestones.

As of the acquisition date \$5.6 million contingent cash payments related to the commercial milestones has been recognized by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 2.4% for the General Data Protection Regulation (GDPR) target amount and 2.5% for the Annual Recurring Revenue (ARR). We will continue to monitor the commercial milestones at each reporting period. The probability of occurrence for the GDPR Target Amount Payment a successful platform integration is very high. Therefore, 100% probability of occurrence for the GDPR Target Amount Payment. We will continue to monitor the commercial milestones at each reporting period.

Details of the purchase consideration are as follows:

|   | <b>USD '000</b> |
|---|-----------------|
| Purchase consideration:                 |                 |
| Base consideration                      | 11 000          |
| Add: Net cash                           | 3 823           |
| Less: Indebtedness                      | (1 466)         |
| Less: Net working capital adjustment    | (313)           |
| Initial Consideration                   | 13 044          |
| Contingent Consideration                | 5 550           |
| Less: Pre-existing relationship balance | (823)           |
| Total purchase consideration            | 17 771          |

The preliminary allocation of consideration transferred is based on management's estimates, judgments and assumptions. When determining the fair values of assets acquired and liabilities assumed management made significant estimates, judgments and assumptions. These estimates, judgments and assumptions are subject to change upon final valuation and should be treated as preliminary values. Management estimated that consideration paid exceeded the fair value of the net assets acquired. Therefore goodwill of \$12.91 million was recorded. The goodwill recognized is primarily attributable to the expected synergies to be achieved from the business combination and is fully deductible for tax purposes.

On 31 December 2021 the contingent consideration has a fair value of \$5.6 million with an increase in fair value amounting to \$0.09 million throughout the year. As of 31 December 2021, the recognized amount of contingent consideration and the key assumptions used to measure that amount have not changed since the acquisition date.

The assets and liabilities recognized as a result of the acquisition are as follows:

|                               | <b>Fair Value<br/>\$'000</b> |
|-------------------------------|------------------------------|
| Cash                          | 4 142                        |
| Accounts receivables          | 617                          |
| Prepaid expenses              | 151                          |
| Property, plant and equipment | 19                           |
| Trademarks                    | 541                          |
| Customer relationships        | 1 626                        |
| Developed technology          | 3 627                        |
| Deferred tax Liability        | (1 800)                      |
| Accounts payable              | (6)                          |



|   |               |
|---|---------------|
| Contract liabilities                    | (1 799)       |
| Accrued expenses & other                | (2 257)       |
| <b>Net identifiable assets acquired</b> | <b>4 861</b>  |
| Goodwill                                | 12 910        |
|   | <b>17 771</b> |

Pursuant to the acquisition, an indemnification receivable of \$1.52 million has been recognized with a current tax liability of equal value, as well as the temporary differences related to deferred tax liability of \$1.80 million. This resulted in the additional Goodwill recognition of \$1.80 million leading to the total value of Goodwill on acquisition of \$12.91 million.

In addition business transaction costs incurred in connection with the acquisition is \$0.72 million of which \$0.3 million were incurred in 2021.

The fair value of acquired trade receivables is \$0.61 million. The gross contractual amount for trade receivables due is \$1.05 million, with a loss allowance of \$0.44 million recognized on acquisition.

The acquired business contributed revenues of \$3.1 million and net profit of \$1.8 million to the Group for the period from 1<sup>st</sup> April 2021 to 31 December 2021.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and loss for the year ended 31 December 2021 would have been \$404 million and \$76.8 million respectively.

#### Acquisition of Linkfluence SAS (“Linkfluence”)

On 5 May 2021 the Company acquired 100% of the issued share capital of Linkfluence. Linkfluence is engaged in the business of providing products and services based on artificial intelligence to algorithmically mine social media for consumer insights. The combination of Linkfluence with Meltwater will help the Company achieve a larger scale as Meltwater will significantly increase the sales force dedicated to sell Linkfluence's products. There are cost savings associated with the transaction including savings in hosting and content costs.

The purchase consideration related to this acquisition was denominated in Euro. Total purchase consideration to complete the acquisition was €42.1 million (\$51.1 million) consisting of an upfront cash payment of €14.66 million (\$17.59 million) and an upfront issuance of 2 552 260 shares of the Company valued at €13.5 million (\$16.3 million) along with additional cash payments of up to €14 million (\$16.8 million) upon the achievement of certain performance milestones.

The additional cash payments relating to the performance milestones will be recognized if and when such milestones are probable and can be reasonably estimated. The potential undiscounted additional cash payment under the agreement is between \$0 for sales below \$26.4 million and failure to integrate the platforms and \$16.8 million for sales above \$39.6 million and successful platform integration. As of the acquisition date, \$5.5 million contingent consideration related to the commercial milestones has been recognized by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 1.7% for the successful platform integration and 3.0% for the pre-determined sales. We will continue to monitor the commercial milestones at each reporting period. The probability of a successful platform integration is very high. Therefore, 100% probability is assumed of achieving a successful platform integration.



Details of the purchase consideration is as follow:

|  | EUR'000       | USD'000       |
|--|---------------|---------------|
| Purchase consideration:                                    |               |               |
| Base consideration   | 14 660        | 17 594        |
| Add: Aggregate subscription price of all the Option Shares | 834           | 1 001         |
| Add: Fair value of issued shares                           | 13 547        | 16 258        |
| Add: Adjustment Escrow Amount                              | 1 256         | 1 508         |
| Initial Consideration                                      | 30 297        | 36 361        |
| Conciliation debt  | 7 220         | 9 265         |
| Contingent consideration                                   | 4 550         | 5 458         |
| <b>Total purchase consideration</b>                        | <b>42 067</b> | <b>51 084</b> |

Conciliation debt includes all debt and accrued unpaid interest (including interest on the convertible bonds), as well as break costs and other indemnities stipulated in the loan agreement entered into with the Conciliation Debt creditors, owed by Linkfluence to each of the Conciliation Debt creditors and comprised by the Conciliation Agreement, which was due and payable on the Closing Date.

The preliminary allocation of consideration transferred is based on management's estimates, judgments and assumptions. When determining the fair values of assets acquired and liabilities assumed, management made significant estimates, judgments and assumptions. These estimates, judgments and assumptions are subject to change upon final valuation and should be treated as preliminary values. Management estimated that consideration paid exceeded the fair value of the net assets acquired. Therefore, goodwill of \$37.2 million was recorded. The goodwill recognized is primarily attributable to the expected synergies to be achieved from the business combination and is fully deductible for tax purposes.

We are still finalizing the allocation of the purchase price which may be subject to change as additional information becomes available to us.

On 31 December 2021 the contingent consideration has a fair value of \$5.2 million with an increase in fair value amounting to \$0.06 million throughout the year. Due to foreign exchange rate differences, the contingent consideration balance decreased with \$0.3 million throughout the year. As of 31 December 2021, the recognized amount of contingent consideration and the key assumptions used to measure that amount have not changed since the acquisition date.

The preliminary assets and liabilities recognized as a result of the acquisition are as follows:

|   | Fair Value<br>\$'000 |
|---|----------------------|
| Cash                                      | 6 862                |
| Accounts receivables                      | 3 775                |
| Prepaid expenses and other current assets | 8 042                |
| Property, plant and equipment             | 32                   |
| Other assets                              | 377                  |
| Trademarks                                | 448                  |
| Customer relationships                    | 7 404                |
| Developed technology                      | 6 109                |
| Accounts payable                          | (1 377)              |
| Contract liabilities                      | (3 534)              |
| Accrued expenses and others               | (13 508)             |
| Other liabilities                         | (1 161)              |
| <b>Net identifiable assets acquired</b>   | <b>13 469</b>        |



Pursuant to the acquisition, an indemnification receivable of \$0.3 million has been recognized with a current tax liability of equal value, income tax receivable of \$0.9 million as well as the temporary differences related to deferred tax liability of \$0.5 million. This resulted in the reduced Goodwill recognition of \$0.4 million leading to the total value of Goodwill on acquisition of \$37.2 million.

In addition business transaction costs incurred in connection with the acquisition is \$1.4 million of which \$1.4 million were incurred in 2021.

The acquired business contributed revenues of \$10.3 million and net loss of \$5.2 million to the Group for the period from 5 May 2021 to 31 December 2021.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and loss for the year ended would have been \$408.7 million and \$80.9 million respectively.

#### Acquisition of Owler Inc. (“Owler”)

On 17 June 2021 the Company acquired all of the ownership interests (100%) in Owler. pursuant to the terms of definitive Agreement and Plan of Merger of the same date. Owler. is engaged in the business of providing a community-based competitive insights platform which is used to outsmart the competition and uncover competitive insights news and alerts. The acquisition will leverage the combined synergies and expertise of the two dedicated entities engaged in media intelligence and social analytics.

Total purchase consideration to complete the acquisition was \$18.9 million which consisted of an upfront cash payment of \$18.9 million offset by working capital adjustments.

Details of the purchase consideration are as follows:

|  | USD '000 |
|--|----------|
| Purchase consideration:                        |          |
| Base Purchase Price                            | 18 900   |
| Add: Cash and cash equivalents                 | 401      |
| Less: Unpaid acquisition expenses              | (365)    |
| Less: Closing indebtedness                     | (187)    |
| Less: Estimated Net Working Capital Adjustment | (182)    |
| Estimated Merger Consideration                 | 18 567   |
| Add: Unpaid acquisition expenses               | 115      |
| Add: Closing indebtedness                      | 187      |
| Total purchase consideration                   | 18 869   |



The assets and liabilities recognized as a result of the acquisition are as follows:

|   | <b>Fair Value<br/>\$'000</b> |
|---|------------------------------|
| Cash                                    | 401                          |
| Accounts receivables                    | 109                          |
| Prepaid expenses                        | 249                          |
| Property, plant and equipment           | 5                            |
| Other assets                            | 84                           |
| Trademarks                              | 900                          |
| Customer relationships                  | 900                          |
| Developed technology                    | 6 300                        |
| Accounts payable                        | (75)                         |
| Contract liabilities                    | (906)                        |
| Accrued expenses & other                | (201)                        |
| <b>Net identifiable assets acquired</b> | <b>7 766</b>                 |
| Goodwill                                | 11 103                       |
|   | <b>18 869</b>                |

The preliminary allocation of consideration transferred is based on management's estimates, judgments and assumptions. When determining the fair values of assets acquired and liabilities assumed management made significant estimates, judgments and assumptions. These estimates, judgments and assumptions are subject to change upon final valuation and should be treated as preliminary values. Management estimated that consideration paid exceeded the fair value of the net assets acquired. Therefore, goodwill of \$11.1 million was recorded. The goodwill recognized is primarily attributable to the expected synergies to be achieved from the business combination and is fully deductible for tax purposes.

In addition business transaction costs incurred in connection with the acquisition is \$0.1 million of which \$0.1 million were incurred in 2021.

The fair value of acquired trade receivables is \$0.11 million. The gross contractual amount for trade receivables due is \$0.17 million, with a loss allowance of \$0.06 million recognized on acquisition.

The acquired business contributed revenues of \$1.9 million and net loss of \$0.9 million to the Group for the period from 17 June 2021 to 31 December 2021.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and loss for the year ended would have been \$403.4 million and \$78 million respectively.

#### Acquisition of DeepReason.ai Ltd ("DeepReason")

On 19 November 2021 the Company acquired 100% of the issued share capital of DeepReason. DeepReason has developed a powerful reasoning engine with an industry-first ability to maintain incremental views of knowledge graphs. With the DeepReason acquisition, Meltwater will be in a unique position to continue expanding this knowledge graph to discover even more connections and insights.

Total purchase consideration to complete the business combination was \$5.9 million consisting of an upfront cash payment of \$0.8 million and initial deferred issuance of shares of the Company valued at \$0.8 million along with additional cash payments of up to \$2.4 million to be



paid in three tranches over a three year period. The issuance of shares in the Company valued at \$2.4 million will be settled upon the achievement of certain performance milestones.

The additional payments relating to the retention and performance milestones will be recognized if and when such milestones are probable and can be reasonably estimated. The potential undiscounted additional cash payment under the agreement is between \$2.1 million if no retention is achieved and \$2.35 million if full retention is achieved. The potential undiscounted additional equity payment under the agreement is between \$0 if no milestones are achieved and \$2.4 million if all milestones are achieved.

Details of the purchase consideration are as follows:

|   | USD '000 |
|---|----------|
| Purchase consideration                              |          |
| Cash Consideration                                  | 788      |
| Initial Consideration                               | 788      |
| Deferred Consideration: Cash                        | 2 363    |
| Total Equity Consideration                          | 3 150    |
| Deferred Consideration Equity                       | 787      |
| Contingent Consideration: Equity                    | 2 363    |
| Less: Continuing Employment                         | (236)    |
| Less: Fair Value Adjustment of Equity Consideration | (139)    |
| Estimated Merger Consideration                      | 5 926    |
| Total Purchase Consideration                        | 5 926    |

The assets and liabilities recognized as a result of the acquisition are as follows:

|   | Fair Value<br>\$'000 |
|---|----------------------|
| Cash                                    | 168                  |
| Prepaid expenses                        | 87                   |
| Property, plant and equipment           | 5                    |
| Other assets                            | 52                   |
| Developed technology                    | 3 000                |
| Deferred tax liabilities                | (426)                |
| Accounts payable                        | (47)                 |
| Accrued expenses & other                | (73)                 |
| Other liabilities                       | (59)                 |
| <b>Net identifiable assets acquired</b> | <b>2 707</b>         |
| Goodwill                                | 3 219                |
|   | <b>5 926</b>         |

The preliminary allocation of consideration transferred is based on management's estimates, judgments and assumptions. When determining the fair values of assets acquired and liabilities assumed management made significant estimates, judgments and assumptions. These estimates, judgments and assumptions are subject to change upon final valuation and should be treated as preliminary values. Management estimated that consideration paid exceeded the fair value of the net assets acquired. Therefore, goodwill of \$2.8 million was recorded. The goodwill recognized is primarily attributable to the expected synergies to be achieved from the business combination and is fully deductible for tax purposes.

