Annual Report

2022

Meltwater

Meltwater empowers companies with a suite of solutions that spans media, social, consumer and sales intelligence. By analyzing ~1 billion pieces of content each day and transforming them into vital insights, Meltwater unlocks the competitive edge needed to drive results.

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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. In case of any discrepancies between this PDF version and the ESEF package, the latter prevails.

Letter from Founder & Chairman

Today, Meltwater is a global leader in media, social and consumer intelligence, analyzing ~1 billion pieces of content each day and transforming them into vital insights for our customers, using patented AI technology.

Our people and culture are very much key to our success, and I want to thank our team for their dedication and hard work. Throughout the year, we were recognized with multiple awards around both for our products and technology and our company culture.

Meltwater's specialized suite of solutions stands out in the industry as a complete suite for multiple use cases across public relations, communications, marketing, strategy, sales and more. Our products span channels, strategies and teams, providing a central source of insights that are vital to strategy alignment and confident decision-making.

We help today's leading brands to make sense of all the information available online, with critical use cases from brand management – helping our customers to track, analyze and surface strategic insights about their brand reputation, share of voice, and sentiment across news and social — to competitive intelligence – enabling our customers to gain competitive advantage over competitors by staying up to date on all their activity – and many more, including risk and crisis management, consumer intelligence and social media management.

> Meltwater is a global leader in media, social and consumer intelligence, analyzing ~1 billion pieces of content each day and transforming them into vital insights for our customers, using patented AI technology.

Robust Strategic Review

In 2022, we navigated through a tough macroeconomic climate, focusing on strategic priorities supporting revenue growth, while executing on margin expansion initiatives. As we executed our plan, in response to an initial expression of interest, the Board formed a special committee consisting of non-executive and non-conflicted Board members. The committee completed a thorough and robust review of options with the aim of maximizing value for our investors. This review lasted several months and included discussions with various strategic and financial parties. Following the review, the special committee unanimously concluded that this transaction is in the best interests of all shareholders.

I am thankful to our Board, our shareholders, our customers and our partners. We look forward to partnering with the Marlin and Altor teams in our shared mission to be the global leader in media, social and consumer intelligence.

Partnering with Marlin and Altor will help Meltwater to embark on the next phase of its growth as a private company. This is the right decision for our investors and all our stakeholders in the current market environment. With the help of Marlin and Altor, Meltwater will have access to additional resources to strengthen its global leadership position in an attractive and fast-growing market, and we look forward to working with new ownership to position us for continued success.

JØRN LYSEGGEN
EXECUTIVE CHAIR

Meltwater at a Glance

Since 2001, we have been providing solutions that help our customers make more informed business decisions.

Today, Meltwater transforms billions of data points into the insights that matter for the world's leading businesses. Our specialized suite of solutions spans media, social, consumer and sales intelligence giving our customers the competitive edge they need to drive results.

Our vision is to harness the world's data in real time to unlock our customers' competitive edge.

Innovation + Technology

Innovation is at the core of everything we do. We explore the limits of technology and challenge ourselves to stay ahead of the tech trends that shape our industry. We will continue to invest in our products and technology to create even more value for our customers.

Customer-centricity

We are customer-obsessed and aim to have a true impact on our customer's businesses. More than 27,000 companies use Meltwater to get the full picture of their brand, competitors and industry, and we create, adapt and innovate our solutions with our customers' biggest challenges in mind.

People + Culture

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.

Growth

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&A. We plan to grow 20% organically with 20% EBITDA margins long term.

Meltwater is the global leader in social & media intelligence.

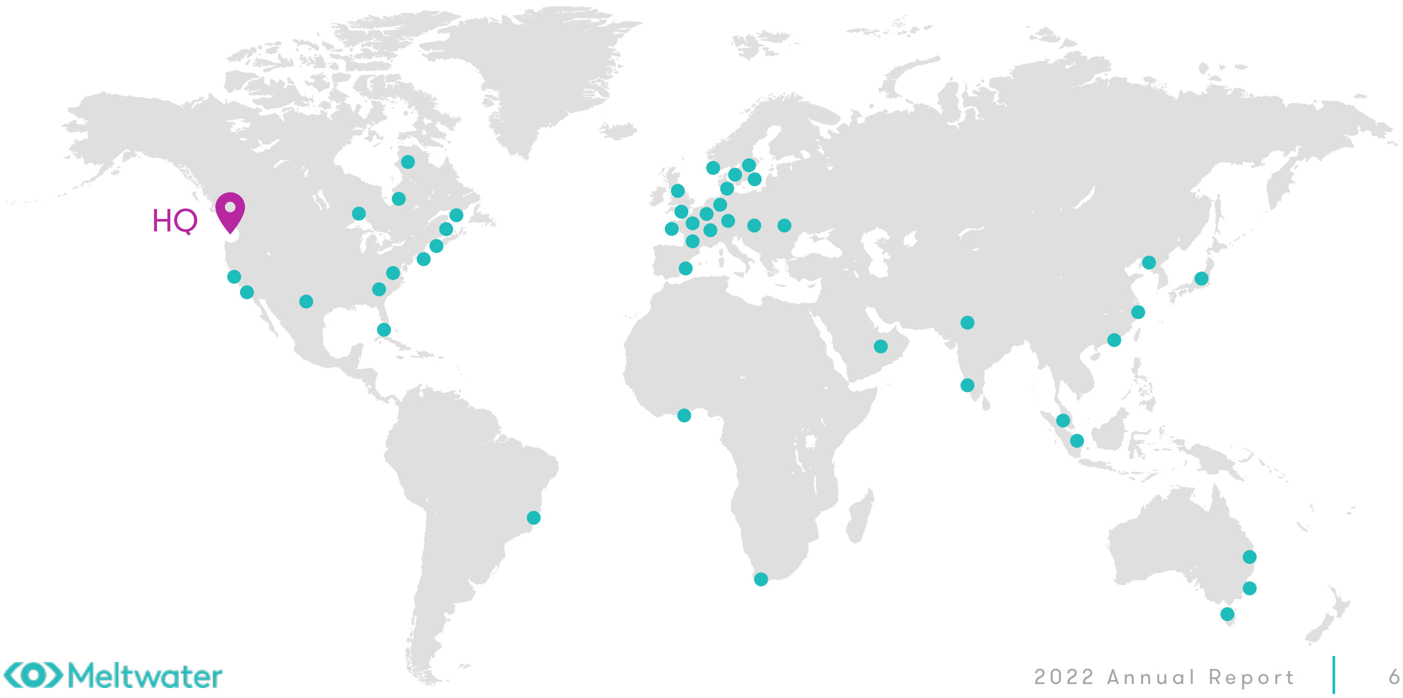
~27,000
Corporate Customers in 130+ countries

~2,300
Employees

~50
Offices across 6 continents

$478m
ARR as of 2022

~100%
Recurring revenue



Key Figures

$478m

TOTAL ANNUAL RECURRING REVENUE (ARR)

8% YoY growth

2021: **$442m**
20% YoY growth

$439m

REVENUE

9% YoY growth

2021: **$402m**
12% YoY growth

75.4%

GROSS MARGIN

2021: **75.1%**

$34m

CASH FLOW FROM OPERATIONS

2021: **$7m**

$36m

ADJUSTED EBITDA

2021: **$39m**

8%

ADJUSTED EBITDA MARGIN

2021: **10%**

ARR based on constant currency rate as of December 2021
TTM = Trailing twelve months

2022 Highlights

JAN 2022

Meltwater and Twitter release report revealing what sports enthusiasts are talking about on Twitter.

PRODUCT New tech integrations for Meltwater's Influencer Marketing solution for faster communication with influencers and streamlined measurement for campaign success.

FEB 2022

Meltwater announces the launch of new Scientific Advisory Board, with leaders in AI and machine learning.

CEO John Box named to PRWeek's Dashboard 25 for leadership in the Comms Tech space.

MAR 2022

Meltwater featured in CBS Documentary series "Global Thought Leaders" as a pioneer in social and media intelligence.

PRODUCT Launch of Paid, Earned, Owned Dashboard to unify omnichannel performance metrics into one easy-to-view report for customers to track success.

APR 2022

Meltwater partners with AARMY to create industry-leading employee fitness program.

PRODUCT Additional Social functionality, streamlining workflows for Social teams with seamless posting of Instagram Carousel Posts and more tools for YouTube moderation.

MAY 2022

PRODUCT New Meltwater homepage enabling greater ease-of-use with guides and resources for customers to get the help they need faster.

JUN 2022

Meltwater recognized as a Euronext Tech Leader, a list of 100+ high growth and leading European tech companies.

PRODUCT Enhanced AI-powered searches with automatic AI-powered language detection expanded to 240 languages, dialects, and variations, and the ability to search by topic to get insights quicker.

JUL 2022

Meltwater appoints Scott Gibbs as Senior Vice President Global Enterprise.

Meltwater and Twitter release report revealing how fashion is discussed on Twitter.

AUG 2022

Meltwater launches new customer community, Meltwater Community, an online, self-service community for customers to share knowledge.

SEPT 2022

Meltwater announces review of strategic alternatives.

Meltwater and NewsGuard announce partnership to help organizations understand and combat the spread of misinformation.

Meltwater announces industry-leading, AI-powered visual listening and company search for faster and more precise insights.

OCT 2022

Launch of #ExpertswithInsights program in the Meltwater Customer Community for Customer Experts to share their knowledge and expertise with the mCommunity.

NOV 2022

Meltwater and Twitter release a new report about the changing online foodie community.

DEC 2022

Meltwater appoints new Chief People Officer, Kristie Rodenbush.

PRODUCT Launch of DiscoveryBETA, Linkfluence's AI-based Insight Assistant to automatically detect, explain and surface important insights.

SELECTED NEW PREMIUM CUSTOMERS IN 2022

- Advanced Micro Devices (AMD)
- Best Buy
- Brenntag AG
- Cintas
- DoorDash
- DXC Technology
- Hasbro
- Hitachi Rail
- Johnson & Johnson
- Kao
- Kayak
- KPMG
- Restaurant Brands International
- Shell Oil
- Tommy Hilfiger
- Twilio
- United Airlines
- United Service Organizations
- University of North Florida
- US Space Command
- Vitamin Well

SELECTED AWARDS

Letter from the CEO

Meltwater delivered Total Annual Recurring Revenue (ARR) growth of 8% YoY in FY2022. Revenue was $439 million, or 9% YoY growth in FY2022 and adjusted EBITDA of $36 million or 8% of revenue. 2022 was a year of political and economic uncertainty in the world, which impacted the demand in the market, particularly across Europe. Whilst changes in market demand impacted the company's ARR growth in the year, I am pleased with how we were able to adjust and manage costs in the second half of 2022, as we initiated cost initiatives to improve the annual margins.

News, online conversations and public opinion change minute by minute, with the amount of data available online increasingly rapidly each year. By 2025, IDC estimates there will be 175 zettabytes of data globally, with 80% of that data being unstructured.[1] At the same time, 87% of global organizations believe that AI technologies will give them a competitive edge.[2]

This speaks to the relevance to the suite of solutions that Meltwater provides — more than ever, companies need AI powered insights to make sense of all the information available on the internet and make more informed business decisions.

Meltwater's vision is to harness the world's data in real time to unlock our customers' competitive edge.

To support this, we're investing in our products to stay ahead of the advances in technology that our customers can use to solve their biggest challenges. Through strategic tech investments we ensure more value creation for customers, adding functionality and integrations that streamline customer workflows and save them time, which in turn strengthens our attractivity and retention rates.

In 2022, we doubled-down on our commitment to customer-centricity. We launched the Meltwater Customer Community, mCommunity, in Q3 2022 in order to partner more closely with customers and create more value for them every day. At the end of 2022, more than 1800 customers had joined mCommunity, and that number has grown each month since.

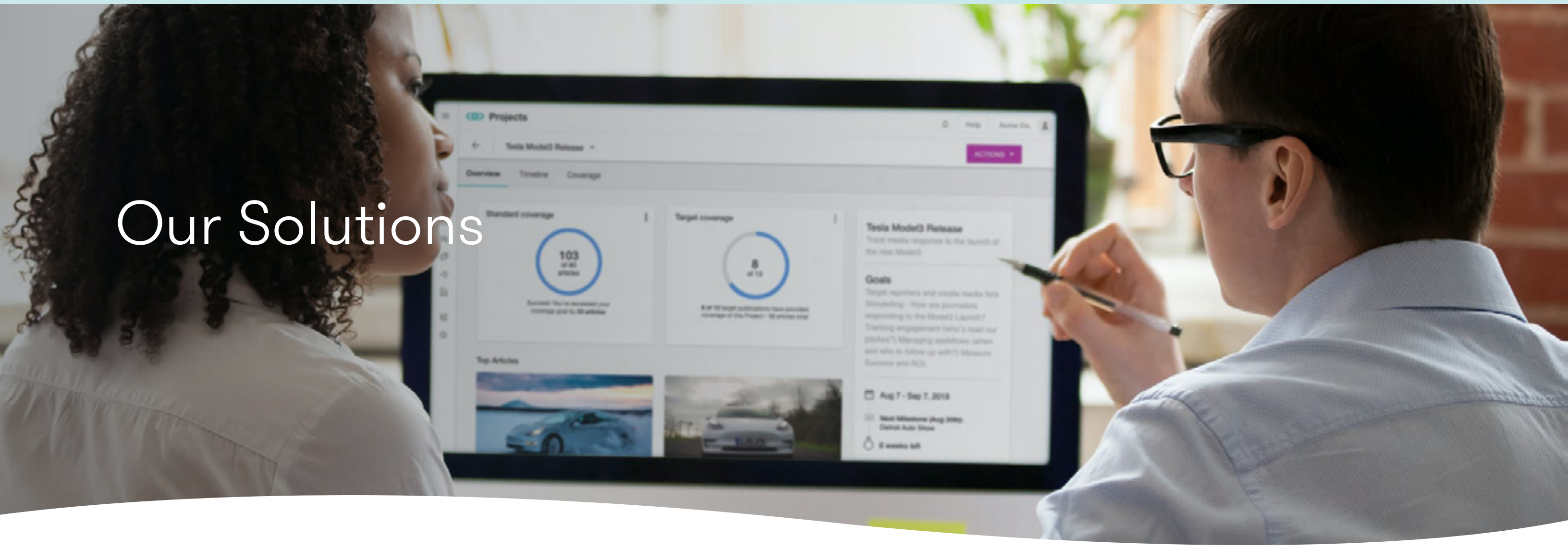
> "I am proud of Meltwater's proven track record of profitable growth despite a challenging macroeconomic environment.

1. IDC, 2018 2. MIT Sloan/BCG 2020

On 18 January 2023, Meltwater announced that the Board of Directors unanimously recommended an intended voluntary offer from MW Investment B.V. to acquire all shares of Meltwater at a price of NOK 18.00 per share, following a thorough strategic review process which was announced in September 2022. Our goal throughout this strategic review process was to maximize value for our shareholders and reach an outcome that supports the Company's long-term goals of growing profitably. We believe this transaction will bring new opportunities to the Company, once the deal is finalized.

I am proud of Meltwater's proven track record of profitable growth despite a challenging macroeconomic environment. Our growth was underpinned by Meltwater's subscription-based, recurring revenue contracts and committed customer base, coupled with a commitment to cost optimization. We look forward to the next chapter with Marlin and Altor, and continuing to make progress on our long-term growth goals.

JOHN BOX / CEO



Our Solutions

Meltwater transforms billions of data points into the insights that matter for the world's leading companies. Our specialized suite of solutions spans media, social, consumer and sales intelligence, giving our customers the competitive edge they need to drive results.

With more information at the fingertips of consumers than ever before, the world is drowning in data. Meltwater cuts through the noise, transforming ~1 billion pieces of content each day into vital insights that enable strategic decision-making. The Meltwater Suite unlocks the insights companies need to understand deeper, move faster and drive real impact across all of their key stakeholders.

We partner 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. 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 ~1 billion pieces of new content every single day from millions of content sources including open web data, social channels, Wordpress and many more. Meltwater's truly global scope enables users in 130 countries working in 113 distinct languages to extract the most from the world's data.

Through years of innovation and strategic acquisitions, Meltwater has expanded the amount of use cases supported by our suite, 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 and their relevance as intangible parts of a company's overall strategy. Meltwater is uniquely positioned to meet the needs of today's integrated teams with a single source of truth in one product suite designed for multiple use cases. Our intuitive solutions enable 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

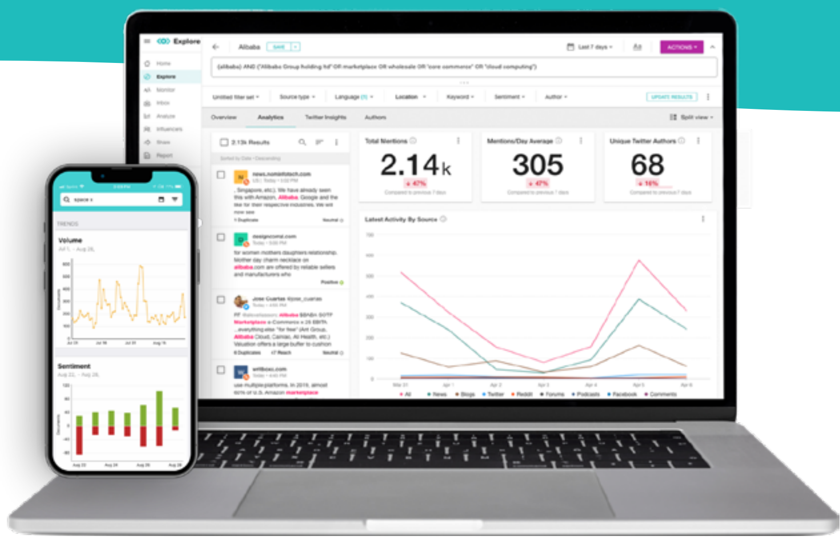
02

Expansion via Acquisition & Integration

03

Focus on Innovations & Enhancements

A specialized suite of solutions across many use cases



Use Cases

- Brand Management
- Competitive Intelligence
- Risk & Crisis Management
- Market Intelligence
- Consumer Insights
- Influencer Marketing
- Sales Intelligence
- API & Data Integration
- Campaign Management
- Community Management

linkfluence A Meltwater Offering · klear A Meltwater Offering · owler A Meltwater Offering

Our Data Sources

News and Other Online Sources

copycoaustralia · The Economist · CNN · REUTERS · FT FINANCIAL TIMES · THE NEWS TRIBUNE · AP · media access · DOW JONES · tveyes · SEMRUSH · NEWSCYCLE · POSTMEDIA · BBC

Social Media

Facebook · LinkedIn · Instagram · YouTube · Twitter · reddit · QQ · WeChat · Pinterest · Weibo · TikTok · VK · WhatsApp

Third-Party Integrations

Collaboration Tools

slack · Microsoft Teams · DingTalk · Telegram

Analytics & Workflow

Power BI · tableau · DOMO · Google Analytics · salesforce · Google Data Studio · zapier

E-Commerce

Woo · shopify

01 Integrated Offerings for PR, Comms, Marketing and Beyond

Brand Management

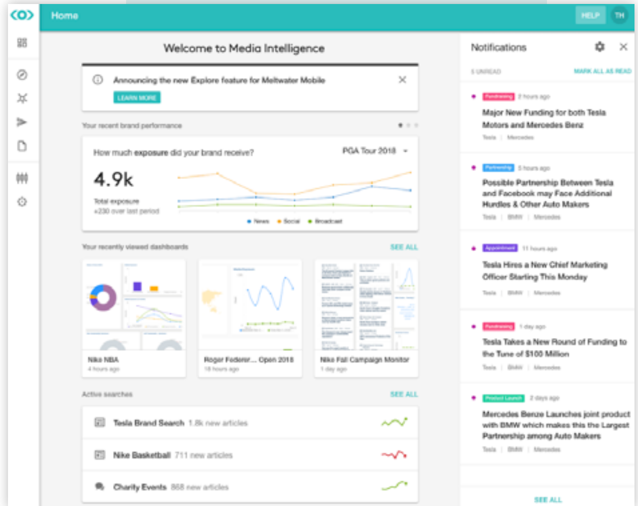
Capitalize on the broadest dataset & most advanced AI in the industry to surface strategic insights into your brand, and its place in the industry you operate in.

Enabling users to:

→ Listen to external conversations about your company & 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

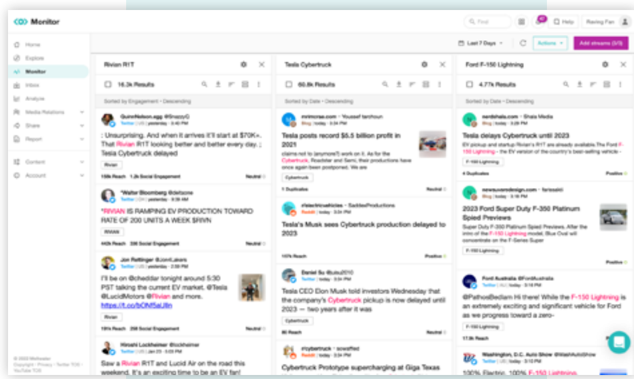
Gain competitive advantage over brands in your industry by staying up to date on all their activity, identifying their effective content and capitalizing on the gap in their offerings.

Enabling users to:

→ Easily grasp how your brand is performing with access to the most effective content from your company and 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

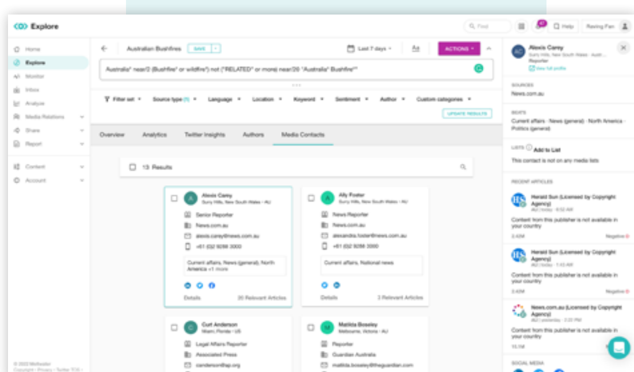
Gain insights from the broadest set of external data, spanning all forms of social and traditional media. Distribute and analyze this content in real time through AI powered alerts, and business integrations such as Slack and Teams.

Enabling users to:

→ Surface the right insights in real time via AI in order to craft messaging based on insights

→ Understand the drivers of conversations and crises, identify influential sources and manage your crisis plan

→ Share relevant insights and content with the right stakeholders in their preferred channels



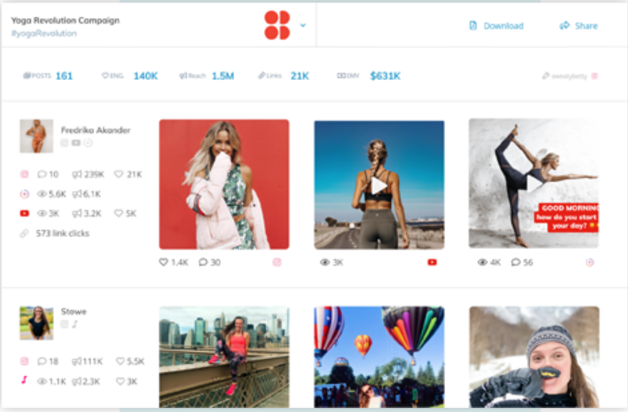
Community Management

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:

→ Meet your consumers where they are and engage with them on topical themes and trending conversations to nurture organic relationships

→ Build a community to advocate on your behalf and amplify your message

→ Manage earned & owned customer interactions through one integrated platform



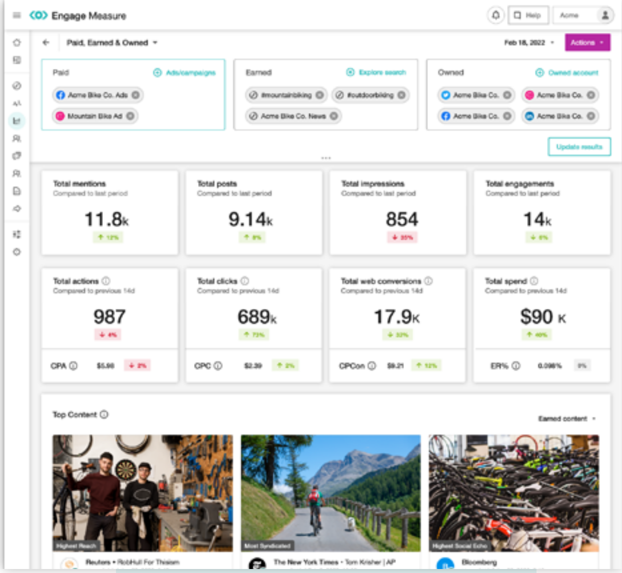
Campaign Management

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

→ Analyze best practices and implement them throughout your campaigns

→ Effectively plan, execute & manage your campaigns across Owned, Earned and Paid content from a single interface

→ Consolidate reporting metrics & KPIs into easily consumable insights for key stakeholders



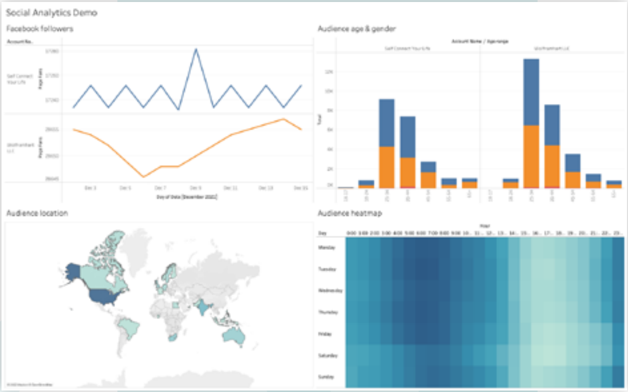
Market Intelligence

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 markets based on unmet customer needs and emerging trends

→ Track individuals or topics that can trigger changes in your industry

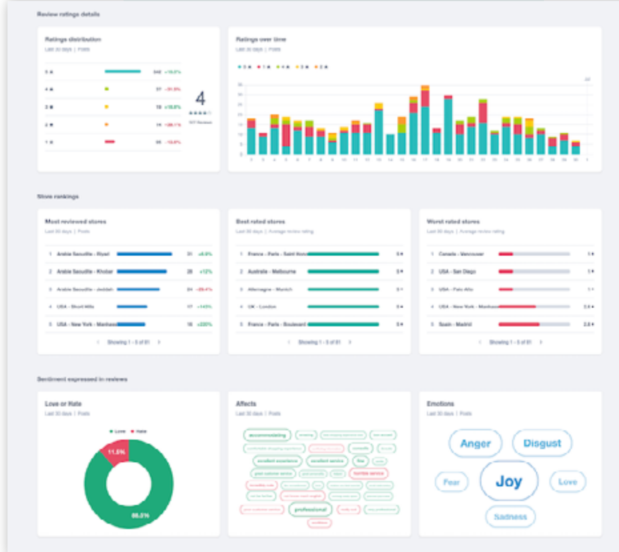
→ Audit and review your strategy to reflect the latest market trends



Consumer Intelligence

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:

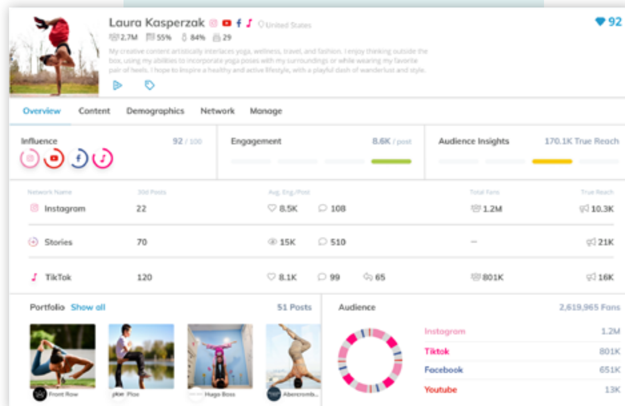
- Fully understand the needs and feedback of your customers
- Learn how consumers differ from competitors or other areas of the market you operate
- Take action and leverage your buyer personas to activate tangible business outcomes through tailored content.



