

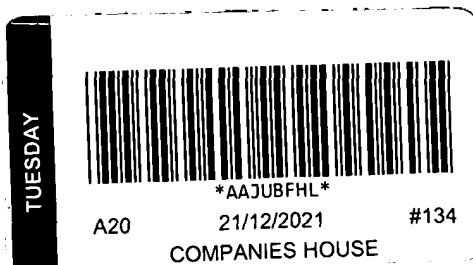
# Disguise Technologies Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 07937973



# Disguise Technologies Limited

## Company Information

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<b>Directors</b>	F M Kufer R Sklar
<b>Registered number</b>	07937973
<b>Registered office</b>	Hermes House 88-89 Blackfriars Rd South Bank London United Kingdom SE1 8HA
<b>Independent auditor</b>	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

# Disguise Technologies Limited

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# Disguise Technologies Limited

## Strategic Report For the Year Ended 31 December 2020

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The directors present their strategic report and the audited financial statements for the year ended 31 December 2020.

### Principal activity

The principal activity of the Company is to support the wider Group as a leading global provider of live event visualisation solutions, specialising in the provision of the software, hardware and support services that allow creative production teams to pre-visualise, simulate and deliver their 3D shows in real-time. The Company carries out research and development activities and recharges costs to the Group undertakings by way of management fees.

### Business review

The directors are satisfied with the result for the year to 31 December 2020, which has been a very difficult trading period due to the impact of the Covid-19 global pandemic. The Company has maintained its position in each of its trading operations and is well placed for growth in future years.

In addition New Leaf Topco Limited, and its subsidiary undertakings, was acquired by Butterfly Topco Limited, a company backed by new private equity investors, on 3 March 2021. As part of the transaction the revolving credit facility, share based payment liabilities, shareholder loan notes and convertible loan notes were all settled. A new revolving credit facility of £10m was secured by the Butterfly Topco Group on 28 May 2021, leaving the newly formed group in a very robust position following the transaction.

Sales in the period of £8.7m demonstrated a small increase of 8.8% on the previous year's £8.0m with slightly higher cost base being recharged down the group. Administrative expenses were higher than last year due to increased average headcount versus the previous year, although the business did reduce overhead spend during the height of the Covid-19 pandemic it retained enough staff to allow it to pivot into the new virtual production vertical and performed strongly in the second half of 2020.

Operating profit of £1.1m reduced by £1m against prior year (45%) which flowed through to a £1.1m Profit Before Tax a reduction £0.9m against prior year (46%). The reduction in Operating profit was due to increased administrative expenses, depreciation and amortisation and share based payment charges.

The business also monitors KPIs which are different to the statutory performance measures noted above. These include EBITDA and adjusted EBITDA which are defined and reconciled below. As a result of the increased sales and careful cost monitoring the EBITDA profit was £0.8m compared to a profit of £0.6m in the prior year. The adjusted EBITDA profit of £2.3m has stripped out specific Covid-19 impacts, as noted above, a small increase against a prior year of a profit of £2.2m.

# Disguise Technologies Limited

## Strategic Report (continued) For the Year Ended 31 December 2020

### Key performance indicators

The Company monitors its performance primarily through the following financial key performance indicators:

Turnover growth and earnings before interest, tax, depreciation and amortisation ("EBITDA") against forecast and prior year.

	2020 £	2019 £
Turnover growth %	8.8	55.4
EBITDA £	761,728	640,841
Adjusted EBITDA £	2,292,035	2,223,161
	2020 £	2019 £
Operating profit/(loss)	1,133,763	2,063,751
Research and development costs	(1,378,353)	(1,519,567)
Depreciation and Amortisation	626,741	109,456
Share based payment charge	350,057	(37,799)
Exceptional Expense	29,520	25,000
<b>EBITDA</b>	<b>761,728</b>	<b>640,841</b>
One-Off Expenses	95,540	53,603
COVID-19 One-Off Expense	46,714	-
NewCo (Investor Costs)	9,700	9,150
Research and development costs	1,378,353	1,519,567
<b>Adjusted EBITDA</b>	<b>2,292,035</b>	<b>2,223,161</b>

Turnover growth is calculated as the percentage increase on turnover year-on-year. EBITDA (earnings before interest, tax, depreciation and amortisation) is calculated as the operating profit of the Company with depreciation, amortisation, share-based payments, and exceptional items added back to operating profit less amounts capitalised as development expenditure capitalised in the year.