The additional cash payments relating to the performance milestones will be recognized if and when such milestones are probable and can be reasonably estimated. The potential



undiscounted additional cash payment under the agreement is between \$2.1 million and \$2.35 million depending on future employment arrangements of certain personnel. As of the acquisition date the full amount has been recognized as follows \$2.1 million contingent consideration as part of the business combination transaction and \$0.25 million as a provisional payment relating to remuneration of future employment of employees. As of 31 December 2021, the recognized amount of contingent consideration and the key assumptions used to measure that amount have not changed since the acquisition date.

The additional issuance of equity instruments relating to milestones and new hires achievement has been recognized as such milestones are probable and can be reasonably estimated. The potential undiscounted issuance under the agreement is between \$0 and \$3.150 million depending on the satisfaction of the set milestones and new hire achievements. Unsatisfaction or partial satisfaction of the milestones will result in 75%, 25% or 0% entitlement depending on the period in which milestones are satisfied. Unsatisfaction or partial satisfaction of new hires achievement will result in the following application  $(A-P)/(T-P)*0,5$ . A representing actual size at end of period and T the target size, whilst P represents target size at preceding period. A 100% probability of reaching milestones has been applied as a key assumption in the valuation technique.

The fair value of acquired receivables is \$0.14 million. The gross contractual amount for receivables due is \$0.14 million, with a loss allowance of \$0 recognized on acquisition.

The acquired business contributed revenues of \$0. million and net loss of \$0 million to the Group for the period from 19 November 2021 to 31 December 2021.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and loss for the year ended would have been \$401.8 million and \$78.4 million respectively.

### **37. Subsequent events**

The Company has evaluated subsequent events between the balance sheet date of 31 December 2021 and 29 April 2022 and determined that the following events and transactions require disclosure as follows:

#### Share buyback program – general market

On 3 December 2021, the extraordinary general meeting authorized the Company's share buyback program, which included general market repurchases. Under the program, Meltwater made repurchases of shares in the open market, in line with applicable restrictions, relevant guidelines and main safe harbor principles on price and volume limitations. The repurchases began in January 2022 and will remain in place until 30 June 2022 or such earlier time as the Board of Directors resolves to terminate the program. As of 22 April 2022, Meltwater repurchased 8 361 454 from the general market for an aggregate cost of \$17.6 million. Any shares repurchased are expected to be used as consideration in future acquisitions or, absent this, be cancelled.



**2021** Meltwater N.V.  
**Company only annual financial  
statements 2021**

**In accordance with IFRS as adopted in the EU**



## Company only statement of financial position as at 31 December 2021

|  | Notes | 31<br>December<br>2021<br>\$'000 | 31<br>December<br>2020<br>\$'000 | 1<br>January<br>2020<br>\$'000 |
|--|-------|----------------------------------|----------------------------------|--------------------------------|
| <b>Assets</b>  |       |                                  |                                  |                                |
| <b>Non-current assets</b>                              |       |                                  |                                  |                                |
| Other intangible assets                                | 40    | -                                | 127                              | 1 025                          |
| Financial Assets – Investments in subsidiaries         | 39    | 413 192                          | 278 657                          | 273 242                        |
| Financial assets at fair value through profit and loss | 42    | 1 292                            | 1 396                            | 1 352                          |
| Amounts due from group companies                       | 52    | 514 241                          | 475 629                          | 151 357                        |
| Other non-current assets                               | 46    | 1 160                            | -                                | -                              |
| <b>Total non-current assets</b>                        |       | <b>929 885</b>                   | <b>755 809</b>                   | <b>426 976</b>                 |
| <b>Current assets</b>                                  |       |                                  |                                  |                                |
| Related party receivables                              | 41    | 62                               | 67                               | 61                             |
| Other current assets                                   | 45    | 719                              | 1 029                            | 150                            |
| Cash and cash equivalents                              | 47    | 2 243                            | 31 522                           | 1 733                          |
| <b>Total current assets</b>                            |       | <b>3 024</b>                     | <b>32 618</b>                    | <b>1 944</b>                   |
| <b>Total assets</b>                                    |       | <b>932 909</b>                   | <b>788 427</b>                   | <b>428 920</b>                 |
| <b>Liabilities</b>                                     |       |                                  |                                  |                                |
| <b>Non-current liabilities</b>                         |       |                                  |                                  |                                |
| Borrowings   | 50    | 25 000                           | -                                | -                              |
| Non-current liabilities                                | 43    | 11 684                           | -                                | -                              |
| <b>Total non-current liabilities</b>                   |       | <b>36 684</b>                    | <b>-</b>                         | <b>-</b>                       |
| <b>Current liabilities</b>                             |       |                                  |                                  |                                |
| Amounts due to group companies                         | 52    | 518 930                          | 467 628                          | 341 545                        |
| Current liabilities                                    | 43    | 4 607                            | -                                | -                              |
| Trade and other payables                               | 55    | 11 580                           | 10 862                           | 349                            |
| <b>Total current liabilities</b>                       |       | <b>535 117</b>                   | <b>478 490</b>                   | <b>341 894</b>                 |
| <b>Total liabilities</b>                               |       | <b>571 801</b>                   | <b>478 490</b>                   | <b>341 894</b>                 |
| <b>Equity</b>  |       |                                  |                                  |                                |
| Share capital  | 48    | 3 421                            | 29                               | 24                             |
| Share premium  | 48    | 416 637                          | 349 976                          | 105 179                        |
| Accumulated deficit                                    |       | (40 007)                         | (18 237)                         | (212 278)                      |
| Accumulated deficit- Net result                        |       | (18 943)                         | (21 831)                         | 194 101                        |
| <b>Total equity</b>                                    |       | <b>361 108</b>                   | <b>309 937</b>                   | <b>87 026</b>                  |
| <b>Total equity and liabilities</b>                    |       | <b>932 909</b>                   | <b>788 427</b>                   | <b>428 920</b>                 |



## Company only statement of profit or loss and other comprehensive income for the year ended 31 December 2021

|                                     | Notes | 2021<br>\$'000  | 2020<br>\$'000  |
|-------------------------------------|-------|-----------------|-----------------|
| Sales and marketing expenses        |       | (8 373)         | (1 507)         |
| General and administrative expenses |       | (42 071)        | (28 685)        |
| Research and development expenses   |       | (3 729)         | (76)            |
| Other income                        | 57    | 29 874          | 25 516          |
| <b>Operating profit/(loss)</b>      |       | <b>(24 299)</b> | <b>(4 752)</b>  |
| Other Finance costs                 |       | (12 274)        | (16 555)        |
| Foreign exchange gain/(loss)        |       | 6 250           | (4 172)         |
| Other Finance income                |       | 11 380          | 3 650           |
| <b>Profit/(loss) before tax</b>     |       | <b>(18 943)</b> | <b>(21 829)</b> |
| Income tax expense                  | 53    | -               | (2)             |
| <b>Profit/(loss) for the year</b>   |       | <b>(18 943)</b> | <b>(21 831)</b> |



## Company only statement of changes in equity for the year ended 31 December 2021

|  | Share capital | Share premium  | Other reserves | Accumulated deficit | Result for the year | Total equity     |
|--|---------------|----------------|----------------|---------------------|---------------------|------------------|
|  | \$'000        | \$'000         | \$'000         | \$'000              | \$'000              | \$'000           |
| <b>Notes</b>   | <b>48</b>     | <b>48</b>      |                |                     |                     |                  |
| <b>NL GAAP equity as of 1 January 2020</b>   | <b>24</b>     | <b>103 360</b> | <b>(1 803)</b> | <b>(311 322)</b>    | <b>-</b>            | <b>(209 741)</b> |
| <b>IFRS transition adjustments</b>   |               |                |                |                     |                     |                  |
| Remeasurement of investment in subsidiaries to cost  | -             | -              | -              | 299 322             | -                   | 299 322          |
| Share-based compensation expense   | -             | 1 819          | -              | (1 819)             | -                   | -                |
| Other IFRS Transition Adjustments  | -             | -              | 1 803          | (4 358)             | -                   | (2 555)          |
| <b>Balance as of 1 January 2020</b>  | <b>24</b>     | <b>105 179</b> | <b>-</b>       | <b>(18 177)</b>     | <b>-</b>            | <b>87 026</b>    |
| Loss for the period  | -             | -              | -              | -                   | (21 831)            | (21 831)         |
| Foreign currency translation adjustments   | -             | -              | -              | (60)                | -                   | (60)             |
| <b>Total comprehensive income / (loss)</b>   | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>(60)</b>         | <b>(21 831)</b>     | <b>(21 891)</b>  |
| Share-based compensation expense   | -             | 5 769          | -              | -                   | -                   | 5 769            |
| Issuance of common shares in connection with Euronext Growth (Merkur) Oslo Børs offering, net of issuance cost | 5             | 237 536        | -              | -                   | -                   | 237 541          |
| Issuance of Series A common shares upon exercise of option   | -             | 1 088          | -              | -                   | -                   | 1 088            |
| Issuance of Series A common shares in consideration for acquisition  | -             | 404            | -              | -                   | -                   | 404              |
| <b>Total other movements</b>   | <b>5</b>      | <b>244 797</b> | <b>-</b>       | <b>-</b>            | <b>-</b>            | <b>244 802</b>   |
| <b>Balance as of 31 December 2020</b>  | <b>29</b>     | <b>349 976</b> | <b>-</b>       | <b>(18 237)</b>     | <b>(21 831)</b>     | <b>309 937</b>   |



|  |              |                |   |                 |                 |                 |
|--|--------------|----------------|---|-----------------|-----------------|-----------------|
| <b>Balance as of 31 December 2020</b>  | <b>29</b>    | <b>349 976</b> | - | <b>(18 237)</b> | <b>(21 831)</b> | <b>309 937</b>  |
| Loss for the period  | -            | -              | - | -               | (18 943)        | (18 943)        |
| Foreign currency translation adjustment  | -            | (155)          | - | 61              | -               | (94)            |
| <b>Total comprehensive income</b>  | -            | <b>(155)</b>   | - | <b>61</b>       | <b>(18 943)</b> | <b>(19 037)</b> |
| Loss from prior period   | -            | -              | - | (21 831)        | 21 831          | -               |
| Share-based compensation expense   | -            | 60 425         | - | -               | -               | 60 425          |
| Issuance of common shares in connection with Euronext Growth (Merkur) Oslo Børs offering, net of issuance cost | -            | (35)           | - | -               | -               | (35)            |
| Issuance of Series A common shares upon exercise of option   | 5            | 5 475          | - | -               | -               | 5 480           |
| Change in par value  | 3 404        | (3 404)        | - | -               | -               | -               |
| Issuance of Series A common shares in consideration for acquisition  | 1            | 16 553         | - | -               | -               | 16 554          |
| Issuance of Series A common shares in consideration for post combination services                              | -            | 1 527          | - | -               | -               | 1 527           |
| Issuance of Series A common shares, other  | -            | 895            | - | -               | -               | 895             |
| Repurchase of series A common shares   | (18)         | (5 146)        | - | -               | -               | (5 164)         |
| Repurchase of equity securities  | -            | (9 474)        | - | -               | -               | (9 474)         |
| <b>Total other movements</b>   | <b>3 392</b> | <b>66 816</b>  | - | -               | -               | <b>70 208</b>   |
| <b>Balance as of 31 December 2021</b>  | <b>3 421</b> | <b>416 637</b> | - | <b>(40 007)</b> | <b>(18 943)</b> | <b>361 108</b>  |



## Company only statement of cash flows for the year ended 31 December 2021

|  | Notes | 2021<br>\$'000  | 2020<br>\$'000   |
|--|-------|-----------------|------------------|
| <b>Cash flows from operating activities</b>                                |       |                 |                  |
| <b>Net profit / (loss) before tax</b>                                      |       | <b>(18 943)</b> | <b>(21 829)</b>  |
| <b>Adjustments for:</b>  |       |                 |                  |
| Amortization of other intangible assets                                    | 40    | 127             | 898              |
| Amortization of debt discount and deferred                                 |       | 239             | -                |
| Share-based compensation expense   |       | 312             | 354              |
| Share-based compensation expense related to post combination services      |       | 1 527           | -                |
| Interest expense accrued   |       | 12 274          | 16 555           |
| Finance income   |       | (11 380)        | (3 650)          |
| Unrealised FX gains/losses relating to Working Capital items               |       | (7 763)         | 5 642            |
| Tax Paid   |       | -               | -                |
| Cash inflows/(outflows) from intercompany Transactions                     |       | (11 693)        | (8 780)          |
| <b>Changes in working capital items:</b>                                   |       |                 |                  |
| Decrease/ (increase) in other current assets                               |       | (856)           | (973)            |
| (Decrease)/increase in trade and other payables                            |       | 3 265           | 951              |
| <b>Cash generated from / (used in) operating Activities</b>                |       | <b>(32 891)</b> | <b>(10 832)</b>  |
| <b>Cash flows from investing activities</b>                                |       |                 |                  |
| Proceeds from sales of minority interest investments                       |       | 60              | -                |
| Amounts paid for business combinations, net of cash acquired               |       | (31 285)        | -                |
| Cash advances and loans made to group companies                            |       | (22 317)        | (279 586)        |
| <b>Cash generated from / (used in) investing activities</b>                |       | <b>(53 542)</b> | <b>(279 586)</b> |
| <b>Cash flows from financing activities</b>                                |       |                 |                  |
| Proceeds from borrowings   | 50    | 25 000          | -                |
| Payment of debt issuance costs   |       | (638)           | -                |
| (Payments)/Proceeds from Euronext Oslo Børs offering, net of offering cost |       | (10 674)        | 248 404          |
| Proceeds from intercompany loans   | 52    | 44 913          | 70 715           |
| Repurchases of equity securities   |       | (6 927)         | -                |
| Proceeds from issuance of common shares                                    |       | 5 480           | 1 088            |
| <b>Cash generated from / (used in) financing activities</b>                |       | <b>57 154</b>   | <b>320 207</b>   |
| <b>Net increase in cash and cash equivalents</b>                           |       | <b>(29 279)</b> | <b>29 789</b>    |
| Cash and cash equivalents at the beginning of the period                   |       | 31 522          | 1 733            |
| <b>Cash and cash equivalents at the end of the period</b>                  |       | <b>2 243</b>    | <b>31 522</b>    |



## Notes to the annual company only financial statements

### 38. General information

#### 38.1 Operations

Meltwater N.V. (the “Company”) has adopted IFRS (“International Financial Reporting Standards”) as of 1 January 2020 and the financial statements presented are the first time application financials in accordance with IFRS. The accounting policies applied by Meltwater N.V. also comply with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code.

