

Impala Bidco Ltd

Unaudited Financial Statements
Period: Q4 2024

Overview

Impero (d/b/a Ativion) is a global cybersecurity provider of cloud-based, on-premise and hybrid, wellbeing and learner monitoring SaaS and filtering solutions into the education and corporate marketplaces. Designed to protect and save children in the school environment, as well as to improve the delivery of education and technology throughout a school, Impero's products can be purchased standalone or combined to meet the customer's needs. These solutions enable schools to keep students safe in an increasingly threatening world, improve the teaching environment and maximize efficiency for school network managers. The product suite, and its benefits, segue into the corporate market with ease, providing security features which exceed even the most stringent security and compliance standards. IT and HR managers can utilise the solution to great effect, whether monitoring and supporting employees with wellness or managing hardware.

Impero (d/b/a Ativion) is headquartered in Nottingham (UK) with offices in Anaheim and Portland (USA), Canberra (Australia), Bucharest (Romania) and Copenhagen (Denmark).

The Group is one of the leading players in UK secondary schools, serving more than 1,400 secondary schools across the country, and has a significant footprint in the US. Globally, Impero has approximately 6,500 customers in 110 different countries and the software is used by c.2,500 School Districts and 50 percent of the Fortune 100 companies.

Impero (d/b/a Ativion) was founded in 2002 to provide network management software to IT technicians in schools and has since been dedicated to solving complex problems with simple solutions for educational establishments across the globe. From 2015, Impero (d/b/a Ativion) evolved its product set to include classroom management and online safety monitoring software solutions.

In recent years, Impero has been strengthening its footprint in the US. In 2018, Impero (d/b/a Ativion) acquired Safeguarding Monitor, a developer of applications to help schools, colleges and multi-academy trusts meet their safeguarding responsibilities. On February 4th, 2021, Impero (d/b/a Ativion) completed the acquisition of Netop, creating additional whitespace opportunities and providing a strong foothold in the corporate sector, primarily in financial services and retail. In January 2022, Impero (d/b/a Ativion) acquired ContentKeeper, again creating additional whitespace opportunities, strengthening the US footprint, and securing a best-in-class web filtering solution.

The Highlights

1. The Revenue mix of recurring versus non-recurring revenue in FY2024 is composed of 92% compared to 86% in the prior year, FY2023.
2. Ativion ended Q4 2024 with bookings totalling £15.56m ACV. Impero's Web Filter product accounted for 55% of FY2024 bookings. FY2024 bookings was comprised of 84% recurring products and 16% non-recurring.
3. In December 2024 a £1.59m subordinated loan was provided to the group from our existing shareholders with interest accruing on a PIK basis, increasing the cash in the business available for investment in product development.
4. In January 2025 a £1.85m subordinated loan was provided to the group from our existing shareholders with interest accruing on a PIK basis, increasing the cash in the business available for investment in product development

The Financials

1. FY24 Financial Commentary

- Total trading revenue for FY2024 has decreased by 5% year-on-year, from £22.09m to £21.01m. Total non-recurring revenue for FY2024 declined £0.45m (47%) year-on-year as expected due to strategic initiatives undertaken by management to improve the value proposition and conversion of perpetual to subscription-based.
- Gross margins for FY2024 came in at 81% compared to 73% year-on-year in FY2023. Cost of Sales for FY2024 ended at £3.89m compared to £4.92m in FY2023.
- Administrative expenses remained relatively in line year-on-year with total administrative expenses for FY2024 ending at £16.10m compared to £16.20m in FY2023.
- Adjusted EBITDA for FY2024 is negative £1.11m compared to negative £2.15m for FY2023. This year-on-year change is primarily driven by a decrease in the cost of sales.
- Exceptional costs decreased 21% year-on-year, ending FY2024 at £1.61m compared to £2.04m in FY2023.
- Finance costs increase 16% year-on-year, ending FY2024 at £5.03m compared to £4.35m in FY2023.
- FY2023 figures have been adjusted based on the audit compilation report issued by Forvis Mazars LLP on 27 September 2024.

2. Consolidated Income Statement (Unaudited IFRS)

Consolidated Income Statement (Unaudited IFRS)

	Q4 2024 £'000	Q4 2023 £'000	YTD Dec-24 £'000	YTD Dec-23 £'000
Revenue	5,172	4,213	20,504	21,019
Cost of sales	(774)	(951)	(3,899)	(4,922)
Gross profit	4,398	3,262	16,605	16,097
GP%	85%	77%	81%	77%
Administrative expenses	(3,084)	(3,000)	(16,105)	(16,207)
Exceptional costs	(150)	(444)	(1,618)	(2,045)
Ebitda	1,164	(181)	(1,117)	(2,154)
Depreciation & amortisation	(1,829)	(1,391)	(8,125)	(7,912)
Finance costs	(1,120)	(1,323)	(5,032)	(4,356)
Exchange rate variance	842	(2,284)	2,698	(956)
Loss before tax	(943)	(5,179)	(11,576)	(15,378)
Tax	-	262	-	861
Loss after tax	(943)	(4,917)	(11,576)	(14,517)
Revenue				
Revenue	5,172	4,213	20,504	21,019
Reversal of unwind of deferred revenue haircut*	82	203	507	1,077
Trading revenue**	5,254	4,416	21,012	22,097
Recurring revenue	5,229	3,790	19,394	19,032
Non-recurring revenue	24	625	1,618	3,065
Total	5,254	4,416	21,012	22,097
Ebitda to adjusted ebitda bridge				
Ebitda	1,164	(181)	(1,117)	(2,154)
Exceptionals	150	444	1,618	2,045
Reversal of unwind of deferred revenue haircut*	82	203	507	1,077
Adjusted Ebitda***	1,397	465	1,009	968

*Deferred revenue haircut

Deferred revenue haircut is the fair value adjustment required to be recognised when accounting for business combinations under IFRS3, to discount the book value of deferred revenue acquired to remove the profit element relating to sales and marketing effort performed prior to the business combination, leaving an amount reflecting the fair valuation of the delivery element only.

