

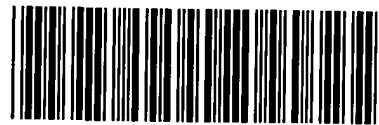
# Actimize UK Limited

Registered number: 05135139

## Annual Report

For the year ended 31 December 2022

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**ACTIMIZE UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D J Rushworth S Duliman
<b>Company secretary</b>	S Duliman
<b>Registered number</b>	05135139
<b>Registered office</b>	Tollbar House Tollbar Way Hedge End Southampton Hampshire SO30 2ZP
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor, Merck House Seldown Lane Poole Dorset BH15 1TW
<b>Bankers</b>	Citibank N A Canada Square Canary Wharf London E14 5LB

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**ACTIMIZE UK LIMITED**

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## ACTIMIZE UK LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Introduction

The Directors present their Strategic Report with the audited financial statements of Actimize UK Limited (the 'Company') for the year ended 31 December 2022.

#### About NICE and Actimize

Actimize UK Limited is a limited company registered in Southampton, UK. The ultimate parent company is NICE Ltd ("NICE"), a company incorporated in Israel.

NICE is a global enterprise software leader, providing cloud platforms for AI-driven business solutions that serve two main markets: Customer Engagement and Financial Crime and Compliance. Our core mission is to transform experiences to be extraordinary and trusted and create frictionless and safe digital-first consumer reality where every interaction is intelligent, meaningful and effortless. Our solutions are used by organisations of all sizes and are offered in multiple delivery models, including cloud and on-premises.

In the Financial Crime and Compliance market, we protect financial services organizations, digital banks and their customers' accounts and transactions, with solutions that identify risks and help prevent money laundering and fraud, as well as help ensure compliance in real-time. With our holistic, data-centric approach to Customer Lifecycle Risk Management (CLRM), we help them conquer the dynamic new financial crime threats.

Enabling trusted financial transactions is critical in the digital banking era and is increasingly challenging for financial services organizations. To stay competitive, organizations are providing more digital channels and more products and services to acquire and retain customers, all of which need to be monitored for fraud and regulatory compliance. With criminals, organized crime rings, and armies of cyber bots attacking digital payments and banking channels while also scamming individuals and corporations, preventing fraud without customer friction and detecting and predicting money laundering is more complex than ever. In addition, adhering to capital markets compliance regulations by surveilling trades across all asset classes for market manipulation has also become more complex.

Today, organizations need to monitor employee and trader communications and other activities to detect and predict potential foul play. These demands and market dynamics coupled with consumers' desire for frictionless digital transactions require organizations to transform and modernize their financial crime programs.

Organizations need agility to effectively adapt to ensure regulatory compliance, ward off new threats, provide excellent customer experiences and grow the business, all while protecting their organization, safeguarding their customers, and ensuring the integrity of the financial services industry.

NICE Actimize provides the market-leading AI-based platforms and applications for fighting financial crime and ensuring compliance, with proven capabilities for real-time and cross-channel fraud prevention, anti-money laundering and capital markets compliance, and enterprise-wide investigation and case management.

It is the largest and broadest provider of financial crime, risk, and compliance solutions for regional and global financial institutions and government regulators. Consistently ranked as number one in the space, NICE Actimize experts apply innovative technology to protect institutions and safeguard consumers' and investors' assets by identifying financial crime, preventing fraud, and providing regulatory compliance.

With the assistance of Actimize, NICE brings together sophisticated AI, advanced analytics, and intelligent data, empowering financial institutions to protect their customers and assets. Our portfolio of cross-channel fraud prevention, anti-money laundering detection and trading surveillance solutions not only address concerns such as payment fraud, cybercrime, sanctions monitoring, market abuse, customer due diligence, and insider trading but enables fast and accurate decision making - allowing firms to quickly respond to market changes.

With the power of the industry and our global user community, NICE Actimize is creating a future where financial crime programs are more powerful, intelligent, and efficient than ever before.

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## ACTIMIZE UK LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Business review

The Directors present their business review from a group perspective unless otherwise stated.

For almost four decades, NICE has been going on a journey to turn into a company that is built to transform. With a clear long-term strategy and coordinated execution, we went through multiple transformations, growing and cementing our leadership in the markets in which we operate. 2022 was another pivotal year for NICE, a year in which we surpassed significant milestones buttressed by our continued strong top and bottom-line growth. These milestones included crossing two billion dollars in total revenue while continuing to move swiftly towards a 30 percent plus operating margin, as well as having the best year ever for new customer acquisition and new partner onboarding. Moreover, we now have 60 percent of our total revenue in the cloud, growing at the fastest pace and scale of any company in our industry, accomplishing our mission of transforming NICE into a market-leading enterprise cloud company. These 2022 achievements have created the perfect stepping-stone for our next transformation.