The Company and its subsidiaries (the “Group” or “Meltwater”) is a group of companies founded in Norway. The Company has its statutory seat in Amsterdam, The Netherlands. The Company is listed on the Oslo Børs market in Oslo, Norway. The address of the Company’s registered office is Singel 250, 1016 AB, Amsterdam. The registration number of the Company at the Chamber of Commerce is 32109376.

On 3 December 2021 the general meeting of Meltwater B.V. approved the conversion of the Company to a public limited company in the Netherlands (*naamloze vennootschap*) (N.V.). This conversion was effected on 6 December 2021 through a change in the articles of association. Additionally the par value of the shares was changed from USD 0.001 per share to EUR 0.01 per share resulting in an increase in the paid share capital to EUR 15 million, the increase being funded from share premium. As of 6 December 2021 the legal form changed from a B.V. to Meltwater N.V.

#### 38.2 Significant accounting policies

The accounting policies for the Company’s financial statements are the same as for the consolidated financial statements. Where no specific policies are mentioned, reference should therefore be made to the accounting policies relating to the consolidated financial statements under note 3.

##### 38.2.1 Investments in subsidiaries

Investments in subsidiaries are accounted for at cost as a result of applying IFRS 1 deemed cost application at transition date to IFRS. Subsidiaries which have been acquired after IFRS adoption date is accounted for using the cost method.

IFRS 1 optional exemption regarding investments in subsidiaries, joint ventures and associates has been applied resulting in all subsidiaries being measured at cost in the separate financial statements. Cost being determined as the carrying amount under the previous GAAP for all entities except the Swiss entity where the fair value has been used as deemed cost of the subsidiary.

The Company periodically (at least once a year at year-end) evaluates the carrying value of assets when events and circumstances indicate that the carrying value may not be recoverable. Factors that the Company considers important, which could trigger an impairment review include, but are not limited to, significant under-performance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the Company’s overall business, significant negative industry or economic trends that are likely to prevail into the long term. The carrying value of an asset is considered impaired when the recoverable amount of such an asset is less than its carrying value and an impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use.

An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.



### 39. Financial assets-investments in subsidiaries

Please refer to the list of subsidiaries which has already been included in note 30 for subsidiaries which are held by Meltwater N.V. For additions please refer to note 44 for disclosures regarding all the business combinations of the Group.

Below is a summary of the movements in the Company's investment in subsidiaries:

|                               | <b>Subsidiaries<br/>\$'000</b> |
|-------------------------------|--------------------------------|
| <b>As at 1 January 2020</b>   | 273 242                        |
| <b>Movements during 2020</b>  |                                |
| Additions                     | -                              |
| Capital contributions         | 5 415                          |
| <b>As at 31 December 2020</b> | 278 657                        |
| <b>Movements during 2021</b>  |                                |
| Acquisitions                  | 74 717                         |
| Capital contributions         | 59 818                         |
| <b>As at 31 December 2021</b> | 413 192                        |

### 40. Intangible assets

|  | <b>Developed<br/>Technology<br/>\$'000</b> |
|--|--|
| <b>As at 1 January 2020</b>                          |  |
| Acquisition cost                                     | 4 809                                      |
| Accumulated amortization and impairments             | (3 784)                                    |
| <b>Net book amount</b>                               | 1 025                                      |
| <b>Movements for the year ended 31 December 2020</b> |  |
| Additions  | -  |
| Amortization   | (898)                                      |
| <b>As at 31 December 2020</b>                        |  |
| Acquisition cost                                     | 4 809                                      |
| Accumulated amortization and impairments             | (4 682)                                    |
| <b>Net book amount</b>                               | 127  |
| <b>Movements for the year ended 31 December 2021</b> |  |
| Amortization   | (127)                                      |
| <b>As at 31 December 2021</b>                        |  |
| Acquisition cost                                     | 4 809                                      |
| Accumulated amortization and impairments             | (4 809)                                    |
| <b>Net book amount</b>                               | -  |



#### 41. Related party receivables

|                                  | 31 December<br>2021<br>\$'000 | 31 December<br>2020<br>\$'000 | 1 January 2020<br>\$'000 |
|----------------------------------|-------------------------------|-------------------------------|--------------------------|
| Receivables from related parties | 123                           | 130                           | 122                      |
| Loss allowance                   | (61)                          | (63)                          | (61)                     |
|                                  | 62                            | 67                            | 61                       |

The terms and conditions relating to the receivables from related parties are included in note 52. The ECL method was applied to determine the loss allowance.

Movement in loss allowance:

|                              | 2021<br>\$'000 | 2020<br>\$'000 |
|------------------------------|----------------|----------------|
| As at 1 January              | (63)           | (61)           |
| Provision for loss allowance | -              | -              |
| Write-off                    | -              | -              |
| Foreign exchange movement    | 2              | (2)            |
| As at 31 December            | (61)           | (63)           |

#### 42. Financial assets at fair value through profit and loss

The Group holds the following financial assets:

|   | Financial assets measured<br>at fair value through profit<br>and loss<br>\$'000 |
|---|---|
| <b>As at 1 January 2020</b>             | 1 352   |
| Additions                               | -   |
| Other (exchange rate effects and other) | 44  |
| Disposals                               | -   |
| <b>As at 31 December<br/>2020</b>       | 1 396   |
| Additions                               | -   |
| Other (exchange rate effects and other) | (44)  |
| Disposals                               | (60)  |
| <b>As at 31 December 2021</b>           | 1 292   |
| Non-Current                             | 1 292   |
| Current                                 | -   |

#### Financial assets at fair value through profit and loss

The Financial assets at fair value through profit and loss are purchased equity investments in privately held technology companies and limited partnerships. For these investments, the Company does not have ability to exercise significant influence and control over the investees. Furthermore, the fair value of these investees has not materially changed year on year.



### 43. Current and non-current liabilities

The Company holds the following financial liabilities:

|  | Financial liabilities<br>measured at fair<br>value through profit<br>and loss<br>\$'000 | Amortized Cost<br>deferred purchase<br>consideration<br>\$'000 | Total<br>\$'000 |
|--|---|--|-----------------|
| <b>As at 1 January 2020</b>                | -   |  |                 |
| Additions                                  | -   |  |                 |
| Other (exchange rate effects and<br>other) | -   |  |                 |
| Disposals                                  | -   |  |                 |
| <b>As at 31 December 2020</b>              | -   |  |                 |
| Additions                                  | (13 140)  | (3 151)  | (16 291)        |
| Other (exchange rate effects and<br>other) | -   |  | -               |
| Disposals                                  | -   |  | -               |
| <b>As at 31 December 2021</b>              | <b>(13 140)</b>   | <b>(3 151)</b>   | <b>(16 291)</b> |
| Non-Current                                | (10 245)  | (1 439)  | (11 684)        |
| Current                                    | (2 895)   | (1 712)  | (4 607)         |

#### Financial liabilities at fair value through profit and loss

The financial liabilities at fair value through profit and loss are contingent considerations included in business combinations. Please refer to the business combinations note 36 in the consolidated financial statements for more details on contingent considerations included in the total purchase consideration of Klear.com. Ltd, Linkfluence SAS and Deepreason.ai Ltd.

#### Financial liabilities at amortized cost

The financial liabilities at amortized cost is deferred purchase considerations included in business combinations. Please refer to the business combinations note 36 in the consolidated financial statements for more details on deferred purchase consideration included in the total purchase consideration of Klear.com. Ltd, Linkfluence SAS and Deepreason.ai Ltd.

### 44. Business combinations

The Company acquired 3 entities during 2021, Klear.com. Ltd, Linkfluence SAS and Deepreason.ai Ltd. The cost of which is recorded in Financial Assets - Investments in Subsidiaries. Refer to note 36 in the consolidated financial statements for disclosures regarding business combinations and the related purchase consideration.

### 45. Other current assets

|                      | 31<br>December<br>2021<br>\$'000 | 31<br>December<br>2020<br>\$'000 | 1<br>January<br>2020<br>\$'000 |
|----------------------|----------------------------------|----------------------------------|--------------------------------|
| Other current assets | 719                              | 1 029                            | 150                            |
|                      | 719                              | 1 029                            | 150                            |



#### 46. Other non-current assets

|                           | 31<br>December<br>2021<br>\$'000 | 31<br>December<br>2020<br>\$'000 | 1<br>January<br>2020<br>\$'000 |
|---------------------------|----------------------------------|----------------------------------|--------------------------------|
| Other non-current assets* | 1 160                            | -                                | -                              |
|                           | 1 160                            | -                                | -                              |

\*Other non-current assets contains commitment fees relating to the undrawn revolving credit facility.

#### 47. Cash and cash equivalents

|              | 31<br>December<br>2021<br>\$'000 | 31<br>December<br>2020<br>\$'000 | 1<br>January<br>2020<br>\$'000 |
|--------------|----------------------------------|----------------------------------|--------------------------------|
| Cash at bank | 2 243                            | 31 522                           | 1 733                          |

#### 48. Share capital

Refer to note 13 in the consolidated financial statements for detail with regards to the share capital of the Company.



#### 49. Company equity reconciliation to consolidated financials

|   | Share capital | Share premium  | Other reserves | Accumulated deficit | Total equity     |
|---|---------------|----------------|----------------|---------------------|------------------|
|   | \$'000        | \$'000         | \$'000         | \$'000              | \$'000           |
| <b>Group equity as of 1 January 2020</b>            | <b>24</b>     | <b>105 179</b> | <b>(1 911)</b> | <b>(310 241)</b>    | <b>(206 949)</b> |
| <b>Reconciling items Group to Company</b>           |               |                |                |                     |                  |
| <b>Opening balance adjustments</b>                  |               |                |                |                     |                  |
| Employee Benefit Obligations                        | -             | -              | 108            | 121                 | 229              |
| Tax adjustments                                     | -             | -              | -              | 2 047               | 2 047            |
| Leases adjustments                                  | -             | -              | -              | (833)               | (833)            |
| Goodwill amortization                               | -             | -              | -              | (4 235)             | (4 235)          |
| <b>IFRS adoption adjustments</b>                    |               |                |                |                     |                  |
| Remeasurement of investment in subsidiaries to cost | -             | -              | -              | 299 322             | 299 322          |
| Employee payroll tax adjustment                     | -             | -              | -              | (97)                | (97)             |
| IFRS transition adjustment                          | -             | -              | 1 803          | (4 261)             | (2 458)          |
| <b>Company equity as of 1 January 2020</b>          | <b>24</b>     | <b>105 179</b> | <b>-</b>       | <b>(18 177)</b>     | <b>87 026</b>    |
| <b>Group equity as of 31 December 2020</b>          | <b>29</b>     | <b>351 657</b> | <b>(100)</b>   | <b>(386 295)</b>    | <b>(34 709)</b>  |
| <b>Reconciling items Group to Company</b>           |               |                |                |                     |                  |
| <b>Opening balance adjustments</b>                  | <b>-</b>      | <b>-</b>       | <b>1 911</b>   | <b>292 064</b>      | <b>293 975</b>   |
| <b>Consolidated movements</b>                       |               |                |                |                     |                  |
| Employee benefit obligations                        | -             | -              | (60)           | -                   | (60)             |
| Cumulative translation adjustment                   | -             | -              | (1 751)        | 63                  | (1 688)          |
| Shared based compensation tax adjustment            | -             | (1 681)        | -              | -                   | (1 681)          |
| Loss for the period                                 | -             | -              | -              | 75 991              | 75 991           |
| <b>Company only movements</b>                       |               |                |                |                     |                  |
| Loss for the period                                 | -             | -              | -              | (21 831)            | (21 831)         |
| Cumulative translation adjustment                   | -             | -              | -              | (60)                | (60)             |



Company equity as of 31 December 2020

Group equity as of 31 December 2021

Reconciling items Group to Company

Opening balance adjustments

**Consolidated movements**

Employee Benefit Obligations

Cumulative Translation Adjustment

IFRS tax adjustment

Loss for the period

**Company only movements**

Loss for the period

Cumulative Translation adjustment

Company equity as of 31 December 2021

|  |       |         |         |           |          |
|--|-------|---------|---------|-----------|----------|
|  | 29    | 349 976 | -       | (40 068)  | 309 937  |
|  | 3 421 | 417 255 | (3 548) | (464 233) | (47 105) |
|  | -     | (1 681) | 100     | 346 227   | 344 646  |
|  | -     | -       | (19)    | -         | (19)     |
|  | -     | -       | 3 467   | -         | 3 467    |
|  | -     | 1 218   | -       | -         | 1 218    |
|  | -     | -       | -       | 77 938    | 77 938   |
|  | -     | -       | -       | (18 943)  | (18 943) |
|  | -     | (155)   | -       | 61        | (94)     |
|  | 3 421 | 416 637 | -       | (58 950)  | 361 108  |



## 50. Borrowings

|                                    | <b>Non-convertible loans<br/>\$'000</b> |
|------------------------------------|---|
| <b>Balance at 31 December 2020</b> | -                                       |
| Additions                          | 25 000                                  |
| <b>Balance at 31 December 2021</b> | <b>25 000</b>                           |
| <b>Balance at 31 December 2021</b> | <b>25 000</b>                           |
| of which (duration)                |   |
| < 1 year                           | -                                       |
| ≥ 1 year ≤ 5 years                 | 25 000                                  |
| > 5 years                          | -                                       |

Repayment obligations falling due within 12 months from the end of the financial year, as set out above, are included in current liabilities.