Adjusted EBITDA is calculated as the EBITDA of the Company with one-off items together with costs incurred as a direct result of the Livingbridge investment (i.e. Chairman fees, Directors & Officers & Keyman insurance) added back alongside development expenditure capitalised in the year.

The directors also monitor sales, volume mix and the margin achieved in total and by product as well as sales to-cash conversion and working capital management against forecast.

### Future developments

The Company plans to expand into new geographical locations and continue its investment in research and development of new products and technologies to enhance existing and enter new business verticals.

# Disguise Technologies Limited

## Strategic Report (continued) For the Year Ended 31 December 2020

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### Financial risk management objectives and policies

The Company has budgetary, forecasting and financial reporting procedures to manage credit, liquidity and other financial risks.

No transactions of a speculative nature are undertaken and policies are in place to ensure that appropriate levels of sign-off are undertaken and reviewed regularly by the directors.

#### Credit Risk:

The Company's main financial assets are cash trade and intercompany debtors. There is risk associated with the trade debtors and limits are set by the directors based on their historic payment profile. All limits are reviewed regularly to minimise exposure.

#### Liquidity Risk:

The Company had net cash balances at the year-end and was sufficiently able to meet its working capital requirements throughout the year.

The Company's policy is to ensure appropriate levels of liquidity are available to invest safely and profitably..

#### Currency Risk:

The Company has no exposure to currency risk as all transactions are in GBP.

### Principal risks and uncertainties

As for many businesses the Company faces risks and uncertainties. Strategies are in place to reduce the impact of these risks where possible and Company policies are regularly reviewed.

The directors of the Company consider the principal risks and uncertainties faced by the business as:

#### Economic Risk:

A significant change in the global economy could affect performance. For example, the USA and China trade wars, the uncertainty remaining around Brexit, a global pandemic, a fall in customer confidence and currency headwinds may all be negative factors.

The company's response to COVID-19 was led by the advice from the relevant government and medical authorities around the world.

The business rapidly moved to deploy our home working options, which are fully tested and have the relevant cyber-security certifications to ensure the business can deliver its full range of product and service offerings.

The government enforced lock-downs and banning of large gatherings has affected the business directly due to many key customers operating in the live event industry and their orders and projects being delayed or cancelled.

The business mitigated this risk by quickly pivoting into newer verticals such as virtual production that allowed for a quick response to the live event industry revenue dropping away.

Additionally the business recognises we are in unprecedented times with regards to securing and attracting talent, we have taken measures to mitigate this by investing in our people and talent teams to create a pipeline of candidates while also ensuring an environment to allow employees to do their best work.

# Disguise Technologies Limited

Strategic Report (continued)  
For the Year Ended 31 December 2020

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## Supply Risk:

The Company has three main suppliers and there is a risk to production and revenues should one of those companies fall into financial difficulty or suffer from natural disasters.

The product development and operations teams work closely with the Company's suppliers to ensure contingency plans are in place to minimise business interruption and react quickly to route supply through different geographies within our network.

In addition the teams ensure all product is sourced from reputable vendors to make our supply chain as robust as possible.

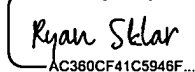
The business has also reviewed the disruption to global supply chain and as from the date of approval of the financial statements have mitigated this risk by ensuring purchasing of key components on long lead times are secured at least six months in advance. The business is also working to qualify secondary and tertiary sources of supply to ensure continuity.

## Climate risk

The company recognises the impact it's activities have on the global environment and have registered with the WEEE directive to ensure products are disposed of in a suitable manner. The directors also recognise there is further improvements to be made and are looking at schemes to offset the business activities carbon footprint and have set a three year time from to embed this in our overall strategy.