Influencer Management

Complete end to end solution for influencer identification, management and reporting to help you find KOLs, advocates, brand ambassadors, and other content creators to partner with.
Enabling users to:

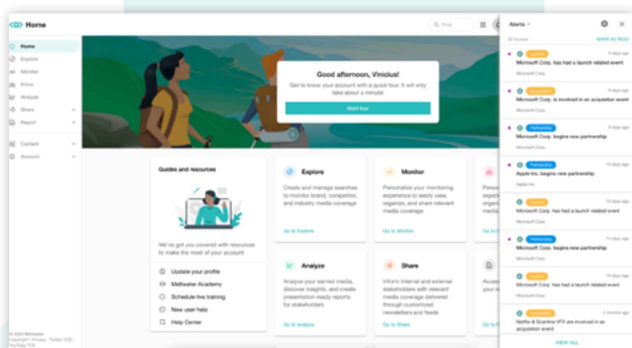
- Identify & vet relevant influencers to work with, maximizing ROI
- Manage relationships through one centralized platform
- Report on ROI & use data to refine future campaigns



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 existing suite, 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
- Ensuring all acquisitions are integrated, supporting one platform for our customers

Customer Testimonial / Haleon

The largest standalone consumer healthcare business in the world, Haleon meets the growing demands of its sector by listening to its most valuable assets: its customers. With a portfolio of more than 25 owned brands, including category leaders like Sensodyne and Panadol, its community of healthcare professionals and customers is vast both online and off.

Haleon needed a fast, robust and scalable social intelligence solution that could track its brands and 70+ competitors across seven categories. They decided to partner with Meltwater for social intelligence, data analysis, and reporting that would push its brand and sales strategies forward. Haleon also uses Meltwater's social listening solution to identify and track specific customer and healthcare provider communities online. The data not only informs Haleon's customer-facing communications but also benefits the company's sales teams. Without Meltwater, that level of consumer research would have cost Haleon a minimum of $50,000 with a five-week turnaround time. With Meltwater, the company gets those insights in just five days, an 80% increase in efficiency.

> "To make sure we not only capture but, crucially, analyze data and make it actionable for the business, we require technology capable of facilitating that scale. Meltwater's technology as well as its history of working with large, multinational businesses is a huge advantage for us. They have strong data integrity, great access, and it's an intuitive tool to use. I don't think any other tool has flexibility beyond what Meltwater does. I don't think it's anywhere close."

DANNY GARDNER
Social Intelligence Lead
HALEON

Customer Testimonial / Deliveroo

Operating in 11 markets worldwide, Deliveroo provides a hyperlocal three-sided marketplace which connects local consumers, restaurants and grocers. Working with thousands of businesses and riders, and serving millions of consumers, the company needs a reliable, 360 picture of how the brand is perceived and discussed by the media.

The communications department uses Meltwater's monitoring solutions to identify meaningful media engagement opportunities, as well as keep track and evaluate brand performance across global and regional outlets. As an enterprise business, Deliveroo takes advantage of a custom solution in the form of a bespoke scoring system which fuels their measurement and planning efforts.

"Deliveroo is a business where data and insight matter. Throughout the organization, we constantly measure our performance and ensure decisions are driven by data. With this in mind, the communications department set out to create a tailored evaluation program and scoring system to ensure our proactive PR efforts are measured and quantified. Together with the account team at Meltwater, we came up with a bespoke system, based on criteria most important to the business. We now have a consistent and solid measurement framework, built to our specific needs, and it has been great to see the successful implementation and buy-in from team members across the business."

BEN BAILEY
Director of Consumer Communications

deliveroo

Customer Testimonial / Pernod Ricard

Pernod Ricard is a global leader in the wine and spirit industries. The company's innovative approach to data and the role it plays when it comes to strategic business decisions differentiates the business from other international players.

Pernod Ricard uses Meltwater's consumer insights solution to ensure every department within the organization has access to robust, accurate and timely data. Social intelligence and analysis of specific online communities enable the business to drive product development, whilst focusing on historical and seasonal trends detected online helps stockists and informs the supply chain by predicting demand - all at global and regional levels. With Meltwater, Pernod Ricard has constant access to online data which reflects consumer behavior, highlights new opportunities and speeds up the strategic decision making process across the business.

“When we started our partnership with Meltwater, our key goal was to ensure social data and consumer intelligence would drive every business decision we make. This could only be possible with powerful technology and an innovative approach to research. Meltwater's consumer intelligence solutions were one of the key enablers that helped us become a truly consumer-centric organization. To achieve real competitive advantage, we needed to ensure data is at the heart of everything we do. From marketing and consumer insights to IT, all departments must work closely together and leverage the power of data.”

FLORENCE RAINSARD
Global Consumer Insights Director

Pernod Ricard

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 [ˈmo(ː)ro] — " Fun "

Ener [ˈe nðr'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.

Awards & Recognition

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 2,300 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 49% of the employee base at Meltwater, with 41% of leadership positions filled by women, well above industry average.

Hear from Meltwater Employees

> Working at Meltwater is a great experience. The environment is supportive, friendly, and also high performance. We have a great culture and an eye on continuous improvement."

> At Meltwater, I feel comfortable, happy & challenged at the same time. I am learning every day and have many people that are greatly invested in my development & well-being."

> The leadership team is transparent about the avenues for the company to achieve our goals. This is a transformative period for our company, and thanks to our execs everyone is bought into that vision and aligned on how we will get there."

Employee Feedback

98%

98% they look forward to interacting with their coworkers when they come to work.

97%

97% of employees say that they feel their manager cares about them as a person.

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.

86%

86% of employees say that they are excited about going to work each day.

~2,300
employees

~50
office locations

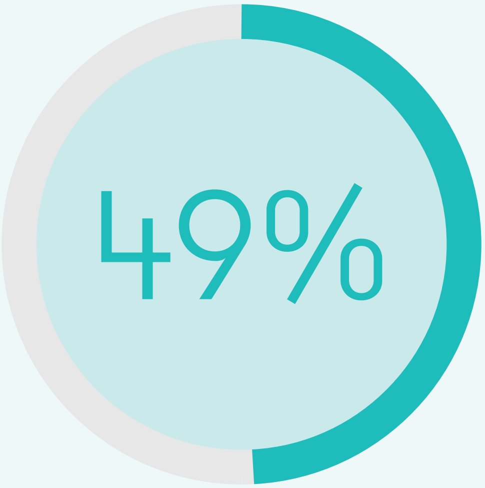
reduced number of offices by 5 when compared to 2021 as a part of cost saving programs

20
countries

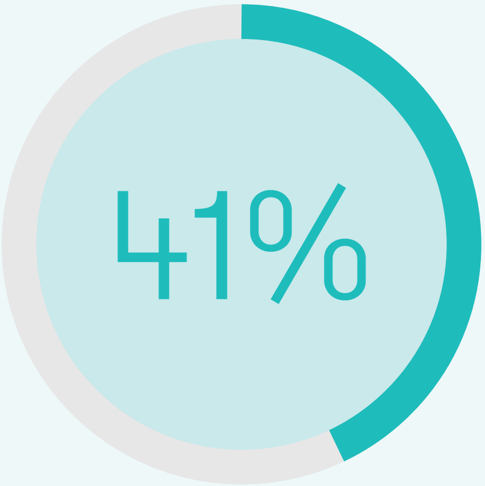
6
continents

50
languages spoken by our employees

130
customer countries



female employees



female leadership

Corporate Responsibility

Sustainability at Meltwater

As a global company with more than 2,300 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 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. AWS allows us to track our carbon footprint helping us to quantify our impact and establish a baseline, which is a priority for the company.

Global Green Council

Meltwater has created a Global Green Council for employees with a background in and passion for environmental sustainability to develop policies that will lessen the impact we have on the environment as a company. The council members hail from across the globe and work throughout the different departments within our company. By formulating measurable policies and goals the council leads the conversation and education around environmental sustainability, creating a shared model of responsibility where Meltwater leaders and global teams are considering climate change impact when making business decisions and are 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

KEY INITIATIVES

mPowered

EMEA DEI Council

Women in Tech Initiative

objectives including training & education, recruiting, inclusive culture and leadership diversity and accountability.

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 non-profits 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 $2.5m USD 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.

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 including 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 "we invest in people's potential."

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.

> We invest in people's potential.
>
> **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 Pan-African entrepreneurs with a fully funded, one year full-time graduate level program in software development, business, and communications. Curriculum is facilitated by experienced startup entrepreneurs and includes individual and group mentoring throughout. Each quarter the Training Program hosts seasoned entrepreneurs and top business leaders from around the globe for guest lectures. Participants in the training program pitch their startup ideas and receive feedback to help develop and shape their final startups.

Portfolio

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

Supporting graduates of the MEST Training Program to launch early-stage startups with seed- funding between $50k-$250K, 18 - 24-month incubation, and access to a Africa-wide tech community. MEST has invested in over 80+ software companies tackling Africa's biggest problems across industries. These successful startups that have gone on to receive follow-on funding and admission to the world's top tech accelerators. A total of $500K invested in 6 tech startups founded by 2022 MEST graduates. These companies included: Trober, Mowblox, Kamel, Binyoh and Copianto and an additional investment of $50k in Kwely, a Senegalese company, through the MEST Africa Challenge competition. Companies span across industries and include innovative solutions in business services, agriculture, financial services, health and wellness, e-commerce, and media and entertainment.

African Tech Community & Global Partners

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. MEST counts Mastercard Foundation, Unicef, ABSA, GIZ , European and African Digital Innovation Hubs (DIHS), Ghana Science and Technology Innovation Prize (GSTEP), and more among its partners.

OUR IMPACT

500+
Total entrepreneurs trained in 1yr program

80+
Total businesses funded

30+
African countries reached

750+
Jobs created through portfolios & partnerships

200+
Direct jobs

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 21 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

Meltwater's vision is to harness the world's data in real time to unlock our customer's competitive edge. The amount of data online is growing exponentially, and Meltwater transforms billions of data points into the insights that matter for the world's leading companies. Our specialized suite of solutions spans media, social, consumer and sales intelligence, giving our customers the competitive edge they need to drive results.

Our strategy is to continue to build on our world-class suite of products and through these deliver value to our customers, in order to achieve our long-term growth goals. The pathway 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, and improving Net Retention Rates. Our success in these 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.

The Company plans to achieve these goals through a number of strategies including investment in technology that drives quality, AI-derived insights, a focus on customer centricity, and investing in our employees so that they can best contribute to the growth and success of the company. Meltwater invests in innovation in order to remain industry-leading and sustain competitive differentiation. The Company invests significant human and monetary resources to build on its existing software offerings, integrate acquired products, and design and develop new valuable and innovative services and features that meet the demand of the media and social intelligence market. The Company currently has a significant pipeline of research and development projects and has brought many similar research and development projects to market in the past. The outcome of such research and development projects are a key factor to implement the Company'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 th 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.

Enere [‘e nðr’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 29 in the annual financial statements.

Code of conduct

The Group's highly international operations, with over 27,000 clients and ~2,300 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 2022. This assurance was obtained principally through a process of management self-assessment. Consideration was also given to other inputs, including reports from risk and audit, compliance and the risk management process.

The Independent Auditors had previously communicated certain material weaknesses in internal control systems, in the areas of the design or maintenance of an effective control environment commensurate with its financial reporting requirements. During 2022, the Company has developed and is in the process of implementing a robust internal control environment in a phased manner during 2022 and 2023 in response to material weaknesses identified.

Financial review

Revenue

Revenue from contracts with customers for the year ended 31 December 2022 was $438.7 million compared to revenue from contracts with customers for the year ended 31 December 2021 of $401.6 million. The increase of $37.1 million, or 9.24%, in revenue from contracts with customers compares to the year ended 31 December 2021 which saw an increase of $41.8 million or 11.62%.

Cost of sales

Full year 2022 cost of sales increased YoY by $4.5 million and 3.76%. $2.4 million of the increase in spend is associated with hosting due to increased service utilization, and in content ($1.1 million) which is attributable to contract increases with content partners. The remaining $0.9 million is mainly related to increased labor costs to support the upshift in sales volume. Overall Cost of Sales as a % of revenue decreased by 1.50% from 29.81% to 28.31%, respectively.

Sales and marketing expenses

In 2022, the investments in Sales & Marketing were focused on moving upmarket to the Premium segment and Enterprise customer. The investment has predominantly been into Enterprise sales headcount and marketing to attract larger customers which tend to have stronger unit economics.

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 flat to the pre-pandemic levels and the revenue growth continued in 2022. This highlights the improved productivity from the sales organization and success of the focus on the Premium and Enterprise segments.

Full year 2022 sales and marketing costs decreased YoY by $5.8 million and 2.62%. $12.5 million decrease is primarily associated with sales labor costs, of which the majority is related to stock-based compensation and employee buy-back expense. It is offset by $6.7 million increase, which consists of $3.3 million in Outside Services, $1.4 million in marketing expenses, and $2.0 million in other costs. Overall sales and marketing costs as a % of revenue decreased by 5.98% from 55.08% to 49.10%, respectively.

General and administrative expenses

Full year 2022 General & Administrative costs decreased YoY by $7.0 million and 8.70%. $4.0 million of the decrease in spend is associated with Labor costs, of which $4.2 million is stock-based compensation and employee buy-back expense. $3.3 million of the decrease in spend is outside services. And the remaining ($0.3) million in other costs. Overall, General & Administrative costs as a % of revenue decreased by 3.29% from 20.04% to 16.75%, respectively. The savings in General & Administrative were achieved as a result of execution of the planned cost rationalization efforts during the year, across multiple cost saving initiatives.

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 2022 Research & Development costs decreased YoY by $2.7 million and 4.62%. The overall net decrease is primarily due to a $10.4 million decrease in labor costs, of which $10.1 million decrease is stock-based compensation and employee buy-back expense. The decrease in labor costs was partially offset by an increase of $5.4 million in software and licensing expenses, an increase of $2.0 million in Outside Services expenses, as well as an increase of $0.3 million in depreciation and amortization. Overall Research & Development costs as a % of revenue decreased by 1.84% from 14.54% to 12.70%, respectively.

Other income

Other income for the year ended 31 December 2022 was $8.3 million compared to other income for the year ended 31 December 2021 of $0.016 million.

Finance costs

Finance costs for the year ended 31 December 2022 was $4.5 million compared to finance costs for the year ended 31 December 2021 of $4.9 million. The decrease of $0.4 million, or 8.16%, in finance costs was mainly due to a decrease in the interest on leases and a smaller increase in the interest on third party loans.

Foreign exchange gain/loss

Foreign exchange gain for the year ended 31 December 2022 was $8.2 million compared to foreign exchange gain for the year ended 31 December 2021 of $5.5 million. The increase of $2.7 million, or 49.09%, in foreign exchange gain/loss was mainly due to exchange results on transactions and positions held in Euro (EUR), British Pound (GBP), Australian Dollar (AUD), and Swedish Krona (SEK).

Finance income

Finance income for the year ended 31 December 2022 was $0.7 million compared to finance income for the year ended 31 December 2021 of $0.4 million.

Income tax expense

Income tax expense for the year ended 31 December 2022 was $7.8 million compared to income tax expense for the year ended 31 December 2021 of $0.8 million. The increase of $7.0 million, or 875.00%, 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 2022 was $17.4 million compared to loss for the year ended 31 December 2021 was $77.2 million. The decrease in the loss was $59.8 million, or 77.46%. The operating expenses decreased mainly due to decreased employee share-based expenses offset by higher FTE levels in 2021 of $23.8 million. The decrease in expenses was also accompanied by an increase in gross profit from general operating activities of $32.6 million as a result of increased performance in the Media Intelligence market in several geographies.

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, which has been met by the Company. As of 31 December 2021, the Company had drawn $25.0 million under the 2020 Credit Facility and had the ability to borrow $125.0 million under the 2020 Credit Facility. During 2022 the Company drew down an additional $25.0 million, on a net basis, of the $125.0 million remaining revolving credit facility. As of 31 December 2022, the undrawn credit facility of the Company is $100.0 million.

The outstanding amount is wholly due and payable by 9 June 2025. All covenants were met in 2021 and 2022.

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

On 31 December 2022 the Company had cash and cash equivalents of $35.1 million (2021: $44.4 million). The Company has robust liquidity to operate and execute its business plans.

Solvency and liquidity ratios

RATIO	2022	2021
Debt-to-equity ratio	-7.30	-9.61
Debt-to-asset ratio	1.16	1.12
Interest coverage ratio	-2.92	-14.86
Equity ratio	-0.16	-0.12

The debt-to-equity ratio remained negative in 2022 but reduced due to an increase in both total liabilities and a negative equity amount. The debt-to-asset ratio remained stable during 2022 in comparison to 2021 due to the proportionally similar increases in both assets and liabilities. The interest coverage ratio decreased due to the decrease in the loss for the year. The equity ratio is stable and negative in 2022 and 2021.

Going concern

The consolidated financial statements have been prepared on a going concern basis. The Company' s cash and cash equivalents balance as of 31 December 2022 was $35.1 million.

In June 2021, the Company drew down $25.0 million from the Revolving Credit Facility which remained outstanding as of 31 December 2022. In September 2021 Meltwater utilized the option to extend the due date by one year making the outstanding amount wholly due and payable by 10 June 2025. During the year ended 31 December 2022 the company drew down an additional $25.0 million, on a net basis, from the Revolving Credit Facility, such that the total amount outstanding as of 31 December 2022 amounts to $50.0 million.

The Company believes that the cash balances and the credit facility available as of 31 December 2022 and the funds generated from future operations, based on forecasted cashflows, will enable the Company to meet its cash requirements for the foreseeable future (at least twelve months from the date of these financial statements).

As of 31 December 2022, current liabilities exceeded current assets by $192.5 million, of which $248.7 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 $33.9 million positive and $7.1 million positive during the years ended 31 December 2022 and 2021, respectively.

During 2022, the Company ended with total revenues of $438.7 million (2021: $401.6 million) with a net loss of $25.2 million (2021: net loss of $77.9 million). As a result of the losses in 2022 and previous years, the Company has a negative equity of $63.8 million (2021: $47.1 million). The negative equity value was positively impacted by additional paid-in capital of $429.6 million in 2022 (2021: $417.3 million).

Cash flow

The Group's cash inflow from operating activities totaled $33.9 million compared to a cash inflow of $7.1 million for the full year 2021. The main reason for the increase in cash inflow from operating activities is due to the decrease in the loss of the current year. Cash outflow from investing activities totaled $26.5 million compared to the cash outflow of $63.5 million for the full year 2021. This was primarily due to the acquisitions done in 2021. The Group's cash outflow from financing activities totaled $14.6 million compared to the cash inflow of $1.8 million for the full 2021, the decrease in 2022 is mostly driven by the repurchase of shares in 2022.

Capital expenditure

The Company capitalized $23.7 million and $12.2 million of development costs related to software during the years ended 31 December 2022 and 2021, respectively. Of the amount capitalized, $0.6 million and $0.2 million were related to interest in 2022 and 2021, 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

No mergers and acquisitions have occurred in the financial year ended 2022.

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, EMEA and APAC regions.

Outlook 2023

The Company is well positioned at the beginning of 2023. The company invested wisely in upgrading its sales force to support its move upmarket to expand its premium and enterprise customer base, while managing its overall S&M expense. Investments in R&D to increase the competitiveness of its products and accelerate the integration of its 2021 M&A activities will improve the cost structure and increase sales. At the same time, the company took measures to control its expenses in light of the macroeconomic environment, by reducing its facilities footprint and managing hiring and other variable expenses such as travel and entertainment. The combination of actions should help drive the company towards it long-term goals and ambitions.

Subsequent event

In January 2023, Meltwater entered into a transaction agreement with MW Investment B.V. whereby MW Investment B.V. agreed to purchase all the shares of Meltwater. The completion of the Offer will, among other conditions, be subject to a minimum acceptance level of at least 95% of the issued and outstanding share capital and voting rights of Meltwater on a fully diluted basis, excluding any treasury shares. Once the transaction is completed, Meltwater will become a private company.

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.
Financial	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.	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.	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.

The risk management policy relating to financial instruments are disclosed in note 31 of the annual financial statements.

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

Strategic risks

Product offerings that are in 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 downtown 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 2022 and 2021 and for the years ended 31 December 2022 and 2021, 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 proactive 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.

Russia-Ukraine war

The war in Ukraine has impacted economies on a global scale. The effects are wide ranging, including rising inflation, the energy crisis in Europe, and increased interest rates around the world to combat inflation by attempting to reduce spending and discourage lending.

Although 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 with geopolitical tensions and related economic downturn having a potential impact on the Company's operations and results.

Despite the rising inflation and increased interest rates, the Company did not experience a significant increase in finance costs as disclosed in Note 24 of the annual financial statements. Instead, the Company saw an increase in revenue of 9.24% as a result of realized synergies from acquisitions conducted in the financial year ended 2021 as well as an increase in premium client revenue. Furthermore, the Company does not envisage difficulty in obtaining lending as it has access to an undrawn credit facility of $100 million.

The Company concludes that the war in Ukraine did not have a significant impact on the Group during the financial year ended 2022 and continues to pro-actively manage 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 energy, climate change, waste, and recycling aspects in business decision-making.

The Group does not have an environmental policy implemented, however are working towards having a formal environmental policy in place in the near future.

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 Meltwater Entreprenurial School of Technology (MEST).

MEST is a non-profit training and mentoring program established by Meltwater that equips individuals with the skills, training, funding and support to become software entrepreneurs. The goal of the program is to teach MEST students, located on the African continent, 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 $2.1 million and $2.5 million to Meltwater Foundation, Meltwater's non-profit arm, in 2022 and 2021, 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 73 employees as of 31 December 2022 (2021: 56) and the Group employed 2,354 employees as of 31 December 2022 (2021: 2,255). On average, approximately 2,305 employees were employed during 2022 (2021: 1,962).

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. In 2022 Meltwater updated its Bullying and Harassment Policy and Disciplinary and Grievances Policies to ensure its work environment remains healthy and protects the safety of its employees.

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.

In this context, the Group will commit to setting appropriate and ambitious gender targets on Meltwater's Board in the near future. As of 31st December 2022, 16.67% of Meltwater's Board positions were filled by women (1 in 6). The Group will work on setting a plan in place to have a target more ambitious than the current situation of 1 in 6 filled by women, which would be applicable for new appointments to vacancies going forward. During the 2022 financial year, no new appointments were made to the Board.