## 51. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

### Financial instruments at amortized cost

The majority of the Company financial assets and liabilities are carried at amortized cost using the effective interest method. The fair values of these instruments are not materially different from their carrying values, since the instruments are either short-term in nature or the interest rates are on market terms.

There were no transfers between fair value hierarchy levels in 2021 and 2020.



### 31 December 2021

| Financial assets                                       | Notes | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------|-------------------|-------------------|-------------------|-----------------|
| Financial assets at fair value through profit and loss |       | -                 | -                 | 1 292             | 1 292           |
| Financial liabilities                                  | Notes | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| Contingent consideration-Cash                          |       | -                 | -                 | (10 916)          | (10 916)        |
| Contingent consideration-Equity                        |       | -                 | -                 | (2 223)           | (2 223)         |

Applied the DCF method to determine fair values. Key assumptions are related to revenue growth.

### 31 December 2020

| Financial assets                                       | Notes | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------|-------------------|-------------------|-------------------|-----------------|
| Financial assets at fair value through profit and loss |       | -                 | -                 | 1 396             | 1 396           |

### 1 January 2020

| Financial assets                                       | Notes | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------|-------------------|-------------------|-------------------|-----------------|
| Financial assets at fair value through profit and loss |       | -                 | -                 | 1 352             | 1 352           |

Fair value measurements using significant unobservable inputs (level 3)

|                                  | Financial assets at fair value through profit and loss | Contingent consideration-Equity | Contingent consideration-Cash |
|----------------------------------|--|---------------------------------|-------------------------------|
| Opening balance 1 January 2020   | 1 352  | -                               | -                             |
| Additions                        | 44   | -                               | -                             |
| Closing balance 31 December 2020 | 1 396  | -                               | -                             |
| Additions                        | (44)   | (2 223)                         | (10 916)                      |
| Disposals                        | (60)   | -                               | -                             |
| Closing balance 31 December 2021 | 1 292  | (2 223)                         | (10 916)                      |

Financial assets at fair value are measured at cost which approximates fair value as such no disclosures will be included regarding the valuation technique utilised and the sensitivity analysis of such valuation techniques.



## 52. Related parties

The related parties of the Company are entities and individuals capable of exercising control, joint control or significant influence over the Company and companies belonging to Meltwater N.V. In addition, members of the Board of Directors, executives with strategic responsibilities and their close family members are also considered related parties. The Company carries out transactions with its related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

### 52.1 Transactions with subsidiaries

|   | 31 December 2021<br>\$'000 | 31 December<br>2020<br>\$'000 |
|---|----------------------------|-------------------------------|
| Support Recharge Income                     | 29 874                     | 25 516                        |
| Intercompany Interest Income                | 11 780                     | 3 868                         |
| Support Recharge                            | (26 087)                   | (23 113)                      |
| IC Forex gain/loss                          | 459                        | (345)                         |
| Intercompany Interest Expense               | (11 408)                   | (16 555)                      |
| <b>Total transactions with subsidiaries</b> | <b>4 618</b>               | <b>(10 629)</b>               |

### 52.2 Amounts due to/from intercompany parties

Funding is distributed within the Group to meet working capital needs of various entities within the Meltwater Group. Meltwater N.V. provides a supporting letter to subsidiaries when required. Intercompany funding will be repaid when the entity generates sufficient cash flow following completion of its growth strategy. Intercompany funding is provided with the condition that the amount is payable on demand to Meltwater N.V. if such request is made by Meltwater N.V. Funding provided is expected to be received in full from the intercompany party without default.

| <u>Amounts due from group companies</u> | 31 December<br>2021<br>\$'000 | 31 December 2020<br>\$'000 |
|---|-------------------------------|----------------------------|
| <b>Non-Current beginning balance</b>    | <b>475 629</b>                | <b>151 357</b>             |
| Foreign Currency revaluations           | (1 424)                       | 5 046                      |
| Intercompany loans                      | 22 318                        | 279 585                    |
| Intercompany charges                    | 5 940                         | 35 870                     |
| Intercompany interest                   | 11 778                        | 3 771                      |
| <b>Non-Current ending balance</b>       | <b>514 241</b>                | <b>475 629</b>             |

| <u>Amounts due to group companies</u> | 31 December 2021<br>\$'000 | 31 December 2020<br>\$'000 |
|---------------------------------------|----------------------------|----------------------------|
| <b>Current beginning balance</b>      | <b>(467 628)</b>           | <b>(341 545)</b>           |
| Foreign Currency Revaluations         | 7 907                      | (10 682)                   |
| Intercompany loans                    | (44 913)                   | (70 715)                   |
| Intercompany charges                  | (2 890)                    | (28 230)                   |
| Intercompany interest                 | (11 406)                   | (16 456)                   |
| <b>Current ending balance</b>         | <b>(518 930)</b>           | <b>(467 628)</b>           |



### 53. Income tax

Major components of income tax expense are as follows:

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Current tax expense   |                |                |
| Current year  | -              | (2)            |
| Deferred tax expense  |                |                |
| Recognition of previously unrecognized tax losses                     | -              | -              |
| Prior period true up  | -              | -              |
| Total deferred tax expense/(benefit)                                  | -              | -              |
| <b>Income tax expense reported in the Statement of profit or loss</b> | <b>-</b>       | <b>(2)</b>     |

#### a. Reconciliation of income tax expenses

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| Loss before tax                                 | (18 943)       | (21 829)       |
| Federal tax at statutory rate (21%)             | (3 978)        | (4 584)        |
| Unrecognized deferred tax assets                | (758)          | (873)          |
| Unrecognized tax losses carried forward         | 4 736          | 5 455          |
| <b>Income tax expense at effective tax rate</b> | <b>-</b>       | <b>(2)</b>     |
| Effective tax rate                              | 0%             | 0%             |

The US federal tax rate is used to reconcile to the effective tax rate as this is the Company's highest level of operational activity as well as being jurisdiction with the largest revenue generation. The difference between the Company's effective tax rate and the Netherlands statutory rate of 25% is primarily due to net operating losses for which the related deferred tax assets have not been valued due to uncertainty of realization thereof.

#### b. Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items, as it is not probable that future taxable profit will be available against which the Group can use the benefits there from:



|  | 31<br>December 2021<br>\$'000 | 31<br>December 2020<br>\$'000 |
|--|-------------------------------|-------------------------------|
| Loss carried forward                                 | 23 491                        | 18 036                        |
| Unrecognised losses utilised                         | -                             | -                             |
| Increase in unrecognized DTA due to operating losses | 4 726                         | 5 455                         |
| <b>Unrecognized deferred tax assets</b>              | <b>28 217</b>                 | <b>23 491</b>                 |
| Expire   | 28 217                        | 23 491                        |

### c. Uncertain tax positions

Meltwater takes income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include the interpretation of income tax laws applied to complex transactions. The Company periodically reassesses its tax positions. Changes to the financial statement recognition, measurement, and disclosure of tax positions is based on management's best judgment given any changes in the facts, circumstances, information available and applicable tax laws. Considering all available information, the Company believes that the ultimate resolution of such matters will not have a material effect on the Company's financial position, statements of operations or cash flows



## 54. Share-based payments

Refer to note 16 in the consolidated financial statements for detail with regards to the share-based payments.

## 55. Trade and other payables

|                           | 31 December 2021 | 31 December 2020 | 1 January 2020 |
|---------------------------|------------------|------------------|----------------|
| Trade payables            | 1 169            | 79               | 5              |
| Tax Payable               | 1 724            | 583              | 99             |
| Accrued Bonus             | 350              | -                | 210            |
| Other accrued liabilities | 8 337            | 10 200           | 35             |
|                           | <b>11 580</b>    | <b>10 862</b>    | <b>349</b>     |

## 56. Personnel costs

|                               | 2021<br>\$'000 | 2020<br>\$'000 |
|-------------------------------|----------------|----------------|
| Wages and salaries            | 350            | 1 992          |
| Social charges                | 288            | -              |
| Pension costs                 | -              | -              |
| Acquisition related earn outs | 1 917          | -              |
|                               | <b>2 555</b>   | <b>1 992</b>   |

The average number of employees of the Meltwater N.V. during the 2021 year, converted to full-time equivalents was as follows: 1 962 of which 56 in the Netherlands (2020: 1 785 of which 50 in the Netherlands).

The average headcount, representing full-time employees per department is presented below:

| Employees by department    | 31 December 2021 | 31 December 2020 |
|----------------------------|------------------|------------------|
| Cost of sales              |                  |                  |
| Sales and marketing        | 55               | 50               |
| General and administrative | 1                | -                |
| Research and development   | -                | -                |
|                            | <b>56</b>        | <b>50</b>        |

## 57. Other income

The other income disclosed in the financial statements relate to Support recharge income between various intercompany subsidiaries within the Group.

## 58. Contingent asset

There are no contingent assets to disclose relating to the Meltwater Holding N.V.



## 59. Contingent liabilities

There are no contingent liabilities to disclose relating to the Meltwater Holding N.V.

## 60. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Company's future financial performance.

| Risk   | Exposure arising from   | Measurement           | Management  |
|--|---|-----------------------|---|
| <b>Market risk – foreign currency exchange</b> | Future commercial transactions  | Sensitivity analysis  | Part of the daily business management   |
|  | Recognized financial assets and liabilities not denominated in US Dollar (\$) | Cash flow forecasting |   |
| <b>Market risk – interest rate</b>             | Non-current borrowings at fixed and variable rates                            | Sensitivity analysis  | Part of the daily business management   |
| <b>Credit risk</b>                             | Cash and cash equivalents, deposits trade and other receivables               | Aging analysis        | Diversification of bank accounts and the placement of cash with major financial institutions            |
|  |   | Credit ratings        | Ongoing credit evaluation is performed on the financial condition of accounts receivable                |
|  |   |                       | Part of the daily business management   |
| <b>Liquidity risk</b>                          | Lease liabilities, employee benefit obligations and trade and other payables  | Maturity analysis     | Availability of committed credit lines and borrowing facilities<br><br>Prudent cash management policies |

Susceptibility of the Group to financial risks is monitored as a part of its daily management of the business. Exchange rate exposures are monitored by the Group's Corporate Treasurer.

### 60.1 Market risk - foreign currency exchange

The functional currency of the Company is the US Dollar (\$). The Company faces currency risks related to the transactions carried out in the currencies other than the functional currency. The Company has not entered into transactions designed to hedge against the foreign currency risks. There has been no change in the Company's exposure to market risks or how these risks are managed and measured.