This report was approved by the board on 17 December 2021 and signed on its behalf.

DocuSigned by:

  
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**R Sklar**  
Director

# Disguise Technologies Limited

## Directors' Report For the Year Ended 31 December 2020

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The directors present their report and the audited financial statements for the year ended 31 December 2020.

### Results and dividends

The profit for the year, after taxation, amounted to £877,726 (2019 - £2,027,244).

There were no dividends paid during the year (2019 - £Nil). The directors do not recommend the payment of a final dividend.

### Directors

The directors who served during the year were:

A Nehru (resigned 8 March 2021)  
F M Kufer  
P N Hunt (resigned 3 August 2020)  
R Sklar (appointed 3 August 2020)

### Going concern and Covid-19

The company performs research and development activities on behalf of the wider New Leaf Topco Limited group at the balance sheet date, and shares common directorships with the other group companies.

As at 3 March 2021 there was an Ultimate Controlling Party change with Butterfly TopCo Limited Group becoming the Ultimate Controlling Entity, this injected new capital into the group of companies.

As part of the transaction the revolving credit facility, share based payment liabilities, shareholder loan notes and convertible loan notes were all settled. In addition the business completed negotiations on 28 May 2021 on a new revolving credit facility of £10m with Santander, leaving the business in a very robust position following the transaction.

The directors have received confirmation from its ultimate parent company that it will provide ongoing financial support for a period of not less than 12 months in order for the Company to meet its liabilities as they fall due. As a result, the below disclosures which are in respect of the wider Butterfly TopCo Limited group, are considered relevant to the Company.

The directors acted swiftly and decisively in reaction to the Covid-19 crisis by deploying home working options to ensure the business can continue largely uninterrupted in delivering its full range of product and service offerings to our customer base.

The crisis adversely affected 2020 revenues and cash collections. As a result the Group has booked an exceptional expense of £2m equal to the gross margin on hardware sales to bona fide clients who had purchased hardware for projects that were cancelled or deferred, entirely due to the coronavirus crisis, as they no longer had the financial propensity to settle their outstanding debts. Hence we recalled the units to stock to sell to other customers who can pay more expediently and with limited credit risk.

Action was taken at the end of the first quarter 2020 to cut the monthly overhead run rate significantly through staff redundancies, contractor terminations, temporary salary reductions and other interim cost curtailment measures including making use of the government furlough scheme, to ensure that the business was able to minimise losses during 2020.

The directors obtained an extension to the existing £5m Revolving Credit Facility with HSBC by an additional £2m in order to provide additional headroom to sustain the lower economic activity through the Covid-19 crisis. The directors also obtained a further \$5m in external funding in the second half of 2020 allowing the group to meet its shorter term commitments.

# Disguise Technologies Limited

## Directors' Report (continued) For the Year Ended 31 December 2020

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### Going concern and Covid-19 (continued)

The directors have reassessed the going concern status of the business following the additional funding and potential impact of Covid-19 with various factors considered as set out below.

In particular, the directors have considered the main markets served by the business. Despite the live events market having been directly and severely affected by the pandemic from the early stages of the crisis, the Group serves other industry verticals that have not been so hard hit by the crisis so far, including the highly diverse fixed installations markets (e.g. theme parks, houses of worship, theatres, cruise ships, casinos) and virtual production (e.g. TV & broadcast, universities), hence the customer base is relatively widely spread, and allied to this, the business is not overly dependent on any single client.

The business also benefits from a robust supply chain with manufacturing spread across three main partners together with a global logistics partner, and second source manufacturers identified for several of the key components used in the Group's hardware. These factors and early trading patterns since the government announced the lockdown give the directors continued confidence in the business.

Overall the board are positive about the future EBITDA trajectory of the Group and continue to manage the cash position of the Group carefully. Cash headroom is considered adequate compared to the re-forecasts and current trading activity, as is the liquidity covenant headroom.

The current uncertainty for the group is around the supply chain and access to it's components alongside securing and retaining the right level of talent and expertise in the business, these are mitigated by the robustness in the supply chain and the ability to utilise our revolving credit facility to secure supply in advance of normal contractual terms. The business has also invested in its talent and people team to address the personnel issues.