In the Group's workforce, women made up 49.00% of the Group's employee base and fill 41.00% of leadership positions, which is well above the industry average, as of 31st December 2022.

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

Human rights and whistleblower matters

The United Kingdom Modern Slavery Act 2015 requires businesses to disclose efforts to prevent or otherwise eradicate slavery and human trafficking from their supply chains. Meltwater is committed to complying with these laws and ensuring that all its employees and suppliers globally take appropriate steps to mitigate the risk of human trafficking and slavery in our supply chains.

In December 2021, Meltwater adopted a whistleblower policy, which establishes a procedure for dealing with reports of suspected wrongdoing within the Group including any supplier engagement related to slavery or human trafficking. 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 and with supplier engagement without fear of dismissal or retaliation.

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.

During 2022 there were no reportable events under the Whistleblower Policy.

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 Anti-Bribery and Corruption Policy.

Non-financial KPIs

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

NON-FINANCIAL KPI (Group)	FY 2022
Material breaches of the code of conduct	0
Board of directors positions filled by women (%)	16.67%
Number of employees (year-end)	2,354

EU Taxonomy

Introduction to the EU Taxonomy Regulation

In 2019, the European Green Deal was launched which committed the European Union to achieve climate neutrality by the year 2050. The EU Taxonomy Regulation entered into force on July 12, 2020 as part of the European Green Deal and establishes the general framework for determining whether an economic activity qualifies as environmentally sustainable.

The EU Taxonomy is a classification system for sustainable economic activities. Within the EU Taxonomy, the following six environmental objectives are identified:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Under the EU Taxonomy, we are required to report on the climate change mitigation (CCM) and climate change adaptation (CCA) environmental objectives for fiscal year 2022. In relation to these two objectives, the Company needs to identify if its economic activities are eligible under the EU Taxonomy. The NACE classification, established in Regulation (EC) No 1893/2006, provides guidance for companies to determine if a company's economic activities are eligible. As of January 1, 2022, we are also required to determine which eligible activities are Taxonomy-aligned. For an activity to be considered aligned, it must meet the following conditions:

- Technical Screening criteria
    - Make a substantial contribution to one or more of the EU's environmental objectives
    - Does not do significant harm (DNSH) to other environmental objectives
- Comply with minimum safeguards

Based on this assessment companies should report the three following KPIs on their eligibility and alignment:

- Turnover
- CapEx
- OpEx

Compliance with the EU Taxonomy Regulation

In 2022 we performed a reassessment of all potential taxonomy-eligible economic activities listed in the Climate Delegated Act. The Climate Delegated Act focuses on those economic activities and sectors that have the greatest potential to achieve the objective of climate change mitigation or climate change adaption. The sectors covered include energy, selected manufacturing activities, and transport and buildings. Our assessment methodology is explained below.

Companies are required to identify if their activities are eligible under the EU Taxonomy Regulation. For Meltwater, this means assessing if the primary revenue generating activities of providing software as a service (SaaS) solution are in scope of the CCM and CCA environmental objectives. 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. Other activities that are not considered our main activity were also considered. The next paragraphs shortly describe our eligibility and alignment assessment.

Turnover eligibility and alignment assessment

We have reviewed our core and non-core activities related to Turnover as defined by the taxonomy regulations in accordance with the updated requirements relating to the fiscal year 2022. These activities do not contribute to the CCM and CCA objectives. Therefore, as eligibility is nil, alignment is also considered nil.

The turnover KPI is calculated by the proportion of the net turnover derived from products or services that are Taxonomy-eligible (numerator) divided by the net turnover (denominator). Meltwater derives its revenue primarily from subscription fees for its cloud-based news and social media monitoring services. We have assessed the eligibility of these revenue streams and conclude that none of the revenue streams are eligible under the EU Taxonomy as there is not explicit reference to software as a service (SaaS) in the Climate Delegated Act nor does it meet the definition under computer programming under the CCA objective. The denominator of the turnover KPI is based on net turnover which equates to revenue in accordance with IFRS 15. Our net turnover KPI denominator totals $438.7 million. For further details on accounting policies refer to Significant accounting policies note 3.18 Revenue from contracts with customers.

Capital expenditure eligibility assessment

Management reviewed both core and non-core activities related to capital expenditure ("CapEx") and assessed that there were no material additions during the year which fulfilled the Taxonomy-eligible criteria. After this assessment, it was concluded that these activities do not contribute to the CCM and CCA objectives. Therefore, as eligibility is nil, alignment is also considered nil.

The capital expenditure KPI is defined as Taxonomy-eligible activities (numerator) divided by Meltwater's total CapEx (denominator). Taxonomy-eligible capital expenditure (numerator) is defined as any of the following: assets or processes that are associated with Taxonomy-aligned economic activities; part of a plan to expand Taxonomy-aligned or Taxonomy-eligible economic activities ("CapEx plan"); related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as other economic activities and provided that such measures are implemented and operational within 18 months.

Total capital expenditure (denominator) consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization and any re-measurements. Additions resulting from business combinations are also included. We have concluded that our denominator for capital expenditure, as defined in the EU Taxonomy regulation, total $212.0 million. CapEx can be reconciled to the Financial Statements note 4, Property, plant and equipment, and note 5, Intangible assets. Goodwill is not included in CapEx as it is not defined as an intangible asset in accordance with IAS 38.

Operating expenditure eligibility assessment

Management reviewed both core and non-core activities related to operating expenditure ("OpEx") and assessed there were no assets or processes associated with Taxonomy-eligible activities. These activities do not contribute to climate adaptation or climate mitigation; therefore, they are not taxonomy-eligible activities. Therefore, as eligibility is nil, alignment is also considered nil.

The operating expenditure KPI is calculated by the proportion of the operating expenditure associated with Taxonomy-eligible activities (numerator) divided by Meltwater's total OpEx (denominator). Taxonomy-eligible operating expenses (numerator) is defined as any of the following: related to assets or processes that are associated with Taxonomy eligible activities; part of a plan to expand Taxonomy-eligible activities; related to the purchase of output of Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures and provided that such measures are implemented and operational within 18 months.

Total operating expenses (denominator) consists of the following: direct non-capitalized costs that relate to research and development, building renovation measures; short-term lease; maintenance and repair; and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. We have concluded that our denominator for operating expenditures, as defined in the EU Taxonomy, total $58.5 million. Costs with respect to OpEx are recognized in line with IFRS and are reported as part of research and development expenses and general and administrative expenses in the Income Statement within the Consolidated Financial Statements.

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 under climate change mitigation and climate change adaptation environmental objectives.

Reporting on KPIs[1]

	REVENUE	CAPEX	OpEx
Eligible	0.00%	0.00%	0.00%
Non-eligible	100.00%	100.00%	100.00%
Aligned	0.00%	0.00%	0.00%
Non-aligned	100.00%	100.00%	100.00%

1. The table above is a simplified version of the tables presented in Annex II of Commission Delegated Regulation (EU) 2021/2178, which provide a template for disclosing the KPIs for non-financial undertakings. We note that eligibility and alignment is zero for the CCM and CCA environmental objectives, and secondly, eligibility and alignment for the remaining four environmental objectives has not been calculated yet and is not compulsory for this financial year. In future years with the expansion of the EU Taxonomy disclosures, we are committed to the ongoing assessment of our Taxonomy eligibility and alignment. Should we have economic activity that is eligible/aligned, we will ensure to disclose the turnover, CapEx, and OpEx KPIs in the Annex II table.

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 2022 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

David Faugno
Senior non-executive director

Mattias Erik Holmström
Non-executive director

Sang Kim
Non-executive director

Erik Langaker
Non-executive director

Stefanie Witte
Non-executive director

Governance Report

The Company is a Dutch public company with limited liability (*naamloze vennootschap*). The Company is the ultimate parent company of the Group. Details of the Company's significant subsidiaries are disclosed in note 29 to the consolidated financial statements.

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. An updated Dutch Code was published on 20 December 2022. The updated Dutch Code applies to the financial year that starts on or after 1 January 2023.

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 2022, 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 and BIPRO 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	54	Executive Chair and executive director	2011	Indefinite
David Faugno	53	Senior Non-Executive Director	2019	Indefinite
Mattias Erik Holmström	40	Non-executive director	2017	Indefinite
Sang Kim	52	Non-executive director	2021	Indefinite
Erik Langaker	59	Non-executive director	2021	2025
Stefanie Witte	49	Non-executive director	2021	2025

Director biographies

Jørn Lyseggen

Non-independent Executive Chair and Executive Director

Jørn Lyseggen (*male*) was born in 1968 and has the Norwegian nationality. Jørn Lyseggen is the Executive Chair of the Company, a position he has held since 15 November 2011. He is a Norwegian serial-entrepreneur and the Executive Chair and founder of the Company. He began his career as a research scientist in artificial intelligence at the Norwegian Computing Center. Meltwater is Lyseggen's fourth start up. He is also member of the board of Meltwater Entrepreneurial School of Technology (**"MEST"**).

David Faugno

Independent Senior Non-Executive Director

David Faugno (*male*) was born in 1970 and has the American nationality. David Faugno is the Senior Non-Executive Director of the Company. He is a non-executive director since 1 July 2019. He has more than 26 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 (*male*) was born in 1983 and has the 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, Silo AI, Raw Fury, Hesehus, Raptor and Transcom. He has extensive experience as a private equity investor and board member for 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 (*male*) was born in 1970 and has the American nationality. He is a non-executive director of the Company, a position he has held since 3 December 2021. He is a partner at DLA Piper LLP and a member of the firm's global board and US management committee. He serves as the US head of the firm's Markets and Sectors. Outside the firm, Sang serves as the Chair of the Bronx Science Foundation which is dedicated to supporting one of the leading specialized high schools in New York City.

Erik Langaker

Independent Non-Executive Director

Erik Langaker (*male*) was born in 1963 and has the 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.

Stefanie Witte

Independent Non-Executive Director

Stefanie Witte (fe*male*) was born in 1973 and has the 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 11 years at Google, most recently as Director for ChromeOS Consumer, where she is responsible for DACH, Nordics and Poland. Prior to that she worked among others in Business Development for Novartis and as a consultant at McKinsey & Company. She is also an advisory board member at Cloudberry Clean Energy ASA and Myneva Group GmbH.

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 Board of Directors is comprised of five non-executive directors; four men (80%) and one woman (20%). Refer to Diversity section (under Non-Financial information) of the Director's Report for gender representation on the Board including executive directors. As of 31 December 2022, women make up 49% of Group's employee base and fill 41% of leadership positions, which is well above the industry average.

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.

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 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 US$2.1 million and US$2.5 million to Meltwater Foundation in 2022 and 2021, respectively. These contributions were made with the restriction that the funds would be donated to MEST. These contributions were made in compliance with the related party transactions policy of December 2021, in accordance with the established processes, and the charitable contribution arrangement since Meltwater Foundation and MEST were founded in 2008.

Jørn Lyseggen is also a founder of Shack15. In February 2019, the Company entered into a 3-year agreement to partner with and sublease office space from Shack15. In August 2019, and December 2020, the Company amended the agreement to extend the terms of the sublease, which is expected to end in June 2023. The extension was provided at no additional cost as the space was not accessible during the Covid-19 pandemic and has since been used by Meltwater employees for office space, department all hands meetings, marketing events, company board meetings, external party meetings. The total obligation during the term is US$6 million, which was already settled in 2020 before the company's listing on the Euronext Growth market in December of that year.

Board of directors committees

The Board of Directors has two permanent 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 permanent committees are:

01 The audit committee

02 The remuneration committee

In addition, the Board established a temporary special committee to discuss indicative strategic proposal received from various third parties following the issue of a press release by the Company on 15 September 2022 to announce the appointment of J.P. Morgan and DNB Bank ASA and the review of strategic alternatives.

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

01 Audit committee

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

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 2022, the audit committee met thirteen times. At these meetings several matters were discussed.

The main issues related to the:

- strategic reviews;
- review and approval of annual, half-yearly and quarterly financial statements, trading update and earnings reports;
- review and appointment of Deloitte Accountants B.V. for the design and implementation of company-wide internal controls environment;
- oversight on the internal control project implementation and progress thereof;
- group entity structure streamline and tax optimization;
- EU ESG and sustainability;
- operationalized whistleblowing policy;
- statutory audit of group subsidiaries;
- review process for related party transactions;
- information on the financial and economic situation of the Group;
- information on the external audit function;
- the audit plan for 2022; and
- risks management.

02 Remuneration committee

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

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 2022 the remuneration committee met five 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.

03 Special committee

- Sand Kim (chair)
- David Faugno
- Erik Langaker
- Stefanie Witte

The special committee was mandated to review and discuss with the Board and external advisers the developments and steps to be taken in relation to strategic proposals received from various third parties, to monitor the process, to monitor the interests of all of the Company's stakeholders, including the minority shareholders, and to prepare the decision-making regarding a potential transaction in the full Board.

On 18 January 2023, the Board of Directors issued a press release that it concluded its strategic review and unanimously recommended an intended voluntary offer from MW Investment B.V. to acquire all shares of the Company.

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 issued share capital (and at certain higher thresholds). As per the VPS register, five shareholders held a position in the Company of 3% or more of total issued and outstanding share capital per 31 December 2022: Jørn Lyseggen (via Fountain Venture A.S.) (29.95%), Big Data Holding Limited (13.26%), The Bank of New York Mellon SA/NV (6.56%), Arneson Haugen Holding AS (5.22%), BIPRO AS (3.08%) and as per the Company's Dutch shareholders' register, one shareholder held a position in the Company of 3% or more per 31 December 2022: Meltwater Partners AS (3.02%).

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 and does not anticipate paying dividends to its shareholders in the foreseeable future. The Company has not paid any dividend during the financial years ended 31 December 2022 and 2021 and does not intend to propose any dividend for the financial year 2022.

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 and the full text of the Dutch Code is available on 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 2022.

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

The Company complies in all material respects with the principles of the Dutch Code, except for the following provisions:

- **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 2022, the issued share capital of the Company consisted of 298,397,819 shares with a par value of €0.01 each. As of 31 December 2022, the Company owned 12,994,128 treasury 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 to the 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 depositary 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. In addition, the Company entered into a transaction agreement with MW Investment B.V. on 18 January 2023 in connection with the intended voluntary offer from MW Investment B.V. to acquire all shares 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 2022, 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 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 not having a conflict of interest have, as special committee, examined and monitored each and all stages of the Company's strategic review and the entering into of a transaction agreement with MW Investment B.V. regarding the intended voluntary offer from MW Investment B.V. to acquire all shares of the Company. See section "Board of Directors committees".

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 and set up a temporary special 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 non-executive directors have also evaluated and supervised the performance of the directors and the committees.

Attendance at meetings

During the financial year 2022, there were eight meetings of the Board of Directors.

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 %	SPECIAL COMMITTEE	IN %
Jørn Lyseggen	6/8	75%	-	-	-	-	-	-
David Faugno	7/8	88%	13/13	100%	5/5	100%	-	-
Mattias Erik Holmström	7/8	88%	-	-	5/5	100%	-	-
Sang Kim	7/8	88%	13/13	100%	-	-	-	-
Erik Langaker	7/8	88%	12/13	92%	-	-	-	-
Stefanie Witte	8/8	100%	-	-	5/5	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.

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.

Remuneration Report

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 2022.

The Company's 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.

In 2022, the remuneration of the executive director consists of annual base salary, long-term incentive and other benefits. 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.

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

The remuneration of executive directors consists 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 caliber 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 the 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 director(s).

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 director(s) 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.

Right to reclaim variable remuneration

In accordance with Dutch law, the non-executive directors may adjust the outcome of variable compensation of the executive director(s) 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 2022, there was no cause for a claw back or value adjustment by the non-executive directors.

2022 remuneration executive directors

In 2022, the remuneration of the executive director consisted of base salary, long term incentive, and other benefits. The executive director did not receive any short-term. 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 2022 and the previous financial year ended 31 December 2021.

EXECUTIVE DIRECTOR, POSITION	YEAR	FIXED REMUNERATION	SHORT TERM INCENTIVE	LONG-TERM INCENTIVE[1]	EXTRAORDINARY ITEMS	OTHER BENEFITS	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION
Jørn Lyseggen, Executive Chair	2022	US$600,000	–	US$95,512	–	$23,631	$718,143	100% fixed 0% variable
	2021	US$600,000	–	–	–	$23,909	$623,909	100% fixed 0% variable

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

The following table includes an overview of the outstanding RSUs in 2022:

NON-EXECUTIVE DIRECTOR	MAIN CONDITIONS OF RSUs PLAN						INFORMATION REGARDING 2022				
							OPENING BALANCE	DURING THE YEAR		CLOSING BALANCE	
	Plan	Award date	Vesting start date	Expiration date	Exercise period	Market price at the time of grant	RSUs awarded at the beginning of the year	RSUs awarded	RSUs vested	RSUs awarded and unvested	RSUs vested but not exercised
Jørn Lyseggen	2011 EIP[1]	18 Mar 2022	5 Jan 2022	18 Mar 2032	10 years	US$1.91	0	99,536	0	99,536[2]	0

(1) 2011 Equity Incentive Plan (2) These are awards issued during the year and does not represent Jorn's total equity holding.

Change of remuneration of executive director and Company performance

The following table includes an overview of the outstanding RSUs in 2022:

	2022	2021
Executive director's remuneration		
Jørn Lyseggen (Executive Chair)	US$718,143	US$623,909
Company Performance		
Annual recurring revenue growth	US$35,864,822	US$73,207,761
Revenue growth	US$37,027,772	US$41,837,434
Adjusted EBITDA margin growth	(US$3,701,904)	US$2,170,801
Average remuneration on a full-time equivalent basis of employees		
Employees of the Company	US$86,782	US$89,762
Employees of the Group	US$95,592	US$87,743
Internal pay ratio executive director		
Jørn Lyseggen (Executive Chair)	7.51	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 2022, the internal pay ratio is in line with the Company's acceptable bandwidths.

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 order to ensure alignment between the non-executive directors and the Company's value creation, the non-executive directors receive a fixed fee, 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 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 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 awarded to the non-executive directors is as follows:

a. Senior Non-Executive Director: US$200,000 per annum, to be settled in the form of RSUs; and

b. other non-executive directors: US$100,000 per annum, to be settled in the form of RSUs.

The RSUs include any fee for being a member of a 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.

2022 remuneration non-executive directors

In 2022 the non-executive directors received the following remuneration in line with the agreed awards:

NON-EXECUTIVE DIRECTOR	NUMBER OF RSUs	GRANT DATE	VESTING START DATE	MARKET PRICE AT TIME OF GRANT
David Faugno[1]	66,358	18 March 2022	1 January 2022	US$1.91
Mattias Erik Holmström	33,179	18 March 2022	1 January 2022	US$1.91
Sang Kim	33,179	18 March 2022	1 January 2022	US$1.91
Erik Langaker	33,179	18 March 2022	1 January 2022	US$1.91
Stefanie Witte	33,179	18 March 2022	1 January 2022	US$1.91

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.

During 2022 all non-executive directors received 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 2022, David Faugno, Senior Non-Executive Director received a fixed cash fee of US$0 (2021: US$90,000) and stock-based compensation in the amount of US$163,432 (2021: US$134,192), in total US$163,432 (2021: US$224,192). The other non-executive directors, Erik Langaker, Sang Kim, Stefanie Witte and Mattias Holmstrom, each received stock-based compensation in the amount of US$32,188 (2021: US$0).

The following table shows a comparison of the total remuneration of non-executive directors who served as Directors in 2022:

NON-EXECUTIVE DIRECTOR	2022	2021
David Faugno	US$163,432	US$224,192
Mattias Erik Holmström	US$32,188	–
Sang Kim	US$32,188	–
Erik Langaker	US$32,188	–
Stefanie Witte	US$32,188	–

The following table includes an overview of the outstanding options in 2022:

NON-EXECUTIVE DIRECTOR	MAIN CONDITIONS OF SHARE OPTION PLANS						INFORMATION REGARDING 2022				
							OPENING BALANCE	DURING THE YEAR		CLOSING BALANCE	
	Plan	Award date	Vesting start date	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[1]	11 Aug 2019	1 July 2019	10 Aug 2029	10 years	US$1.94[1]	862,400	0	215,600	125,800	736,600
Mattias Erik Holmström	–	–	–	–	–	-	–	–	–	–	–
Sang Kim	–	–	–	–	–	-	–	–	–	–	–
Erik Langaker	–	–	–	–	–	-	–	–	–	–	–
Stefanie Witte	–	–	–	–	–	-	–	–	–	–	–

(1) 2011 Equity Incentive Plan

The following table includes an overview of the outstanding RSUs in 2022:

NON-EXECUTIVE DIRECTOR	MAIN CONDITIONS OF SHARE OPTION PLANS						INFORMATION REGARDING 2022				
							OPENING BALANCE	DURING THE YEAR		CLOSING BALANCE	
	Plan	Award date	Vesting start date	Expiration date	Exercise period	Market price at time of grant	RSUs awarded at the beginning of the year	RSUs awarded	RSUs vested	RSUs awarded and unvested	RSUs vested but not exercised
David Faugno	2011 EIP[1]	18 Mar 2022	1 Jan 2022	18 Mar 2032	10 years	US$1.91	0	66,358	0	66,358	0
Mattias Erik Holmström	2011 EIP[1]	18 Mar 2022	1 Jan 2022	18 Mar 2032	10 years	US$1.91	0	33,179	0	33,179	0
Sang Kim	2011 EIP[1]	18 Mar 2022	1 Jan 2022	18 Mar 2032	10 years	US$1.91	0	33,179	0	33,179	0
Erik Langaker	2011 EIP[1]	18 Mar 2022	1 Jan 2022	18 Mar 2032	10 years	US$1.91	0	33,179	0	33,179	0
Stefanie Witte	2011 EIP[1]	18 Mar 2022	1 Jan 2022	18 Mar 2032	10 years	US$1.91	0	33,179	0	33,179	0

(1) 2011 Equity Incentive Plan

Advisory vote

This remuneration report will be submitted to the general meeting for an advisory vote in 2023. 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.

The 2021 remuneration report was submitted to the annual general meeting held in June 2022. 96.43% of the votes were cast for the remuneration report and 3.57% against. The remuneration committee has examined the voting results and concluded the overwhelming majority supported the remuneration report.

