REGISTERED NUMBER: 07982374 (England and Wales)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

FOR

MEDALLIA LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 January 2023

COMPANY INFORMATION
for the Year Ended 31 January 2023

DIRECTORS:	H Steinbach D Madden
SECRETARY:	Oakwood Corporate Secretary Limited
REGISTERED OFFICE:	3rd Floor 1 Ashley Road Altrincham Cheshire WA14 2DT
REGISTERED NUMBER:	07982374 (England and Wales)
AUDITORS:	Ernst & Young LLP, Statutory Auditor R+ Building 2 Blagrave Street Reading RG1 1AZ United Kingdom

GROUP STRATEGIC REPORT
for the Year Ended 31 January 2023

The directors present their strategic report of the company and the group for the year ended 31 January 2023.

PRINCIPAL ACTIVITY

For the year 1 February 2022 to 31 January 2023 Medallia Limited's principal activity was the provision of Sales, Marketing and customer activities on behalf Medallia Inc.

REVIEW OF BUSINESS
The financial period ended 31 January 2023 was the tenth full year of trading for Medallia Limited. Refer to page 3 for further information on the key performance indicators of the company and group.

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and execution of the group's strategy are subject to a number of risks. The key business and financial risks and uncertainties affecting the group are continually monitored by the directors and appropriate steps are taken to eliminate or reduce their impact. The following risks are significant to the group's operations:

- SLA (Service Level Agreement) breach. The group could suffer integrity and financial loss, should a significant SLA breach or period of downtime occur. The directors believe that the procedures and measures in place that are enforced mitigate the risks of an outage occurring wherever possible.

- Competitive Risks. The group faces competitive risk from large multi-nationals entering into the market providing "loss leader" services. The directors believe that the brand is very strong, and continued investment in sales and marketing activity will continue to strengthen existing and new customer relationships.

- Legislative Risks. The group faces a legislative risk in certain countries around the security and physical location of electronic data. These legislative standards are subject to continuous revision and any new directive could have a material impact on the ability of the group to supply services at a profit. A further risk is geo political risk, including but not limited to events such as Brexit. The directors are confident that current security measures are robust but also continue to appraise additional regional datacentre resources to meet the demand and expectations of our customers.

- Cyber Security Risks. Cyber-attacks and other malicious internet-based activity continue to occur, with cloud based services targeted in the past. The directors are confident that the procedures designed and implemented by the group are appropriate to mitigate the risk of this occurring.

- Inflation. Global market pressures have seen interest rates increase globally. This has created a challenging labour market which the directors are continually reviewing due to the group's mix of expenses weighted towards its workforce.

FINANCIAL KEY PERFORMANCE INDICATORS
The financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the requirements of the Companies Act 2006.

Key financial and other performance indicators during the year were as follows:

	2023	2022	Change
	£'000	£'000	%
Turnover	50,234	50,011	0.4
Operating cost	(28,029)	(24,359)	15
Current assets compared to current liabilities (quick ratio)	7.31	5.89	24
Average number of employees	190	204	(7)

GROUP STRATEGIC REPORT
for the Year Ended 31 January 2023

OTHER KEY PERFORMANCE INDICATORS

Turnover increased by 0.4% during the year due to the mark up on cost-plus activities attributed to the extra investment made by the group.

FY23 saw the staffing mix of Medallia Limited change with a reduction of sales and marketing employees and a growth in the operational workforce. In FY23 operating costs increased by 16% which was principally driven by the mentioned growth in the operational staff.

The group's quick ratio (current assets as a percentage of current liabilities) has increased primarily due to an increase in debtors by 20% while current liabilities fell by 13%.

The total average number of employees fell by 7% during the year. This was largely attributable to a reduction in the sales and marketing headcount of 25% but offset by a growth of operational and admin staff by 17% and 11% respectively. The aim of this change in investment was to consolidate and drive the revenue growth across the group, whilst also making sure resources are readily available to accommodate the scalability.

SECTION 172 (1) STATEMENT

This section describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) Companies Act 2006 in exercising their duty to promote the success of the group for the benefit of its members as a whole, for the year ended 31 January 2023.

During the period the group was a direct subsidiary of Medallia, Inc., but on 11 January 2023 ownership was transferred to Medallia Holdings, LLC, another direct subsidiary of Medallia, Inc.. The company's key stakeholders are its main customer, Medallia, Inc., related Medallia, Inc. subsidiaries and the stakeholder groups.