In undertaking their review, the directors have prepared financial projections for the period of twelve months from the date of issue of these financial statements and there is no material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

### Matters covered in the strategic report

Disclosures required under 416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the Company.

This covers a review of the business, future developments and indicator of exposure to financial risks.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

### Post balance sheet events

As at 3 March 2021 there was an Ultimate Controlling Party change with Butterfly TopCo Limited becoming the Ultimate Controlling Company, following a majority sale of the group headed by New Leaf TopCo Limited to new private equity partners alongside other minority institutional investors and management.

# Disguise Technologies Limited

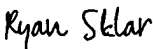
## Directors' Report (continued) For the Year Ended 31 December 2020

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### Auditor

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

This report was approved by the board on 17 December 2021 and signed on its behalf.

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**R Sklar**  
Director

# Disguise Technologies Limited

## Directors' Responsibilities Statement For the Year Ended 31 December 2020

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Disguise Technologies Limited

## Independent Auditor's Report to the Members of Disguise Technologies Limited

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### Opinion on the financial statements

In our opinion the financial statements:

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

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

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

# Disguise Technologies Limited

## Independent Auditor's Report to the Members of Disguise Technologies Limited (continued)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Other Companies Act 2006 reporting

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

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

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

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

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

### Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

# Disguise Technologies Limited

## Independent Auditor's Report to the Members of Disguise Technologies Limited (continued)

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### **Auditor's responsibilities for the audit of the financial statements**

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We considered the Company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the Company financial statements.

Based on our understanding we designed our audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We made enquiries of management and of the Directors as to the risks of non-compliance and any instances thereof. We also addressed the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year that represented a risk of material misstatement due to fraud. We specifically reviewed manual journal postings to revenue and cash to assess for any evidence of manipulation of account balances. We also assessed management's estimates made in the financial statements for evidence of bias. In particular we considered the appropriateness of accruals, intangibles valuation and depreciation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# Disguise Technologies Limited

## Independent Auditor's Report to the Members of Disguise Technologies Limited (continued)

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### Use of our report

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

DocuSigned by:  
*Neil Ebdon*  
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**Neil Ebdon** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Leeds  
United Kingdom  
20 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Disguise Technologies Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	8,709,982	8,003,265
<b>Gross profit</b>		<b>8,709,982</b>	<b>8,003,265</b>
Administrative expenses		(7,390,451)	(5,977,313)
Other operating income	5	164,289	-
Share-based payment (charge)/credit	24	(350,057)	37,799
<b>Operating profit</b>	6	<b>1,133,763</b>	<b>2,063,751</b>
Interest payable and similar charges		(15,530)	(4,004)
<b>Profit before taxation</b>		<b>1,118,233</b>	<b>2,059,747</b>
Tax on profit	9	(240,507)	(32,503)
<b>Profit for the financial year</b>		<b>877,726</b>	<b>2,027,244</b>

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

The notes on pages 16 to 35 form part of these financial statements.

# Disguise Technologies Limited


Registered number: 07937973

## Statement of Financial Position As at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	10	2,295,858	1,457,372
Tangible assets	11	348,738	284,722
Investments	12	1,650	1,650
		<u>2,646,246</u>	<u>1,743,744</u>
<b>Current assets</b>			
Stocks	13	-	81,200
Debtors: amounts falling due within one year	14	4,269,659	3,248,956
Cash at bank and in hand	15	106,223	132,301
		<u>4,375,882</u>	<u>3,462,457</u>
Creditors: amounts falling due within one year	16	(2,370,083)	(1,554,628)
<b>Net current assets</b>		<u>2,005,799</u>	<u>1,907,829</u>
<b>Total assets less current liabilities</b>		<u>4,652,045</u>	<u>3,651,573</u>
Creditors: amounts falling due after more than one year	17	(19,043)	-
<b>Provisions for liabilities</b>			
Deferred tax	19	(255,855)	(214,400)
<b>Net assets</b>		<u>4,377,147</u>	<u>3,437,173</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,935	1,935
Profit and loss account	21	4,375,212	3,435,238
<b>Total equity</b>		<u>4,377,147</u>	<u>3,437,173</u>

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

17 December 2021.

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**R Sklar**  
Director

The notes on pages 16 to 35 form part of these financial statements.