AI is the most prominent force reshaping the nature of digital transformation and redefining the premise of its value proposition. In fact, it is no longer possible to view AI and digitalization as separate forces. Rather, they are intertwined entities that are forming a powerful new symbiotic relationship. This realization is defining the next step in our journey as we use the power of AI to reshape our markets. For Financial Crime and Compliance, the power of AI will accurately identify risk events along the entire customer lifecycle, stopping threats and fraudulent activities before they occur.

The internet, the emergence of mobile and the shift to the cloud were all technology waves that left an indelible impact on many aspects of our lives and completely changed the landscape for enterprises. AI is the next tidal wave and will become critical to the success of companies today more than any previous technology revolution. Enterprises cannot afford to skip this technology wave or even take their time adopting AI, as it is the only way for them to overcome two fundamental challenges currently facing businesses: the ability to efficiently manage complexity at scale and the ability to mitigate the shortage of skilled labour. We believe that only companies who will combine strong digital capabilities with robust adoption of a proactive AI strategy will be able to achieve success and see outsized financial performance.

NICE is already well on its way to becoming a leading AI company across its markets. Our rapidly developing AI capabilities are setting us distinctly apart from our competition and building an unbridgeable gap of differentiation. We have already demonstrated our clear leadership as a cloud platform company, and we are now making significant strides to widen our lead as we expand into AI and digital. The strength of our AI solutions rests in the unique assets that we own: a cloud platform that has been widely adopted, massive amounts of historical data, and industry-specific domain expertise.

Becoming an AI company is significantly expanding our total addressable market. Moving forward, we expect to generate an increasing amount of revenue from our platforms, as we expand from monetizing on the number of users to the exponentially growing number of transactions and interactions managed by our AI platforms. As our TAM continues to expand, we believe it will drive a long runway for both growth and increasing profitability.

#### Financial key performance indicators

The Company's key financial indications during the year were as follows:

Turnover: £75,362k in 2022 (2021: £57,163k)  
Shareholders' funds: £22,365k in 2022 (2021: £19,202k)  
Average number of employees: 86 in 2022 (2021: 83).

Turnover increased by 31.8% during the year. The revenue growth in our Financial Crime and Compliance business segment in 2022 is primarily attributed to additional product revenue and the increased adoption of our cloud platforms X-Sight and Xceed by our customers.

Shareholders' funds grew in the year reflecting the profit gained during the year.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Directors' statement of compliance with duty to promote the success of the Company**

The following disclosure describes how the Director has considered the interests of key stakeholders and the broader matters set out in Section 172(1) (a) to (f) of The Companies Act 2006 ("S172").

***Employees***

At NICE, we value our employees, or "NICERs," as the driving force behind our innovation and success. To support their development and growth, we prioritize employee engagement and foster an open, fair, and respectful work environment.

We prioritize a safe and healthy work environment, and provide resources for professional and personal growth. All aspects of human resources are detailed in our Employee Handbook, with specific versions available on our intranet for each operation. We have an Executive Vice President of Human Resources who manages all employment matters, and dedicated senior managers for topics such as development and employment conditions.

***Employee Development***

Our employees are our greatest asset, driving the innovation that is the hallmark of NICE's solutions. As a result, we place great importance on the development and growth of our employees, with comprehensive programs that nurture the employee's learning, education and career path at NICE. In this context we have a shared responsibility approach to learning and career development: (1) Our employees are proactive, building on their strengths and skills, and following through on internal opportunities to develop themselves (2) Our managers raise the bar, enabling employees to aim higher while aligning their development with the team goals and providing coaching and a supportive environment, and (3) Our organization drives the culture that encourages employee development and provides the right infrastructure to thrive. Periodic meetings are held to discuss career development steps and actions, specifically to understand the employee's drivers, needs and aspirations and to work together to craft development plans.

NICE also offers a comprehensive range of learning opportunities to all employees worldwide. Online learning platforms coupled with prestigious external certifications enable the employee to advance their professional development, from any place, and at any time. Moreover, employees participate regularly in conferences, extension courses, webinars, practical technical training, leadership workshops and more. These company-wide efforts are complemented by a diverse range of specialized learning programs and advanced technology platforms, coordinated by our business units.