Customers

Why is it important to engage and what matters to them?		Medallia has made the commitment to help its customers improve and grow through superior customer service; if we do not fulfil this expectation the brand will be eroded, and market share will be lost.	
How management and/or directors engaged and what was the impact of the engagement?		Medallia's core business is providing real-time customer data, insights, and tools to improve customer experiences. We use our own software to review customer feedback, net promoter scores and complaints data. Successfully engaging with customers using the information gathered has led to increased customer satisfaction, competitive advantage, and revenue growth.	

Suppliers

Why is it important to engage and what matters to them?		The company's suppliers are fundamental to ensuring Medallia meets the high standards of conduct that customers and other key stakeholders expect. Medallia uses 3rd party contractors who support product implementations or managed services, in these cases they are representing the brand and enabling the company to run uninterrupted	
How management and/or directors engaged and what was the impact of the engagement?		Medallia has a centralized procurement function that helps manage the supplier relationships and ensures all needed agreements are in place and adhered to.	

GROUP STRATEGIC REPORT
for the Year Ended 31 January 2023

SECTION 172(1) STATEMENT (continued)

Workforce

Why is it important to engage and what matters to them?	The company's long-term success is predicated on the commitment of the workforce to our mission and purpose. The knowledge and skills of our workforce have been built over time to best suit our customers, it is key for Medallia to retain this as our workforce needs to be adaptive as we scale and grow. Engaging with the workforce is essential to ensure that the company fosters an environment that the workforce is motivated to work in and that best supports their wellbeing.
How management and/or directors engaged and what was the impact of the engagement?	We are committed to a respectful, rewarding, diverse and inclusive work environment that allows our team members to develop and grow with Medallia. To act on that commitment, we structure our human capital management objectives around four pillars: Hire, Retain, Invest and Experience. Voice of Medallia is a yearly employee survey that asks the workforce multiple questions on a wide range of subjects. The results are used by management to assess if the needs of the workforce are being adequately met.

Shareholders

Why is it important to engage and what matters to them?	As the Board of directors, our intention is to behave responsibly towards our shareholder, Medallia Inc. This is important to ensure continued access to capital, develop a long-term relationship and will aid the creation of value.
How management and/or directors engaged and what was the impact of the engagement?	The directors of the company are also group C-suite executives which ensures that corporate objectives and initiatives can be implemented and adapted to Medallia Limited. The company also provides monthly financial performance results to the Group commercial and finance functions for review and consolidation. This review by the Group team allows challenges to be made and actions taken where necessary for management implementation.

ON BEHALF OF THE BOARD:

Daniel Madden (May 22, 2024 09:13 PDT)
....
D Madden - Director

Date: May 22, 2024

REPORT OF THE DIRECTORS
for the Year Ended 31 January 2023

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2023.

DIVIDENDS
The profit for the year, after taxation, amounted to £255k (2022: £2,993k).

The directors do not recommend the payment of a dividend (2022: £nil)

FUTURE DEVELOPMENTS
The directors aim to maintain the revenue growth the company has historically seen with the overall development of the wider Medallia Group. Following the group being taken private in October 2021 and managed by Thoma Bravo, a leading software investment firm, the directors are confident that investment in key areas of the business will deliver increased growth and open up new opportunities while leveraging Thoma Bravo's operating capabilities, capital support and sector expertise.

EVENTS SINCE THE END OF THE YEAR
As set out in note 25 to the financial statements, the following non-adjusting events have occurred since 31 January 2023:

- on 23 January 2024, a notice to strike off the subsidiary of Medallia Limited, Crowdicity Limited, was lodged. The date of dissolution of the subsidiary is 30 April 2024.

DIRECTORS
The directors who held office during the period were as follows:

R M Oulman	(resigned 31 May 2022)
K J Furlong	(resigned 31 May 2022)
L M Danko	(appointed 31 May 2022 and resigned 15 May 2023)
H Steinbach	(appointed 31 May 2022)

The following directors were appointed after the year end:

D Madden	(appointed 31 May 2023)

POLITICAL DONATIONS AND EXPENDITURE
The group made no political charitable contributions during the year (2022: nil).

BRANCHES OUTSIDE THE UNITED KINGDOM
Medallia Limited currently has 3 branches (2022: 5) in operation across the following locations: Sweden, Austria, Hong Kong.

REPORT OF THE DIRECTORS
for the Year Ended 31 January 2023

GOING CONCERN

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The group has net current assets of £24,916k (2022: £22,177k) as set out in the Statement of Financial Position on page 14.