**Trading revenue

Trading revenue is calculated as reported revenue excluding the impact of deferred revenue haircut. This reflects the revenue that would be recognised in accordance with accounting standards had the acquired entity always been a part of the group and is the reflective continuing revenue of the combined group on a normalised basis.

***Adjusted EBITDA

Adjusted EBITDA is calculated as Earnings before net finance cost, tax, depreciation and amortisation, impairment, loss on disposal of assets, foreign exchange gain or loss, exceptional items and deferred revenue haircut.

Adjusted pro-forma EBITDA

Adjusted pro-forma EBITDA is calculated as adjusted EBITDA plus the impact of cost saving initiatives in the period as if they were in effect for the full period

3. Consolidated Statement of Financial Position (Unaudited IFRS)

Consolidated Statement of Financial Position (Unaudited IFRS)

	Dec-24 £'000	Dec-23 £'000
Non-current assets		
Intangible assets	96,639	101,969
Property, plant and equipment	1,552	2,586
	<u>98,191</u>	<u>104,555</u>
Current assets		
Inventories	1,578	1,782
Trade and other receivables	5,528	5,307
Cash and cash equivalents	2,983	1,693
	<u>10,089</u>	<u>8,782</u>
Current liabilities		
Trade and other payables	(5,181)	(5,722)
Contract liabilities ST	(11,782)	(11,411)
Lease liabilities ST	(339)	(551)
	<u>(17,302)</u>	<u>(17,683)</u>
Non-current liabilities		
Contract liabilities LT	(4,523)	(7,609)
Lease liabilities LT	(673)	(461)
Bond principal	(27,064)	(29,217)
Other loans	(15,490)	(5,275)
Accrued interest	(6,156)	(1,825)
Loan arrangement fees	-	233
Deferred tax liabilities	(11,048)	(12,531)
	<u>(64,952)</u>	<u>(56,685)</u>
Net assets	<u>26,026</u>	<u>38,969</u>
Equity		
Share capital	2,235	2,235
Share premium	41,919	41,919
Retained earnings	(18,129)	(5,185)
Total equity	<u>26,026</u>	<u>38,969</u>

- Year-on-year, trade and other receivables remained relatively in-line with a small increase of £221m from FY2023 to FY2024.
- Cash increased year-on-year by £1.29m from Dec-23 with £11.25m of financing, offset by £1.21m of deferred consideration paid as well as the movement of operational cashflows.
- Other loans – in addition to the April 2023 working capital facility agreement totaling SEK 25m SEK (c.USD 2.5m), July 2023 USD 2.5m shareholder loan, the February 2024 £5m loan provided by Impala Holdings Limited, the June 2024 £2.36m loan provided by Impala Holdings Limited, and the November 2024 £2.31m loan provided by Impala Holdings Limited, a loan of £1.59m was provided by Impala Holdings Limited in December 2024 and is subordinated to the existing SEK bonds and is only redeemable after the SEK bonds are fully discharged. The loan accrues interest accruing towards the ending debt balance (PIK interest).

4. Consolidated Cashflow Statement (Unaudited)

Consolidated Cashflow Statement (Unaudited IFRS)

	Q4 2024 £'000	Q4 2023 £'000	YTD Dec-24 £'000	YTD Dec-23 £'000
Ebitda	1,163	(182)	(1,095)	(2,155)
Movement in WC	(3,907)	1,357	(4,657)	(42)
Tax receipts/(payments)	(11)	643	(251)	870
Lease payments	(115)	(140)	(451)	(539)
Operational cashflow	(2,869)	1,678	(6,454)	(1,866)
Investing				
Purchase of tangibles/intangibles	(1,368)	(540)	(2,297)	(2,603)
Acquisition of subsidiary net of cash	-	-	-	-
	(1,368)	(540)	(2,297)	(2,603)
Financing				
Loans drawn/(repaid)	3,899	-	11,257	3,933
Cash on merger	-	-	-	-
(Deferred consideration)/Capital raised	-	(40)	(1,218)	(434)
Interest paid	-	(926)	-	(3,464)
	3,899	(966)	10,039	36
Opening	3,321	1,521	1,693	6,127
Cashflow	(338)	172	1,290	(4,434)
Closing	2,983	1,693	2,983	1,693

5. Accounting Policies and Notes to the Financial Statements

Impala Bidco Ltd is registered and incorporated in the United Kingdom. The registered office is Seventh Floor, East West, Tollhouse Hill, Nottingham, NG1 5FS. The Group consists of Impala Bidco Ltd (the “parent company”) and all its subsidiaries, of which Impala Bondco plc is one. The operations of the Group comprise of the development and provision of software to provide safe learning environments for learners globally.

These financial statements are prepared in alignment with International Financial Reporting Standards (“IFRS”) in conformity with the requirements of the Companies Act 2006.

Company Information

Name: Impala Bidco Ltd

Address: Seventh Floor, East West
Tollhouse Hill
Nottingham
NG1 5FS
United Kingdom

Company Registration Number: 10878303

Financial Year: January 1 – December 31

Website: www.imperosoftware.com

Board of Directors: Tobias Hartmann
Gilbert Kamieniecky
Paul Kagan