# Disguise Technologies Limited

## Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	1,935	3,435,238	3,437,173
<b>Comprehensive income for the year</b>			
Profit for the year	-	877,726	877,726
<b>Total comprehensive income for the year</b>	-	877,726	877,726
<b>Contributions by and distributions to owners</b>			
Share based payment	-	62,248	62,248
<b>Total transactions with owners</b>	-	62,248	62,248
<b>At 31 December 2020</b>	<b>1,935</b>	<b>4,375,212</b>	<b>4,377,147</b>

## Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	1,935	1,463,614	1,465,549
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,027,244	2,027,244
<b>Total comprehensive income for the year</b>	-	2,027,244	2,027,244
<b>Contributions by and distributions to owners</b>			
Share based payments	-	(55,620)	(55,620)
<b>Total transactions with owners</b>	-	(55,620)	(55,620)
<b>At 31 December 2019</b>	<b>1,935</b>	<b>3,435,238</b>	<b>3,437,173</b>

The notes on pages 16 to 35 form part of these financial statements.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 1. General information

Disguise Technologies Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Strategic Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

The financial statements are prepared in GBP and rounded to the nearest £.

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of New Leaf Topco Limited as at 31 December 2020 and these financial statements may be obtained from Hermes House 88-89 Blackfriars Rd, South Bank, London, SE1 8HA.

#### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.4 Going concern

At 31 December 2020, the company had net current assets of £2,005,799 (2019: £1,907,829) of which £4,115,181 (2019: £2,653,876) related to amounts due from other group companies. The ability of the entity to meet its liabilities as they fall due is therefore linked to the going concern status of the wider group. In making their assessment of the going concern status of the company, the Directors have therefore considered the going concern status of the wider group. Further detail in respect of this is given below.

Following the acquisition of the New Leaf Topco Limited group of companies by Butterfly TopCo Limited and the creation of a new legal group of companies and injection of capital from the transaction into the group alongside a new revolving credit facility of £10,000,000 with its bank the directors conclude there is no material impact on the ultimate parent company's ability to continue as a going concern.

The directors have received confirmation from its ultimate parent company that it will provide ongoing financial support for a period of not less than 12 months in order for the Company to meet its liabilities as they fall due. As such, the going concern status of the Company is inextricably linked to the going concern status of the group. Further detail in respect of this is given below.

The directors have carried out a review of the new ultimate parent company's ability to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements. They have done so in the context of the COVID-19 pandemic and its current and potential future impact on the operational and financial performance of the business. Further detail around the risks of COVID-19 and its potential impact on going concern are addressed extensively in the directors' report.

In undertaking their review, the directors have prepared financial projections for the Butterfly TopCo Limited group of companies for a period of twelve months from the date of issue of these financial statements and into the following financial year. These projections have been sensitised based on various levels of revenue and assessed against the available cash headroom. Contingency plans for various scenarios have been considered to preserve financial resources.

Based on this review and the sensitivity analyses performed, alongside the current positive EBITDA trajectory the directors have concluded that adequate financial resources are available to ensure that the ultimate parent company can meet its obligations as they fall due for the foreseeable future and have therefore adopted the going concern basis in preparing the financial statements.

#### 2.5 Revenue

Revenue relates to management fees charged to group undertakings. Revenue is recognised over the period to which the management fees relate.

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of consideration receivable, after discounts, but excluding VAT.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.6 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

#### 2.7 Government grants

Payments received under the UK government's Coronavirus Job Retention Scheme are a form of grant. This grant money is receivable as compensation for expenses already incurred. It is recognised in income in the period in which it becomes receivable and the related expense is incurred

#### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.13 Debtors

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

#### 2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans to and from related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.17 Share based payments

##### Equity-settled

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where options are issued by one group entity for settlement in its own shares, and these options are granted to employees of a subsidiary entity, the issuing entity recognises the charge as an increase in cost of investment, while the subsidiary recognised this as a capital contribution in the Statement of Changes in Equity.