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in US Dollar currency units, was as follows:



| 31 December 2021                        | USD             | EUR             | GBP       | SEK      | NOK           | CAD           | CHF           | Total           |
|---|-----------------|-----------------|-----------|----------|---------------|---------------|---------------|-----------------|
| Receivables from related parties        | 62              | -               | -         | -        | -             | -             | -             | 62              |
| Amounts due from group companies        | 452 478         | -               | -         | -        | -             | 22 916        | 38 847        | 514 241         |
| Fair value assets through profit & loss | 1 292           | -               | -         | -        | -             | -             | -             | 1 292           |
| Other non-current assets                | 1 160           | -               | -         | -        | -             | -             | -             | 1 160           |
| Cash and cash equivalents               | 1 005           | 1 213           | 11        | 1        | 13            | -             | --            | 2 243           |
| Amounts due to group companies          | (486 957)       | (31 973)        | -         | -        | -             | -             | -             | (518 930)       |
| Trade payable                           | (11 580)        | -               | -         | -        | -             | -             | -             | (11 580)        |
| <b>Exposure</b>                         | <b>(42 540)</b> | <b>(30 760)</b> | <b>11</b> | <b>1</b> | <b>13</b>     | <b>22 916</b> | <b>38 847</b> | <b>(11 512)</b> |
| 31 December 2020                        | USD             | EUR             | GBP       | SEK      | NOK           | CAD           | CHF           | Total           |
| Receivables from related parties        | 67              | -               | -         | -        | -             | -             | -             | 67              |
| Amounts due from group companies        | 411 281         | -               | -         | -        | -             | 27 393        | 36 955        | 475 629         |
| Fair value assets through profit & loss | 1 396           | -               | -         | -        | -             | -             | -             | 1 396           |
| Other non-current assets                | -               | -               | -         | -        | -             | -             | -             | -               |
| Cash and cash equivalents               | 3 268           | 4 217           | 11        | 3        | 24 023        | -             | -             | 31 522          |
| Amounts due to group companies          | (438 399)       | (29 229)        | -         | -        | -             | -             | -             | (467 628)       |
| Trade payable                           | (10 862)        | -               | -         | -        | -             | -             | -             | (10 862)        |
| <b>Exposure</b>                         | <b>(33 249)</b> | <b>(25 012)</b> | <b>11</b> | <b>3</b> | <b>24 023</b> | <b>27 393</b> | <b>36 955</b> | <b>30 124</b>   |



| 1 January 2020                          | USD              | EUR             | GBP       | SEK      | NOK       | CAD           | CHF           | Total            |
|---|------------------|-----------------|-----------|----------|-----------|---------------|---------------|------------------|
| Receivables from related parties        | 61               | -               | -         | -        | -         | -             | -             | 61               |
| Amounts due from group companies        | 97 192           | -               | -         | -        | -         | 28 037        | 26 128        | 151 357          |
| Fair value assets through profit & loss | 1 352            | -               | -         | -        | -         | -             | -             | 1 352            |
| Other non-current assets                | -                | -               | -         | -        | -         | -             | -             | -                |
| Cash and cash equivalents               | 933              | 770             | 13        | 6        | 11        | -             | -             | 1 733            |
| Amounts due to group companies          | (314 734)        | (26 811)        | -         | -        | -         | -             | -             | (341 545)        |
| Trade payable                           | (349)            | -               | -         | -        | -         | -             | -             | (349)            |
| <b>Exposure</b>                         | <b>(215 545)</b> | <b>(26 041)</b> | <b>13</b> | <b>6</b> | <b>11</b> | <b>28 037</b> | <b>26 128</b> | <b>(187 391)</b> |



## **60.2 Market risk - Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise.

### **Sensitivity analysis**

The Company is exposed to a variety of foreign currencies (see table below).

A possible strengthening (weakening) of the foreign currencies by +/- 10.0% against the US Dollars at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below, expressed in US Dollar currency units. The analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases



| <b>31 December 2021</b>       | <b>EUR</b> | <b>GBP</b> | <b>SEK</b> | <b>NOK</b> | <b>CAD</b> | <b>CHF</b> | <b>Total</b> |
|-------------------------------|------------|------------|------------|------------|------------|------------|--------------|
| Currency strengthening by 10% | (3 076)    | 1          | -          | 1          | 2 291      | 3 884      | 2 291        |
| Currency weakening by 10%     | 3 076      | (1)        | -          | (1)        | (2 291)    | (3 884)    | (2 291)      |
| <b>31 December 2020</b>       | <b>EUR</b> | <b>GBP</b> | <b>SEK</b> | <b>NOK</b> | <b>CAD</b> | <b>CHF</b> | <b>Total</b> |
| Currency strengthening by 10% | (2 501)    | 1          | -          | 240        | 2 739      | 3 695      | 4 174        |
| Currency weakening by 10%     | 2 501      | (1)        | -          | (240)      | (2 739)    | (3 695)    | (4 174)      |
| <b>1 January 2020</b>         | <b>EUR</b> | <b>GBP</b> | <b>SEK</b> | <b>NOK</b> | <b>CAD</b> | <b>CHF</b> | <b>Total</b> |
| Currency strengthening by 10% | (2 604)    | 1          | 1          | 1          | 2 803      | 2 612      | 2 814        |
| Currency weakening by 10%     | 2 604      | (1)        | (1)        | (1)        | (2 803)    | (2 612)    | (2 814)      |



### 60.3 Market risk- interest rate risk management

The Company's main interest rate risk arises from long-term borrowings with both fixed and variable rates which expose the Group to cash flow interest rate risk. Meltwater does not currently have an interest rate hedging policy as interest is paid when it becomes due. Long term borrowings which contain a variable interest rate have been extinguished during December 2020. A rolling credit facility has been entered into for general corporate purpose use to secure the availability of finance on pre-arranged terms over the facility period.

#### Sensitivity analysis

The following table illustrates the sensitivity of profit before tax and equity to a reasonably possible change in interest rates of +/- 1.0% and how it would have affected equity and profit or loss by the amounts shown below, expressed in US Dollar currency units. All other variables are held constant.

|                  | Profit before tax |     |
|------------------|-------------------|-----|
|                  | +1%               | -1% |
| 31 December 2021 | -142              | 142 |
| 31 December 2020 | -                 | -   |

### 60.4 Credit risk management

Credit risk arises from cash at bank and related party receivables and is considered to be minimal.

Majority of the cash at bank are held with high credit quality financial institutions with a credit rating of A or higher.

|              | 31<br>December 2021<br>\$'000 | 31<br>December 2020<br>\$'000 | 1<br>January<br>2020<br>\$'000 |
|--------------|-------------------------------|-------------------------------|--------------------------------|
| Cash at bank | 2 243                         | 31 522                        | 1 733                          |

### 60.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

For detailed disclosure regarding the terms and conditions of external borrowings please refer to note 1.1 and note 18 of the consolidated financial disclosures regarding impact of IBOR reform and the external borrowings.

The liquidity risk management implies maintaining sufficient cash and committed credit facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below analyses the Company's financial liabilities by their remaining period to maturity based on the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows (these amounts may not reconcile to the amounts disclosed on the statement of financial position for debt to shareholders, participants, related parties, lease liabilities, trade and other payables).



|                                | Within the<br>next 12<br>months<br>\$'000 | Between 1<br>and 5 years<br>\$'000 | Beyond<br>5 years<br>\$'000 | Total<br>\$'000 |
|--------------------------------|---|------------------------------------|-----------------------------|-----------------|
| <b>31 December 2021</b>        |   |                                    |                             |                 |
| Trade payables                 | 11 580                                    | -                                  | -                           | 11 580          |
| Amounts due to group companies | 518 930                                   | -                                  | -                           | 518 930         |
| External borrowings            | -   | 25 000                             | -                           | 25 000          |
| <b>Exposure</b>                | <b>530 510</b>                            | <b>25 000</b>                      | <b>-</b>                    | <b>555 510</b>  |
| <b>31 December 2020</b>        |   |                                    |                             |                 |
| Trade payables                 | 10 862                                    | -                                  | -                           | 10 862          |
| Amounts due to group companies | 467 628                                   | -                                  | -                           | 467 628         |
| External borrowings            | -   | -                                  | -                           | -               |
|                                | <b>478 490</b>                            | <b>-</b>                           | <b>-</b>                    | <b>478 490</b>  |
| <b>1 January 2020</b>          |   |                                    |                             |                 |
| Trade payables                 | 349                                       | -                                  | -                           | 349             |
| Amounts due to group companies | 341 545                                   | -                                  | -                           | 341 545         |
| External borrowings            | -   | -                                  | -                           | -               |
| <b>Exposure</b>                | <b>341 894</b>                            | <b>-</b>                           | <b>-</b>                    | <b>341 894</b>  |

## 60.6 Capital risk

The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in notes 50 after deducting cash and bank balances) and equity of the Company (comprising issued capital reserves retained earnings and accumulated deficit as disclosed in note 49 and the statement of changes in Equity).

|                           | 31<br>December 2021<br>\$'000 | 31<br>December 2020<br>\$'000 | 1<br>January 2020<br>\$'000 |
|---------------------------|-------------------------------|-------------------------------|-----------------------------|
| Debt                      | (25 000)                      | -                             | -                           |
| Cash and cash equivalents | 2 243                         | 31 522                        | 1 733                       |
| Net debt                  | (22 757)                      | 31 522                        | 1 733                       |
| Equity                    | 361 108                       | 309 939                       | 87 026                      |
| Net debt to equity ratio  | (0,06)                        | 0,1                           | 0,02                        |

The ratio indicates what proportion of equity and debt the Company has been using to finance its assets and how encumbered a company is with debt. Debt does not include trade payables and net intercompany payables as they relate to operational activities and not capital activities. The negative ratio as at 31 December 2021 indicates that the Group's cash at hand does not exceeds its debt.



## **61. First time adoption of IFRS**

These financial statements for the year ended 31 December 2021 are the first the Company has prepared in accordance with IFRS-EU. For periods up to and including the year ended 31 December 2020 the Company prepared its financial statements in accordance with Dutch GAAP.

Accordingly the Company has prepared financial statements that comply with IFRS applicable as at 31 December 2021 together with the comparative period data for the year ended 31 December 2020 as described in the summary of significant accounting policies. In preparing the financial statements the Company's opening statement of financial position was prepared as at 1 January 2020, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its Dutch GAAP financial statements including the statement of financial position as at 1 January 2020 and the financial statements as of and for the year ended 31 December 2020.

### **61.1 Mandatory exceptions and optional exemptions applied**

IFRS 1 requires full retrospective application of IFRS for first-time adopters. It does however provide some mandatory exceptions and optional exemptions from full retrospective application. Adjustments as a result of the first-time adoption of IFRS are recognized through accumulated deficit or other components of equity at the date of transition.

#### **61.1.1 Accounting estimates**

The estimates as of 1 January 2020 and 31 December 2020 are consistent with those made for the same dates in accordance with Dutch GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with IFRS reflect conditions as of 1 January 2020 and 31 December 2020.

#### **61.1.2 Derecognition of financial assets and liabilities**

At the date of transition to IFRS the Company applied the derecognition requirements in IFRS 9 prospectively for transactions occurring on or after the date of transition to IFRS. Financial assets and liabilities derecognized under Dutch GAAP before the date of transition to IFRS are therefore not recognized as financial assets and liabilities in accordance with IFRS.

#### **61.1.3 Classification and measurement of financial assets**

At the date of transition to IFRS the Company assessed whether their financial assets should be measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. The transition to IFRS did not alter the manner the financial assets account balance was accounted for under Dutch GAAP.

#### **61.1.4 Impairment of financial assets**

At the date of transition to IFRS the Company assessed whether they needed to apply the impairment requirements of IFRS 9 retrospectively. The transition to IFRS did not alter the manner the financial assets account balance was accounted for under Dutch GAAP. The Company therefore did not need to apply impairment requirements in section 5.5 of IFRS 9 retrospectively.

#### **61.1.5 Share based payments**

In accordance with IFRS 1:D2; first-time adopters are not required to apply IFRS 2 to equity-settled share-based payments granted on or before 7 November 2002 and are not required to apply IFRS 2 to share-based payments granted after 7 November 2002 that vested before the date of transition to IFRS Standards. If a first-time adopter elects to apply IFRS 2 to such equity instruments it may do so only if the entity has disclosed publicly the fair value of those equity instruments determined at the measurement date as defined in IFRS 2.



Meltwater have not previously disclosed publicly the fair value of the equity instruments therefore the exemption is applicable.

#### **61.1.6** *Investments in subsidiaries, joint ventures and associates*

When an entity prepares separate financial statements, IAS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either (IFRS 1:D14):

- a) at cost;
- b) in accordance with IFRS 9; or
- c) using the equity method as described in IAS 28.

A first-time adopter can choose to measure its investments in subsidiaries, associates or joint ventures at cost in its separate financial statements, for the purposes of its opening IFRS statement of financial position. IFRS 1 requires that 'cost' to be either: (IFRS 1:D15)

- cost determined in accordance with IAS 27

- a deemed cost, determined as either fair value at the entity's date of transition to IFRS Standards for its separate financial statements; or the previous GAAP carrying amount at the entity's date of transition to IFRS Standards for its separate financial statements.

This election is available separately for each investment in a subsidiary, joint venture or associate.

In accordance with IFRS 1 paragraph D15(b)(i), Meltwater has elected to account for its investments in subsidiaries using the previous GAAP carrying amount at that date. One exception relates to the Swiss entity for which Meltwater will apply IFRS 1.D15(b)(i) resulting in the entity being measured at fair value as of the date of transition on a one-time basis. This only relates to the standalone financial statements of the Dutch entity.

#### **61.1.7** *Borrowing costs*

A first-time adopter can choose to apply the requirements of IAS 23 from date of transition, or an earlier date as permitted by paragraph 28 of IAS 23. IAS 23:28, can only be applied when application of this Standard constitutes a change in accounting policy. This is not the case for Meltwater.

Meltwater will therefore be able to apply IAS 23 from the date of transition and not at an earlier date.

#### **61.1.8** *Foreign currency transactions and advance consideration*

A first-time adopter need not apply IFRIC 22 Foreign Currency Transactions and Advance Consideration to assets, expenses and income in the scope of that Interpretation initially recognized before the date of transition to IFRS Standards.

Meltwater will therefore apply IFRIC 22 from the date of transition.