Financial Statements

2022

2022

Meltwater N.V.
Annual Report 2022

Meltwater N.V.
Singel 250
Amsterdam
1016 AB

Annual consolidated and company only financial statements for the year ended 31 December 2022

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Meltwater N.V. Annual consolidated financial statements

Consolidated statement of financial position as at 31 December 2022

	Notes	31 December 2022 $'000	31 December 2021 $'000
Assets			
Non-current assets			
Goodwill	5/6	80 227	80 427
Other intangible assets	5	65 747	60 633
Property, plant and equipment	4	3 140	3 656
Right-of-use assets	4	19 900	25 615
Financial assets at fair value through profit and loss	8	1 204	1 292
Financial assets at amortized cost	8	6 333	10 891
Contract costs	11	31 205	25 690
Deferred tax asset	26	7 180	8 586
Employee benefit asset	15	95	-
Total non-current assets		**215 031**	**216 790**
Current assets			
Trade receivables	9	89 262	88 152
Other current assets	10	29 685	23 854
Contract costs	11	32 661	32 491
Cash and cash equivalents	12	35 144	44 387
Total current assets		**186 752**	**188 884**
Total assets		**401 783**	**405 674**
Liabilities			
Non-current liabilities			
Borrowings	18	50 026	25 046
Lease liabilities	7	13 249	19 969
Contract liabilities	21	10 188	10 585
Other non-current liabilities	19	2 565	13 576
Deferred tax liability	26	10 369	13 825
Employee benefit obligation	15	-	423
Total non-current liabilities		**86 397**	**83 424**
Current liabilities			
Borrowings	18	12	13
Trade and other payables	17	114 818	122 901
Contract liabilities	21	248 653	234 821
Lease liabilities	7	9 852	9 928
Current tax liabilities	26	5 718	1 588
Employee benefit obligation	15	168	104
Total current liabilities		**379 221**	**369 355**
Total liabilities		**465 618**	**452 779**
Equity			
Share capital	13	3 375	3 421
Share premium	13	429 639	417 255
Accumulated deficit		(489 414)	(464 233)
Other reserves	14	(7 435)	(3 548)
Total equity		**(63 835)**	**(47 105)**
Total equity and liabilities		**401 783**	**405 674**

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	Notes	2022 $'000	2021 $'000
Revenue from contracts with customers	21	438 656	401 628
Cost of sales		(124 150)	(119 731)
Gross profit		**314 506**	**281 897**
Sales and marketing expenses		(215 435)	(221 188)
General and administrative expenses		(73 467)	(80 537)
Research and development expenses		(55 718)	(58 365)
Other income		8 303	16
Operating profit/(loss)		**(21 811)**	**(78 177)**
Finance costs	24	(4 482)	(4 865)
Foreign exchange gain/(loss)		8 187	5 454
Finance income	25	677	432
Profit/(loss) before tax		**(17 429)**	**(77 156)**
Income tax benefit/(expense)	26	(7 752)	(782)
Profit/(loss) for the year		**(25 181)**	**(77 938)**
Profit/(loss) attributable to:			
Shareholders		(25 181)	(77 938)
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings/(loss) per share	27	(0,08)	(0,26)
Diluted earnings/(loss) per share	27	(0,08)	(0,26)
Other comprehensive income			
Items that may be reclassified to profit and loss, net of tax			
Exchange difference on translation of foreign operations		(4 160)	(3 467)
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligation	14	273	19
Total other comprehensive income/(loss)		**(3 887)**	**(3 448)**
Total comprehensive income/(loss)		**(29 068)**	**(81 386)**
Attributable to:			
Shareholders		(29 068)	(81 386)

Consolidated statement of changes in equity for the year ended 31 December 2022

	Share capital $'000	Share premium $'000	Other reserves $'000	Accumulated deficit $'000	Total equity $'000
Notes	13	13	14		
Balance as of 1 January 2021	**29**	**351 657**	**(100)**	**(386 295)**	**(34 709)**
Loss for the period	-	-	-	(77 938)	(77 938)
Foreign currency translation adjustment	-	-	(3 467)	-	(3 467)
Remeasurements of defined benefit obligation	-	-	19	-	19
Total comprehensive income	**-**	**-**	**(3 448)**	**(77 938)**	**(81 386)**
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)
Total other movements	**3 392**	**65 598**	**-**	**-**	**68 990**
Balance as of 31 December 2021	**3 421**	**417 255**	**(3 548)**	**(464 233)**	**(47 105)**

Balance as of 1 January 2022	**3 421**	**417 255**	**(3 548)**	**(464 233)**	**(47 105)**
Loss for the period	-	-	-	(25 181)	(25 181)
Foreign currency translation adjustment	-	-	(4 160)	-	(4 160)
Remeasurements of defined benefit obligation	-	-	273	-	273
Total comprehensive income	**-**	**-**	**(3 887)**	**(25 181)**	**(29 068)**
Share-based compensation expense	-	30 279	-	-	30 279
Share-based compensation tax	-	(169)	-	-	(169)
Issuance of Series A common shares upon exercise of option	8	773	-	-	781
Issuance of Series A common shares in consideration for acquisition	7	910	-	-	917
Issuance of Series A common shares in consideration for post combination services	-	1 830	-	-	1 830
Release of restricted stock	63	(63)	-	-	-
Repurchase of series A common shares	(124)	(21 390)	-	-	(21 514)
Other	-	214	-	-	214
Total other movements	**(46)**	**12 384**	**-**	**-**	**12 338**
Balance as of 31 December 2022	**3 375**	**429 639**	**(7 435)**	**(489 414)**	**(63 835)**

Consolidated statement of cash flows for the year ended 31 December 2022

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Net profit/(loss) before tax		**(17 429)**	**(77 156)**
Adjustments for:			
Depreciation of right-of-use-assets	4	11 296	11 149
Depreciation of property, plant and equipment	4	1 774	1 707
Amortization of other intangible assets	5	5 959	11 274
Amortization of capitalized software costs	5	10 797	11 075
Impairment on capitalized software costs	5	-	2 729
Amortization of debt discount and financing cost		320	239
Share-based compensation expense	16	30 279	60 425
Remeasurement of contingent consideration		(1 573)	-
Interest paid		(3 858)	(4 656)
Interest expense accrued		3 512	4 626
Unrealised FX (gains)/losses relating to working capital items		(8 273)	(7 320)
Tax (paid)/received		(3 506)	(4 694)
Share-based compensation expense related to post combination services		1 830	1 527
Changes in working capital items:			
Decrease/ (increase) in trade receivables		(4 677)	(10 472)
Decrease/ (increase) in other current assets		(10 026)	(1 908)
Decrease/(increase) in contract costs		(7 999)	(13 198)
(Decrease)/increase in contract liabilities		23 181	28 372
(Decrease)/increase in trade and other payables		2 179	(6 499)
(Decrease)/increase in employee benefit obligation		91	(98)
Cash generated from / (used in) operating activities		**33 877**	**7 122**
Cash flows from investing activities			
Proceeds from sale of minority interest investment		-	60
Payments for acquisition of property and equipment	4	(1 592)	(1 894)
Payments of contingent consideration		(2 987)	-
Capitalized software development costs and other intangible assets		(23 065)	(12 106)
Amounts paid for business combinations, net of cash acquired		1 155	(49 565)
Cash generated from / (used in) investing activities		**(26 489)**	**(63 505)**
Cash flows from financing activities			
Proceeds from borrowings	18	30 000	25 000
Payments of debt issuance cost		-	(638)
Repayment of non-convertible borrowings	18	(5 015)	-
Proceeds from issuance of common shares		781	5 480
(Payments)/ Proceeds from Euronext Growth (Merkur) Oslo Børs offering, net of issuance costs		-	(10 674)
Purchase of equity shares		(28 907)	(6 927)
Payment of principal portion on lease liability	7	(11 444)	(10 437)
		(14 585)	**1 804**

Cash generated from / (used in) financing activities			
Net increase in cash and cash equivalents		**(7 197)**	**(54 579)**
Effects of foreign exchange rates		(2 046)	(961)
Cash and cash equivalents at the beginning of the year	12	44 387	99 927
Cash and cash equivalents at the end of the year		**35 144**	**44 387**

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.

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 0.0001 per share to EUR 0.01 per share resulting in an increase of the paid share capital to EUR 3.0 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 2022, the Company ended with total revenues of $438.7 million (2021: $401.6 million) with a net loss of $25.2 million (2021: net loss of $77.9 million). As a result of the losses in 2022 and previous years, the Company has a negative equity of $63.8 million (2021: $47.1 million). The negative equity value was positively impacted by additional paid-in capital of $429.6 million in 2022 (2021: $417.3 million).

As of 31 December 2022, current liabilities exceeded current assets by $192.5 million, of which $248.7 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 $33.9 million positive and $7.1 million positive during the years ended 31 December 2022 and 2021, respectively.

The Company' s cash and cash equivalents balance as of 31 December 2022 was $35.1 million (note 12).

In December 2020, the Company entered into a multi-currency revolving credit facility (the "2020 Credit Facility") of $150.0 million. 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 covenants have been met by the Company at the reporting date.

In June 2021, the Company drew down $25.0 million from the Revolving Credit Facility which remained outstanding as of 31 December 2022. In September 2021 Meltwater utilized the option to extend the due date by one year making the outstanding amount wholly due and payable by 10 June 2025. During the year ended 31 December 2022 the company drew down an additional $25.0 million, on a net basis, from the Revolving Credit Facility, such that the total amount outstanding as of 31 December 2022 amounts to $50.0 million.

Management believes that the cash balances and the credit facility available as of 31 December 2022 and the funds generated from future operations, based on forecasted cashflows, will enable the Company to meet its cash requirements for the foreseeable future (at least twelve months from the date of these financial statements).

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 accounting policies based on IFRS have been applied consistently for the years presented in these consolidated financial statements. There were no changes in the accounting policies applied compared to the previous year.

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 29.

The annual consolidated financial statements were authorized for issue by the Board of Directors on 25 April 2023.

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:

<u>Significant estimates and judgements:</u>

- Estimation of fair values of intangible assets acquired as part of a business combination and subsequent measurement thereof (note 3.2)
- Estimation of fair values of contingent purchase consideration in a business combination (note 3.2);
- Capitalization of development costs (note 3.6.1)
- Estimated useful life of intangible assets (note 3.6.3)
- Recognition of deferred tax asset for carried-forward tax losses (note 3.21.2)

- Estimation of the recoverable amounts of cash generating units for impairment of goodwill (note 6)
- Estimation of the incremental borrowing rate ('IBR') applied to lease accounting (note 7);
- Determining the lease term of contracts with renewal and termination options (note 7)
- Valuation of share-based payments (note 16)
- Estimation uncertainties and judgements made in relation to tax position (note 26)
- Valuation of deferred tax assets and liabilities (note 26);
- Estimation of the loss allowance for expected credit losses (note 31)

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

The Company has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

- 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.
- Annual improvements to IFRS Accounting Standards 2018 – 2020 cycle effective for reporting periods beginning on or after 1 January 2022. The Annual improvements include amendments to four standards to which only three are applicable to the Company:
    - IFRS 1 First-time Adoption of International Financial Reporting Standard
    - IFRS 9 Financial Instrument
    - IFRS 16 Leases

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

In the prior 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 2022 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 remains in communication with the relevant financial institutions regarding the reformation related to the above instrument.

Although the Company had expected changes to be finalised by December 2022, the USD LIBOR jurisdictional rates remain subject to transition, which transition is likely to occur by June 2023.

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 on translation 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

<u>Financial assets at amortized cost</u>

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.

<u>Financial assets through other comprehensive income</u>

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 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

Goodwill	Refer to **note 3.3**
Research and development cost	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. 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.
Other intangible assets	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: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

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:

Assets	Years
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.

The amortization is recognized in profit or loss within the expense line items.

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 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 2022 the interest rates used to accrue and pay interest ranged from 1.79% to 6.66% (2021: 0% to 1.65%).

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:

Assets	Years
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 the expense line items.

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 freely disposable 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 statement of financial position 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 pertained to the RSU's which were modified during 2021. A new share incentive plan introduced in 2022 for which the liquidity condition is not applicable. 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 statement of financial position 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 statement of financial position.

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
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - 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 rateably 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 2022, the Company capitalized $50.4 million of incremental contract costs and recorded amortization of $42.3 million related to amounts capitalized in the current and prior years. 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.

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 2022 and 2021, or whose revenue represented 10% or more of revenue during the years ended 31 December 2022 and 2021.

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 21 (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 improvements $'000	Computer Equipment $'000	Office equipment $'000	Total $'000
As at 1 January 2021				
Acquisition costs	3 155	5 685	3 394	12 234
Accumulated depreciation	(1 733)	(4 609)	(2 519)	(8 861)
Net book amount	**1 422**	**1 076**	**875**	**3 373**
Movements for the year ended 31 December 2021				
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)
As at 31 December 2021				
Acquisition costs	3 351	7 029	3 737	14 117
Accumulated depreciation	(2 076)	(5 294)	(3 091)	(10 461)
Net book amount	**1 275**	**1 735**	**646**	**3 656**
Movements for the year ended 31 December 2022				
Additions	180	1 137	116	1 433
Depreciation	(464)	(1 027)	(283)	(1 774)
Disposals	(57)	(6)	(234)	(297)
Accumulated depreciation on disposals	55	1	231	287
Foreign exchange differences	(50)	(63)	(52)	(165)
As at 31 December 2022				
Acquisition costs	3 349	7 850	3 402	14 601
Accumulated depreciation	(2 410)	(6 073)	(2 978)	(11 461)
Net book amount	**939**	**1 777**	**424**	**3 140**

Right-of-use assets	Buildings $'000
As at 1 January 2021	
Net book amount	**29 959**
Movements for the year ended 31 December 2021	
Additions	6 048
Depreciation	(11 149)
Modifications	1 307
Foreign exchange differences	(550)
As at 31 December 2021	
Net book amount	**25 615**
Movements for the year ended 31 December 2022	
Additions	6 316
Depreciation	(11 296)
Modifications	174
Foreign exchange differences	(909)
As at 31 December 2022	
Net book amount	**19 900**

5. Intangible assets (including goodwill)

	Goodwill $'000	Capitalized software $'000	Other intangibles $'000	Total $'000
As at 1 January 2021				
Acquisition cost	16 285	61 290	50 839	128 414
Accumulated amortization and impairments	-	(28 250)	(41 410)	(69 660)
Net book amount	**16 285**	**33 040**	**9 429**	**58 754**
Movements for the year ended 31 December 2021				
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)
As at 31 December 2021				
Acquisition cost	80 427	67 706	81 137	229 270
Accumulated amortization and impairments	-	(36 328)	(51 882)	(88 210)
Net book amount	**80 427**	**31 378**	**29 255**	**141 060**

Movements for the year ended 31 December 2022				
Additions	-	23 871	-	23 871
Disposals	-	(2 620)	-	(2 620)
Accumulated amortization on disposals	-	2 620	-	2 620
Amortization	-	(10 797)	(5 959)	(16 756)
Foreign exchange differences	(377)	185	(770)	(962)
Other	177	-	(1 416)	(1 239)
As at 31 December 2022				
Acquisition cost	80 227	89 164	76 472	245 863
Accumulated amortization and impairments	-	(44 527)	(55 362)	(99 889)
Net book amount	**80 227**	**44 637**	**21 110**	**145 974**

Goodwill consists of the acquisitions that took place in the previous years. Impairment considerations for goodwill is disclosed under note 6.

The other line item above is included under the Business combinations note 35.

Included in the other intangible assets are the following items:

	Cost at 31 December 2022	**Accumulated amortization at 31 December 2022**	**Net book value 31 December 2022**
	$'000	**$'000**	**$'000**
Customer relationships	21 565	(16 252)	5 313
Developed technologies	42 651	(28 224)	14 427
Non-compete agreements	30	(30)	-
Trademarks	3 864	(2 494)	1 370
Content supplier relations	8 362	(8 362)	-
Total	**76 472**	**(55 362)**	**21 110**

Remaining useful life of other intangibles:

	Remaining useful life
Customer relationships	0.1 - 7.4 years
Developed technologies	0.1 - 8.5 years
Trademarks	0.1 - 8.5 years

The Company capitalized $23.9 million and $12.2 million of development costs related to software during the years ended 31 December 2022 and 2021, respectively. Of the amount capitalized, $0.6 million and $0.2 million were related to interest in 2022 and 2021, respectively. Additionally, during the years ended 31 December 2022 and 2021, the Company recognized impairment losses on capitalized software amounting to $nil and $2.7 million related to abandoned projects.

Impairment on intangible assets
In 2021, 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. There is no impairment on intangible assets in the current year.

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:

	Media intelligence $'000	**Total $'000**
Carrying value 31 December 2022	80 227	80 227
Carrying value 31 December 2021	80 427	80 427

The goodwill valuation for the current year was performed on 1 October 2022 (2021: 31 December 2021). No significant movements took place during the three months up until 31 December 2022 and management is of the opinion that the forecasts used in valuation on 1 October 2022 is still applicable for 31 December 2022.

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 four-year forecast period that is approved by management.

The key assumptions used by management in setting the financial budgets were as follows:

Note: The 2021 values are based on a five-year average and therefore the 2021 forecast uses 2022-2026 forecasted figures. The 2022 forecasted values are based on a four-year average and uses October 2022 – December 2026 forecasted figures.

Impairment analysis as per 1 October 2022:

	2022 Actual (based on December 2022 figures)	**Forecast (Average Oct 2022 – Dec 2026)**
Sales growth rate (%)	9.22%	15.26%
Gross margin (%)	71.70%	78.02%
Terminal growth rate (%)	-	2.10%
Pre-tax discount rate (%)	-	17.00%

Impairment analysis as per 31 December 2021:

	2021 Actual	2022 Forecast (Average 2022-2026)
Sales growth rate (%)	11.63%	19.04%
Gross margin (%)	70.19%	78.62%
Terminal growth rate (%)	-	1.90%
Pre-tax discount rate (%)	-	14.50%

Sales
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 9.3% and 19.9% (2021: 16% and 20.4% in the five forecasted years) in the four forecasted years due to the expectations that acquisition will further materialize in the forecast period.

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 2023 to $504 million in 2026 (2021: from $336 million in 2022 to $572 million in 2026).

Annual capital expenditure
Capital expenditures relate to maintenance CAPEX of fixed assets and capitalized software. CAPEX is forecasted as a percentage of revenue equal to the level of 2023. In the terminal value period, the sum of CAPEX is assumed to be equal to depreciation and amortization.

Terminal growth rate
This is the growth rate used to extrapolate cash flows beyond the budget period. It is lower than the 30-year US risk-free rate of 3.80% as per Valuation Date.

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 13.60% (2022) and 12.00% (2021) was calculated. For disclosure purposes a pre-tax WACC of 17.00% (2022) and 14.50% (2021) is applied.

(ii) Recoverable amount and impairment estimate

It was concluded that the recoverable amount of approximately $0.77 billion (2021: $1.31 billion) exceeded the CGU carrying amount of approximately -$24 million (2021: -$40 million). As a result of this analysis no impairment loss was recognized in both 2022 and 2021. 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:

2022 financial year
If the post-tax WACC were to decrease to 12.24% or increase up to 14.96%, the estimated enterprise value ranges from $0.94 billion to $0.73 billion. These post-WACC percentages sensitivity changes would not lead to any impairment.

If the terminal growth rate would decrease to 1.60% or increase up to 2.60% the estimated enterprise value ranges from $0.79 billion to $0.86 billion. These terminal growth rate sensitivity changes would not lead to any impairment.

2021 financial year
If the post-tax WACC were to decrease to 9.60% or increase up to 14.40% the estimated enterprise value ranges from $1.72 billion to $1.05 billion. These post-WACC percentages sensitivity changes would not lead to any impairment.

If the terminal growth rate would decrease to 0.90% or increase up to 2.90% the estimated enterprise value ranges from $1.19 billion to $1.44 billion. These terminal growth rate sensitivity changes would not lead to any impairment.

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 new and modified lease liabilities was 7.68% (2021: 12.00%).

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

	2022 $'000	2021 $'000
As at 1 January	29 897	33 512
Additions	5 849	6 121
Modifications	94	1 373
Interest	1 994	4 088
Payments of lease invoices	(13 600)	(14 515)
Exchange rate differences	(1 133)	(682)
As at 31 December	23 101	29 897
Non-current	13 249	19 969
Current	9 852	9 928

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

	31 December 2022 $'000	31 December 2021 $'000
Less than 1 year	10 935	12 501
1 to 2 years	8 246	10 054
2 to 3 years	3 926	7 513
3 to 4 years	1 108	4 403
4 to 5 years	541	848
More than 5 years	86	75
Total undiscounted lease liability	**24 842**	**35 394**
Unpaid finance expense	(1 741)	(5 497)
Total lease liability	**23 101**	**29 897**

Amounts recognized in the statement of profit and loss:

	2022 $'000	2021 $'000
Depreciation on right-of-use asset	11 296	11 149
Interest expense (included in finance cost in note 24)	1 994	4 088
Expense related to short-term leases	1 061	1 384
Variable lease payments	1 514	1 237
Income from subleasing right-of-use asset	397	433

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

	2022 $'000	2021 $'000
Payments of lease invoices (principal portion)	11 444	10 437
Interest on lease liabilities	2 156	4 078
Expenses related to short-term leases	1 061	1 384
Variable lease payments	1 514	1 237

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

The Group holds the following financial assets:

	Financial assets at amortized cost $'000	Financial assets measured at fair value through profit and loss $'000	Total $'000
As at 1 January 2021	**5 267**	**2 036**	**7 303**
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)
As at 31 December 2021	**10 891**	**1 292**	**12 183**
Additions	731	-	731
Other (exchange rate effects and other)	(2 781)	(88)	(2 869)
Disposal	(2 508)	-	(2 508)
As at 31 December 2022	**6 333**	**1 204**	**7 537**

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 2022 and 2021, restricted cash comprises $2.2 million and $2.3 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 $1.2 million (2021: $1.3 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

	31 December 2022 $'000	31 December 2021 $'000
Trade receivables	89 203	88 090
Receivables from related parties	59	62
	89 262	**88 152**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. As at 1 January 2021, trade receivables amounted to $75.8 million. 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 2022 and 2021.

10. Other current assets

	31 December 2022 $'000	31 December 2021 $'000
Prepayments	9 794	9 763
Lease deposits	-	31
VAT receivable	8 978	10 056
Short-term deposits	2 593	1 249
Research and development tax credit receivable	2 340	-
Prepaid income taxes	1 260	-
Other receivables	4 720	2 755
	29 685	**23 854**

11. Contract costs

	31 December 2022 $'000	31 December 2021 $'000
As at 1 January	58 181	46 450
Movements		
Investment in contract costs	50 445	49 754
Amortization	(42 346)	(36 757)
Other (foreign exchange rate effects)	(2 414)	(1 266)
As at 31 December	**63 866**	**58 181**
Non-current	31 205	25 690
Current	32 661	32 491
	63 866	**58 181**

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

	31 December 2022 $'000	31 December 2021 $'000
Cash at bank	35 144	44 387

13. Share capital

The Company's Articles of Association, as amended on 6 December 2021, 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:

	Total ordinary shares	
	Total Shares	**Total amount $'000**
Opening balance 1 January 2021	**291 786 700**	**29**
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 Series A common shares	(1 625 236)	(18)
31 December 2021	**302 558 555**	**3 421**
Issuance of Series A common shares	1 422 411	15
Release of restricted share units	5 785 745	63
Repurchase of Series A common shares	(11 368 892)	(124)
31 December 2022	**298 397 819**	**3 375**

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

	2022 $'000	**2021 $'000**
As at 1 January	417 255	351 657
Premium arising on issue of shares	3 513	24 415
Premium decrease due to repurchase of shares	(21 390)	(14 620)
Change in par value	-	(3 404)
Share-based compensation expense	30 279	60 425
Share-based compensation tax	(169)	(1 218)
Release of restricted share units	(63)	-
Other	214	-
As at 31 December	**429 639**	**417 255**

There was no amount recorded of transaction costs paid by the Company relating to the issue of shares and recorded as a deduction from equity in the 2022 financial year relating to shares issued in 2021 (2021: $35 thousand).

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. The repurchases began in January 2022 and the duration of the program was up to and including 30 June 2022 or such earlier time as the Board of Directors resolves to terminate the program. As of 30 June 2022, Meltwater repurchased 11 368 892 shares from the general market for an aggregate cost of $21.5m. Any shares repurchased are expected to be used as consideration in future acquisitions or, absent this, be cancelled. No further repurchases were made after between 30 June 2022 to date.

At the end of 31 December 2022, the total amount of shares that the company repurchased in the prior year and current year is 12 994 128 shares, there were no repurchases made prior to 1 January 2021.

14. Other reserves

The other reserves comprise of the following:

	Foreign currency translation reserve $'000	Remeasurement on employee benefit obligation reserve $'000	Total $'000
Balance as of 1 January 2021	(56)	(44)	(100)
Foreign currency translation adjustments	(3 467)	-	(3 467)
Remeasurement on employee benefit obligation	-	19	19
Total comprehensive income/(loss)	(3 467)	19	(3 448)
Balance as of 31 December 2021	**(3 523)**	**(25)**	**(3 548)**
Balance as of 1 January 2022	**(3 523)**	**(25)**	**(3 548)**
Foreign currency translation adjustments	(4 160)	-	(4 160)
Remeasurement on employee benefit obligation	-	273	273
Total comprehensive income/(loss)	(4 160)	273	(3 887)
Balance as of 31 December 2022	**(7 683)**	**248**	**(7 435)**

15. Employee benefit obligations

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

31 December 2022	Current $'000	Non-current $'000	Total $'000
Long service leave obligation (i)	168	90	258
Defined pension benefits (ii)	-	(185)	(185)
Total employee benefit obligations	168	(95)	73

31 December 2021	Current $'000	Non-current $'000	Total $'000
Long service leave obligation (i)	148	123	271
Defined pension benefits (ii)	-	133	133
Total employee benefit obligations	148	256	404

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 statement of financial position and the movements in the long service leave obligation over the year are as follows:

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

	Present value of obligation $'000
1 January 2022	**(271)**
Current service cost	(43)
Interest (expense)/income	(6)
Gains/(losses) on other long-term benefits	9
Total amount recognized in profit or loss	**(40)**
Exchange differences	53
Total other comprehensive income/(losses	**53**
31 December 2022	**(258)**

The net liability disclosed above is unfunded.

The significant actuarial assumptions were as follows:

	31 December 2022	31 December 2021
Discount rate	5.09%	2.49%
Inflation rate	3.00%	2.00%
Annual salary increase (including inflation)	10.00%	10.00%
Leave taken in service	3.00%	3.00%

The employee obligation valuation for the current year was performed as at 30 November 2022. No significant movements took place during the month up until 31 December 2022, that will impact the employee obligation valuation and management is of the opinion that the employee obligation valuation is still applicable for 31 December 2022.

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 the long service leave 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 10.50% 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	10.50% - 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 4 years ended 30 November 2022, and applying smoothing given the small numbers of employees in Meltwater Australia and hence some volatility in exit experience. The actual experience over the period ended 30 November 2022 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 2021 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

	Actual exit rate p. a		
Years of service	**2022**	**2021**	**Average**
0-1 year	38.2%	45.5%	40.1%
1-2 years	50.0%	26.1%	34.3%
2-3 years	17.6%	57.1%	32.2%
3-4 years	33.3%	40%	39.2%
4-5 years	16.7%	40%	30.8%
5+ years	21.4%	28.3%	22.0%

The average in the table above is a four year average, including 2020 and 2019. Due to the fact that 2020 and 2019 are not disclosed as comparatives they are not included in the table above but are included in the average.