***Diversity***

NICE is committed towards its stakeholders, with an emphasis on its employees, to provide an environment based on equal opportunity for all qualified applicants and employees. It is the policy of NICE to afford equal employment opportunities to qualified individuals, regardless of their age, race, colour, religion, and/or any other status protected by any applicable local statute or regulation. The company makes reasonable efforts to provide equal opportunity to all applicants and employees, including recruiting, selection, training, placement, promotion, wages and benefits, transfers, terminations, and working conditions.

In October 2022, we renewed our vision, purpose and values around respecting the unique needs, perspectives and potential of all our team members, putting and culture of equality at the front.

Examples of activities that followed the renewal:

- New policy statements regarding diversity and inclusion were set up.
- 3 Regional employee committees were established.
- Overcoming bias training was provided for managers with above 90% participation rate and for the Recruitment team members with 100% participation rate.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Director's statement of compliance with duty to promote the success of the Company (continued)**

***Employees (continued)***

We provide an inclusive workspace and a safe environment for all people of different religions, nationalities, and gender orientations. We celebrate these differences throughout the year, joining each other in marking festivals and holidays such as Chinese New Year, Diwali, Thanksgiving, Pioneer Day, Jewish New Year, International Women's Day, Pride Day and more.

***Employee Engagement Surveys***

We want to create a good and healthy environment for our employees, letting them view NICE as their second home. Thus, it is vital that our employees feel that their needs and concerns are heard.

NICE conducts annual employee engagement surveys which allow all employees to provide confidential feedback on their satisfaction with a broad range of topics including employee engagement, career management, employee experience, development, upward feedback on their manager, strategy and execution, leadership. The surveys are managed by an external company that specializes in employee engagement surveys.

The results are analysed across multiple dimensions, including business units and roles, in order to understand developments and trends. They provide the Management with insights on our strengths and what our employees value, as well as highlighting areas that require further development and investment. The insights, trends and opportunities are also analysed on a divisional level, to allow more focused and detailed action plans for improvement.

***Employee Benefits***

We care about our employees' health and wellbeing and accordingly offer a wide range of benefits, including comprehensive insurance plans and pension schemes, and free private health insurance for employees as well as discounted insurance for employees' family members. We constantly evaluate our benefits plans, to be aligned with the market and in order to enhance our employees' wellbeing.

We introduced our NICE-FLEX model, which offers employees the flexibility of working from the office for 2 days a week, enjoying the in-person collaboration in our offices, and working remotely for the remaining weekdays. We also offer flexible working hours for employees worldwide recognizing the diverse situations and needs of our employees, and encouraging them to spend quality time with their family or enjoy hobbies.

We celebrate global and local holidays, and within this framework, employees enjoy various non-salary benefits. NICE places great importance on family life, and a number of the annual events are targeted at NICE employees and their families.

We also hold exciting global competitions and award schemes with noteworthy prizes for our employees.

***Health and Safety***

We prioritize safety and well-being of our employees by providing a secure work environment that adheres to strict policies and procedures. Our health and safety policies were reviewed and updated in 2021 and 2022, with the VP of Global Operations serving as the senior person responsible for this topic. In order to minimize safety risks, we require our employees, as well as contractors providing services on NICE premises, to familiarize themselves with these policies and procedures by completing a periodical online training

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Director's statement of compliance with duty to promote the success of the Company (continued)**

***Customers***

We recognise that our customers are the key driver for our success and our mission is directed at improving their work and well-being by helping them provide extraordinary and trusted experiences. On this basis, we are committed to supporting our customers at anytime, anywhere, and ensuring that our solutions are adapted to their unique environment, processes, and business and operational goals. For this reason, we establish continuous and transparent communications to understand our customers and continually inform them about the progress of their projects, in accordance with their needs.

Our skilled experts and advanced tools and methodologies, combined with our portfolio of end-to-end services, address all stages of our technologies' life cycle offerings. From project planning and design through implementation, optimization, proactive maintenance, and product support, we are there for our clients each step of the way.

NICE has always been a company that is focused on improving the experiences of its customers and delivering real, long term value. Standardized on the Net Promoter System (NPS) methodology and best practices, NICE conducts surveys along the full customer journey to monitor customer satisfaction. A sample of the surveys we conduct are:

- *The Customer Support Survey* which helps us understand customer satisfaction with our solution and how highly they rate NICE team members who provide service in the customer support organization.
- *The Professional Services Survey* which assesses customer satisfaction during the implementation phase, that includes NICE business consulting.
- *Training Surveys* that assess customers' level of satisfaction with NICE's training courses.
- *Relationship Surveys* that assess brand loyalty and customer satisfaction for decision makers and influencers as well as satisfaction with NICE's products and other services (sales, professional services, support and training).