## 61.2 Reconciliation between Dutch GAAP and IFRS

### 61.2.1 Company reconciliation of equity as of 1 January 2020 date of transition to IFRS

| Notes  | Dutch GAAP<br>1 January 2020<br>\$'000 | Reclassification for<br>presentation purposes<br>\$'000 | Reclassified Dutch<br>GAAP<br>1 January 2020*<br>\$'000 | Remeasurements<br>\$'000 | IFRS<br>1 January 2020<br>\$'000 |
|--|--|---|---|--------------------------|----------------------------------|
| <b>Assets</b>  |  |   |   |                          |                                  |
| <b>Non-current assets</b>                              |  |   |   |                          |                                  |
| Intangibles assets                                     | 3 559                                  | -   | 3 559   | (2 534)                  | 1 025                            |
| Financial assets – investments in subsidiaries         | 22 542                                 | -   | 22 542  | 250 700                  | 273 242                          |
| Long-term investments                                  | 1 352                                  | (1 352)   | -   | -                        | -                                |
| Amounts due from group companies                       | -                                      | 151 357   | 151 357   | -                        | 151 357                          |
| Financial assets at fair value through profit and loss | -                                      | 1 352   | 1 352   | -                        | 1 352                            |
|  | <b>27 453</b>                          | <b>151 357</b>  | <b>178 810</b>  | <b>248 166</b>           | <b>426 976</b>                   |
| <b>Current assets</b>                                  |  |   |   |                          |                                  |
| Amounts due from group companies                       | 151 357                                | (151 357)   | -   | -                        | -                                |
| Related party receivables                              | 61                                     | -   | 61  | -                        | 61                               |
| Other current assets                                   | 123                                    | -   | 123   | 27                       | 150                              |
| Cash and cash equivalents                              | 1 760                                  | -   | 1 760   | (27)                     | 1 733                            |
|  | <b>153 301</b>                         | <b>(151 357)</b>  | <b>1 944</b>  | <b>-</b>                 | <b>1 944</b>                     |
| <b>Total assets</b>                                    | <b>180 754</b>                         |   | <b>180 754</b>  | <b>248 166</b>           | <b>428 920</b>                   |
| <b>Liabilities</b>                                     |  |   |   |                          |                                  |
| <b>Non-current liabilities</b>                         |  |   |   |                          |                                  |
| Amounts due to group companies                         | 62 165                                 | (62 165)  | -   | -                        | -                                |
|  | <b>62 165</b>                          | <b>(62 165)</b>   | <b>-</b>  | <b>-</b>                 | <b>-</b>                         |
| <b>Provisions</b>                                      |  |   |   |                          |                                  |
| Provisions subsidiaries                                | 48 622                                 | -   | 48 622  | (48 622)                 | -                                |



| Notes   | Dutch GAAP<br>1 January 2020<br>\$'000 | Reclassification for<br>presentation purposes<br>\$'000 | Reclassified Dutch<br>GAAP<br>1 January 2020*<br>\$'000 | Remeasurements<br>\$'000 | IFRS<br>1 January 2020<br>\$'000 |
|---|--|---|---|--------------------------|----------------------------------|
| <b>Current liabilities</b>                          |  |   |   |                          |                                  |
| Amounts due to group companies                      | 278 235                                | 62 165  | 340 400   | 1 145                    | 341 545                          |
| Other current liabilities/ Trade and other payables | 1 473                                  | -   | 1 473   | (1 124)                  | 349                              |
| <b>Total current liabilities</b>                    | <b>279 708</b>                         | <b>62 165</b>   | <b>341 873</b>  | <b>21</b>                | <b>341 894</b>                   |
| <b>Total liabilities</b>                            | <b>390 495</b>                         | <b>-</b>  | <b>390 495</b>  | <b>(48 601)</b>          | <b>341 894</b>                   |
| <b>Equity</b>                                       |  |   |   |                          |                                  |
| Share capital                                       | 24                                     | -   | 24  | -                        | 24                               |
| Share premium                                       | 103 360                                | -   | 103 360   | 1 819                    | 105 179                          |
| Reserve for translation differences                 | (1 803)                                | 1 803   | -   | -                        | -                                |
| Other reserves (deficit)                            | (253 502)                              | 253 502   | -   | -                        | -                                |
| Accumulated deficit                                 | -                                      | (313 125)   | (313 125)   | 294 948                  | (18 177)                         |
| Result for the year                                 | (57 820)                               | 57 820  | -   | -                        | -                                |
| <b>Total equity and liabilities</b>                 | <b>180 754</b>                         | <b>-</b>  | <b>180 754</b>  | <b>248 166</b>           | <b>428 920</b>                   |

*\*The presentation of the financial statements changed due to adoption of IFRS on 1 January 2020. The figures included in this column relates to the Dutch GAAP financials statement figures presented on the new presentation according to IFRS.*



**61.2.2** Company reconciliation of equity as of 31 December 2020

| Notes  | Dutch GAAP<br>31 December 2020<br>\$'000 | Reclassification for<br>presentation purposes<br>\$'000 | Reclassified Dutch<br>GAAP<br>31 December 2020*<br>\$'000 | Remeasurements<br>\$'000 | IFRS<br>31 December 2020<br>\$'000 |
|--|--|---|---|--------------------------|------------------------------------|
| <b>Assets</b>  |  |   |   |                          |                                    |
| <b>Non-current assets</b>                              |  |   |   |                          |                                    |
| Intangibles assets                                     | 3 019                                    | -   | 3 019   | (2 892)                  | 127                                |
| Financial assets –investments in subsidiaries          | 36 500                                   | -   | 36 500  | 242 157                  | 278 657                            |
| Amounts due from group companies                       | -  | 472 255   | 472 255   | 3 374                    | 475 629                            |
| Long-term investments                                  | 1 396                                    | (1 396)   | -   | -                        | -                                  |
| Financial assets at fair value through profit and loss | -  | 1 396   | 1 396   | -                        | 1 396                              |
|  | <b>40 915</b>                            | <b>472 255</b>  | <b>513 170</b>  | <b>242 639</b>           | <b>755 809</b>                     |
| <b>Current assets</b>                                  |  |   |   |                          |                                    |
| Amounts due from group companies                       | 472 255                                  | (472 255)   | -   | -                        | -                                  |
| Related party receivables                              | 67                                       | -   | 67  | -                        | 67                                 |
| Other current assets                                   | 1 029                                    | -   | 1 029   | -                        | 1 029                              |
| Cash and cash equivalents                              | 31 522                                   | -   | 31 522  | -                        | 31 522                             |
|  | <b>504 873</b>                           | <b>(472 255)</b>  | <b>32 618</b>   | <b>-</b>                 | <b>32 618</b>                      |
| <b>Total assets</b>                                    | <b>545 788</b>                           | <b>-</b>  | <b>545 788</b>  | <b>242 639</b>           | <b>788 427</b>                     |
| <b>Liabilities</b>                                     |  |   |   |                          |                                    |
| <b>Non-current liabilities</b>                         |  |   |   |                          |                                    |
| Amounts due to group companies                         | 79 999                                   | (79 999)  | -   | -                        | -                                  |
|  | <b>79 999</b>                            | <b>(79 999)</b>   | <b>-</b>  | <b>-</b>                 | <b>-</b>                           |
| <b>Provisions</b>                                      |  |   |   |                          |                                    |
| Provisions subsidiaries                                | 110 698                                  | -   | 110 698   | (110 698)                | -                                  |
| <b>Current liabilities</b>                             |  |   |   |                          |                                    |
| Amounts due to group companies                         | 380 720                                  | 79 999  | 460 719   | 6 909                    | 467 628                            |



| Notes                               | Dutch GAAP<br>31 December 2020<br>\$'000 | Reclassification for<br>presentation purposes<br>\$'000 | Reclassified Dutch<br>GAAP<br>31 December 2020*<br>\$'000 | Remeasurements<br>\$'000 | IFRS<br>31 December 2020<br>\$'000 |
|-------------------------------------|--|---|---|--------------------------|------------------------------------|
| Trade and other payables            | 10 384                                   | -   | 10 384  | 478                      | 10 862                             |
|                                     | <b>391 104</b>                           | <b>79 999</b>   | <b>471 103</b>  | <b>7 387</b>             | <b>478 490</b>                     |
| <b>Total liabilities</b>            | <b>581 801</b>                           | <b>-</b>  | <b>581 801</b>  | <b>(103 311)</b>         | <b>478 490</b>                     |
| <b>Equity</b>                       |  |   |   |                          |                                    |
| Share capital                       | 29                                       | -   | 29  | -                        | 29                                 |
| Share premium                       | 347 313                                  | -   | 347 313   | 2 663                    | 349 976                            |
| Reserve for translation differences | (45)                                     | 45  | -   | -                        | -                                  |
| Other reserves (deficit)            | (311 382)                                | 311 382   | -   | -                        | -                                  |
| Accumulated deficit                 |  | (311 427)   | (311 427)   | 293 190                  | (18 237)                           |
| Result for the year                 | (71 928)                                 | -   | (71 928)  | 50 097                   | (21 831)                           |
|                                     | <b>(36 013)</b>                          | <b>-</b>  | <b>(36 013)</b>   | <b>345 950</b>           | <b>309 937</b>                     |
| <b>Total equity and liabilities</b> | <b>545 788</b>                           | <b>-</b>  | <b>545 788</b>  | <b>242 639</b>           | <b>788 427</b>                     |

*\*The presentation of the financial statements changed due to adoption of IFRS on 1 January 2020. The figures included in this column relates to the Dutch GAAP financials statement figures presented on the new presentation according to IFRS.*



**61.2.3** Company reconciliation of profit and loss and other comprehensive income for the year ended 31 December 2020

| Notes   | Dutch GAAP<br>31 December 2020 | Reclassification for<br>presentation<br>purposes | Reclassified Dutch<br>GAAP<br>31 December 2020* | Remeasurement | IFRS<br>31 December<br>2020 |
|---|--------------------------------|--|---|---------------|-----------------------------|
|   | \$'000                         | \$'000   | \$'000  | \$'000        | \$'000                      |
| Other income and expense after taxation             | (22 052)                       | 22 052   | -   | -             | -                           |
| Share in result of participations after<br>taxation | (49 876)                       | 49 876   | -   | -             | -                           |
| <b>Result for the year</b>                          | <b>(71 928)</b>                | <b>71 928</b>                                    | <b>-</b>  | <b>-</b>      | <b>-</b>                    |
| Sales and marketing expenses                        | -                              | (3 476)  | (3 476)   | 1 969         | (1 507)                     |
| General and administrative expenses                 | -                              | (29 400)   | (29 400)  | 715           | (28 685)                    |
| Research and development expenses                   | -                              | (1 480)  | (1 480)   | 1 404         | (76)                        |
| Other income  | -                              | 25 516   | 25 516  | -             | 25 516                      |
| <b>Operating profit/(loss)</b>                      | <b>-</b>                       | <b>(8 840)</b>                                   | <b>(8 840)</b>                                  | <b>4 088</b>  | <b>(4 752)</b>              |
| Finance cost  | -                              | (12 574)   | (12 574)  | (3 981)       | (16 555)                    |
| Loss on extinguishment of debt/loan                 | -                              | -  | -   | -             | -                           |
| Foreign exchange gain/(loss)                        | -                              | (3 814)  | (3 814)   | (358)         | (4 172)                     |
| Finance income                                      | -                              | 276  | 276   | 3 374         | 3 650                       |
| <b>Profit / (loss) before tax</b>                   | <b>-</b>                       | <b>(24 952)</b>                                  | <b>(24 952)</b>                                 | <b>3 123</b>  | <b>(21 829)</b>             |
| Income tax expense                                  | -                              | 2 900  | 2 900   | (2 902)       | (2)                         |
| <b>Other income and expense after taxation</b>      |                                |  |   |               |                             |
| Share of result in participations after tax         | -                              | (49 876)   | (49 876)  | 49 876        | -                           |
| <b>Profit / (loss) for the year</b>                 | <b>-</b>                       | <b>(71 928)</b>                                  | <b>(71 928)</b>                                 | <b>50 097</b> | <b>(21 831)</b>             |



### **61.3 Notes to the reconciliation of equity as of 1 January 2020, 31 December 2020 profit and loss and other comprehensive income for the year ended 31 December 2020**

#### ***61.3.1 Reclassification for presentation purposes***

The presentation of the financial statements changed due to adoption of IFRS on 1 January 2020.

The change in presentation resulted in reclassification from Dutch GAAP financial statements to IFRS company financial statements.

##### *Long term investments*

Long term investments previously disclosed in the Dutch GAAP financials were reclassified to display other non-current assets and financial assets at fair value through profit and loss as separate line items on the face of the IFRS financial statements.

##### *Current and non-current classification*

A reclassification has occurred between current and non-current intercompany balances previously disclosed as a reassessment of the balances indicated that intercompany assets should be classified as non-current and intercompany liabilities should be classified as current.

##### *Expenses*

In the previous Dutch GAAP financial statements the exemption to disclose a detailed P&L was applied. Whereas for the IFRS financial statements management made a decision to present expenses by function of profit and loss as this is a more fair presentation.

##### *Accumulated deficit*

The reserve for translation differences and Other reserves (deficit) were reclassified to Accumulated deficit to conform to IFRS presentation.

#### ***61.3.2 Remeasurement upon transition to IFRS***

Upon adoption of IFRS the following adjustments were made to the financial statements.