Exit rate assumptions

	Base assumptions		Sensitivity assumptions	
Years of service	**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 2022**	**Impact**	**Percentage**
Base cost	258		
Sensitivities			
Discount rate + 25 bps	256	(2)	-1%
Discount rate - 25 bps	260	2	1%
Salary increase +50 bps	263	5	2%
Salary increase - 50 bps	253	(5)	-2%
Lower exit rate assumptions	378	120	47%

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%

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-depending 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 statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation $'000	Fair value of plan assets $'000	Total $'000
1 January 2021	**(955)**	**735**	**(220)**
Current service cost	(88)		(88)
Interest (expense)/income	(2)	7	5
Total amount recognized in profit or loss	**(90)**	**7**	**(83)**
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	-	-	-
Total amount recognized in other comprehensive income	**124**	**5**	**129**
Exchange differences	34	(26)	8
Contributions:			
Employer	-	33	33
Plan participants	(33)	33	-
Benefit payments	76	(76)	-
31 December 2021	**(844)**	**711**	**(133)**

	Present value of obligation $'000	Fair value of plan assets $'000	Total $'000
1 January 2022	**(844)**	**711**	**(133)**
Current service cost	(38)	-	(38)
Interest (expense)/income	(2)	2	-
Total amount recognized in profit or loss	**(40)**	**2**	**(38)**
Return on plan assets, excluding amounts included in interest income	-	86	86
Loss from change in financial assumptions	164	-	164
Loss from change in demographic assumptions	-	-	-
Experience losses	23	-	23
Change in asset ceiling, excluding amounts included in interest expense	-	-	-
Total amount recognized in other comprehensive income	**187**	**86**	**273**
Exchange differences	18	44	62
Contributions:			
Employer	(21)	21	-
Plan participants	-	21	21
Benefit payments	107	(107)	-
31 December 2022	**(593)**	**778**	**185**

The total net liability relates to funded plans.

The significant actuarial assumptions were as follows:

	31 December 2022	31 December 2021
Discount rate beginning of year	0.35%	0.10%
Discount rate end of year	2.00%	0.35%
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:

Liability value	31 December 2021	Impact	Percentage
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%

Liability value	31 December 2022	Impact	Percentage
Base cost	593		
Sensitivities			
Discount rate + 25 bps	577	(16)	-3%
Discount rate - 25 bps	609	16	3%
Inflation +50 bps	601	8	1%
Inflation –50 bps	585	(8)	-1%
Salary increases +50 bps	601	8	1%
Salary increases - 50 bps	585	(8)	-1%
Social security increase rate +50bps	601	8	1%
Social security increase rate -50bps	585	(8)	-1%
Lower exit rate assumptions	746	153	26%

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 depositary 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 depositary 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 2022, and 2021, STAK owned 701 380 and 770 780 shares of Series A common shares, against which 279 350 and 348 750 depository receipts had been issued to employees pursuant to the program, and 422 030 and 422 030 shares remained unissued, respectively.

During each of the years ended 31 December 2022 and 2021, 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 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 2022.

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 2022 resulting from the modification was $8.3 million (2021: $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.

The following table summarizes the Company's share option activity related to the 2011 EIP for the two years ended 31 December 2022 and 2021:

	Number of share options outstanding	**Weighted-average exercise price**	**Weighted-average remaining contractual term**
			(in years)
Balance as of 1 January 2021	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	
Balance as of 31 December 2021	32 617 535	2,13	6,36
Options exercisable as of 31 December 2021	24 807 979	1,39	5,36
Granted	1 477 000	2,08	
Exercised	(684 845)	1,14	
Forfeited or cancelled	(4 253 199)	2,51	
Balances as of 31 December 2022	29 156 491	2,16	5,68
Options exercisable as of 31 December 2022	24 223 176	1,78	5,12

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 $1.96 for the current financial year (2021: $5.38).

The range of exercise prices for share options outstanding as at 31 December 2022 is $0.83 to $5.73.

Restricted share units relating to 2011 EIP (RSUs)

The following table summarizes the Company's RSU activity related to the 2011 EIP for the two years ended 31 December 2022 and 2021:

	Number of RSU's outstanding	Weighted-average fair value price	Weighted-average remaining contractual term
			(in years)
Balance as of 1 January 2021	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	
Balance as of 31 December 2021	5 585 707	5,32	0,64
Granted	3 410 708	1,91	
Vested	(5 613 098)	4,87	
Forfeited or cancelled	(190 527)	3,05	
Balances as of 31 December 2022	3 192 790	2,61	7,95

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 2022 and 2021:

	Number of available awards
Balance as of 1 January 2021	1 872 800
Increase in shares authorized	8 700 000
Granted	(8 123 839)
Forfeited or cancelled	5 459 679
Balance as of 31 December 2021	7 908 640
Increase in shares authorized	-
Granted	(4 887 708)
Forfeited or cancelled	4 443 726
Balances as of 31 December 2022	7 464 658

Modification of CAO awards:

During 2022, Meltwater modified the RSU awards granted to the CAO under the 2011 Equity Incentive Plan classified as equity-settled share-based payments in order to extend the expiration period of his current awards. The original expiration date was 24 February 2023 which subsequently was extended to 24 February 2028.

2022 Share Incentive Plan (RSUs)

In March 2022, the Company adopted the 2022 Share Incentive Plan ("2022 SIP"), with the purpose being to advance the interests of the Participating Company Group and its shareholders by providing an incentive to attract, retain and reward Persons performing services for the Participating Group Company and by motivating such Persons to contribute to the growth and profitability of the Participating Company Group. Awards may only be granted to Employees, Consultants and Directors and are granted solely at the discretion of the Board. The maximum aggregate number of Awards that may be granted and Shares that may be issued under the Plan are equal to 15,160,776 shares, being a number equal to 5% of the total of 303,215,534 shares of the issued share capital of the Company.

RSU's granted under 2022 SIP are valued at their fair market value on the date of grant and have a term of up to ten years from the date the awards are granted. RSU's may be granted upon such conditions as the Board shall determine, including, without limitation, upon the attainment of one or more Performance Goals. No monetary payment shall be required as a condition of receiving a RSU, the consideration for which shall be services actually rendered. The RSU's vest over a period of 4 years.

To date, RSUs are the only awards that have been issued under the 2022 SIP. All RSU's were issued with only service conditions attached, except for RSU's issued to John Box, Meltwater CEO, which were issued with both service and performance conditions attached. The grant date of these RSU's per the awards agreement is 16 December 2022 with the vesting date being 31 December 2024 subject to the conditions being met.

Awards are granted solely at the discretion of the Board. The exercise price of each Option shall be established at the discretion of the Board; provided ,however that the exercise price shall not be less than the Fair Market value of a Share on the effective date of grant of the Option, if required by Applicable Law. Options shall be exercisable at such time or times , or upon events and subject to such terms and conditions , performance criteria and restrictions as determined by the Board and set forth in the Award Agreement evidencing such Option, provided however that no Option shall be exercisable after the expiration of 10 years after the effective date of grant of such Options. Unless otherwise specified by the Board in the grant of an Option, each Option shall terminate 10 years after the effective date of the grant of the Option, unless earlier terminated in its provisions.

Share Appreciation Rights shall be evidenced by Award Agreements specifying the number of Shares subject to the Award, in such form as the Board shall establish. None have been issued in the current year.

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 2022 SIP have a term of up to ten years from the date of grant. RSU Awards may be (but need not) be made subject to Vesting conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria , including, without limitation, Performance Goals, as shall be established by the Board and set forth in the Award Agreement evidencing the Award.Vested but unexercised options generally expire within ninety days after termination of services with the Company.

The Plan provides that the Managing Board of the Company has previously been appointed as plan administrator with the authority to grant or extend the termination date of any RSU's or Options granted under the plan.

The following table summarizes the Company's RSU activity related to the 2022 SIP for the year ended 31 December 2022:

	Number of RSU's outstanding	Weighted-average fair value price	Weighted-average remaining contractual term
			(in years)
Balance as of 1 January 2022	-	-	-
Granted	14 763 114	1,57	
Vested	(14 337)	0,89	
Forfeited or cancelled	(1 170 831)	1,82	
Balance as of 31 December 2022	**13 577 946**	**1,55**	**6,90**

The Company recognized share-based compensation expense as follows:

	2022 $'000	2021 $'000
Cost of sales	1 449	1 642
General and administrative	7 460	7 935
Sales and marketing	14 578	36 815
Research and development	6 792	14 033
Total share-based compensation	**30 279**	**60 425**

Determining fair value of share options

The assessed fair value at grant date of options granted during the year ended 31 December 2022 was $1.17 per option (2021 – $2.80). 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 2022 and 2021:

	2022	2021
Expected term (years)	5,87	5,88
Weighted-average volatility	61.14%	57.6%
Risk-free interest rate	1.9%	1.2%
Expected dividend yield	-	-

Determining the fair value of modified share options

The assessed fair value of the options modified at date of modification was $ 1.52 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 2022:

	2022	2021
Expected term (years)	6,00	5,26
Weighted-average volatility	60.5%	61.4%
Risk-free interest rate	1.9%	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 December 2022 $'000	**31 December 2021 $'000**
Trade payables	22 940	11 971
Wage taxes and social securities	3 718	8 179
VAT	14 247	15 594
Accrued expenses	30 811	48 158
Audit fees	3 550	1 361
Net salaries	28 897	32 222
Deferred and contingent purchase considerations	7 751	4 607
Other payables	2 904	809
	114 818	**122 901**

The carrying values of trade and other payables are a reasonable approximation of fair value due to their short-term nature.

Movement in the contingent considerations is disclosed in note 30.

The net salaries accrual consists of salaries to the value of $4.90 million (2021: $8.53 million), bonuses of $11.16 million (2021: $13.42 million), commissions of $10.60 million (2021: $8.53 million) and social charges of $2.23 million (2021: $1.71 million).

18. Borrowings

	Non-convertible loans $'000	**Total $'000**
Balance at 1 January 2021	-	-
Additions	25 000	25 000
Additions due to acquisitions	59	59
Balance at 31 December 2021	**25 059**	**25 059**
Additions	30 000	30 000
Repayments	(5 015)	(5 015)
Other	(6)	(6)
Balance at 31 December 2022	**50 038**	**50 038**

Balance at 31 December 2022	**50 038**	**50 038**
of which (duration)		
< 1 year	12	12
≥1 year ≤ 5 years	50 026	50 026
> 5 years	-	-
Balance at 31 December 2021	**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.

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 covenants have been met by the Company at the reporting date. The 2020 Credit Facility also includes acceleration of repayment of the borrowings upon event of default, including a material adverse change clause.

The arrangement fees for the 2020 Credit Facility have been capitalized in Other non-current assets in the Company's consolidated statement of financial position 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 2022. During the year ended 31 December 2022 the Company drew down an additional $25 million, on a net basis, from the Revolving Credit Facility.

As of 31 December 2022, the undrawn credit facility of the Company is $100 million (31 December 2021: $125 million).

There was no draw down after year end from the Revolving Credit Facility. At the reporting date the undrawn credit facility available to the Company is $100 million.

19. Other non-current liabilities

	31 December 2022 $'000	31 December 2021 $'000
Contingent consideration	788	9 967
Deferred purchase consideration	836	1 418
Other	941	2 191
	2 565	13 576

Movement in the contingent considerations is disclosed in note 30.

20. Contingent liabilities

The Company is subject to litigation arising in the ordinary course of business as described below.

Centre Français d' Exploitation du droit de Copie

In July 2022 the Centre Français d' Exploitation du droit de Copie ("CFC ") filed a claim against both Meltwater News Fr SA and Meltwater Deutschland GmbH for alleged copyright infringement of the publishers that CFC represents. Meltwater does not agree with the nature of the claims under French law. The initial case management hearing was held in November 2022. Meltwater has submitted a brief in response to the case on the merits.

Based on the early stage of the legal proceedings, the Company is unable to reasonably estimate the potential impact, if any, arising from this matter.

Claim under labor and employment laws by certain former employees

In December 2020, Meltwater entered into a settlement agreement with some former US employees related to wage and hour claims (disclosed in the Annual Report 2021). Lawyers acting for former employees that were not included in the settlement wrote to Meltwater inviting pre-litigation discussions related to wage and hour claims for this group of employees. The parties exchanged several correspondences. In November 2022, the parties began mediation.

21. Revenue from contracts with customers

21.1 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.

21.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by geographical market:

	2022 $'000	2021 $'000
Primary geographical markets		
United States	178 520	155 931
Europe, Middle East, Africa, India (EMEA)		
Germany	37 673	36 284
United Kingdom	26 938	25 775
Finland	14 949	15 969
Netherlands	13 453	13 504
Sweden	10 948	12 339
Middle East	8 032	7 743
Rest of EMEA	29 398	23 341
Asia Pacific (APAC)		
Australia	33 462	32 704
Japan	13 145	13 998
China	10 536	10 358
Hong Kong	10 988	10 285
Singapore	13 523	9 697
Rest of APAC	3 304	2 408
Americas, excluding United States		
Canada	33 247	30 672
Rest of Americas	540	620
Total	**438 656**	**401 628**

The increase in revenue in the United States is primarily driven by the realized synergies following the acquisitions of Klear, Linkfluence, Owler and DeepReason.ai as completed in the financial year ended 2021.

21.3 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:

	31 December 2022 $'000	31 December 2021 $'000
- Contract liabilities	(258 841)	(245 406)
- Revenue recognized that was included in the contract liability balance at the beginning of the period	229 044	206 124

As at 1 January 2021, contract liabilities amounted to $217.27 million.

The revenue recognized from performance obligations satisfied in prior periods is zero.

21.4 Unsatisfied performance obligations

The transaction price allocated to unsatisfied and/or partially unsatisfied obligations at 31 December 2022 are as set out below.

	31 December 2022 $'000	31 December 2021 $'000
Subscription Revenue	353 480	339 248

Management expects that 92.45% of the transaction price allocated to the unsatisfied and/or partially unsatisfied contracts as of the year ended 2022 will be recognised as revenue during the next reporting period ($326.80 million). The remaining 7.55%, $26.67 million will be recognised in 2024 and beyond.

21.5 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:

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Subscription Revenue	The subscription agreements are non-cancellable 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. Recorded revenue excludes any sales, use or other similar taxes that the Company is required to collect from customers for remittance to governmental authorities.

22. Personnel costs

	2022 $'000	2021 $'000
Wages and salaries	224 872	258 250
Social charges	22 789	20 540
Pension costs	5 060	4 672
Other	2 396	(4 450)
	255 117	**279 012**

The average number of employees of the Company during the 2022 year, converted to full-time equivalents was as follows: 2 305 of which 68 in the Netherlands (2021: 1 962 of which 56 in the Netherlands).

The average headcount, representing full-time employees per department is presented below:

Employees by department	**31 December 2022**	**31 December 2021**
Cost of sales	341	225
Sales and marketing	1 380	1 268
General and administrative	194	156
Research and development	390	313
	2 305	**1 962**

23. Material profit and loss items

Included in profit and loss are the following material items:

	2022 $'000	2021 $'000
IT hosting	28 570	26 120
Content licensing and partnership	53 967	56 104
Professional fees	36 732	30 923
Amortization of intangible assets	16 756	22 349
Depreciation expense	13 070	12 856
Licenses, leases and equipment	20 749	14 097

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 2022 and 31 December 2021. The following table presents the aggregate fees rendered by PricewaterhouseCoopers Accountants N.V. and other professional firms:

	Pricewaterhouse Coopers Accountants N.V. $'000	Pricewaterhouse Coopers Accountants N.V. member firms $'000	Total 2022 $'000
Audit of the financial statements	123	3 346	3 469
Tax service	-	79	79
Other non-audit services	-	2	2
	123	**3 427**	**3 550**

	Pricewaterhouse Coopers Accountants N.V. $'000	Pricewaterhouse Coopers Accountants N.V. member firms $'000	Total 2021 $'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**

24. Finance costs

	2022 $'000	2021 $'000
Interest expense on third party loans	2 480	673
Interest on taxation	-	102
Interest on leases	1 994	4 088
Interest on employee benefit obligation	8	2
Finance costs	4 482	**4 865**

25. Finance income

	2022 $'000	2021 $'000
Interest on defined benefit plan assets	2	6
Other finance income	675	426
Finance income	**677**	**432**

26. Income tax

Major components of income tax expense are as follows:

	2022 $'000	2021 $'000
Current tax expense		
Current year	8 500	4 826
Deferred tax expense		
Origination and reversal of temporary differences	(4 399)	360
Recognition of previously unrecognized tax assets	-	(4 200)
Adjustments in respect of prior periods	3 651	(204)
Total deferred tax expense/(benefit)	(748)	(4 044)
Income tax expense reported in the Statement of profit or loss	**7 752**	**782**

a. Reconciliation of income tax expenses

	2022 $'000	2021 $'000
Loss before tax	(17 429)	(77 156)
US Federal taxes	(3 660)	(16 203)
US State taxes	68	87
Permanent non-deductible transactions	5 010	2 563
Share based compensation	6 118	14 839
Research & Development credit	(1 048)	(732)
Tax reserves	235	(17)
Others	193	129
Non-US Operations	(3 744)	(739)
Tax attributes (including losses) not recognized	4 580	7 469
Use of unrecognized tax attributes	-	(2 414)
Recognition of previously unrecognized tax assets	-	(4 200)
Income tax expense at effective tax rate	**7 752**	**782**
Effective tax rate	(44.0)%	(1.0)%

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 this being the jurisdiction with the largest revenue generation. The difference between the Company's effective tax rate and the US statutory rate of 21% 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 and decrease in benefit from recognition of previously unrecognized deferred taxes. Additionally, there have been significant increase in tax liability from operations in certain jurisdictions.

Deferred taxes reconciliation per the statement of financial position:

	2022 $'000	2021 $'000
Deferred tax asset	7 180	8 586
Deferred tax and other tax liability	(10 369)	(13 824)
- Deferred tax liabilities	(5 485)	(7 155)
- Other long term tax liabilities	(4 884)	(6 669)
Net deferred tax asset/(liability)	**1 695**	**1 431**

b. Movement in deferred tax balances

Movement in deferred tax balances 2022:

	Net balance at 31 December 2021 $'000	Recognized in profit or loss $'000	Recognized in OCI $'000	Recognized directly in equity $'000	Net balance at 31 December 2022 $'000
Deferred tax asset					
Operating leases	3 346	(735)	-	-	2 611
Net operating losses	716	205	-	-	921
Accrued liabilities	145	210	-	-	355
Share based compensation	2 166	(1 385)	-	(170)	611
Intangible assets	2 274	(60)	-	-	2 214
Other	1 791	842	-	-	2 633
Deferred tax liability					
Operating leases	(2 919)	870	-	-	(2 049)
Contract costs	(3 895)	(490)	-	-	(4 385)
Others	(2 193)	1 291	(314)	-	(1 216)
Net deferred tax asset / (liabilities)	**1 431**	**748**	**(314)**	**(170)**	**1 695**

Movement in deferred tax balances 2021:

	Net balance at 1 January 2021 $'000	Recognized in profit or loss $'000	Recognized in OCI $'000	Recognized directly in equity $'000	Attributable to business combination $'000	Net balance at 31 December 2021 $'000
Deferred tax asset						
Operating leases	1 219	2 126	-	-	-	3 345
Net operating losses	616	(44)	-	-	144	716
Accrued liabilities	494	(350)	-	-	-	144
Share based compensation	1 928	145	-	(1 219)	-	854
Intangible assets	-	4 648	-	-	(2 374)	2 274
Other	3 077	27	-	-	-	3 104
Deferred tax liability						
Operating leases	(1 260)	(578)	(17)	-	(469)	(2 324)
Contract costs	(908)	(1 879)	-	-	-	(2 787)
Others	(3 539)	(356)	-	-	-	(3 895)
Net deferred tax asset / (liabilities)	**1 627**	**3 739**	**(17)**	**(1 219)**	**(2 699)**	**1 431**

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.

There has been a reclassification in the deferred tax asset and the deferred tax liability line items from the prior year closing balance to the current year opening balance. $1.3 million has been reclassified from 'Others' to 'Share based compensation' in the current year, as these are tax assets arising from employer share based compensation payroll which would be a more faithful representation of the nature of these tax assets. The deferred tax liability opening balances of 2022 reflect reclassifications between their respective line items.

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 December 2022 $'000	**31 December 2021 $'000**
Loss carried forward	36 376	32 748
Credit carried forward	7 528	6 897
Interest	-	-
Share based compensation	4 760	4 947
Others	10 360	8 770
Unrecognized deferred tax assets	59 024	53 362
Expire	17 704	14 684
Never expire	41 320	38 678

Approximately $17.7 million of unrecognized deferred tax losses that have expiration date will expire from 2023 onwards, where $10.2 million will expire between 2023 and 2029, and $7.5 million will expire 2030 and after.

In accordance with the guidance provided under IFRIC 23, management believes uncertain tax positions exists with regard to the Net Operating Losses (hereinafter "NOLs") as it is probable that the tax authority will not accept the historical taxable results claimed on the originally filed return. Upon review of the uncertain tax position using a probability weighted assessment, management's estimate of the uncertain tax position in relation to prior periods was subsequently reduced. During the financial year ended 2021 unrecognised deferred tax assets of $ 64 million were reported which have consequently been reduced to $ 53 million.

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.

27. Earnings/(loss) per share

27.1 Basic earnings/(loss) per share

	2022 Cents	2021 Cents
From continuing operations attributable to the ordinary equity holders of the Company	(8)	(26)
Total basic earnings/(loss) per share attributable to the ordinary equity holders of the Company	(8)	(26)

27.2 Diluted earnings/(loss) per share

	2022 Cents	2021 Cents
From continuing operations attributable to the ordinary equity holders of the Company	(8)	(26)
Total diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company	(8)	(26)

27.3 Reconciliations of earnings/(loss) used in calculating earnings/(loss) per share

	2022 $'000	2021 $'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	(25 181)	(77 938)
	(25 181)	(77 938)
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	(25 181)	(77 938)
Used in calculating diluted earnings/(loss) per share	(25 181)	(77 938)
Loss attributable to the ordinary equity holders of the Company used in calculating diluted earnings/(loss) per share	(25 181)	(77 938)

27.4 Weighted average number of shares used as the denominator

	2022 Number	2021 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	297 737 588	296 094 630
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	297 737 588	296 094 630

27.5 Information concerning the classification of securities

Details relating to the share options are set out in note 16.

28. Related parties

28.1 Key management personnel ('KMP') remuneration

KMP consists of 6 directors (2021: 6) and 1 employee (2021: 1) that form the management and leadership teams. The total remuneration of key management personnel was as follows:

	2022 $'000	2021 $'000
Short-term employee benefits	1 715	1 587
Post-employment benefit	35	6
Share-based payment benefits	2 872	1 024
Remuneration of key management personnel	**4 622**	**2 617**

28.2 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 $2.1 million and $2.5 million to Meltwater Foundation in 2022 and 2021, 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 full term of the lease. As of 31 December 2022, Meltwater has no obligation outstanding.

28.3 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 2021 $'000	Cash payments/ (receipts) $'000	Foreign currency movements $'000	Interest $'000	31 December 2021 $'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)
Total related party receivables	**67**	**-**	**(5)**	**-**	**62**

	1 January 2022 $'000	Cash payments/ (receipts) $'000	Foreign currency movements $'000	Interest $'000	31 December 2022 $'000
STAK	62	-	(3)	-	59
Other	61	-	(6)	-	55
Total before allowance for doubtful collection	123	-	(9)	-	114
Allowance for doubtful collection	(61)	-	6	-	(55)
Total related party receivables	**62**	**-**	**(3)**	**-**	**59**

29. List of subsidiaries

The Group's subsidiaries at 31 December 2022 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 2022 %	31 December 2021 %
Meltwater N.V.	Amsterdam, Netherlands		
Deepreason.ai Ltd	London, United Kingdom	100	100
Klear.com Ltd	San Francisco, US	100	100
Linkfluence SAS	Paris, France	100	100
Linkfluence Asia Pte. Ltd.	Singapore	100	100
Linkfluence China Co. Ltd.	Shanghai, China	100	100
Linkfluence Corp.	New York, US	100	100
Linkfluence France SAS	Paris, France	100	100
Linkfluence Germany GmbH	Dusseldorf, Germany	100	100
Linkfluence Ltd	London, United Kingdom	100	100
Scoop.it SAS	Paris, France	100	100
Scoop.it Inc.	San Francisco, US	100	100
MW Emerald Ltd	Dublin, Ireland	100	100
Meltwater (UK) Limited	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 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 AR S.R.L.	Amsterdam, Netherlands	90	90
Meltwater News AR1 S.R.L	Amsterdam, Netherlands	90	90
Meltwater News Software Brasil Ltda.	São Paulo, Brazil	0,01	0,01
Shanghai Meltwater News 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	100
Meltwater Finland OY	Helsinki, Finland	100	100
Meltwater Holdco B.V.	Amsterdam, Netherlands	100	0
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 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 GmbH	Schaffhausen, Switzerland	100	100
Meltwater News International Holdings GmbH	Schaffhausen, Switzerland	100	100
Meltwater News SA1 (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 US Holdings Inc.	San Francisco, US	100	100
Meltwater News US1 Inc.	San Francisco, US	100	100
Meltwater News US Inc.	San Francisco, US	100	100
Expion Shanghai Co., Ltd	Shanghai, China	100	100
Meltwater Software Private Ltd	Bangalore, India	0,01	0,01
Owler Inc.	San Francisco, US	100	100
Owler India Pte Ltd	Coimbatore, India	100	100
Uberlabs Software Technologies Private Ltd	London, United Kingdom	99,97	99,97
Meltwater Singapore Pte Ltd	Singapore	100	100
Meltwater Software Private Ltd	Bangalore, India	99,99	99,99
Meltwater South Africa (Pty) Ltd	Cape Town, South Africa	100	100
Meltwater Sweden AB	Stockholm, Sweden	100	100
Meltwater The Netherlands BV	Amsterdam, Netherlands	100	100
Mnews Malaysia Sdn Bhd	Kuala Lumpur	100	100
Sysomos UK Ltd.	London, United Kingdom	100	100

30. 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 2022 and 2021.