In assessing whether the going concern basis is appropriate, the directors take into account all available information about the future including financial forecasts up until 12 months from the date of the signing of these financial statements. The directors have performed this review at a company level and have also performed a review for the entire group including considering and the impact of inflationary pressures have concluded that it does not impact the going concern of the business and the Directors are satisfied that Medallia Holdings, LLC., as immediate parent company, and Medallia Inc. as controlling party has sufficient ability to fulfil its obligations under the parental support arrangement based on the available resources and continued strong performance during and since the pandemic.

In making this conclusion, the directors have considered the letter of support the company and group received from Medallia Inc. confirming that it will provide financial support as needed for a period of twelve months from the date of approval of these financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future due to the ongoing financial results of the ultimate parent company. The directors considered that Medallia Inc. had significant cash and cash equivalents, has no significant debt maturities until 2025 and has available undrawn facilities should these be required.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of signing these accounts. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

DIRECTORS INDEMNITIES

The group has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report, subject to the conditions set out in the Companies Act 2006.

STREAMLINED ENERGY AND CARBON REPORTING

Medallia understands the current challenges facing the world and is committed to ensuring environmental compliance to support in improved transparency in the global emissions reporting so that we can better understand and solve the problems we face.

We have reported on all sources of GHG emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Re ports) Regulations 2008 as amended.

The carbon emissions figures are calculated in accordance with the Greenhouse Gas (GHG) Protocol and outputs are in tCO2e using the 2022 conversion factors from the Department of Business, Energy & Industrial Strategy (BEIS).

Our energy consumption data reported covers our Scope 1-3 emissions. Electricity data was collected from the premises operators. Our Scope 3 emissions were estimated and cover transport emissions through personal car mileage data. We have used tonnes of CO2e per £1m of revenue to normalize our emissions.

CO2 Emmissions (tCO2e)

	Year ended 31 January 2023 (FY23)	Year ended 31 January 2022 (FY22)
Emissions from combustion of gas (Scope 1)	7	-
Emissions from combustion of fuel for transport purposes (Scope 1)	-	-
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2)	194	152.37
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	2.4	5.07
Total gross CO2e based on above	**203.5**	**157.44**

REPORT OF THE DIRECTORS
for the Year Ended 31 January 2023

Energy consumption used to calculate emissions - MWh	1,042	738
Intensity Ratio - tCO2e per £m revenue	**4.05**	**3.28**

Energy (MWh)	Electricity	Transport	Total
FY23	994	48	1,042
FY22	717	21	738

Medallia is committed to identifying, implementing, and managing more energy-efficient policies across our operations where possible. With the closing of the Cheapside office spaces a change in employee behaviour has been encouraged so that more meetings are done virtually which will help eliminate unnecessary travel for both internal and external meetings.

DISCLOSURE IN THE STRATEGIC REPORT
In accordance with section 414C (11) of the Companies Act 2006, the directors have opted to include the following areas of importance in their strategic report:

- Business review
- Principal risks and uncertainties

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the group and parent company financial statements in accordance with Financial Reporting Standard FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 group and the company and of the profit or loss of the group and the company for that period.

In preparing the financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company's financial position and financial performance;
- in respect of the group and parent company financial statements, state whether FRS 102 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/or the group will not continue in business.

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

REPORT OF THE DIRECTORS
for the Year Ended 31 January 2023

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Ernst & Young LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

Daniel Madden (May 22, 2024 09:13 PDT)

D Madden - Director

Date: May 22, 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDALLIA LIMITED

Opinion

We have audited the financial statements of Medallia Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 January 2023 which comprise the group income statement, group statement of other comprehensive income, group and parent company balance sheet, group cash flow statement, the group and parent company statement of changes in equity and the related notes 1 to 28, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 January 2023 and of the group's 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.

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 are independent of the group 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group and parent company's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 set out on page 7, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006) and the relevant tax compliance regulations, principally relating to those issued by HMRC.

- We understood how Medallia Limited is complying with those frameworks by making enquiries with management and of those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of Board minutes, by understanding the entity level controls in place and through inspection of supporting evidence.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered the risk of management override to be. We also understood the related parties and transactions with these and considered where the significant judgements and estimates are in the financial statements as well as the overall programmes in place to address the risks identified, or that otherwise prevent, deter and detect fraud and how management monitors these programmes and controls.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reviewing the minutes of the directors' meetings and performing enquiries with management, testing journal entries with a focus on manual journals or unusual transactions based on our understanding of the business, as well as examining the transactions in the year.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

KAllen

Kate Allen (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

Date: 24 May 2024

CONSOLIDATED
INCOME STATEMENT
for the Year Ended 31 January 2023

	Notes	31.1.23 £'000	31.1.22 £'000
TURNOVER	4	50,234	50,011
Cost of sales		(20,411)	(25,782)
GROSS PROFIT		29,823	24,229
Administrative expenses		(28,029)	(24,359)
Onerous lease expense	8	(1,269)	-
		525	(130)
Other operating income		503	3,990
OPERATING PROFIT	7	1,028	3,860
Interest payable and similar expenses	9	(228)	(228)
PROFIT BEFORE TAXATION		800	3,632
Tax on profit	10	(545)	(639)
PROFIT FOR THE FINANCIAL YEAR		255	2,993
Profit attributable to:			
Owners of the parent		255	2,993

The above results were derived from continuing operations. The Group has no recognised gains or losses for the year other than the results above.