##### Cash-settled

Where cash-settled instruments are awarded to employees, the fair value of the instrument is measured at the date of grant date, and subsequently remeasured at each reporting date. The fair value is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest. Market vesting conditions are factored into the fair value of the instruments granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

#### 2.18 Pensions

##### Defined contribution pension plan

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

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

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.19 Current and deferred taxation

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

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

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

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

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

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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

In preparing these financial statements, the directors have made the following judgements:

- **Intangible assets**

Determine the point from which it is appropriate to recognise an intangible asset for development costs incurred in respect of new products. In doing so, the Directors have considered whether the various recognition criteria required by FRS 102 have been met, in particular the reliable measurement of costs directly attributable to the development, the technical feasibility of the project, the availability of the necessary resources to complete the product development, and the existence of a suitable market to buy the finished product.

- **Share-based payments charge**

***Equity-settled***

The company has legacy share options, These are fair valued at the grant date, and the resultant SBP charge spread over the expected vesting period of the instruments.

The legacy options issued were valued using the Black-Scholes model. This model requires a number of assumptions to be made including the share price at the date of the grant of the options, the volatility of the share price, expected dividend yield and the expected period to exercise.

The legacy options were issued with an exercise price of £0.01 per share. This is significantly lower than the share price of the Company at the date of grant. Therefore the key judgement in the calculation was the share price. All other factors had no bearing on the option price.

Management calculated a share price of £0.15 per share at the date of the latest grant with input from an expert. The directors are satisfied that the share price is reasonable, taking into consideration the EBITDA performance and the resultant expected enterprise value of the Company, based on benchmarking of the earnings ratio to comparable companies in the sector.

In addition, for both types of share-based payment, the total anticipated share based payment charge is spread over the vesting period of the instruments. For those instruments that had not vested at the year end, management has made an assessment of the expected timing of the vesting date.

***Cash-settled***

The company has granted cash-settled shared-based payments in the year. These are fair-valued at each period end, and the resultant expected SBP charge spread over the expected vesting period of the instruments.

The value of each instrument is intrinsically linked to the residual enterprise value of an E share upon an exit event. Management calculated a fair value of £7.54 per instrument, using the same method as described above for calculating the expected enterprise value of the entity.

***Vesting period***

The vesting date is the point at which there is an exit event (i.e. a sale or listing of the Company). The directors have assessed the relevant vesting period, based on information available at the balance sheet date. Their assumption was that of an exit event at the end of February 2021.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 4. Turnover

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

All turnover arose within the United Kingdom in the current and prior year.

### 5. Other operating income

	2020 £	2019 £
Government furlough income receivable	164,289	-

### 6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	662,591	632,742
Depreciation of tangible fixed assets	173,250	47,261
Amortisation of intangible assets	453,491	62,195
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4,000	2,200
Exchange differences	39,785	1,611

### 7. Employees

	2020 £	2019 £
Wages and salaries	3,909,810	3,147,458
Social security costs	419,498	376,891
Cost of defined contribution scheme	99,371	71,781

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

	2020 No.	2019 No.
Employees	78	58

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 8. Directors' remuneration

Directors were remunerated by another group company in the current and prior year.

### 9. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	(113,532)	(183,001)
Adjustments in respect of previous periods	312,584	5,808
<b>Total current tax</b>	<u>199,052</u>	<u>(177,193)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	73,253	270,497
Adjustments in respect of previous periods	(51,019)	(60,801)
Effect of tax rate change on opening balance	19,221	-
<b>Total deferred tax</b>	<u>41,455</u>	<u>209,696</u>
<b>Taxation on profit on ordinary activities</b>	<u>240,507</u>	<u>32,503</u>

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 9. Taxation (continued)