31 December 2022

Financial assets	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit and loss	8	-	-	1 204	1 204
Financial liabilities		**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Contingent consideration		-	-	7 672	7 672

31 December 2021

Financial assets	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit and loss	8	-	-	1 292	1 292
Financial liabilities		**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Contingent consideration		-	-	13 078	13 078

Fair value measurements using significant unobservable inputs (level 3)

	Financial assets at fair value through profit and loss	Contingent consideration
Opening balance 1 January 2021	**2 036**	**632**
Additions	-	13 232
Gains/losses recognized in other income	-	(82)
Payment	-	(397)
Other (Exchange rate effects and other)	(658)	(307)
Disposals	(86)	-
Closing balance 31 December 2021	**1 292**	**13 078**

Gains/losses recognized in other income	-	(1 573)
Payment	-	(4 237)
Other (Exchange rate effects and other)	(88)	404
Closing balance 31 December 2022	**1 204**	**7 672**

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.

31. 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
Market risk – foreign currency exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in US Dollar ($)	Sensitivity analysis Cash flow forecasting	Part of the daily business management
Market risk – interest rate	Non-current borrowings at fixed and variable rates	Sensitivity analysis	Part of the daily business management
Credit risk	Cash and cash equivalents, deposits trade and other receivables	Aging analysis Credit ratings	Diversification of bank accounts and the placement of cash with major financial institutions Ongoing credit evaluation is performed on the financial condition of accounts receivable Part of the daily business management
Liquidity risk	Lease liabilities, employee benefit obligations and trade and other payables	Maturity analysis	Availability of committed credit lines and borrowing facilities 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.

31.1 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 2022	USD	EUR	GBP	CAD	AUD	CNY	AED	HKD	JPY	SGD	SEK	ZAR	INR	ILS	NOK	DKK	MYR	BRL	HUF	ARS	CHF	Total
Trade Receivable	34 613	17 983	5 307	6 549	4 222	4 163	2 022	2 457	2 377	2 651	2 368	1 349	624	869	574	307	565	203	-	-	-	**89 203**
Receivables from Related Parties	-	59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**59**
Other non-current assets	2 535	541	303	454	781	276	373	121	170	202	89	40	278	7	143	(19)	6	-	32	-	1	**6 333**
LT Investments	1 204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1 204**
Cash and Cash Equivalents	14 046	6 216	1 552	1 210	1 120	1 383	2 026	837	669	1 470	466	1 745	640	810	291	119	94	358	19	-	73	**35 144**
Trade Payables	(8 222)	(756)	(364)	(295)	(350)	(161)	(130)	(53)	(5)	(509)	(443)	(30)	(10)	(79)	(188)	(15)	(10)	(9)	(18)	-	(11 293)	**(22 940)**
Exposure	**44 176**	**24 043**	**6 798**	**7 918**	**5 773**	**5 661**	**4 291**	**3 362**	**3 211**	**3 814**	**2 480**	**3 104**	**1 532**	**1 607**	**820**	**392**	**655**	**552**	**33**	**-**	**(11 219)**	**109 003**

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	1 729	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)
Exposure	**49 351**	**26 843**	**11 509**	**7 495**	**7 302**	**5 497**	**4 555**	**3 820**	**3 567**	**3 393**	**3 288**	**2 578**	**2 066**	**1 692**	**943**	**859**	**711**	**432**	**46**	**2**	**(3 198)**	**132 751**

The aggregate net foreign exchange gains/losses recognized in the consolidated statement of profit and loss and other comprehensive income were:

	2022 $'000	2021 $'000
Net foreign exchange gain/(loss) included in Profit or loss	8 186	5 454
Total net foreign exchange gains/(losses) recognized in other comprehensive income	(4 160)	(3 467)
Net foreign exchange gains/(losses) recognized in total comprehensive income	**4 026**	**1 987**

31.2 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.

31 December 2022	EUR	GBP	CAD	AUD	CNY	AED	HKD	JPY	SGD	SEK	ZAR	INR	ILS	NOK	DKK	MYR	BRL	HUF	ARS	CHF	
Currency strengthening by 10%	2 404	680	792	577	566	429	336	321	381	248	310	153	161	82	39	66	55	3	-	(1 122)	6 481
Currency weakening by 10%	(2 404)	(680)	(792)	(577)	(566)	(429)	(336)	(321)	(381)	(248)	(310)	(153)	(161)	(82)	(39)	(66)	(55)	(3)	-	1 122	(6 481)

31 December 2021	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%	2 684	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)

31.3 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. 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 2022	-454	454
31 December 2021	-142	142

31.4 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 December 2022 $'000	**31 December 2021 $'000**
Trade and other receivables	89 262	88 152
Cash at bank	35 144	44 387
Exposure	**124 406**	**132 539**

The credit losses on trade receivables due to bankruptcy has been historically immaterial and are not expected to be material in the future.

31.5 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 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, which has been met by the Company. As of 31 December 2020 the Company had the ability to borrow $150.0 million under the 2020 Credit Facility. As of 31 December 2021, the Company drew down $25.0 million, on a net basis, of the $150.0 million and during the financial year ended 2022 the Company drew down an additional $25.0 million, on a net basis, of the remaining $125.0 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 lease liabilities, trade and other payables).

	Within the next 12 months $'000	Between 1 and 5 years $'000	Beyond 5 years $'000	Total $'000
31 December 2022				
Trade payables	22 940	-	-	22 940
Lease liabilities	10 935	13 821	86	24 842
Employee benefits	47	145	589	781
Deferred and contingent purchase considerations	7 751	-	-	7 751
Other Non-current liabilities	-	2 565	-	2 565
External borrowings	12	50 026	-	50 038
Exposure	**41 685**	**66 557**	**675**	**108 917**
31 December 2021				
Trade payables	11 971	-	-	11 971
Lease liabilities	12 501	22 818	75	35 394
Employee benefits	44	873	1 244	2 161
Deferred and contingent purchase considerations	4 607	-	-	4 607
Other Non-current liabilities	-	13 576	-	13 576
External borrowings	-	25 059	-	25 059
Exposure	**29 123**	**62 326**	**1 319**	**92 768**

31.6 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 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 December 2022 $'000	31 December 2021 $'000
Debt	(50 038)	(25 059)
Lease liabilities	(23 101)	(29 897)
Cash and Cash equivalents	35 144	44 387
Net debt	(37 995)	(10 569)
Equity	(63 835)	(47 105)
Net debt to equity ratio	0,60	0,22

The ratio indicates what proportion of equity and debt the Company has been using to finance its assets and how encumbered the 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 2022 and 2021 indicates that the Group's cash at hand does not exceed its debt.

32. Financing activities

	Non-convertible loans $'000	Lease liabilities $'000	Euronext Oslo Børs offering $'000	Repurchase of shares $'000	Issuance of Common shares $'000	Total $'000
Balance at 1 January 2021	**-**	**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
Balance at 31 December 2021	**25 059**	**29 897**	**237 730**	**(6 927)**	**7 697**	**293 456**

Balance at 1 January 2022	**25 059**	**29 897**	**237 730**	**(6 927)**	**7 697**	**293 456**
Cash movements:						
New loans /cash from offerings	30 000	-	-	-	781	30 781
Repayment of loans	(5 015)	-	-	-	-	(5 015)
Purchase of equity shares	-	-	-	(28 907)	-	(28 907)
Repayments of Principal	-	(11 444)	-	-	-	(11 444)
Repayments of Interest	-	(2 156)	-	-	-	(2 156)
Non-cash movements:						
Additions through acquisitions	-	-	-	-	-	-
New lease liabilities recognized	-	5 849	-	-	-	5 849
Interest accrued	(6)	1 994	-	-	-	1 988
Exchange differences	-	(1 133)	-	-	-	(1 133)
Debt issuance cost amortization	-	-	-	-	-	-
Reassessments and modifications	-	94	-	-	-	94
Balance at 31 December 2022	**50 038**	**23 101**	**237 730**	**(35 834)**	**8 478**	**283 513**

33. Operating segments

33.1 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.

34. 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 2022 are listed below:

- Amendments to IAS 1- Classification of Liabilities as Current or Non-current effective for reporting periods beginning on or after 1 January 2023.
- Amendments to IAS 1 and IFRS Practice Statement 2 - 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.
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture, the effective date is yet to be determined subject to finalization of the research project on the equity method.

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.

35. Business combinations that occurred in previous reporting period

Acquisition of Klear.com Ltd ("Klear")
On 14 April 2021, the Company 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.

On 31 December 2022 the contingent consideration has a fair value balance of $2.93 million with an increase throughout the year in fair value amounting to $0.69 million. The recognized amount of contingent consideration and the key assumptions used to measure the amount have not changed since the acquisition date.

In addition business transaction costs incurred in connection with the acquisition is $0.72 million of which $0.3 million were incurred in 2021, none were incurred in 2022.

Acquisition of Linkfluence SAS ("Linkfluence")
On 5 May 2021 the Company acquired 100% of the issued share capital of Linkfluence, and the Purchase Price Agreement has been finalized in 2022.

A goodwill amount of $37.2 million was recorded as at the acquisition date. During the period the Company has recognized measurement period adjustments to the value of $1.42 million for customer relationships and developed technology, $0.89 million for other liabilities, $1.16 million for working capital adjustments and $0.71 million for tax receivable which in total has increased the net goodwill value.

On 31 December 2022 the contingent consideration has a fair value balance of $3.16 million, with a decrease throughout the year in the fair value amounting to $2.45 million. In addition, the contingent consideration balance decreased by $0.4 million, due to foreign exchange rate differences. The recognized amount of contingent consideration and the key assumptions used to measure the amount have not changed since the acquisition date.

<u>Acquisition of DeepReason.ai Ltd ("DeepReason")</u>
On 19 November 2021 the Company acquired 100% of the issued share capital of DeepReason.

On 31 December 2022 the contingent consideration has a fair value balance of $1.58 million, with a decrease throughout the year in the fair value amounting to $0.19 million. In addition, the contingent consideration balance decreased by $0.84 million, due to payment. The recognized amount of contingent consideration and the key assumptions used to measure the amount have not changed since the acquisition date.

<u>Acquisition of Owler Inc. ("Owler")</u>
On 17 June 2021 the Company acquired all of the ownership interests (100%) in Owler.

There were no changes in the current year relating to the acquisition of Owler.

36. Subsequent events

The Company has evaluated subsequent events between the balance sheet date of 31 December 2022 and 25 April 2023 and determined that the following events and transactions require disclosure as follows:

On 18 January 2023, the Company and MW Investment B.V. (the Offeror) entered into a transaction agreement pursuant to which the Offeror has launched a voluntary public offer to acquire all issued and outstanding shares in the Company (the Offer), with an offer period commencing on 31 March 2023 and ending on 10 May 2023 at 16:30 CET subject to extension (the Offer Period). Subject to the fulfillment or waiver of the conditions to complete the Offer and due settlement thereof, the Offeror may propose to the general meeting of the Company that the Company shall apply for a delisting of its shares from the Oslo Stock Exchange. In any event, the Company has convened an extraordinary general meeting to be held on 2 May 2023, to request the Company's shareholders, among other things, to approve and/or resolve to the following post-Offer measures:

Firstly, a legal triangular merger as a result of which (i) all assets and liabilities of the Company would transfer under universal title to the Company's indirect fully owned subsidiary Meltwater SubCo B.V., (ii) the Company ceases to exist, and (iii) the Company's direct fully owned subsidiary Meltwater HoldCo B.V. allocates shares to the Company's shareholders. Secondly, a share sale by Meltwater HoldCo B.V. of all issued and outstanding shares in Meltwater SubCo B.V. to the Offeror. Thirdly, a voluntary liquidation of Meltwater HoldCo B.V. and an advance distribution of its liquidation surplus to its shareholders. If elected to be implemented by the Offeror, the aforementioned post-Offer measures are to be implemented as soon as possible after settlement of the Offer. Subject to applicable securities laws and regulations, the Offeror shall, prior to effectuating the aforementioned post-Offer measures, place and announce an unconditional and

irrevocable standing order on the Oslo Stock Exchange (which shall extend also to holders of Company shares outside Euronext VPS) to purchase Company shares not already held by the Offeror (or any of its affiliates) against a price equal to the Offer price per Company share, for a period of no less than
ten business days following settlement of the Offer.

It is noted that, depending on the outcome of the Offer, the Offeror may or must commence after settlement of the Offer a compulsory share acquisition procedure in accordance with article 2:92a, 2:201a or 2:359c of the Dutch Civil Code, to buy out the remaining Company shareholders.

2022

Meltwater N.V.
Company only annual financial statements 2022

In accordance with IFRS as adopted in the EU

Company only statement of financial position as at 31 December 2022

	Notes	31 December 2022 $'000	31 December 2021 $'000
Assets			
Non-current assets			
Financial Assets – Investments in subsidiaries	38	672 714	413 192
Financial assets at fair value through profit and loss	40	1 204	1 292
Amounts due from group companies	51	104 744	514 241
Other non-current assets	43	912	1 160
Total non-current assets		**779 574**	**929 885**
Current assets			
Related party receivables	39	59	62
Other current assets	42	1 807	719
Cash and cash equivalents	44	2 080	2 243
Total current assets		**3 946**	**3 024**
Total assets		**783 520**	**932 909**
Liabilities			
Non-current liabilities			
Borrowings	47	50 000	25 000
Non-current liabilities	45	1 694	11 684
Total non-current liabilities		**51 694**	**36 684**
Current liabilities			
Amounts due to group companies	51	343 254	518 930
Current liabilities	45	7 751	4 607
Trade and other payables	46	6 001	11 580
Total current liabilities		**357 006**	**535 117**
Total liabilities		**408 700**	**571 801**
Equity			
Share capital	48	3 375	3 421
Share premium	48	429 021	416 637
Accumulated deficit		(58 950)	(40 007)
Accumulated deficit- Net result		1 374	(18 943)
Total equity		**374 820**	**361 108**
Total equity and liabilities		**783 520**	**932 909**

Company only statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	Notes	2022 $'000	2021 $'000
Sales and marketing expenses		(1 465)	(8 373)
General and administrative expenses		(35 622)	(42 071)
Research and development expenses		(54)	(3 729)
Other income	55	31 004	29 874
Operating profit/(loss)		**(6 137)**	**(24 299)**
Other Finance costs		(7 174)	(12 274)
Foreign exchange gain/(loss)		10 052	6 250
Other Finance income		5 350	11 380
Profit/(loss) before tax		**2 091**	**(18 943)**
Income tax expense	52	(717)	-
Profit/(loss) for the year		**1 374**	**(18 943)**
Other comprehensive income			
Exchange difference on translation of foreign operations		-	(94)
Total other comprehensive income/(loss)		**-**	**(94)**
Total comprehensive income/(loss)		**1 374**	**(19 037)**

Company only statement of changes in equity for the year ended 31 December 2022

	Share capital $'000	Share premium $'000	Accumulated deficit $'000	Result for the year $'000	Total equity $'000
Notes	**48**	**48**			
Balance as of 1 January 2021	**29**	**349 976**	**(18 237)**	**(21 831)**	**309 937**
Loss for the period	-	-	-	(18 943)	(18 943)
Exchange difference on translation of foreign operations	-	(155)	61	-	(94)
Total comprehensive income / (loss)	**-**	**(155)**	**61**	**(18 943)**	**(19 037)**
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)
Total other movements	**3 392**	**66 816**	**-**	**-**	**70 208**
Balance as of 31 December 2021	**3 421**	**416 637**	**(40 007)**	**(18 943)**	**361 108**

Balance as of 1 January 2022	**3 421**	**416 637**	**(40 007)**	**(18 943)**	**361 108**
Loss for the period	-	-	-	1 374	1 374
Total comprehensive income	**-**	**-**	**-**	**1 374**	**1 374**
Loss from prior period			(18 943)	18 943	-
Share-based compensation expense	-	30 279	-	-	30 279
Share-based compensation tax	-	(169)	-	-	(169)
Issuance of Series A common shares upon exercise of option	8	773	-	-	781
Issuance of Series A common shares in consideration for acquisition	7	910	-	-	917
Issuance of Series A common shares in consideration for post combination services	-	1 830	-	-	1 830
Release of restricted stock	63	(63)			-
Repurchase of series A common shares	(124)	(21 390)	-	-	(21 514)
Other	-	214	-	-	214
Total other movements	**(46)**	**12 384**	**(18 943)**	**18 943**	**12 338**
Balance as of 31 December 2022	**3 375**	**429 021**	**(58 950)**	**1 374**	**374 820**

Company only statement of cash flows for the year ended 31 December 2022

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit / (loss) before tax		**2 091**	**(18 943)**
Adjustments for:			
Amortization of other intangible assets		-	127
Amortization of debt discount and deferred		320	239
Share-based compensation expense		347	312
Share-based compensation expense related to post combination services		-	1 527
Remeasurement of contingent liabilities		(1 573)	-
Interest expense accrued		7 174	12 274
Finance income		(5 350)	(11 380)
Unrealised FX gains/losses relating to Working Capital items		(10 822)	(7 763)
Tax Paid		-	-
Cash inflows/(outflows) from intercompany Transactions		17 742	(11 693)
Changes in working capital items:			
Decrease/ (increase) in other current assets		455	(856)
(Decrease)/increase in trade and other payables		(5 589)	3 265
Cash generated from / (used in) operating Activities		**4 795**	**(32 891)**
Cash flows from investing activities			
Proceeds from sales of minority interest investments		-	60
Proceeds from / (Payments) for business combinations, net of cash acquired		1 155	(31 285)
Cash advances and loans made to group companies		(2 987)	(22 317)
Cash generated from / (used in) investing activities		**(1 832)**	**(53 542)**
Cash flows from financing activities			
Proceeds from borrowings	47	30 000	25 000
Repayment of borrowings		(5 000)	-
Payment of debt issuance costs		-	(638)
(Payments)/Proceeds from Euronext Oslo Børs offering, net of offering cost		-	(10 674)
Proceeds from intercompany loans	51	-	44 913
Repurchases of equity securities		(28 907)	(6 927)
Proceeds from issuance of common shares		781	5 480
Cash generated from / (used in) financing activities		**(3 126)**	**57 154**
Net increase in cash and cash Equivalents		**(163)**	**(29 279)**

Cash and cash equivalents at the beginning of the period	2 243	31 522
Cash and cash equivalents at the end of the period	**2 080**	**2 243**

Notes to the annual company only financial statements

37. General information

37.1 Operations

Meltwater N.V. (the "Company") has adopted IFRS ("International Financial Reporting Standards") as of 1 January 2020. 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 0.0001 per share to EUR 0.01 per share resulting in an increase in the paid share capital to EUR 3 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.

37.2 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.

37.2.1 Investments in subsidiaries

The company applies the accounting policy and recognises its investments in subsidiaries at cost on initial recognition.

Investment in subsidiaries subsequent measurement is at lower of the carrying amount and the recoverable amount. 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 profit and loss while the carrying amount of the asset concerned is concurrently reduced.

Share based compensation expenses are capitalised to the cost of investments as a capital contribution to the subsidiaries. This is as a result of the Company taking on the cost of remunerating the subsidiary's employees due to the share based payment transaction, between employees and subsidiaries receiving serves, are being settled in shares of the Company.

38 Financial assets-investments in subsidiaries

Please refer to the list of subsidiaries which has already been included in note 29 for subsidiaries which are held by Meltwater N.V. For additions please refer to note 41 for disclosures regarding all the business combinations of the Group.

Below is a summary of the movements in the Company's investment in subsidiaries:

	Subsidiaries $'000
As at 1 January 2021	278 657
Movements during 2021	
Acquisitions	74 717
Capital contributions via share-based payments	59 818
As at 31 December 2021	**413 192**
Movements during 2022	
Acquisitions	-
Capital contributions	227 760
Capital contributions via share based payments	31 762
As at 31 December 2022	**672 714**

39 Related party receivables

	31 December 2022 $'000	31 December 2021 $'000
Receivables from related parties	114	123
Loss allowance	(55)	(61)
	59	62

The terms and conditions relating to the receivables from related parties are included in note 51. The ECL method was applied to determine the loss allowance.

Movement in loss allowance:

	2022 $'000	2021 $'000
As at 1 January	(61)	(63)
Foreign exchange movement	6	2
As at 31 December	(55)	(61)

40 Financial assets at fair value through profit and loss

The Group holds the following financial assets:

	Financial assets measured at fair value through profit and loss $'000
As at 1 January 2021	**1 396**
Additions	-
Other (exchange rate effects and other)	(44)
Disposals	(60)
As at 31 December 2021	**1 292**
Additions	
Other (exchange rate effects and other)	(88)
Disposals	
As at 31 December 2022	**1 204**
Non-Current	1 204
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.

41 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 35 in the consolidated financial statements for disclosures regarding business combinations in the previous year.

42 Other current assets

	31 December 2022 $'000	31 December 2021 $'000
Other current assets	1 807	719
	1 807	719

Other current assets contain VAT receivable and prepaid expenses.

43 Other non-current assets

	31 December 2022 $'000	31 December 2021 $'000
Other non-current assets	912	1 160
	912	1 160

Other non-current assets contains commitment fees relating to the undrawn revolving credit facility.

44 Cash and cash equivalents

	31 December 2022 $'000	31 December 2021 $'000
Cash at bank	2 080	2 243
	2 080	2 243

45 Current and non-current liabilities

The Company holds the following financial liabilities:

	Financial liabilities measured at fair value through profit and loss $'000	Financial liabilities at amortized cost $'000	Total $'000
As at 1 January 2021	-	-	-
Additions	(13 140)	(3 151)	(16 291)
Other (exchange rate effects and other)	-	-	-
Disposals	-	-	-
As at 31 December 2021	**(13 140)**	**(3 151)**	**(16 291)**
Other (exchange rate effects and other)	(342)	407	65
Change in fair value	1 573	-	1 573
Payments	4 237	971	5 208
As at 31 December 2022	**(7 672)**	**(1 773)**	**(9 445)**
Non-Current	(788)	(906)	(1 694)
Current	(6 884)	(867)	(7 751)

Total acquisition earn out expense for the financial period included in the statement of profit and loss amounts to $0.4 million (2021: $0.4 million).

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 consolidated business combination note 35 for more detailed information.

Financial liabilities at amortized cost

The financial liabilities at amortized cost is mainly deferred purchase considerations included in business combinations. Please refer to consolidated business combination note 35 for more detailed information.

46 Trade and other payables

	31 December 2022	31 December 2021
Trade payables	1 113	1 169
Tax Payable	761	1 724
Accrued Bonus	12	350
Other accrued liabilities	4 115	8 337
	6 001	**11 580**

47 Borrowings

	Non-convertible loans $'000
Balance at 1 January 2021	**-**
Additions	25 000
Balance at 31 December 2021	**25 000**
Additions	30 000
Repayments	(5 000)
Balance at 31 December 2022	**50 000**

Balance at 31 December 2022	**50 000**
of which (duration)	-
< 1 year	-
≥1 year ≤ 5 years	50 000
> 5 years	-

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
Group equity as of 1 January 2021	**29**	**351 657**	**(100)**	**(386 295)**	**(34 709)**
Reconciling items Group to Company					
Opening balance adjustments[1]	**-**	**-**	**1 911**	**292 064**	**293 975**
Consolidated movements					
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
Company only movements					
Loss for the period	-	-	-	(21 831)	(21 831)
Cumulative translation adjustment	-	-	-	(60)	(60)
Company equity as of 1 January 2021	**29**	**349 976**	**-**	**(40 068)**	**309 937**
Group equity as of 31 December 2021	**3 421**	**417 255**	**(3 548)**	**(464 233)**	**(47 105)**
Reconciling items Group to Company					
Opening balance adjustments[1]	**-**	**(1 681)**	**100**	**346 227**	**344 646**
Consolidated movements					
Employee benefit obligations	-	-	(19)	-	(19)
Cumulative translation adjustment	-	-	3 467	-	3 467
IFRS tax adjustment	-	1 218	-	-	1 218
Loss for the period	-	-	-	77 938	77 938
Company only movements					
Loss for the period	-	-	-	(18 943)	(18 943)
Cumulative translation adjustment	-	(155)	-	61	(94)

Company equity as of 31 December 2021	**3 421**	**416 637**	**-**	**(58 950)**	**361 108**
Group equity as of 31 December 2022	**3 375**	**429 639**	**(7 435)**	**(489 414)**	**(63 835)**
Reconciling items Group to Company					
Opening balance adjustments[1]	**-**	**(618)**	**3 548**	**405 283**	**408 213**
Consolidated movements					
Foreign currency translation adjustments	-	-	4 160	-	4 160
Remeasurement of defined benefit obligation	-	-	(273)	-	(273)
Loss for the period	-	-	-	25 181	25 181
Company only movements					
Profit for the period	-	-	-	1 374	1 374
Company equity as of 31 December 2022	**3 375**	**429 021**	**-**	**(57 576)**	**374 820**

[1]Opening balance adjustments consist mainly out of the revaluation of subsidiaries to cost upon adoption of IFRS and the differential of consolidated and company only results since the transition to IFRS.