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
for the Year Ended 31 January 2023

	Notes	31.1.23 £'000	31.1.22 £'000
PROFIT FOR THE YEAR		255	2,993
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		255	2,993
Total comprehensive income attributable to:			
Owners of the parent		255	2,993

The notes form part of these financial statements

MEDALLIA LIMITED (REGISTERED NUMBER: 07982374)

CONSOLIDATED BALANCE SHEET
31 January 2023

	Notes	31.1.23 £'000	31.1.23 £'000	31.1.22 £'000	31.1.22 £'000
FIXED ASSETS					
Intangible assets	12		36		-
Tangible assets	13		1,515		2,665
Investments	14		68		68
			1,619		2,733
CURRENT ASSETS					
Debtors	15	27,585		22,983	
Cash at bank		1,279		3,729	
		28,864		26,712	
CREDITORS					
Amounts falling due within one year	16	3,948		4,535	
NET CURRENT ASSETS			24,916		22,177
TOTAL ASSETS LESS CURRENT LIABILITIES			26,535		24,910
CREDITORS					
Amounts falling due after more than one year	17		(11,690)		(11,919)
PROVISIONS FOR LIABILITIES	20		(2,016)		(904)
NET ASSETS			12,829		12,087
CAPITAL AND RESERVES					
Called up share capital	21		-		-
Share option reserve	22		487		-
Retained earnings	22		12,342		12,087
SHAREHOLDERS' FUNDS			12,829		12,087

The financial statements were approved by the Board of Directors and authorised for issue on May 17, 2024 .... and were signed on its behalf by:

Daniel Madden (May 22, 2024 09:13 PDT)
....

D Madden - Director

The notes form part of these financial statements

MEDALLIA LIMITED (REGISTERED NUMBER: 07982374)

COMPANY BALANCE SHEET
31 January 2023

	Notes	31.1.23 £'000	31.1.23 £'000	31.1.22 £'000	31.1.22 £'000
FIXED ASSETS					
Intangible assets	12		36		-
Tangible assets	13		1,515		2,665
Investments	14		2,835		2,768
			4,386		5,433
CURRENT ASSETS					
Debtors	15	25,749		21,119	
Cash at bank		348		2,850	
		26,097		23,969	
CREDITORS					
Amounts falling due within one year	16	3,948		4,492	
NET CURRENT ASSETS			22,149		19,477
TOTAL ASSETS LESS CURRENT LIABILITIES			26,535		24,910
CREDITORS					
Amounts falling due after more than one year	17		(11,690)		(11,919)
PROVISIONS FOR LIABILITIES	20		(2,016)		(904)
NET ASSETS			12,829		12,087
CAPITAL AND RESERVES					
Called up share capital	21		-		-
Share option reserve	22		487		-
Retained earnings	22		12,342		12,087
SHAREHOLDERS' FUNDS			12,829		12,087
Company's profit for the financial year			255		944

The financial statements were approved by the Board of Directors and authorised for issue on May 17, 2024 and were signed on its behalf by:

Daniel Madden (May 22, 2024 09:13 PDT)

D Madden - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 January 2023

	Called up share capital £'000	Retained earnings £'000	Share option reserve £'000	Total equity £'000
Balance at 1 February 2021	-	(2,576)	8,690	6,114
Changes in equity				
Total comprehensive income	-	2,993	-	2,993
Share option charge	-	-	2,980	2,980
Transfer of share option reserve	-	11,670	(11,670)	-
Balance at 31 January 2022	-	12,087	-	12,087
Changes in equity				
Total comprehensive income	-	255	-	255
Share option charge	-	-	487	487
Balance at 31 January 2023	-	12,342	487	12,829