##### *Investments in subsidiaries ,goodwill and provision of subsidiaries*

The accounting policy which was applied under the previous GAAP for the recognition and measurement of investments in subsidiaries was the net asset value method. The carrying amount under the previous GAAP has been adopted as the cost of the investment with a single entity (Switzerland Holding) being revalued to \$250.7 million with the determined fair value as at 1 January 2020 being adopted as the cost of the investment. The fair value was determined using the DCF method. Key assumptions are related to revenue growth and the discount rate. As cost has been adopted goodwill of \$2.5 million has been removed from the financial statements as the net asset value method is not applied. Due to the adoption of the deemed cost under IFRS 1 subsidiaries with a negative carrying amount of \$48.6 million has been remeasured to a cost of zero resulting in the provision of subsidiaries being consequently removed.

##### *Income tax expense and balances*

Tax liabilities have been calculated in accordance with IFRS consequently leading to tax balances being remeasured with corresponding effects on the income tax expense.

##### *Share based payment expense*

Share based payment expense has previously been recognized as an expense, IFRS specifically addresses share based payment expense within a group context. When subsidiaries receive the goods or services and does not have any obligation to settle the transaction it considered that



issuing entity is making capital contributions by taking on the cost of remunerating the subsidiary's employees. Consequently \$5.4 million share based payment expense relating to goods or services received by the subsidiaries has been capitalized to the cost of the investment increasing the cost in subsidiaries value from \$273 million to \$278 million for the 2020 financial period. Share based payment expenses also has a slightly different measurement basis under IFRS when compared to the previous GAAP resulting in a remeasurement of the share based payment expense in accordance with the requirements under IFRS which resulted in an impact in the share premium and investment in subsidiaries accounts of \$1.8 million for the 1 January 2020 opening balance, and \$2.6 million for the period ended 31 December 2020.

#### *Finance cost and finance income*

Finance cost and finance income have been remeasured to correct the previously under accrued interest expense and interest income under the previous GAAP resulting in adjustments of \$4.0 and \$3.4 million respectively.

## **62. Subsequent events**

Please refer note 37 in the consolidated financial statements for related disclosures.

Amsterdam, the Netherlands  
26 April 2022

Jørn Lyseggen  
Executive Chair

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David Faugno  
Senior non-executive director

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Mattias Erik Holmström  
Non-executive director

Sang Kim  
Non-executive director

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Erik Langaker  
Non-executive director

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Stefanie Witte  
Non-executive director



## Other information

Profit appropriation according to the Articles of Associations

According to article 15 of the Deed of Amendment to the Articles of Association the annual net profit is at free disposal of the annual shareholders meeting.



**2021**

# Independent Auditor's report



## *Independent auditor's report*

To: the general meeting of Meltwater N.V.

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### *Report on the financial statements 2021*

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#### *Our opinion*

In our opinion, the financial statements of Meltwater N.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the company together with its subsidiaries) as at 31 December 2021, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code.

#### *What we have audited*

We have audited the accompanying financial statements 2021 of Meltwater N.V., Amsterdam. The financial statements comprise the annual consolidated financial statements of the Group and the company only financial statements.

The financial statements comprise:

- the consolidated and company only statement of financial position as at 31 December 2021;
- the following statements for 2021: the consolidated and company only profit or loss account, the consolidated and company only statements of other comprehensive income, the consolidated and company only statements of changes in equity and cash flows; and
- the notes to the consolidated and company only financial statements, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

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#### *The basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

#### *Independence*

We are independent of Meltwater N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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#### *Our audit approach*

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial



statements as a whole and in forming our opinion thereon. The information in support of our opinion, like our findings and observations related to individual key audit matters, our audit approach on fraud risk and our audit approach on going concern was addressed in this context and we do not provide a separate opinion or conclusion on these matters.

### *Overview and context*

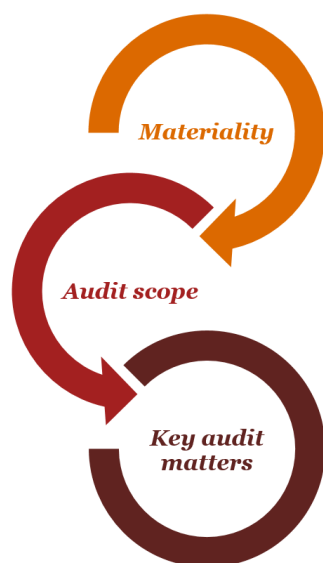
Meltwater N.V. is a Software as a Service ('SaaS') provider of cloud-based news, social media monitoring solutions and related services. The Company hosts software solutions that makes it available to its customers through subscriptions. The Group consists of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We considered the audit of revenue and the audit of acquisitions of businesses as key audit matters, in view of the significant estimation uncertainty, magnitude and the related higher inherent risk of material misstatement. Each of these key audit matters have been set out in the section 'Key audit matters' of this report.

Other areas of focus that were not considered as key audit matters were the tax position, the impact of COVID-19 on the business (including government support), and the adoption of IFRS for the company only financial statements. COVID-19 had no significant adverse impact on the financial performance and the going concern assumption of the Company. In conjunction with the adoption of IFRS for the company only financial statements, we paid specific attention to the remeasurement of the valuation of the Swiss subsidiary (Meltwater news International Holdings GmbH).

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a SaaS company that is operating in an international environment. We therefore included experts and specialists in the areas of IT, valuations, share based payments and tax in our team.

The outline of our audit approach was as follows:



#### *Materiality*

- Overall materiality: US\$3 million.

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#### *Audit scope*

- We conducted audit work at three locations. We paid particular attention to the head office in San Francisco (USA), the shared service centre located in Switzerland and to the Netherlands, where the Company has its statutory seat.
- A site visit was conducted to the shared service centre location in Switzerland.
- Audit coverage: 100% of consolidated revenue, 96% of consolidated total assets and 100% of profit before taxes.

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#### *Key audit matters*

- Audit of revenue
- Audit of the acquisition of businesses



### *Materiality*

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'. Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

|   |  |
|---|--|
| <b><i>Overall group materiality</i></b>         | US\$3 million (2020: US\$2.7 million).   |
| <b><i>Basis for determining materiality</i></b> | We used our professional judgement to determine overall materiality. As a basis for our judgement we used 0.75% of total revenues.   |
| <b><i>Rationale for benchmark applied</i></b>   | We used total revenues as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. The company focuses on revenue growth to achieve geographic and technological scale. On this basis, we believe that the total revenues is an important metric for the financial performance of the Company. |
| <b><i>Component materiality</i></b>             | To each component in our audit scope, we, based on our judgement, allocate materiality that is less than our overall group materiality. The range of materiality allocated across components was between US \$2,79 million and US\$560,000.  |

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the board of directors that we would report to them any misstatement identified during our audit above US\$300,000 (2020: US\$270,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### *The scope of our group audit*

Meltwater N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Meltwater N.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

The group audit primarily focussed on Meltwater N.V. and the US activities which are financially significant and consist of the following components: Meltwater US Holdings Inc., Meltwater News US Inc., and Meltwater News US1 Inc. These components were subject to audits of their complete financial information. Four other components, outside the US, which were not financially significant were also subject to audits of their complete financial information to achieve appropriate coverage.

We scoped-in additional components for audit procedures to achieve appropriate coverage on financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:



|                          |      |
|--------------------------|------|
| <i>Revenue</i>           | 100% |
| <i>Total assets</i>      | 96%  |
| <i>Profit before tax</i> | 100% |

The audit of revenue was performed centrally by the group engagement team. For other components subject to audits of their complete financial information we used a component auditor who are familiar with the local laws and regulations to perform the audit work. The group engagement team performed the audit work on the group consolidation, financial statement disclosures and a number of complex items such as valuation of intangible assets, income tax and stock options at the head office.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the US engagement team and the component auditor of the shared service centre in Switzerland. These instructions included amongst others our risk analysis, materiality and scope of the work. We explained to the component audit team the structure of the group, the main developments that are relevant for the component auditor, the risks identified, the materiality levels to be applied and our global audit approach. We had various calls with the in-scope component audit team during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditor, their reports, the findings of their procedures and other matters, which could be of relevance for the consolidated financial statements.

For the remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

By performing the procedures above at components, combined with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence on the group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

#### *Audit approach fraud risks*

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the internal control system. This included management's risk assessment process, management's process for responding to the risks of fraud and monitoring the internal control system.

We evaluated the design and relevant aspects of the internal control system and in particular the controls addressing fraud risk, as well as activities surrounding journal entries and relating to the reconciliation of detailed records to the general ledger for material account balances.

We evaluated the design and the implementation and, where considered appropriate.

We asked members of the board of directors whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting on fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated an element of unpredictability in our audit. We reviewed minutes of the Board of Directors and subcommittees thereof and performed fraud inquiries with



management. During the audit we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identified any indications of fraud, we re-evaluated our fraud risk assessment and its impact on our audit procedures.

We identified the following fraud risk and performed the following specific procedures:

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#### *Identified fraud risk*

##### **Risk of fraud through management override of controls**

As in all of our audits, we address the risk of management override of controls. This includes evaluating whether there is evidence of bias by management that may represent a risk of material misstatement due to fraud.

In this context, we paid particular attention to the significant estimates and judgments made by management.

Management may perceive pressure to manipulate accounting estimates that require significant judgement in order to improve results. Additionally, inappropriate accounting policies and treatments may be adopted to achieve the desired outcomes.

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#### *Our audit work and observations*

Where relevant to our audit, we have evaluated the design of the internal control measures that are intended to mitigate the risk of management override of controls and assessed the effectiveness of those measures in the processes of generating and processing journal entries and forming estimates.

We selected journal entries on the basis of risk criteria and performed specific audit procedures on them. We assessed significant judgments made by management, unusual transactions, related party transactions. We assessed the appropriateness and accurate application of accounting policies in accordance with EU-IFRS.

We did not identify any specific indications of fraud or suspicion of fraud in respect of management override of controls.

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#### *Audit approach going concern*

As disclosed in section 1.2 Going concern of the financial statements management performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks). Our procedures to evaluate management's going concern assessment included, amongst others:

- considering whether management's going concern assessment includes all relevant information of which we are aware as a result of our audit by inquiring with management regarding management's most important assumptions underlying their going concern assessment and considering whether management identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- evaluating management's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments and all relevant information of which we are aware as a result of our audit;
- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants;
- performing inquiries of management as to their knowledge of going concern risks beyond the period of management's assessment.



We concluded that management's use of the going concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

| <i>Key audit matter</i>  | <i>Our audit work and observations</i>   |
|--|--|
| <p><b><i>Audit of revenue</i></b><br/><i>(Note 22)</i></p> <p>As of 31 December 2021, the Group recognized US\$402 million of revenue.</p> <p>The Company derives its revenue primarily from subscription fees for its cloud-based news and social media monitoring services. The Company hosts software applications that it makes available to its customers over subscription periods generally up to 12 months or they may extend to longer periods. The Company provides customers with access to training and support that help them use the cloud-based news and social media monitoring services over the subscription periods.</p> <p>The subscription term runs for an agreed-upon period based on a signed contract. Revenue recognition is typically systematically calculated on a straight-line basis with the exception of revenue recognized upfront and net of fees from sales of third-party vendors' products when Meltwater N.V. is acting as an agent.</p> <p>Revenue is assessed as an important metric for the performance of the company. Given the higher inherent risk of material misstatement, as a result of the large number of transactions and counterparties we have spent a significant amount of time on the audit of revenue.</p> <p>We therefore considered the audit of revenue as a key audit matter.</p> | <p>We obtained an understanding of the revenue recognition process and evaluated the design and implementation of internal controls over the revenue process. The audit of revenue was substantive in nature.</p> <p>We reconciled the revenue detailed listings to the Company's general ledger, and independently recalculated revenue and deferred revenue based on inputs (i.e. contract start date and end date, subsidiary, contract value) that are agreed to the signed contracts, invoices and sales orders on a sample basis.</p> <p>We performed confirmation procedures with customers for outstanding accounts receivable balances, assessed the reasonableness of management's estimation and classification process to reserve against uncollectible balances.</p> <p>We also performed cut-off procedures over both billed and unbilled amounts before and after the balance sheet date to ensure revenue is recognized in the right period.</p> <p>We reviewed credit memos and corresponding approvals, to ensure that the adjustment of previously recognized revenue is appropriate.</p> <p>We assessed the presentation of the revenue on a gross versus net basis, based on the term of the selected contracts and challenged management on the classification of revenue. Our procedures did not result in material findings with respect to the revenue.</p> |



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**Key audit matter**

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**Our audit work and observations**

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**Acquisitions of business**  
*(Note 36)*

As included in note 36 of the consolidated financial statements, during the year ended 31 December 2021, the Company completed the acquisition of four businesses, for total consideration of \$93.7 million. In accounting for the acquisitions, the Company recorded \$30.9 million of Intangible Assets and \$64.5 million Goodwill.

Determining the fair value assigned to acquired intangible assets and to contingent consideration requires management to use significant judgement and estimates.

Management has involved valuation specialists to assist them in making such judgements and estimates.

We have applied a high degree of auditor judgement, subjectivity and effort in performing procedures and evaluating management's significant assumptions, and we have spent a significant amount of time in the audit effort, including the use of professionals with specialized skill and knowledge. We therefore considered the audit of the acquisitions of businesses as a key audit matter.