50 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 2022 and 2021.

31 December 2022

Financial assets	**Notes**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit and loss				1 204	1 204
Financial liabilities	**Notes**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Contingent consideration-Cash				(6 096)	(6 096)
Contingent consideration-Equity				(1 575)	(1 575)

31 December 2021

Financial assets	**Notes**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit and loss		-	-	1 292	1 292

Financial liabilities	**Notes**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Contingent consideration-Cash		-	-	(10 916)	(10 916)
Contingent consideration-Equity		-	-	(2 223)	(2 223)

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 2021	**1 396**	**-**	
Additions	(44)	(2 223)	(10 916)
Disposals	(60)	-	-
Closing balance 31 December 2021	**1 292**	**(2 223)**	**(10 916)**
Change in fair value	-	(188)	1 760
Other (Exchange rate effects and other)	(88)	-	(339)
Payments	-	836	3 400
Closing balance 31 December 2022	**1 204**	**(1 575)**	**(6 096)**

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.

51 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.

51.1 Transactions with subsidiaries

	31 December 2022 $'000	31 December 2021 $'000
Support Recharge Income	28 418	29 874
Intercompany Interest Income	5 402	11 780
Support Recharge	(24 551)	(26 087)
IC Forex gain/loss	(1 421)	459
Intercompany Interest Expense	(4 741)	(11 408)
Total transactions with subsidiaries	**3 107**	**4 618**

51.2 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.

Amounts due from group companies	31 December 2022 $'000	31 December 2021 $'000
Non-Current opening balance	**514 241**	**475 629**
Foreign Currency revaluations	2 683	(1 424)
Intercompany loans/(repayments)	(433 960)	22 318
Intercompany charges	16 382	5 940
Intercompany interest	5 398	11 778
Non-Current ending balance	**104 744**	**514 241**

Amounts due to group companies	31 December 2022 $'000	31 December 2021 $'000
Current opening balance	**(518 930)**	**(467 628)**
Foreign Currency Revaluations	8 217	7 907
Intercompany borrowings/(loans)	187 108	(44 913)
Intercompany charges	(14 912)	(2 890)
Intercompany interest	(4 737)	(11 406)
Current ending balance	**(343 254)**	**(518 930)**

52 Income tax

Major components of income tax expense are as follows:

	2022 $'000	2021 $'000
Current tax expense		
Current year	(717)	-
Income tax expense reported in the Statement of profit or loss	**(717)**	**-**

a. Reconciliation of income tax expenses

	2022 $'000	2021 $'000
Profit/ (Loss) before tax	2 091	(18 943)
Federal tax at statutory rate (21%)	(439)	(3 978)
Permanently Non-deductible Transactions	(1 183)	-
Non-US operations	(83)	-
Unrecognised deferred tax assets	-	(758)
Use of unrecognized tax attributes	988	-
Unrecognised tax losses carried forward	-	4 736
Income tax expense at effective tax rate	**(717)**	**-**
Effective tax rate	34.3%	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 December 2022 $'000	31 December 2021 $'000
Loss carried forward	3 820	4 808
SBC	11	-
Others	2 321	2 321
Unrecognized deferred tax assets	**6 152**	**7 129**
Expire	-	-
Never Expire	6 152	7 129

In accordance with the guidance provided under IFRIC 23, management believes uncertain tax positions exist with regard to the Net Operating Losses (hereinafter "NOLs"), as it is probable that the tax authority will not accept the historical taxable results claimed on the originally filed return. Upon review of the uncertain tax position using a probability weighted assessment, management's estimate of the uncertain tax position in relation to prior periods was subsequently reduced. During the financial year ended 2021 unrecognised deferred tax assets of $ 28 million was reported which have consequently been reduced to $ 7 million.

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

53 Share-based payments

Refer to note 16 in the consolidated financial statements for detail with regards to the share-based payments.

54 Number of employees

The average number of employees of the Meltwater N.V. during the 2022 year, converted to full-time equivalents was as follows: 2 305 of which 68 are in the Netherlands with 0 employees directly employed by Meltwater N.V. (2021: 1 962 of which 56 are in the Netherlands with 0 employees directly employed by Meltwater N.V.).

55 Other income

The other income disclosed in the financial statements relate to Support recharge income between various intercompany subsidiaries within the Group.

56 Contingent liabilities

There are no contingent liabilities to disclose relating to the Meltwater Holding N.V.

57 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
Market risk – foreign currency exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in US Dollar ($)	Sensitivity analysis Cash flow forecasting	Part of the daily business management
Market risk – interest rate	Non-current borrowings at fixed and variable rates	Sensitivity analysis	Part of the daily business management
Credit risk	Cash and cash equivalents, deposits trade and other receivables	Aging analysis Credit ratings	Diversification of bank accounts and the placement of cash with major financial institutions Ongoing credit evaluation is performed on the financial condition of accounts receivable Part of the daily business management
Liquidity risk	Lease liabilities, employee benefit obligations and trade and other payables	Maturity analysis	Availability of committed credit lines and borrowing facilities 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.

57.1 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 2022	USD	EUR	GBP	SEK	NOK	CAD	CHF	BRL	ZAR	ILS	JPY	MYR	AED	AUD	HKD	SGD	Total
Receivables from related parties	59	-	-	-	-	-	-	-	-	-	-	-	-	-		-	**59**
Amounts due from group companies	7 405	11 813	56	-	-	20 949	57 301	829	458	-	-	-	-	-	1 761	4 172	**104 744**
Fair value assets through profit or loss	1 204	-	-	-	-	-	-	-	-	-	-	-	-	-		-	**1 204**
Other non-current assets	912	-	-	-	-	-	-	-	-	-	-	-	-	-		-	**912**
Cash and cash equivalents	1 340	711	4	1	24	-	-	-	-	-	-	-	-	-		-	**2 080**
Amounts due to group companies	(219 907)	(44 457)	(22 200)	(10 844)	-	-	-	-	-	(1 704)	(8 599)	(4 829)	(4 466)	(21 885)	(4 363)	-	**(343 254)**
Trade payables	(6 001)	-	-	-	-	-	-	-	-	-	-	-	-	-		-	**(6 001)**
Exposure	**(214 988)**	**(31 933)**	**(22 140)**	**(10 843)**	**24**	**20 949**	**57 301**	**829**	**458**	**(1 704)**	**(8 599)**	**(4 829)**	**(4 466)**	**(21 885)**	**(2 602)**	**4 172**	**(240 256)**

31 December 2021	USD	EUR	GBP	SEK	NOK	CAD	CHF	BRL	ZAR	ILS	JPY	MYR	AED	AUD	HKD	SGD	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 or 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 payables	(11 580)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(11 580)**
Exposure	**(42 540)**	**(30 760)**	**11**	**1**	**13**	**22 916**	**38 847**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11 512)**

57.2 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

31 December 2022	EUR	GBP	SEK	NOK	CAD	CHF	BRL	ZAR	ILS	JPY	MYR	AED	AUD	HKD	SGD	Total
Currency strengthening by 10%	(3 193)	(2 214)	(1 084)	2	2 095	5 730	83	46	(170)	(860)	(483)	(447)	(2 189)	(260)	417	**(2 527)**
Currency weakening by 10%	3 193	2 214	1 084	(2)	(2 095)	(5 730)	(83)	(46)	170	860	483	447	2 189	260	(417)	**2 527**

31 December 2021	EUR	GBP	SEK	NOK	CAD	CHF	BRL	ZAR	ILS	JPY	MYR	AED	AUD	HKD	SGD	Total
Currency strengthening by 10%	(3 076)	1	-	1	2 291	3 884	-	-	-	-	-	-	-		-	**3 101**
Currency weakening by 10%	3 076	(1)	-	(1)	(2 291)	(3 884)	-	-	-	-	-	-	-		-	**(3 101)**

57.3 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 2022	-454	454
31 December 2021	-142	142

57.4 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 December 2022 $'000	**31 December 2021 $'000**
Cash at bank	2 080	2 243
Related party receivables	59	62
Amounts due from group companies	104 744	514 241

57.5 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 1.2 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 lease liabilities, trade and other payables).

	Within the next 12 months $'000	Between 1 and 5 years $'000	Beyond 5 years $'000	Total $'000
31 December 2022				
Trade payables	6 001	-	-	6 001
Amounts due to group companies	343 254	-	-	343 254
Current liabilities	7 751	-	-	7 751
Non-current liabilities	-	1 694	-	1 694
External borrowings	-	50 000	-	50 000
Exposure	**357 006**	**51 694**	**-**	**408 700**
31 December 2021				
Trade payables	11 580	-	-	11 580
Amounts due to group companies	518 930	-	-	518 930
Current liabilities	4 607	-	-	4 607
Non-current liabilities	-	11 684	-	11 684
External borrowings	-	25 000	-	25 000
Exposure	**535 117**	**36 684**	**-**	**571 801**

57.6 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 47 after deducting cash and bank balances) and equity of the Company (comprising issued capital reserves retained earnings and accumulated deficit as disclosed in note 48 and the statement of changes in Equity).

	31 December 2022 $'000	31 December 2021 $'000
Debt	(50 000)	(25 000)
Cash and cash equivalents	2 080	2 243
Net debt	(47 920)	(22 757)
Equity	374 820	361 108
Net debt to equity ratio	(0,13)	(0,06)

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 2022 indicates that the Group's cash at hand does not exceeds its debt.

58 Subsequent events

Please refer note 36 in the consolidated financial statements for related disclosures.

Amsterdam, the Netherlands, 25 April 2023

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

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.

2022

Independent Auditors report

Independent auditor's report

To: the general meeting of Meltwater N.V.

Report on the financial statements 2022

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 2022, 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 2022 of Meltwater N.V., Amsterdam. The financial statements comprise the annual consolidated financial statements of the Group and the company only annual financial statements.

The financial statements comprise:

- the consolidated and company only statement of financial position as at 31 December 2022;
- the following statements for the year ended 31 December 2022: the consolidated and company only statement of profit or loss account and other comprehensive income, the consolidated and company only statement of changes in equity and the consolidated and company only statement of cash flows; and
- the notes to the annual 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.

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).

Our audit approach

We designed our audit procedures with respect to the key audit matter, 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, such as our findings and observations related to the individual key audit matter, 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 make it available to its customers through subscriptions. The Group is comprised 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'.

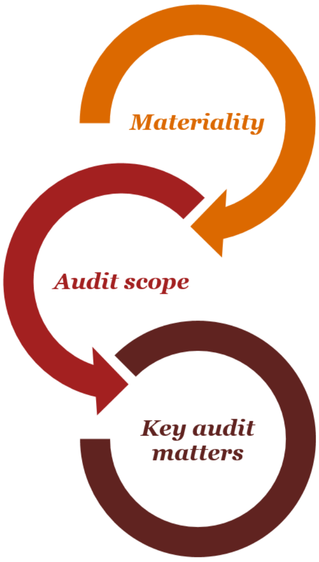
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We considered the audit of revenue as key audit matter, in view of magnitude and the related higher inherent risk of material misstatement. The key audit matter has been set out in the section 'Key audit matters' of this report. As no acquisitions were completed in 2022, acquisitions of business is no longer considered to be a key audit matter.

Other areas of focus that were not considered as key audit matters were the tax position and climate change.

There is increasing attention for climate change and the impact on companies and their operations, as well as the impact of companies on their environment. Taking into account the nature of the Company's business, the Company assessed the possible effects of climate change and its plans on its financial position.

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 and tax in our team.

The outline of our audit approach was as follows:



Materiality

- Overall materiality: US$3.2 million.

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 head office in San Francisco (USA).
- Audit coverage: 100% of consolidated revenue, 96% of consolidated total assets and 100% of consolidated profit before tax.

Key audit matter

- Audit of revenue.

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.

Overall group materiality	US$3.2 million (2021: US$3.0 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 0.75% of total revenues.
Rationale for benchmark applied	We used total revenue as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the 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.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between US$3.2 million and US$480,000.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with Audit Committee that we would report to them any misstatement identified during our audit above US$160,000 (2021: US$300,000) 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 relates to the following component: Meltwater News US Inc. These components were subject to audit of their complete financial information. Two 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:

Revenue	100%
Total assets	96%
Profit before tax	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 statements disclosures and a number of complex items such as goodwill, intangible assets, income taxes and share based compensation.

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 US engagement team and the component auditor of the shared service centre in Switzerland. These instructions included amongst others our risk analysis, materiality and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had various calls with each of the in-scope component audit teams during the year and upon conclusion of their work. We also physically visited the US engagement team. During these calls and meetings (where applicable), we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, that 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 outlined above at the 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, 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 Meltwater N.V. and its environment and the components of the internal control system. This included the board of directors' risk assessment process, the board of directors' process for responding to the risks of fraud and monitoring the internal control system and how the Audit Committee exercised oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the internal control system and in particular the controls addressing fraud risk, as well as the code of conduct, whistle-blower procedures, 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, where considered appropriate.

We asked members of the board of directors as well as amongst others legal affairs, finance department and the Audit Committee 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 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 identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	***Our audit work and observations***
Risk of fraud through management override of controls As in all 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 judgment in order to improve results. Additionally, inappropriate accounting policies and treatments may be adopted to achieve the desired outcomes.	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 audit procedures on them, including inspection of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence. We assessed significant judgments and estimates made by management, unusual transactions and 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.
Risk of fraud in revenue recognition We address the risk of fraud in revenue recognition. This relates to the presumed management incentive that exists to overstate revenue. Generally, revenue is recognized over a period of time. Given that the individually insignificant transactions are processed automatically, there is limited risk of management manipulation. Rather, the risk of fraud in revenue recognition is focussed on the occurrence of inappropriate manual transactions with respect to revenue.	Where relevant to our audit, we have evaluated the design of the internal control measures that are intended to mitigate the risk of fraud in revenue recognition and assessed the effectiveness of those measures. Through data analysis, we tested (unexpected) (manual) journal entries recorded to revenue. Our audit procedures included inspection of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence testing the occurrence of the related revenue. We did not identify any specific indications of fraud or suspicion of fraud in respect of revenue recognition.

Audit approach going concern

As disclosed in section 1.2 'Going concern' of the financial statements, the board of directors 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 the board of directors' going-concern assessment included, amongst others:

- considering whether the board of directors' going-concern assessment includes all relevant information of which we are aware as a result of our audit by inquiring with the board of directors regarding the board of directors' most important assumptions underlying its going-concern assessment;

- evaluating the board of directors' 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 the board of directors as to its knowledge of going-concern risks beyond the period of the board of directors' assessment.

We concluded that the board of directors' 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 matter to the Audit Committee. The key audit matter is not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matter and included a summary of the audit procedures we performed on this matter.

Key audit matter	*Our audit work and observations*
Audit of revenue *(Note 21)* As of 31 December 2022, the Group recognized US$439 million of 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 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. 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. 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. We therefore considered the audit of revenue as a key audit matter.	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. 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. 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. We also performed cutoff procedures over both billed and unbilled amounts before and after the balance sheet date to ensure revenue is recognized in the correct period. We tested credit memos and corresponding approvals, to ensure that the adjustment of previously recognized revenue is appropriate. 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 as determined by their principal versus agent assessments. In addition, we have evaluated the adequacy of the related disclosures in the financial statements. Our procedures did not result in material findings with respect to the revenue.

Report on the other information included in the annual report

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; and
- 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 and the Audit Committee 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.

Report on other legal and regulatory requirements and ESEF

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 thirteen years of which two years since the listing at the Oslo Børs Euronext.

European Single Electronic Format (ESEF)

Meltwater N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the (partially) marked-up 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 whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - 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 have been prepared 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 23 to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors and the Audit Committee for the financial statements

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.

The board of directors is responsible for overseeing the Company's financial reporting process.

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, 26 April 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.G.J. Gerritsen RA

Appendix to our auditor’s report on the financial statements 2022 of Meltwater N.V.

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 Audit Committee 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 Audit Committee 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 Audit Committee, 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)

2022

IFRS Income Statement Reconciliation

Using Alternative Performance Measures (APMs)

($ in millions)	2022	2021
Stock based compensation	1.4	1.6
Stock Buyback	0.0	0.2
One-time expenses	0.6	0.3
Amortization of capitalized software costs	10.6	11.2
Amortization of other intangible assets	3.5	6.5
Depreciation of PPE	0.1	0.1
COGS TOTAL	**16.3**	**19.9**
Stock based compensation	14.6	36.8
Stock Buyback	0.0	6.7
One-time expenses	3.9	1.9
Amortization of other intangible assets	2.4	4.8
Depreciation of PPE	0.9	1.0
SM TOTAL	**21.8**	**51.2**
Stock based compensation	7.5	7.9
Stock Buyback	0.0	3.7
One-time expenses	6.9	10.9
Charitable contributions	2.2	2.5
Amortization of capitalized software costs	0.0	2.6
Depreciation of PPE	0.6	0.5
GA TOTAL	**17.2**	**28.2**
Stock based compensation	6.8	14.0
Stock Buyback	0.0	2.8
One-time expenses	1.1	1.4
Amortization of capitalized software costs	0.2	0.0
Depreciation of PPE	0.2	0.1
RD TOTAL	**8.3**	**18.3**

IFRS Income Statement using APMs

Using Alternative Performance Measures (APMs)

($ in millions)	2022	2021
Revenue	438.7	401.6
Cost of revenue	107.9	99.9
Adjusted Gross profit	**330.8**	**301.8**
Adjusted Gross profit %	*75.4%*	*75.1%*
Adjusted operating expenses		
Sales and marketing	193.7	170.0
General and administrative	54.0	52.4
Research and development	47.5	40.0
Adjusted OpEx	**295.1**	**262.4**
Adjusted OpEx %	*67.3%*	*65.3%*
Adjusted EBITDA	**35.7**	**39.4**
Adjusted EBITDA %	*8.1%*	*9.8%*
Add Back		
Stock based compensation (run rate)	21.3	7.9
Stock based compensation (one-time)	8.9	52.6
Stock Buyback	0.0	13.4
One-time expenses	12.5	14.4
Charitable contribution	2.2	2.5
Foreign exchange gain	(8.2)	(5.5)
Other profit, net	(6.7)	(0.4)
Add Back Totals	**30.1**	**84.9**
EBITDA	**5.6**	**(45.5)**
EBITDA %	*1.3%*	*-11.3%*
Depreciation and amortization	18.5	26.8
EBIT	**(12.9)**	**(72.3)**
EBIT %	*-3.0%*	*-18.0%*
Net Interest Expense	4.5	4.9
Provision for income taxes	7.8	0.8
Net Inc/(loss)	**(25.2)**	**(77.9)**
Net Inc/(loss) %	*-5.7%*	*-19.4%*

Definitions: Alternative Performance Measures

2022

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 than 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.

Appendices

2022

KPIs — Trended[1]

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Premium Client ARR ($m)	**169.6**	**191.8**	**206.3**	**219.8**	**228.3**	**238.3**	**246.3**	**257.1**
YoY Growth	18%	30%	34%	36%	35%	24%	19%	17%
YoY Growth (excluding M&A)	18%	20%	23%	25%	24%	24%	19%	17%
TTM Premium Client Net Retention (%)	*103%*	*102%*	*105%*	*108%*	*108%*	*108%*	*105%*	*104%*
Average ARR per Premium Client ($k)	54.9	56.6	57.4	57.7	57.6	57.9	57.6	58.2
Premium Client % of total ARR	45%	47%	48%	50%	50%	51%	52%	54%
Premium Clients	3,091	3,389	3,594	3,809	3,961	4,119	4,274	4,419

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Social ARR ($m)	**122.1**	**152.0**	**165.8**	**177.8**	**190.0**	**198.3**	**204.1**	**210.8**
YoY Growth	*26%*	*51%*	*54%*	*56%*	*56%*	*30%*	*23%*	*19%*
YoY Growth (excluding M&A)	*26%*	*31%*	*34%*	*36%*	*36%*	*30%*	*23%*	*19%*
Social % of Total	*32%*	*37%*	*39%*	*40%*	*42%*	*43%*	*43%*	*44%*

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Total ARR ($m)	**378.3**	**411.9**	**428.7**	**442.2**	**452.8**	**463.5**	**471.5**	**478.0**
YoY Growth	5%	14%	17%	20%	20%	13%	10%	8%
YoY Growth (excluding M&A)	5%	8%	10%	13%	13%	13%	10%	8%
Average ARR per Client ($k)	14.3	15.1	15.6	16.3	16.6	17.1	17.4	18.0
Average ARR per Client ($k) YoY Growth	12%	15%	16%	17%	16%	13%	11%	11%
TTM Total Net Retention (%)	*89%*	*89%*	*92%*	*95%*	*95%*	*95%*	*94%*	*93%*
TTM Net Retention (excluding M&A)	*89%*	*90%*	*92%*	*95%*	*95%*	*95%*	*94%*	*93%*

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Non-Premium Client ARR ($m)	**208.7**	**220.1**	**222.3**	**222.4**	**224.5**	**225.2**	**225.2**	**221.0**
YoY Growth	*-4%*	*3%*	*5%*	*7%*	*8%*	*2%*	*1%*	*-1%*

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
$100k+ Client ARR ($m)	**49.9**	**59.7**	**65.4**	**71.0**	**72.8**	**76.6**	**78.0**	**83.0**
YoY Growth	*14%*	*31%*	*37%*	*49%*	*46%*	*28%*	*19%*	*17%*
$100k+ Clients	252	290	315	338	346	367	372	387
$100k+ Clients YoY	40	70	85	104	94	77	57	49
YoY Growth	*19%*	*32%*	*37%*	*44%*	*37%*	*27%*	*18%*	*14%*
TTM $100k+ Client Net Retention (%)	*108%*	*107%*	*108%*	*118%*	*120%*	*118%*	*113%*	*111%*
Average ARR per $100k+ Client ($k)	198.0	206.0	207.7	210.1	210.3	208.7	209.7	214.4

1. Using Alternative Performance Measures (APMs). Unaudited

According to Company practice and consistent with the industry practice, ARR numbers are reported in constant currency.
Since Q1 2022 the Company is reporting ARR in constant currency using weighted average exchange rates of the prior year twelve months..

Headcount Trend[1]

Q4 2022 Headcount trends

The company ended December 2022 with 2,325 total headcount. This was a 134 net increase YoY, but a decrease of 53 from Q3 as the company looked to control expenses given the macroeconomic uncertainty. S&M added 51 headcount YoY with a 46 net reduction in Q4. The Q4 reductions were mostly concentrated in low performers and non-quota carrying roles. The YoY increase in S&M hires were concentrated in roles supporting the larger premium customers and growth reps focused on upselling existing customers. R&D added 42 headcount YoY with a 3 net decrease in Q4.

The increased headcount were to enhance the product roadmap and to complete the integration of the acquisition's product offerings. G&A added 22 headcount YoY with 3 net added in Q4. The increase was primarily in IT (almost all in low-cost regions), legal and HR to continue to improve the company's system and reporting infrastructure. Other headcount, including headcount in COGS increased 19 YoY. These are primarily headcount in low-cost areas to support the reporting and technical requirements of some of the Company's offerings.

ROLE	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	TOTAL YoY CHANGE	TOTAL QoQ CHANGE
S&M	1,391	1,437	1,378	1,355	1,340	1,329	1,311	51	(46)
R&D	407	410	403	383	365	341	317	42	(3)
G&A	200	197	188	178	178	168	164	22	3
Other*	327	334	331	312	308	301	255	19	(7)
Total	2,325	2,378	2,300	2,228	2,191	2,139	2,047	134	(53)

* Other includes headcount accounted for in the cost of goods sold
1. Headcount trends exclude interns.

FY22 Balance Sheet breakdown

OTHER INTANGIBLE ASSETS BY CATEGORY *(figures in $ in millions)*	31 DECEMBER 2022	31 DECEMBER 2021
Acquired Developed Technology	14.4	18.7
Acquired Customer Relationships	5.3	8.9
Acquired Tradenames	1.4	1.7
Internally Developed Software	44.6	31.4
Total	**65.7**	**60.6**

NET DEBT POSITION *(figures in $ in millions)*	31 DECEMBER 2022
Debt, non-current	(50.0)
Lease liabilities, current	(9.9)
Lease liabilities, non-current	(13.2)
Cash and cash equivalents	35.1
Net Debt	**(38.0)**

As of 31 December 2022, Meltwater had total assets of $401.8m. Current assets such as cash, receivables, and other current assets represented $186.8m of this total. Non-current assets represented $215.0m of this total, and primarily consisted of:

- Goodwill $80.2m
- Other intangible assets $65.7m (the breakdown is summarized in the table above)
- Contract costs $31.2m
- Right-of-use leased assets $19.9m
- Deferred tax assets $7.2m
- Property, plant, and equipment $3.1m
- Other assets $7.7m

As of 31 December 2022, Meltwater had total liabilities of $465.6m, and shareholders' deficit of ($63.8m). Meltwater net debt balance was ($38.0m) at the end of 31 December 2022.

Interest-bearing debt as of Q4 2022

Interest-bearing debt at quarter-end was $50.0m. The corresponding figure in the fourth quarter of 2021 was $25.0m. The additional interest-bearing debt $25.0m was the draw down in 2022 to fund the company's announced stock buyback from the general market.

In 2020 Meltwater secured a $150.0m credit revolver, out of which $100.0m was available to draw down as of 31 December 2022.