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 January 2023

	Called up share capital £'000	Retained earnings £'000	Share option reserve £'000	Total equity £'000
Balance at 1 February 2021	-	(139)	8,451	8,312
Changes in equity				
Total comprehensive income	-	944	-	944
Share option charge	-	-	2,831	2,831
Transfer of share option reserve	-	11,282	(11,282)	-
Balance at 31 January 2022	-	12,087	-	12,087
Changes in equity				
Total comprehensive income	-	255	-	255
Share option charge	-	-	487	487
Balance at 31 January 2023	-	12,342	487	12,829

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 January 2023

	Notes	31.1.23 £'000	31.1.22 £'000
Cash flows from operating activities			
Cash generated from operations	28	(1,093)	3,380
Interest paid		(228)	(228)
Tax paid		(47)	(303)
Net cash from operating activities		(1,368)	2,849
Cash flows from investing activities			
Purchase of intangible fixed assets		(40)	-
Purchase of tangible fixed assets		(1,042)	(408)
Sale of tangible fixed assets		-	34
Net cash from investing activities		(1,082)	(374)
(Decrease)/increase in cash and cash equivalents		(2,450)	2,475
Cash and cash equivalents at beginning of year		3,729	1,254
Cash and cash equivalents at end of year		1,279	3,729

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 January 2023

1. STATUTORY INFORMATION

Medallia Limited ('the Company') is a private company incorporated and domiciled in the United Kingdom and registered in England. The Company is limited by Shares and the Company's registered number and registered office address can be found on the General Information page.

The Company and its subsidiaries (together 'the Group') provide Sales, Marketing and customer activities on behalf of the Medallia Group.

The functional and presentational currency of the financial statements is the Pound Sterling (£) and unless where otherwise stated, have been presented in thousands (£'000).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. All subsidiaries have accounting years ended 31 January and apply consistent accounting policies for the purpose of the consolidated financial statements. Subsidiary undertakings are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through the Group's power to direct the activities of the entity. All intercompany accounts and transactions are eliminated on consolidation.

Going concern
The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The group has net current assets of £24,916k (2022: £22,177k) as set out in the Statement of Financial Position on page 14.

In assessing whether the going concern basis is appropriate, the directors take into account all available information about the future including financial forecasts up until 12 months from the date of the signing of these financial statements. The directors have performed this review at a company level and have also performed a review for the entire group including considering the impact of COVID-19 and have concluded that it does not impact the going concern of the business and the Directors are satisfied that Medallia Inc., as immediate parent company, has sufficient ability to fulfil its obligations under the parental support arrangement based on the available resources and continued strong performance during the pandemic.

In making this conclusion, the directors have considered the letter of support the company and group received from Medallia Inc. confirming that it will provide financial support as needed for a period of twelve months from the date of approval of these financial statements. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future due to the ongoing financial results of the immediate parent company. The directors considered that Medallia Inc. had significant cash and cash equivalents as well as marketable securities, has no significant debt maturities until 2025 and has available undrawn facilities should these be required.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of signing these accounts. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Principal accounting policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover
Turnover represents the amounts, excluding value added tax, derived from the provision of services to Medallia Inc.

Turnover represents amounts equal to the value of certain direct and indirect costs plus a mark-up of either 5% or 7% and is recognised as costs are incurred.

Goodwill
Goodwill on consolidation is recognised on historic cost. Goodwill on consolidation is subject to annual impairment review and any impairment to be recognised is taken to profit and loss.

Goodwill recognised on subsidiary companies is amortised over its expected useful life which is estimated to be 3 years.

Tangible fixed assets
Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	
Improvements to property	- over remaining term of lease
Plant and machinery	- 33% on cost

Investments in subsidiaries
Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Financial instruments
Basic financial instruments as covered by Section 11 of FRS102 are measured at amortised cost. The group does not have any other financial instruments as covered by Section 12 of FRS102.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

 continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Borrowing

Interest-bearing borrowings are initially recorded at fair value; net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

continued...

2. **ACCOUNTING POLICIES - continued**

Leases

The Company as a lessee

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

The Company as lessor

Rental income from operating leases is recognised 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 recognised on a straight-line basis over.the lease term.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

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 obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are show in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Statement of cash flow

The cash flow statement is presented using the indirect method.

continued...

2. **ACCOUNTING POLICIES - continued**

Share based payments
During the period there was a share option programme that allowed employees of the company to participate in the Medallia Parent, LP Incentive Equity Plan under which Calls B equity appreciation rights are awarded. As the company itself has no obligation, it measures the services of these employees as an equity-settled share-based payment transaction.

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

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

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

There were no key sources of estimation uncertainty or critical accounting judgements made by the directors in preparing these financial statements.

4. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.1.23	31.1.22
	£'000	£'000
United Kingdom	50,234	50,011
	50,234	50,011

5. **EMPLOYEES AND DIRECTORS**

	31.1.23	31.1.22
	£'000	£'000
Wages and salaries	31,144	29,591
Social security costs	3,698	3,403
Other pension costs	903	918
	35,745	33,912

continued...

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	Group		Company	
	31.1.23	31.1.22	31.1.23	31.1.22
Sales and marketing	80	112	80	101
Operations	90	75	90	75
Administration	20	17	20	17
	190	204	190	193

Included within wages and salaries is £487k (2022: £2,980k) relating to the share based charge in the year.

Medallia Limited has a Group Personal Pension Scheme (a defined contribution scheme) and makes a contribution up to 5% (2022: 5%) of the employee's basic annual salary to the scheme. For employees to obtain the 5% contribution from the employer they must join the scheme and contribute a minimum 5% of basic annual salary.

6. DIRECTORS' EMOLUMENTS

	31.1.23	31.1.22
	£	£
Directors' remuneration	-	-
Company contributions to defined contribution pension schemes	-	-

Director's remuneration in respect of the services provided by two of the directors for the year ended 31 January 2023 has been borne by other group companies. The directors are also the directors of other companies within the Medallia Group and the services supplied to the company do not occupy a significant amount of their time. As such, for these directors, Medallia Limited do not consider they received any remuneration for their incidental services to the company for the year ended 31 January 2023 (2022:nil).

7. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.1.23	31.1.22
	£'000	£'000
Operating leases	1,409	1,439
Sublease income	(503)	-
Depreciation - owned assets	1,523	1,655
Loss/(gain) on disposal of plant and machinery	-	34
Goodwill amortisation	-	2,700
Patents and licences amortisation	4	-
Auditor's remuneration	50	64
Foreign exchange differences	1,058	(120)
Share based payments	487	2,980
Impairment charge - Tangible fixed assets	669	(44)

8. EXCEPTIONAL ITEMS & OTHER INCOME

	31.1.23	31.1.22
	£'000	£'000
Other income	503	3,990
Onerous lease expense	(1,269)	-
	(1,269)	3,990

continued...

8. EXCEPTIONAL ITEMS & OTHER LOSSES - continued

The exceptional item in the prior year relates entirely to the sale of trade and assets and internally generated IP during the year to Medallia Inc., a group company. This as well as the sublease income relating to the 5th floor of the Cheapside office is included in other operating income within the income statement.

The onerous lease expense relates to a provision being made due to a reduced need for office space, having previously entered into an operating lease. Further information regarding the lease details are set out in notes 19 and 20.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.1.23	31.1.22
	£'000	£'000
Interest payable on amounts owed to group undertakings	210	187
Loan	18	41
	228	228

10. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	31.1.23	31.1.22
	£'000	£'000
Current tax:		
UK corporation tax	-	75
UK corporation tax adjustment to prior periods	(75)	-
Deferred tax	620	564
Tax on profit	545	639

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.1.23	31.1.22
	£'000	£'000
Profit before tax	800	3,632
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	152	675
Effects of:		
Expenses not deductible for tax purposes	178	1,111
Income not taxable for tax purposes	(51)	(239)
Utilisation of tax losses	(396)	(754)
Adjustments in respect of prior periods	699	153
Tax rate changes	(37)	(244)
Share option charge	-	(63)
Total tax charge	545	639

continued...

10. TAXATION - continued

Factors that may affect future tax charges
The Company's deferred tax liabilities have been valued based on the tax rates that are expected to apply in the period in which underlying timing differences are predicted to reverse. The main rate of UK Corporate tax was increased from 19% to 25% effective from April 2023.

Deferred tax asset/(liabilities):

	31.1.23	31.1.22
	£'000	£'000
Provision at start of period	1,017	1,581
Adjustment in respect of prior years	(773)	(152)
Deferred tax charge to income statement for the period	153	(412)
Provision at end of period	397	1,017

	31.1.23	31.1.22
	£'000	£'000
Fixed asset timing differences	252	151
Short term timing differences	143	131
Losses	2	735
	397	1,017

11. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Patents and licences	Totals
	£'000	£'000	£'000
COST			
At 1 February 2022	8,490	47	8,537
Additions	-	40	40
At 31 January 2023	8,490	87	8,577
AMORTISATION			
At 1 February 2022	8,490	47	8,537
Amortisation for year	-	4	4
At 31 January 2023	8,490	51	8,541
NET BOOK VALUE			
At 31 January 2023	-	36	36
At 31 January 2022	-	-	-

continued...