We addressed the matter by performing audit procedures including, among others: (i) reading the purchase agreement; (ii) testing management's process for determining the fair value of the customer relationships, developed technologies and trademarks; (iii) evaluating the appropriateness of the valuation methods used; (iv) testing the completeness and accuracy of the underlying data used in the valuation methods; and (v) evaluating the reasonableness of the significant assumptions used by management related to revenue, cost of revenue and operating expenses attributable to the asset, retention rate, contributory asset charges, and the discount rate.

Evaluating management's significant assumptions involved considering (i) the current and past performance of the acquired businesses; (ii) consistency with external market and industry data; and (iii) whether these significant assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Company's valuation methods and (ii) the reasonableness of certain significant assumptions.

Our procedures did not result in material findings with respect to the acquisitions of business.

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**Report on the other information included in the annual report**

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The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of



such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The board of directors are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

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### ***Report on other legal and regulatory requirements and ESEF***

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#### ***Our appointment***

We were appointed as auditors of Meltwater N.V.. This followed the passing of a resolution by the shareholders at the annual general meeting held on 30 June 2021. Our appointment has been renewed annually and now represents a total period of uninterrupted engagement of twelve years of which one year since the listing at Oslo Børs Euronext.

#### ***European Single Electronic Format (ESEF)***

Meltwater N.V. has prepared the annual report, including the financial statements, in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by Meltwater N.V., complies, in all material respects, with the RTS on ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion on whether the annual report in this reporting package complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of the NBA (Royal Netherlands Institute of Chartered Accountants), included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Obtaining the reporting package and performing validations to determine whether the reporting package, containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared, in all material respects, in accordance with the technical specifications as included in the RTS on ESEF.
- Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

#### ***No prohibited non-audit services***

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

#### ***Services rendered***

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 24 to the financial statements.



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## *Responsibilities for the financial statements and the audit*

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### *Responsibilities of the board of directors*

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going-concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

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### *Our responsibilities for the audit of the financial statements*

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 29 April 2022

PricewaterhouseCoopers Accountants N.V.

Original has been signed by B.A.A. Verhoeven RA



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### *Appendix to our auditor's report on the financial statements 2021 of Meltwater N.V.*

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In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

#### *The auditor's responsibilities for the audit of the financial statements*

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report. We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships



and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied. From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

# Income Statement Using Alternative Performance Measures (APMs) 2021



# IFRS Income Statement Reconciliation

## Using Alternative Performance Measures (APMs)

| (\$ in millions)         | 2021        | 2020        |
|--------------------------|-------------|-------------|
| Stock Based Compensation | 1.6         | 0.0         |
| Stock Buyback            | 0.2         | -           |
| One Time Charges         | 0.3         | 0.0         |
| DeprAmtCapRD             | 11.2        | 10.3        |
| DeprAmtIntangible        | 6.5         | 6.9         |
| Depr PPE                 | 0.1         | 0.1         |
| <b>COGS TOTAL</b>        | <b>19.9</b> | <b>17.3</b> |
| Stock Based Compensation | 36.8        | 3.5         |
| Stock BuyBack            | 6.7         | -           |
| One Time Expenses        | 1.9         | 15.8        |
| DeprAmtIntangible        | 4.8         | 3.7         |
| Depr PPE                 | 1.0         | 1.6         |
| <b>SM TOTAL</b>          | <b>51.2</b> | <b>24.6</b> |
| Stock Based Compensation | 7.9         | 0.7         |
| Stock BuyBack            | 3.7         | -           |
| One Time Expenses        | 10.9        | 1.9         |
| Charitable Contributions | 2.5         | 2.6         |
| DeprAmtCapRD             | 2.6         | -           |
| DeprAmtIntangible        | 0.0         | -           |
| Depr PPE                 | 0.5         | 0.9         |
| <b>GA TOTAL</b>          | <b>28.2</b> | <b>6.0</b>  |
| Stock Based Compensation | 14.0        | 1.6         |
| Stock BuyBack            | 2.8         | -           |
| One Time Charges         | 1.4         | 0.4         |
| DeprAmtIntangible        | -           | -           |
| Depr PPE                 | 0.1         | 0.2         |
| <b>RD TOTAL</b>          | <b>18.3</b> | <b>2.2</b>  |

# IFRS Income Statement using APMs

## Using Alternative Performance Measures (APMs)

| (\$ in millions)                    | 2021          | 2020          |
|-------------------------------------|---------------|---------------|
| Revenue                             | 401.6         | 359.8         |
| Cost of revenue                     | 99.9          | 88.2          |
| <b>Adjusted Gross profit</b>        | <b>301.8</b>  | <b>271.6</b>  |
| Adjusted Gross profit %             | 75.1%         | 75.5%         |
| <b>Adjusted operating expenses</b>  |               |               |
| <b>Sales and marketing</b>          | <b>170.0</b>  | <b>153.2</b>  |
| General and administrative          | 52.4          | 45.5          |
| Research and development            | 40.0          | 35.8          |
| <b>Adjusted Opex</b>                | <b>262.4</b>  | <b>234.4</b>  |
| Adjusted Opex %                     | 65.3%         | 65.2%         |
| <b>Adjusted EBITDA</b>              |               |               |
| <b>Adjusted EBITDA</b>              | <b>39.4</b>   | <b>37.2</b>   |
| Adjusted EBITDA %                   | 9.8%          | 10.3%         |
| <b>Add Back</b>                     |               |               |
| Stock based compensation            | 60.4          | 5.8           |
| Stock Buyback                       | 13.4          | -             |
| One-time expenses                   | 14.4          | 18.1          |
| Charitable contribution             | 2.5           | 2.6           |
| Loss on extinguishment of debt/loan | -             | 34.3          |
| Foreign exchange (gain)/loss        | (5.5)         | 5.5           |
| Other (profit)/loss, net            | (0.4)         | (3.9)         |
| <b>Add Back Totals</b>              | <b>84.9</b>   | <b>62.4</b>   |
| <b>EBITDA</b>                       |               |               |
| <b>EBITDA</b>                       | <b>(45.5)</b> | <b>(25.2)</b> |
| EBITDA %                            | -11.3%        | -7.0%         |
| Depreciation & Amortization         |               |               |
|                                     | 26.8          | 23.7          |
| <b>EBIT</b>                         |               |               |
| <b>EBIT</b>                         | <b>(72.3)</b> | <b>(49.0)</b> |
| EBIT %                              | -18.0%        | -13.6%        |
| Net Interest Expense                |               |               |
|                                     | 4.9           | 26.4          |
| Provision for income taxes          |               |               |
|                                     | 0.8           | 0.6           |
| <b>Net Inc/(loss)</b>               | <b>(77.9)</b> | <b>(76.0)</b> |
| Net Inc/(loss) %                    | -19.4%        | -21.1%        |

# Definitions: Alternative Performance Measures 2021



## Definitions: Alternative Performance Measures (APMs)

**Alternative performance measures or “APMs”:** non-IFRS performance measures used by Meltwater N.V. (the “Company”) as guidance parameters for both internal and external reporting to stakeholders. The Company’s APMs may differ from similar measurement parameters used in other companies. APMs should not be viewed as a substitute for any IFRS financial measure, but rather as a compliment.

**Customer or client:** is a unique account (or multiple accounts governed by a single agreement) with an active, paid subscription contract.

**Total addressable market or “TAM”:** the overall revenue opportunity available to a product or portfolio of products and / or services, if 100% market share was achieved. TAM is not a measure of actual future revenue, but it helps determine the level of effort and investment warranted for the Company product and / or service offering.

**Annual recurring revenue or “ARR”:** the Company’s yearly recurring revenue expectation at a given point in time. It is calculated as the annualized dollar sum of all contracts that have an active subscription in that period. ARR is a forward-looking measure that stakeholders can use to assess revenue momentum and expectations over the next 12 months. ARR is reported in USD. Non-USD denominated contracts are converted at constant currency exchange rates, which are updated annually.

**Constant currency exchange rates:** the Company presents constant currency information for ARR to provide a framework for assessing how the underlying business performed excluding the effects of foreign exchange rate fluctuations. To present constant currency ARR, current and prior period ARR for contracts in currencies other than USD are converted into USD. During 2021 financial year the constant rate was average December 2020 exchange rates. In order to normalize ARR fluctuation, going forward the Company will report ARR in constant currency, using weighted average exchange rate of the prior year, for the results being compared to for growth rate calculations presented.

**ARR per customer or client spend:** the total ARR in a given period, divided by total customer count in that period.

**New ARR:** ARR from new customers within a given period.

**Recurring revenue:** revenue that is expected to continue in the future from subscription-based contracts, excluding any non-recurring services such as single delivery reports.

**Organic and inorganic:** the pre-existing or standalone operations and performance of the Company, excluding recently acquired business. Inorganic refers to the recently acquired businesses in 2021, namely: Klear, Linkfluence and Owler. DeepReason.ai is excluded as the acquisition was closed late in the year and the numbers are considered immaterial.

**Segment or portfolio:** refers to a sub-section of the total customers or total ARR, depending on the context presented. “Total portfolio” refers to the sum of all customers or ARR. “Product portfolio” refers to the suite of products the Company sells.

**Portfolio concentration and penetration:** portfolio concentration is the proportionate amount of ARR represented relative to the total portfolio. Portfolio penetration measures the proportionate number of customer relative to the total portfolio. Both measures are expressed as a percentage.

**Premium customers:** customers with ARR >\$25.5k are considered premium customers. “Premium portfolio” or “premium segment” refers to the sum of all premium customers. Customers with ARR of \$100k or more are also included in the “\$100k+” category. These customer categories are used to measure the Company’s ability to move upmarket: expanding within existing customer base and attracting the largest organizations as new business.

**Social portfolio or segment:** the sum of ARR of all social product subscriptions. “Social products” refers to Company products that harness information and create insights from social media sources, and are grouped into Social Listening and Analytics, Social Media Management and Social Influencer Marketing. “Core Social products” are a smaller subset of key social products, (including Explore, Engage and Klear) that have been identified as aligning the closest with our key Social use-case. Measuring the growth of our

social portfolio allows us to track the effectiveness of our strategy and proficiency to tap into the growing market opportunity.

**Net retention:** the change in ARR from customer churn offset by increases in value of existing customer subscriptions between end of period ARR and beginning of period ARR. Net retention is a dollar-based measure expressed as a percentage of total beginning of period ARR. Net retention measures the long-term value of the Company's customer relationships and shows our ability to retain and expand subscription revenue generated from existing customers.

**Churn:** a dollar-based measurement of customers that have not renewed their subscriptions.

**Sales productivity:** the amount of sales volume per headcount, and can be expressed in ARR.

**Customer lifetime value to customer acquisition cost or "LTV:CAC":** a measure (expressed as a ratio) that compares the value of a customer over their lifetime to the average cost of acquiring a new customer. LTV is the average ARR per customer over the course of their lifetime, calculated as gross margin multiplied by average ARR per customer multiplied by the inverse of customer count churn. CAC is the average cost to acquire a new customer, calculated as total new business sales and marketing Opex divided by the number of new customers acquired.

**CAC payback:** a sales efficiency metric that measures how long (in months) it will take to break even on the money spent to acquire a new customer. It is calculated as trailing three months sales and marketing expenses required to acquire a new customer divided by trailing three months new business ARR multiplied by gross margin.

**One-time expenses:** expenses deemed non-recurring in nature, such as costs associated with one-time projects or events, legal settlements and related fees, employee severance, M&A related expenses, and the like.

**Adjusted COGS:** cost of goods sold excluding depreciation, amortization, stock-based compensation and one-time expenses.

**Adjusted gross profit margin:** revenue less adjusted COGS. "Adjusted Gross Profit Margin": is defined as adjusted gross profit divided by revenue, expressed as a percentage. Adjusted

gross profit margin provides stakeholder consistency and comparability across financial periods and between companies, as it eliminates the effect of non-cash and non-recurring one-time items which are unrelated to overall operating performance.

**Adjusted Opex:** operating expenses excluding depreciation, amortization, stock-based compensation, one-time expenses and charitable contributions. Adjusted Opex under IFRS (APMs) would include right of use (ROU) asset depreciation established by IFRS 16, since the Company acknowledges leases as rent expenses.

**EBITDA:** is the gain or loss for the year before net interest expense, income tax expense, depreciation and amortization. EBITDA is a supplemental measure to understand the overall profile of cash generation and efficiency of the Company's operating activities. Additionally, by excluding taxes, foreign exchange gain or loss and net interest expenses which cannot always be controlled by the Company, EBITDA provides an objective, and unlevered measure of the Company's profitability.

**Adjusted EBITDA:** EBITDA adjusted for stock based compensation, one-time expenses, charitable contributions, loss on extinguishment of debt, and foreign exchange gain or loss. Adjusted EBITDA is a measure that excludes non-recurring one-time items that are not part of the Company's ongoing day-to-day operating activities. By excluding these items, stakeholders have a better overall picture of profit generation in the Company's operating activities.

**Adjusted EBITDA Margin:** Adjusted EBITDA as a percentage of revenue. Adjusted EBITDA Margin is expressed in percentage and is easily comparable across financial periods and between companies. Adjusted EBITDA under IFRS (APM) does not benefit from the right-of-use (ROU) asset depreciation established by IFRS 16, since the Company acknowledges leases as rent expenses. Capitalized interest on leases is added back to adjusted EBITDA.

**Available debt:** a contractual available credit from debt facilities such as a revolving credit facility.

**Interest-bearing debt:** the amount drawn down from the available debt or other loan instruments.



## 2021 Annual Report

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