In 2022, we made it our mission to improve overall customer satisfaction by:

- Strengthening and leveraging the relationship between our customer operations leadership with direct marketing and influencers.
- Providing a single point of contact within global customer operations leadership for key accounts.
- Coaching and training customer operations leadership on managing relationships with direct marketing and influencers.

NICE is open to customer feedback and takes direct action to minimise concerns expressed in surveys and in other forms of feedback.

By implementing an on-going closed loop program, NICE further utilizes a feedback management system, to raise real-time alerts to business unit leaders and customer-facing staff regarding issues raised on surveys. The resolution of each alert is centrally tracked and managed. Action plans are developed for each business unit that regularly reports on KPI measured improvements for each driver of loyalty.

The survey results are continually monitored and analysed. The business units review the results quarterly in business review meetings and share them with the NICE Executive Leadership Team, headed by the CEO.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Director's statement of compliance with duty to promote the success of the Company (continued)**

***Suppliers***

NICE is committed to conducting business in a diverse and ethical manner and this includes our supply chain. Our suppliers are subcontractors and vendors of the following products and services: cloud services, software, telecom, marketing, hardware, facility and rent, human resources and employee experience, finance, legal, sales and travel.

We are making an active effort to diversify our supply chain by partnering with minority and women-owned businesses which distribute IT equipment, laptops, servers and components, and integration services. We are committed to ensuring that working conditions of all its operations and throughout its supply chain are safe, that all workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. Therefore, NICE has adopted the Supplier Code of Conduct, which all suppliers must comply with and commit to as part of their engagement.

Through our Supplier Code of Conduct, we require that our suppliers: comply with the laws, rules, and regulations of the countries in which they operate; require that their employees and contractors comply with the Supplier Code; monitor and, if necessary, report on compliance with the Supplier Code; and implement corrective actions to ensure compliance with the Supplier Code. In cases of non-compliance with the Supplier Code, NICE may terminate any current contract or order.

***Environment***

We believe that maintaining market leadership cannot preclude our commitment to a cleaner and safer world. A major part of this commitment is compliance with standards, regulations and requirements concerning the environmental aspects of our operations and products.

We are committed to maintaining market leadership while also prioritizing a cleaner and safer world. Compliance with environmental standards, regulations, and requirements is a crucial aspect of this commitment. We take full responsibility for our environmental impact and strive to operate with integrity and responsibility in the communities where we operate.

Our environmental strategy focuses on reducing energy consumption, waste generation, and carbon footprint, while promoting recycling.

***Environmental Policy:***

Our environmental policy complies with ISO 14001, applicable environmental legislation, regulations, and the majority of customer requirements. The policy strives to prevent and reduce any adverse environmental effects of our activities and products. It demonstrates continual improvement in environmental objectives and fosters environmental awareness among NICE personnel by promoting internal communication regarding the environment.

***Policy Implementation***

Our environmental management policy and procedures include:

- ***Environmental aspects evaluation:*** The evaluation identifies, evaluates and manages our environmental impact. As a result of this evaluation, we identified that energy consumption is the only issue with a medium impact level. Although other evaluated issues presented a low impact level, we still define operational control to decrease our negative impact in these fields.
- ***Laws and regulation management:*** A yearly updated checklist raises and evaluates our compliance regarding all environmental requirements.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Director's statement of compliance with duty to promote the success of the Company (continued)**

***Environment (continued)***

- *Training:* Environmental training is part of our onboarding process and it covers reporting of environmental issues, waste segregation, recycling and water, energy, and fuel saving. In addition, employees annually participate in Health, Safety and Environmental computer-based tests, to ensure that employees are aware of the potential hazards and risks associated with their work environment and job tasks.
- *Responsibility:* Most environmental responsibilities (energy, waste) fall under NICE's VP of Operations and CIO.
- *Audit:* Annually performed by an independent auditor to evaluate our environmental management policy and procedures. It indicates improvement opportunities that we address.
- *Management reviews:* Environmental Management policy and procedures results are annually presented to the senior management to receive advice and define the next steps.