12. **INTANGIBLE FIXED ASSETS - continued**

Company

	Patents and licences £'000
COST	
At 1 February 2022	47
Additions	40
At 31 January 2023	87
AMORTISATION	
At 1 February 2022	47
Amortisation for year	4
At 31 January 2023	51
NET BOOK VALUE	
At 31 January 2023	36
At 31 January 2022	-

13. **TANGIBLE FIXED ASSETS**

Group and Company

	Improvements to property £'000	Plant and machinery £'000	Totals £'000
COST			
At 1 February 2022	1,385	8,194	9,579
Additions	-	1,042	1,042
Impairments	(655)	(14)	(669)
At 31 January 2023	730	9,222	9,952
DEPRECIATION			
At 1 February 2022	561	6,353	6,914
Charge for year	167	1,356	1,523
At 31 January 2023	728	7,709	8,437
NET BOOK VALUE			
At 31 January 2023	2	1,513	1,515
At 31 January 2022	824	1,841	2,665

As the need for office space was no longer needed as set out in note 20, the assets associated with 4th Floor of Cheapside office no longer had use and an impairment was recognised for these assets.

continued...

14. FIXED ASSET INVESTMENTS

Group

	Shares in group undertakings £'000
COST	
At 1 February 2022 and 31 January 2023	68
NET BOOK VALUE	
At 31 January 2023	68
At 31 January 2022	68

Company

	Shares in group undertakings £'000
COST	
At 1 February 2022	12,361
Impairments	(9,526)
At 31 January 2023	2,835
NET BOOK VALUE	
At 31 January 2023	2,835
At 31 January 2022	2,768

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Medallia SA
Registered office: 1' tower, 4th Floor, Office A, Buenos Aires, Argentina
Nature of business:

Class of shares:	% holding
Ordinary shares	10.00

MEDACX, S. de R.L de C.V
Registered office: 111, Piso 1, 11560 Distrito, Federal CP, Mexico
Nature of business:

Class of shares:	% holding
Ordinary shares	10.00

Crowdicity
Registered office: 3rd Floor, 1 Ashley Road, Altrincham, Chesire, United Kingdom, WA14 2DT
Nature of business:

Class of shares:	% holding
Ordinary	100.00

continued...

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

15. DEBTORS

	Group		Company	
	31.1.23	31.1.22	31.1.23	31.1.22
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Amounts owed by group undertakings	23,064	19,604	21,228	17,742
Other debtors	829	116	829	116
Tax	532	408	532	408
Deferred tax asset	397	1,017	397	1,017
VAT	452	532	452	530
Prepayments and accrued income	1,448	478	1,448	478
	26,722	22,155	24,886	20,291
Amounts falling due after more than one year:				
Other debtors	863	828	863	828
Aggregate amounts	27,585	22,983	25,749	21,119

Amounts owed to group companies refers to companies not included in the consolidated financial statements, but that are part of the wider group. No interest is charged on amounts owed by group undertakings.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.1.23	31.1.22	31.1.23	31.1.22
	£'000	£'000	£'000	£'000
Trade creditors	76	390	76	390
Social security and other taxes	1,243	979	1,243	979
Other creditors	6	454	6	452
Accruals and deferred income	2,623	2,712	2,623	2,671
	3,948	4,535	3,948	4,492

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.1.23	31.1.22	31.1.23	31.1.22
	£'000	£'000	£'000	£'000
Other loans (see note 18)	11,180	10,318	11,180	10,318
Other creditors	510	1,601	510	1,601
	11,690	11,919	11,690	11,919

continued...

18. BORROWINGS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.1.23	31.1.22	31.1.23	31.1.22
	£'000	£'000	£'000	£'000
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Other loans more 5yrs non-instalments	11,180	10,318	11,180	10,318

Included as other loans is a promissory note of US$13,833,833 (£11,179,528) issued by Medallia Inc., for the purpose of acquiring subsidiary Crowdicity as included in these accounts. The is repayable in full in 2034 with interest on any unpaid balance accruing at 1.86% compounded per annum.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group and company

	Non-cancellable operating leases	
	31.1.23	31.1.22
	£'000	£'000
Within one year	1,699	1,699
Between one and five years	5,075	6,773
	6,774	8,472

Lessor

At the reporting date, the company had contracted with tenants for the following minimum lease payments:

	31.12.23	31.12.22
	£'000	£'000
Within one year	679	447
Between two and five years	3,274	2,299
	3,953	2,746

continued...