#### Factors affecting tax credit for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19.0% (2019 - 19.0%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,118,233	2,059,747
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2019 - 19.0%)	212,464	391,352
<b>Effects of:</b>		
Expenses not deductible for tax purposes	11,400	10,879
Adjustments to tax charge in respect of prior periods	312,584	5,808
Adjustments to deferred tax charge in respect of previous periods	(51,019)	(60,801)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(354,061)	(339,706)
Surrender of tax losses for R&D tax credit	35,234	56,793
Change in tax rates	18,865	(31,822)
Share based payments	55,040	-
<b>Total tax charge for the year</b>	<b>240,507</b>	<b>32,503</b>

#### Factors that may affect future tax charges

The UK government announced on 3 March 2021 that the government are intending to increase the corporation tax rate from 19% to 25% from April 2023. As this rate was not substantively enacted at the Statement of Financial Position date it has not been used to calculate the deferred tax balances.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 10. Intangible assets

	Development expenditure £
<b>Cost</b>	
At 1 January 2020	1,519,567
Additions	1,378,352
Transfer to tangible assets	(86,375)
At 31 December 2020	<u>2,811,544</u>
<b>Amortisation</b>	
At 1 January 2020	62,195
Charge for the year	453,491
At 31 December 2020	<u>515,686</u>
<b>Net book value</b>	
At 31 December 2020	<u>2,295,858</u>
At 31 December 2019	<u>1,457,372</u>

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 11. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2020	8,068	362,390	370,458
Additions	11,200	139,691	150,891
Transfer from intangible assets	-	86,375	86,375
At 31 December 2020	<u>19,268</u>	<u>588,456</u>	<u>607,724</u>
<b>Depreciation</b>			
At 1 January 2020	4,726	81,010	85,736
Charge for the year	3,555	169,695	173,250
At 31 December 2020	<u>8,281</u>	<u>250,705</u>	<u>258,986</u>
<b>Net book value</b>			
At 31 December 2020	<u>10,987</u>	<u>337,751</u>	<u>348,738</u>
At 31 December 2019	<u>3,342</u>	<u>281,380</u>	<u>284,722</u>

#### Finance leases

The net book value of assets held under finance lease at 31 December 2020 was £52,369 (2019 - £83,314).

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 12. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost and net book value</b>	
At 1 January 2020	1,650
At 31 December 2020	<u>1,650</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Disguise Systems Limited	Hermes House, 88-89 Blackfriars Rd, South Bank, London, SE1 8HA	Ordinary	100%
Disguise Systems (APAC) Limited	Workshop D2, 26th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong	Ordinary	100%
Disguise Systems Inc	421 Colyton Street, #1R, Los Angeles, CA 90013	Ordinary	100%
Disguise Systems (China) Limited	Room 103, 6/F WeWork, The Konnect, 118 South Yunnan Road, Huangpu District, Shanghai, China	Ordinary	100%
Disguise EMEA Limited	Hermes House, 88-89 Blackfriars Rd, South Bank, London, SE1 8HA	Ordinary	100%
Disguise Spain Sociedad Limitada	Paseo Recoletos 37 Planta 128004 Madrid, Spain	Ordinary	100%

Disguise Systems Limited is the only subsidiary undertaking held directly.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 13. Stocks

	2020 £	2019 £
Finished goods and goods for resale	-	81,200

There is no material difference between the replacement cost of stocks and the amounts stated above.

### 14. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	4,115,181	2,653,876
Other debtors	63,522	80,433
Prepayments and accrued income	90,956	77,372
Tax recoverable	-	437,275
	<u>4,269,659</u>	<u>3,248,956</u>

All amounts shown under debtors fall due for payment within one year.

The amounts owed by group undertakings are interest-free and repayable on demand.

### 15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>106,223</u>	<u>132,301</u>

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	218,531	360,404
Amounts owed to group undertakings	856,712	809,425
Corporation tax	186,385	-
Other taxation and social security	401,950	124,293
Obligations under finance leases	18,129	-
Other creditors	66,841	18,839
Accruals and deferred income	621,535	241,667
	<u>2,370,083</u>	<u>1,554,628</u>

The amounts owed to group undertakings are interest-free and repayable on demand.

Obligations under finance leases are secured on the assets to which they relate.