The net debt position as of 31 December 2022 was ($38.0m).

FY22 Cash Flows and Debt

The Group's cash inflow from operating activities totaled $33.9 million compared to a cash inflow of $7.1 million for the full year 2021. The increase in operating cash flow YoY was driven by strong operating results, including execution of cost savings initiatives, and improvement in working capital. Cash outflow from investing activities totaled $26.5 million compared to the cash outflow of $63.5 million for the full year 2021. This was primarily due to the acquisitions completed in 2021. The Group's cash outflow from financing activities totaled $14.6 million compared to the cash inflow of $1.8 million for the full 2021, the decrease in 2022 is mostly driven by the repurchase of shares in 2022.

CASH FLOWS & INTEREST BEARING DEBT *(figures in $ in millions)*	Q4 2022	Q4 2021	2022	2021
Cash flow from operating activities	15.5	3.3	33.9	7.1
Cash flow from investing activities	(5.6)	(5.2)	(26.5)	(63.5)
Cash flow from financing activities	(2.2)	(3.5)	(14.6)	1.8
Net change in cash	**7.8**	**(5.4)**	**(7.2)**	**(54.6)**
Net cash at period-end	**35.1**	**44.4**	**35.1**	**44.4**
Interest bearing debt	50.0	25.0	50.0	25.0
Available debt	100.0	125.0	100.0	125.0

Positive cash flow from operating activity

FY 2022 operating cash flow generated was $33.9m, compared to $7.1m in FY 2021. The $26.8m increase was primarily due to the reduction in prior year cash for stock buybacks and share based compensation, and improvements in working capital management.

Cash balance at period end

Cash balance as of 31 December 2022 was $35.1m compared to $44.4m as of 31 December 2021. The overall decrease of $9.2m was primarily driven by continued investment in capitalized product development of $23.0m, net repurchase of equity shares totaling approximately $4.0m, lease obligations of $11.4m, $3.0m in acquisition consideration, $1.6m in PP&E, offset by $33.9m in operating cash flow generated.

In summary, cash generated from operating activities was $33.9m; cash used in investing activities was ($26.5m) and cash used in financing activities was ($14.6m).

Available liquidity to fund strategic initiatives

In addition to the total cash available at the period-end, a $100m debt facility was available on 31 December 2022 from the $150m credit revolver secured in 2020.

FY 2022 Income Statement Reconciliation

Reconciliation Adjusted to IFRS Income Statement

(figures in $ in millions)	Q4 2022	Q4 2021	2022	2021
Stock based compensation	0.3	0.8	1.4	1.6
Stock Buyback	0.0	0.0	0.0	0.2
One-time expenses	0.0	0.2	0.6	0.3
Amortization of capitalized software costs	3.7	2.8	10.6	11.2
Amortization of other intangible assets	0.7	1.2	3.5	6.5
Depreciation of PPE	0.0	0.0	0.1	0.1
COGS TOTAL	**4.7**	**5.0**	**16.3**	**19.9**
Stock based compensation	2.7	14.3	14.6	36.8
Stock Buyback	0.0	0.0	0.0	6.7
One-time expenses	1.6	0.3	3.9	1.9
Amortization of other intangible assets	0.6	0.9	2.4	4.8
Depreciation of PPE	0.2	0.2	0.9	1.0
SM TOTAL	**5.1**	**15.6**	**21.8**	**51.2**
Stock based compensation	1.0	4.9	7.5	7.9
Stock Buyback	0.0	0.0	0.0	3.7
One-time expenses	4.9	4.5	6.9	10.9
Charitable contributions	0.2	0.3	2.2	2.5
Amortization of capitalized software costs	0.0	1.5	0.0	2.6
Amortization of other intangible assets	0.0	1.1	0.0	2.6
Depreciation of PPE	0.1	0.1	0.6	0.5
GA TOTAL	**6.2**	**12.5**	**17.2**	**28.2**
Stock based compensation	1.1	5.0	6.8	14.0
Stock Buyback	0.0	0.0	0.0	2.8
One-time expenses	0.3	0.4	1.1	1.4
Amortization of capitalized software costs	(0.4)	0.0	0.2	0.0
Depreciation of PPE	0.1	0.0	0.2	0.1
RD TOTAL	**1.1**	**5.4**	**8.3**	**18.3**
Stock based compensation TOTAL	**5.1**	**25.0**	**30.3**	**60.4**
Stock Buyback TOTAL	**0.0**	**0.0**	**0.0**	**13.4**
One-time expenses TOTAL	**6.8**	**5.4**	**12.5**	**14.4**
Charitable contributions TOTAL	**0.2**	**0.3**	**2.2**	**2.5**
Depreciation & Amortization TOTAL	**4.9**	**8.0**	**18.5**	**26.8**

FY 2022 Income Statement using APMs: Quarterly Trended

Reconciliation Adjusted to IFRS Income Statement

($ in millions)	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	110.8	109.0	109.7	109.2
Cost of revenue	25.5	26.4	28.2	27.8
Adjusted Gross profit	**85.3**	**82.6**	**81.5**	**81.4**
Adjusted Gross profit %	*77.0%*	*75.8%*	*74.3%*	*74.5%*
Adjusted operating expenses				
Sales and marketing	47.9	49.2	49.1	47.4
General and administrative	13.5	13.0	14.2	13.3
Research and development	11.5	11.1	12.6	12.3
Adjusted OpEx	**72.9**	**73.2**	**76.0**	**73.0**
Adjusted OpEx %	*65.8%*	*67.2%*	*69.3%*	*66.9%*
Adjusted EBITDA	**12.4**	**9.4**	**5.5**	**8.4**
Adjusted EBITDA %	*11.2%*	*8.6%*	*5.0%*	*7.7%*
Add Back				
Stock based compensation (run rate)	5.0	5.5	6.8	4.0
Stock based compensation (one-time)	0.0	0.0	0.0	8.9
One-time expenses	6.8	4.8	(0.5)	1.3
Charitable contribution	0.2	0.5	0.6	1.0
Foreign exchange loss/(gain)	5.3	(6.0)	(7.5)	(0.0)
Other loss/(profit), net	(5.0)	(1.7)	0.2	(0.3)
Add Back Totals	**12.5**	**3.1**	**(0.4)**	**14.9**
EBITDA	**(0.0)**	**6.2**	**5.9**	**(6.5)**
EBITDA %	*0.0%*	*5.7%*	*5.4%*	*-6.0%*
Depreciation and amortization	4.9	4.5	4.1	5.0
EBIT	**(5.0)**	**1.8**	**1.8**	**(11.5)**
EBIT %	*-4.5%*	*1.6%*	*1.6%*	*-10.6%*
Net Interest Expense	1.5	1.1	1.0	0.9
Provision for income taxes	3.2	1.7	1.0	1.8
Net Inc/(loss)	**(9.7)**	**(1.1)**	**(0.2)**	**(14.2)**
Net Inc/(loss) %	*-8.8%*	*-1.0%*	*-0.2%*	*-13.0%*

Income statement

Q4 revenue of $110.8m, up 4% year-over-year (YoY). On a constant currency basis, Q4 revenue would have been $7.1m higher than the actual at $117.9m, up $11.6m and 11% YoY. FY 2022 revenue of $438.7m, up 9% YoY. On a constant currency basis, FY 2022 revenue would have been $23.6m higher than the actual at $462.2m, up $60.6m and 15% YoY.

Q4 total OpEx was $72.9m, compared to $72.6m in Q4 2021, primarily due to an increase in S&M of $3.9m, offset by a decrease in G&A of $3.5m and a decrease in R&D of $0.1m.

Adjusted EBITDA in Q4 was $12.4m or 11.2% margin compared to 6.0% in Q4 2021. The primary driver was improved gross margin from 74% to 77% YoY. The Company benefitted from lower hosting and content costs in the quarter. In addition, operational savings were recognized as a result of the cost initiatives. Facilities, travel & entertainment, lower than planned headcount, and expenses such as marketing, recruitment costs and outside services were all part of the cost savings realized in Q4. Full year 2022 Adjusted EBITDA margin was 8.1%.

Q4 2022 one-time expenses were $6.8m, out of which $2.5m were related to the strategic review process, $1.7m related to enhanced internal controls, $1.2m consulting costs for CRM implementation, $0.7m in miscellaneous one-time expenses, which include litigation and IFRS reporting costs, $0.4m credit card charges reclassed for IFRS disclosure requirements from other expense/income to sales & marketing, and $0.3m tax restructuring.

FY 2022 one-time expenses were $12.5m, compared to $14.4m in FY 2021.

Balance sheet

As of 31 December 2022, Meltwater had total assets of $401.8m. Current assets such as cash, receivables, and other current assets represented $186.8m of this total. Non-current assets represented $215.0m. As of 31 December 2022, Meltwater had total liabilities of $465.6m, and shareholders' deficit of ($63.8m).

Meltwater net debt balance was ($38.0m) at the end of 31 December 2022. In 2020 Meltwater secured a $150.0m credit revolver, out of which $100.0m was available to draw down as of 31 December 2022.

Statement of cash flows

Q4 2022 cash flow from operations was $15.5m, compared to $3.3m in Q4 2021. The $12.2m increase was primarily related to a $12.4m improvement in working capital including FX changes, with the remaining difference from strong operating results due to cost savings initiatives.

FY 2022 operating cash flow generated was $33.9m, compared to $7.1m in FY 2021. The $26.8m increase was primarily due to the reduction in prior year cash for stock buybacks and share based compensation, and improvements in working capital management.

INCOME STATEMENT *(figures in $ in millions)*	Q4 2022	Q4 2021	2022	2021
Revenue	**110.8**	**106.3**	**438.7**	**401.6**
YoY growth	*4%*	*15%*	*9%*	*12%*
Adjusted COGS	25.5	27.3	107.9	99.9
% of revenue	*23%*	*26%*	*25%*	*25%*
Adjusted gross profit	**85.3**	**79.0**	**330.8**	**301.8**
Adjusted gross margin	*77%*	*74%*	*75%*	*75%*
Adjusted operating expenses				
S&M	47.9	44.1	193.7	170.0
% of revenue	*43%*	*41%*	*44%*	*42%*
G&A	13.5	17.0	54.0	52.4
% of revenue	*12%*	*16%*	*12%*	*13%*
R&D	11.5	11.5	47.5	40.0
% of revenue	*10%*	*11%*	*11%*	*10%*
Adjusted OpEx	**72.9**	**72.6**	**295.1**	**262.4**
Adjusted EBITDA	**12.4**	**6.4**	**35.7**	**39.4**
Adjusted EBITDA margin	*11.2%*	*6.0%*	*8.1%*	*9.8%*

Cost of sales

Q4 Cost of sales decreased YoY by $1.9m and 7%. The change in cost of sales was primarily driven by $1.6m of decreased hosting and content costs and $0.3m decreases in software licenses and subscriptions. Cost of sales as a % of revenue decreased by 3% from 26% to 23%, respectively.

For the 12-months ended December 2022, Cost of sales increased YoY by $8.0m and 8%. Increases in cost of sales were primarily driven by $2.4m increased hosting, $1.2m content costs, $3.6m due to salaries and benefits associated with increased employee headcount, $1.0m increases in professional services costs and $0.3m miscellaneous expenditure, offset by a $0.5m decrease in software subscriptions and licensees. Overall Cost of sales as a % of revenue remained flat at 25% in each period, respectively.

Gross profit performance

Q4 gross profit increased YoY by $6.3m and 8%. The increase is due to the $4.5m (4%) YoY growth in Q4 revenue and $1.9m (7%) in decreased Cost of sales. Overall gross profit as a % of revenue increased YoY by 270 basis points. This improvement is due to decreased content costs, a decrease in hosting costs due to an improved arrangement with the hosting services provider, and reduced facility and other costs.

For the 12-months ended December 2022, gross profit increased YoY by $29.0m and 10%. The increase is due to the $37.0m (9%) YoY growth in revenue, net $8.0m (8%) increase in Cost of sales. Overall gross profit as a % of revenue improved by 30 basis points year over year primarily due to a 90 basis points decrease in content and hosting costs.

Operating expenses performance

Q4 total OpEx is increased by $0.3m YoY, primarily due to an increase in S&M of $3.8m offset by a decrease in G&A of $3.5m and a decrease in R&D of $0.1m. Of the total OpEx YoY, $9.2m is due to increased employee salaries and related benefits associated with increased employee headcount offset by $3.9m decrease in professional services costs, $0.9m in decreased travel related costs, $1.7m increase in SW capitalization, $0.9m in decreased recruitment expense, $0.6m in decreased software licenses & subscriptions and other fees, $0.5m in decreased facilities costs, and $0.4m in decreased other expenses.

For the 12-months ended December 2022, total OpEx increased YoY by $32.7m and 12%. The increase is due to an increase in S&M of $23.6m, increase in G&A of $1.6m, and increase in R&D of $7.4m. Of the total increase in OpEx, $29.7m relates to increased employee salaries and benefits associated with increased employee headcount, $5.5m in software licenses subscriptions and other fees, $3.6m in increased travel costs, $3.2m in increased professional services costs, $1.4m increased marketing and advertising expenses, and $0.3m of other miscellaneous expenses, offset by $10.6m increase in SW capitalization, and decreased facilities costs of $0.4m.

Sales & marketing

Q4 S&M costs increased YoY by $3.8m and 9%. Overall S&M costs as a % of revenue increased by 2% from 41% to 43%, respectively. The increased S&M costs are primarily attributable to $5.9m increased salaries and related employee benefits due to growth in employee headcount and $0.1m increase in software licenses and subscriptions, offset by $0.8m in decreased travel related costs, $0.5m in decreased professional services costs, $0.3m in decreased recruitment expense, $0.3m in decreased facilities costs and $0.3m in decreased miscellaneous expenses.

For the 12-months ended December 2022, S&M costs increased YoY by $23.6m and 14%. Overall S&M costs as a % of revenue increased by 2% from 42% to 44%, respectively. The increased S&M costs are primarily attributable to $17.6m increased salaries and related employee benefits due to growth in employee headcount, $2.5m in travel related costs, $2.3m in professional services, $1.4m in marketing & advertising expenses, $0.6m in software licenses subscriptions and $0.2m of other miscellaneous expenses, offset by $0.6m decrease in facilities costs and $0.4m decrease in recruitment expense.

General & administrative

Q4 G&A decreased YoY by $3.5m and 21%. Overall G&A costs as a % of revenue decreased by 4% from 16% to 12%, respectively. The decreased G&A costs are primarily driven by $3.4m in decreased professional services costs, $0.4m decreased software licenses and subscriptions, $0.3m in decreased recruitment expense and $0.2m decreased facilities costs, offset by $0.5m of increased employee salaries and related benefits and $0.3m increased other miscellaneous expenses.

For the 12-months ended December 2022, G&A costs increased YoY by $1.6m and 3%. Overall G&A costs as a % of revenue decreased by 1% from 13% to 12%, respectively. The increased G&A costs are primarily driven by $1.3m in increased salaries and related employee benefits, $0.8m in travel costs, $0.5m in facilities costs, $0.3m in recruitment expense and $0.3m in insurance costs, offset by $1.1m in decreased professional services costs, and $0.5m in decreased software licenses and subscriptions.

Research & development

Q4 R&D costs decreased YoY by $0.1m and 1%. Overall R&D costs as a % of revenue decreased by 1% from 11% to 10%, respectively. The decreased R&D costs are primarily attributable to $1.7m increase in R&D capitalization, $0.4m of decreased software licenses and subscriptions, $0.3m of decreased recruitment fees, $0.2m of decreased training costs, and $0.3m of decreased other expenses, offset by increased employee salaries and benefits of $2.8m.

For the 12-months ended December 2022, R&D costs increased YoY by $7.4m and 19%. Overall R&D costs as a % of revenue increased by 1% from 10% to 11%, due to enhanced focus on product development. The increased R&D costs are primarily attributable to a $10.8m of increased employee salaries and benefits, $5.4m of increased software licenses and subscriptions, $2.0m of increased professional services costs to support software upgrades, investments in cyber security, and recruitment costs, and $0.2m in increased travel related costs, offset by $10.6m increase in R&D capitalization. (Labor $6.5m and Software License $4.1m), and $0.3m decrease in facilities costs.

FY 2022 Adj EBITDA Reconciliation to Cash

(figures in $ in millions)	Q4 2022	Q4 2021	2022	2021
Profit before tax	**110.8**	**109.0**	**109.7**	**109.2**
Net Interest Expense	25.5	26.4	28.2	27.8
Depreciation and amortization	85.3	82.6	81.5	81.4
EBITDA	**77.0%**	**75.8%**	**74.3%**	**74.5%**
Stock based compensation	47.9	49.2	49.1	47.4
One-time expenses	13.5	13.0	14.2	13.3
Charitable contribution	47.9	49.2	49.1	47.4
Foreign exchange gain	13.5	13.0	14.2	13.3
Other loss/ (profit), net	11.5	11.1	12.6	12.3
Adjusted EBITDA	**72.9**	**73.2**	**76.0**	**73.0**
Profit before tax	**110.8**	**109.0**	**109.7**	**109.2**
Net Interest Paid	12.4	9.4	5.5	8.4
Depreciation and amortization	11.2%	8.6%	5.0%	7.7%
Impairment of capitalized software costs	12.4	9.4	5.5	8.4
Amort of ROU	11.2%	8.6%	5.0%	7.7%
Remeasurement of contingent consideration	5.0	5.5	6.8	4.0
Stock based compensation	0.0	0.0	0.0	8.9
Share-based compensation expense relating to post combination services	6.8	4.8	(0.5)	1.3
Foreign exchange gain	0.2	0.5	0.6	1.0
Tax (paid)/received	5.3	(6.0)	(7.5)	(0.0)
Amortization of debt discount and financing cost	(5.0)	(1.7)	0.2	(0.3)
Delta in working capital	12.5	3.1	(0.4)	14.9
Operating Cash Flow	**(0.0)**	**6.2**	**5.9**	**(6.5)**
Adjusted EBITDA	**(0.0)**	**6.2**	**5.9**	**(6.5)**
One-time expenses	12.4	9.4	5.5	8.4
Charitable contribution	11.2%	8.6%	5.0%	7.7%
Net Interest expense	12.4	9.4	5.5	8.4
Remeasurement of contingent consideration	11.2%	8.6%	5.0%	7.7%
Other profit/(loss) not in OCF	5.0	5.5	6.8	4.0
Tax (paid)/received	0.0	0.0	0.0	8.9
Amortization of debt discount and financing cost	6.8	4.8	(0.5)	1.3
Share-based compensation expense relating to post combination services	0.2	0.5	0.6	1.0
Stock buyback	5.3	(6.0)	(7.5)	(0.0)
Delta in Int accrued vs paid	(5.0)	(1.7)	0.2	(0.3)
Amort of ROU asset	12.5	3.1	(0.4)	14.9
Delta in cash vs accrual for FX	12.4	9.4	5.5	8.4
Delta in WC	11.2%	8.6%	5.0%	7.7%
Operating Cash Flow	**(0.0)**	**6.2**	**5.9**	**(6.5)**

Depreciation and Amortization Details

Capitalized and amortized sales expenses

Under IFRS 15 the Company capitalizes the incremental costs of obtaining a revenue contract. The capitalized amounts consist primarily of sales commissions and fringe benefit costs associated with direct sales force. Costs capitalized related to new revenue contracts are amortized on a straight-line basis over 4 years, and reflects the average period of benefit, including expected contract renewals. Additionally, the Company amortizes capitalized costs for renewal over the renewal period.

As of 31 December 2022, the deferred contract costs was $63.9m (current $32.7m and non-current $31.2m). In the year ended 31 December 2022, the Company capitalized $50.4m of incremental contract costs and recorded amortization of $42.3m related to amounts capitalized in the current and prior years.

IFRS 16 Right-of-Use (ROU)

The Company recognizes a right-of-use asset and a lease liability at the commencement date of each lease. The ROU asset is initially measured at cost less any lease incentives received. The ROU 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 ROU asset or the end of the lease term.

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). The Company 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.

As of 31 December 2022, the ROU asset and lease liability balances were $19.9m and $23.1m, respectively. During the year ended 31 December 2022 the ROU assets depreciation expense was $11.3m. For the purpose of Alternative Performance Measures (APMs) and subsequent reporting IFRS 16 ROU assets depreciation expense is included in OpEx since the Company recognizes this as rent expense.

DEPRECIATION & AMORTIZATION *(figures in $ in millions)*	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Amortization Sales Expenses	10.7	10.4	10.7	10.5	9.9
Depreciation Right-of-Use	2.4	2.4	3.1	3.4	4.5
Amortization Software	3.3	2.8	2.6	2.2	4.3
Amortization Acquired Intangible	1.2	1.2	1.1	2.4	3.2
Depreciation PPE	0.4	0.4	0.5	0.5	0.4
Subtotal	4.9	4.4	4.2	5.0	8.0
Total	**18.0**	**17.2**	**18.0**	**18.9**	**22.4**

Stock based compensation

Long Term Incentive Plan (LTIP 2022)

During the year ended 31 December 2022 the Company issued RSUs of 14,763,114 as per the terms of LTIP 2022 and recorded stock based compensation expenses of $7.8m in the year ended 31 December 2022. These RSUs have four year vesting schedules.

RSU ACTIVITY UNDER LTIP 2022	NUMBER OF RSUs OUTSTANDING (number)	WEIGHTED AVERAGE FAIR VALUE PRICE (amount in $)	WEIGHTED AVERAGE REMAINING CONTRACTUAL TERM (in years)
Balances as of 31 December 2021			
Granted	14,763,114	1.57	
Vested	-14,337	0.89	
Forfeited or cancelled	-1,170,831	1.82	
Balances as of 31 December 2022	**13,577,946**	**1.55**	**6.90**

RSU ACTIVITY UNDER EIP 2011	NUMBER OF RSUs OUTSTANDING (number)	WEIGHTED AVERAGE FAIR VALUE PRICE (amount in $)	WEIGHTED AVERAGE REMAINING CONTRACTUAL TERM (in years)
Balances as of 31 December 2021	5,585,707	5.32	0.64
Granted	3,410,708	1.91	
Vested	-5,613,098	4.87	
Forfeited or cancelled	-190,527	3.05	
Balances as of 31 December 2022	**3,192,790**	**2.61**	**7.95**

STOCK OPTIONS ACTIVITY UNDER EIP 2011	NUMBER OF STOCK OPTIONS OUTSTANDING (number)	WEIGHTED AVERAGE EXERCISE PRICE (amount in $)	WEIGHTED AVERAGE REMAINING CONTRACTUAL TERM (in years)
Balances as of 31 December 2021	32,617,535	2.13	6.36
Granted	1,477,000	2.08	
Exercised	-684,845	1.14	
Forfeited or cancelled	-4,253,199	2.51	
Balances as of 31 December 2022	**29,156,491**	**2.16**	**5.68**
Options exercisable as of 31 December 2022	**24,223,176**	**1.78**	**5.12**

Stock based compensation expenses

In the year ended 31 December 2022 stock-based compensation as non-cash expense was $30.3m. This breaks down to $14.3m RSUs expense and $8.2m stock options expense under the previous 2011 equity plan, and $7.8m under the new long term incentive plan (LTIP 2022). $22.1m RSUs expense includes $8.4m one-time expense related to RSUs modification. In Q4 2022 Stock Based Compensation expenses run rate was $5.0m, while one-time expenses were less than $0.1m.

Stock based compensation - employer payroll taxes

Employer payroll taxes related to shared-based compensation are treated as a cash-settled transaction, which requires a liability to be recognized over the vesting period payroll taxes payable in respect of options to be exercised. The expense should be allocated over the period from the grant date to the end of the vesting period and the liability should be adjusted to the current market value of the shares. As a result of the stock performance and market value of shares, the income statement benefit / credit was $5.7m in the year ended 31 December 2022 ($4.3m in Q1 2022, $2.8m in Q2 2022, ($0.2m) in Q3 2022 and ($1.2m) in Q4 2022) compared to $1.8m in the year ended 31 December 2021.

STOCK BASED COMPENSATION EXPENSES (non-cash)	FY 2022 (in $)
RSUs modification (one-time expenses)	8,381,019
Option modification (one-time expenses)	557,647
Stock options expensed under EIP 2011 (run rate)	7,598,294
RSUs expensed under EIP 2011 (run rate)	5,917,009
RSUs expensed under LTIP 2022 (run rate)	7,824,799
Total	**30,278,768**

Share Capital and Share Purchases

Total number of shares outstanding

As of 31 December 2022, common shares outstanding were 298,397,819.

Outstanding share options and Restricted Stock Units (RSUs)

As of 31 December 2022, outstanding shares options and RSUs were 45,927,227, among which share (stock) options were 29,156,491 and RSUs were 16,770,736. As of 31 December 2022, the weighted average strike price of all outstanding stock options was $2.16. The weighted average grant price in FY 2022 on stock options as of 31 December 2022 was $2.08.

The weighted average fair value was $1.17.

OUTSTANDING SHARES	NUMBER OF SHARES OUTSTANDING
Balances as of 31 December 2021	302,558,555
Exercise of vested options	684,845
Issuance in consideration for acquisition	743,491
Released RSUs	5,785,745
Return of common shares	-5,925
Balances as of 31 December 2022	**298,397,819**

Meltwater

2022 Annual Report

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