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.1.23	31.1.22	31.1.23	31.1.22
	£'000	£'000	£'000	£'000
Onerous lease provisions	2,016	904	2,016	904
Aggregate amounts	2,016	904	2,016	904

Group and Company

	Onerous contracts
	£'000
Balance at 1 February 2022	904
Provided during year	1,269
Utilised during year	(157)
Balance at 31 January 2023	2,016

Analysed as:	£'000
Non-current	868
Current	1,148
	2,016

The company had previously entered into an operating lease to rent office space. Due to COVID-19, the company took the decision along with the wider Medallia group and closed all offices globally in March 2020, in favour of a home-working model rather than work from its office premises. Following the lifting of COVID-19 restrictions and after consulting with the workforce, the directors decided that employees would be allowed to work from home on an ongoing basis. In the FY21, due to the reduced need for office space, an onerous lease provision was made for the 5th floor of the Cheapside office. In FY23 employee demand for office space remained low and was not recovering long after COVID restrictions had been lifted and for this reason the directors decided to record a further onerous lease provision on the 4th floor of the Cheapside Office. The company is contractually required to continue making payments for the operating lease of both floors, however it no longer receives significant benefits from the leased asset. The 5th floor was subleased in August 2021 and the 4th floor in February 2024. The provision will be fully released by March 2027 and has been offset with the income from sub-letting the space, see note 19.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.1.23 £	31.1.22 £
100	Ordinary share capital	1	100	100

Shareholder of all ordinary shares are entitled to one vote for every share.

On 11 January 2023, 100 ordinary shares were transferred from Medallia Inc. to Medallia Holdings, LLC. whose business address is at 6220 Stoneridge Mall Rd., 2nd Floor, Pleasanton, CA 94588 USA.

22. RESERVES

Other reserves
Other reserves represents credit to equity in respect of equity settled share based payments.

Profit and loss account
The profit and loss account represents cumulative retained profits and losses, net of distributions to owners.

Share option reserve
The share option reserve represents cumulative vesting charges of equity rights that are in existence at the year end.

23. PENSION COMMITMENTS

The company operate 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 £903k (2022: £885k). Contributions totalling £84k (2022: £81k) were payable to the fund at the reporting date and are included in creditors.

24. RELATED PARTY TRANSACTIONS

Only the directors who have the authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is disclosed in note 6. As set our in note 18, Medallia Inc., provided a loan to the company to fund the acquisition of Crowdicity Limited. There are no other related party transactions other than with the parent company in the ordinary course of business.

25. POST BALANCE SHEET EVENTS

The following non-adjusting events have occurred since 31 January 2023:

- on 23 January 2024, a notice to strike off the subsidiary of Medallia Limited, Crowdicity Limited, was lodged. The date of dissolution of the subsidiary is 30 April 2024.

26. ULTIMATE CONTROLLING PARTY

The immediate parent company, is Medallia Holdings, LLC, a company incorporated in the United States.

The controlling party, and the smallest and largest undertaking, which consolidates these financial statements is Medallia Inc, a company incorporated in the United States.

continued...

27. SHARE-BASED PAYMENT TRANSACTIONS

Certain Medallia Limited employees participate in the Medallia Parent, LP Incentive Equity Plan under which Class B equity appreciation rights (the "Incentive EARs") are awarded. The incentive EARs are contractual rights that track the value of the Class B Units of the Medallia Parent, LP, but are not equity. Rights granted generally vest over four years at a rate of 25% upon the first anniversary and 1/36 per month after.

We determine the fair value of the Incentive EARs issued to employees on the date of the grant using the Black-Scholes model.

Detailed below are movements in Incentive EARs since 1 February 2022:

	Weighted average exercise price (US$) 2023	Number 2023
Rights outstanding at beginning of the year	-	-
Rights granted during the year	3.49	290,200
Rights forfeited during the year	-	-
Rights exercised during the year	-	-
Rights cancelled during the year	-	-
Outstanding at the end of the year	**3.49**	**290,200**

In the year ended 31 January 2023, the Company recorded employee expenses of £487k (2022: £2,980k) related to share-based payments.

28. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Notes	31.1.23 £'000	31.1.22 £'000
Profit before taxation		800	3,632
Adjustments to reconcile profit before tax to net cash flows from operating activities			
Depreciation and amortisation charges	13 & 14	1,527	1,655
Impairment charges	13	669	(44)
Goodwill amorisation		-	2,700
Onerous contract provision	20	1,112	(466)
Share option charges		487	2,980
Other fixed asset adjustment		-	(101)
Foreign exchange on intercompany loan		860	-
Finance costs		228	228
		5,683	10,584
Increase in trade and other debtors		(5,098)	(5,420)
Decrease in trade and other creditors		(1,678)	(1,784)
Cash generated from operations		(1,093)	3,380