### 17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Obligations under finance leases	<u>19,043</u>	<u>-</u>

Obligations under finance leases are secured on the assets to which they relate.

### 18. Finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	18,129	-
Between 1-5 years	19,043	-
	<u>37,172</u>	<u>-</u>

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 19. Deferred taxation

	2020 £	2019 £
At beginning of year	(214,400)	(4,704)
Charged to profit or loss	(41,455)	(209,696)
<b>At end of year</b>	<b>(255,855)</b>	<b>(214,400)</b>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	341,155	271,978
Short term timing differences	(85,300)	(57,578)
	<b>255,855</b>	<b>214,400</b>

### 20. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1,800 (2019 - 1,800) Ordinary shares of £1.00 each	1,800	1,800
9,677 (2019 - 9,677) A Ordinary shares of £0.01 each	97	97
3,840 (2019 - 3,840) B Ordinary shares of £0.01 each	38	38
	<b>1,935</b>	<b>1,935</b>

Rights attached to the current shares in issue are as follows:

All shares confer voting rights.

All shares enable the holder to participate in dividends.

All shares enable the holder to participate in capital distribution.

All shares are non-redeemable.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 21. Reserves

The Company's reserves are as follows:

#### Share capital

Share capital represents the nominal value of shares issued.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £99,371 (2019 - £71,781). Contributions totalling £66,841 (2019 - £18,839) were payable to the fund at the reporting date and are included in other creditors.

### 23. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	32,865	1,490
Later than 1 year and not later than 5 years	62,734	130
	<u>95,599</u>	<u>1,620</u>

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 24. Share based payments

#### *Equity-settled*

During the period ended 31 December 2020 the Company issued no equity settled share options over classes D2 and E shares to employees of the Group. The legacy options issued in previous years are exercisable upon an exit event and therefore there is no defined vesting date for the share options. The directors have estimated the vesting date as set out within note 3. The valuation of share options was determined using the Black Scholes model.

#### *Cash-settled*

During the periods ended 31 December 2019 and 31 December 2020 the Company issued cash settled share based payment instruments. These are exercisable upon an exit event and therefore there is no defined vesting date for the instruments. The directors have estimated the vesting date as set out within note 3. The valuation of the instruments was determined using the Black Scholes model.

The share-based remuneration expense comprises:

	2020	2019
	£	£
Cash-settled schemes	305,629	17,820
Equity-settled schemes	274,945	212,697
	<u>580,574</u>	<u>230,517</u>

### 25. Related party transactions

The company is a wholly owned subsidiary of New Leaf Topco Limited and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with wholly owned group members.

### 26. Post balance sheet events

Since 31 December 2020, the Company has had a change in the Ultimate Controlling Party with Butterfly TopCo Limited taking a controlling interest on 3 March 2021, in the New Leaf TopCo Limited group of companies.

In preparing these financial statements, the directors consider the ultimate change in controlling party to be a non-adjusting post balance sheet event, on the basis that the conditions did not exist at the balance sheet date.

On completion of Butterfly TopCo Limited taking a controlling interest in the New Leaf TopCo Limited group of companies the long term liabilities of the group were settled including the revolving credit facility in situ prior to the transaction, cash settled share base payments and convertible loan notes issued prior to the transaction.

# Disguise Technologies Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 27. Controlling party

The immediate parent undertaking at the balance sheet date was New Leaf BidCo Limited, incorporated in England and Wales, whose registered office is Hermes House 88-89 Blackfriars Rd, South Bank, London, SE1 8HA. The ultimate parent company was New Leaf Topco Limited at the balance sheet date, a company incorporated in England and Wales, whose registered office is Hermes House 88-89 Blackfriars Rd, South Bank, London, SE1 8HA.

The largest and smallest group in which the results of the Company are consolidated was that headed by New Leaf Topco Limited. The consolidated financial statements of New Leaf Topco Limited are available to the public and may be obtained from Hermes House 88-89 Blackfriars Rd, South Bank, London, SE1, 8HA.

There was no ultimate controlling party at the reporting date.

A change in the ultimate parent company post year end is set out in note 26.