***Climate Change***

Climate change is widely recognized as the most significant environmental challenge that the world currently faces. As a leading global hi-tech company, NICE recognizes the importance of environmental responsibility in its daily activities. To that end, we have implemented various appropriate measures to mitigate our impact on the environment, as expressed in NICE's Climate Change CDP questionnaire, that has been submitted to the CDP since 2018. (Further details can be found below in the SECR section)

***Materials and Waste***

Focusing on our environmental policy commitment of prevention and continuous reduction of any adverse environmental effects from our activities and products, we are acting to avoid the use of hazardous substances and to reduce the potential impact of electronic waste related to our activity.

We have been in compliance with the European Union Restrictions on the Use of Hazardous Substances (RoHS) Directive since 2006. None of our electronics use materials such as lead, mercury cadmium, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE). We further adhere to the EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Directive which requires us to manage risks and provide safety information of all chemicals found in our products.

Although our products' hardware manufacturing is minimal, we have adopted responsible end-of-life policies for the applicable products to ensure ease of dismantling, removal of hazardous materials and participation in take back schemes with hardware manufacturers. In Europe, all electrical and electronic equipment used in our operations and clients' operations are disposed of by complying with the Waste from Electrical and Electronic Equipment (WEEE) Directive of the EU. In this context, we support the collection, disassembly and recycling of replaced or retired client equipment. This compliance is registered in the UK, France, and Germany, where we have a legal presence, or from where we import electronic equipment. In these countries, we have recycled all client equipment since 2005 through expert WEEE-certified companies. For other EU countries, we employ partners to ensure compliance.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Director's statement of compliance with duty to promote the success of the Company (continued)**

***Environment (continued)***

***NICE to be GREEN***

Every year on April 22nd we celebrate Earth Day whereby we engage our employees in several 'green' related activities and run awareness programs, such as:

- Screening of documentary films on Earth and Green awareness across major NICE offices
- Lectures promoting environmental awareness.
- Seeds and succulent plants – seeds and succulent plants distributed to employees in all major locations to encourage them to plant flowers for friendly bees.
- Encouraging employees to be environmental friendly by distributing "NICE to be Green" reusable bags to buy their groceries and reduce the use of disposable bags.

***Community***

At NICE we believe in leveraging our strengths to benefit our local communities: sharing our knowledge, expertise, capabilities, and investing time in giving back to the communities in which we operate. The best way to contribute is through a close alignment between our business and community relationship strategies. In this context, the two main pillars of our strategy are sharing software knowledge and promoting diversity in high-tech companies. Support of the community is also expressed in donations to social and welfare services (food, medicine, hygiene products) and in financial support of different institutions (educational, sports, and institutions for the elderly).

Part of our donations are promoted at our annual user conference, "Interactions". In this event, we partner with charitable organizations to acknowledge them and to support a worthy cause. A portion of each attendee's registration fee goes to the charity chosen for that year. We also like to give back by sponsoring events throughout the year.

We encourage our employees to engage in regular volunteer work for different causes. In this context we have a structured program that includes building partnerships with organizations, providing guidance on volunteering opportunities, and rules of behaviour and evaluation of volunteer activities.

One of our flagship programmes is Global Community Month (GCM) which takes place every May. NICEs around the world act and volunteer in a wide range of organizations and non-profits for a variety of causes, such as senior citizens, people with disabilities and animals.

Global Community Month is a clear reflection of our belief that the strength and leadership of our business and core values should be leveraged to make a positive impact on the communities in which we operate. This annual cross-company program for NICE employees provides opportunities for local volunteering, promotes our One NICE spirit, and demonstrates our belief in giving back to the community. In 2022, we celebrated 12 years of NICE Global Community Month, reintroducing the GCM and NICE's volunteering legacy after a hiatus due to the pandemic

We employ a community manager specialist in the headquarters to manage global community programs. The manager can be contacted via e-mail and the contacts section of the NICE website to ask for support, communicate grievances and make suggestions.

It is important to highlight that, as a software company, we do not see ourselves as having any direct negative impact on local communities. Yet, we seek to support various social goals that are in line with our business agenda.

For more detail the full Environmental, Social and Governance (ESG) report can be found on NICE's website.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Financial Crime and Compliance Business Strategy and future developments**

Our long-term strategy is to further broaden our industry leadership in both the Customer Engagement and Financial Crime and Compliance market segments.

In our Financial Crime and Compliance business, we intend to continue to build our leadership with X-Sight and take our cloud enterprise offering to the high end of the market, and we aim to further enhance Xceed to be positioned as the premier cloud platform of choice through our suite of solutions for the mid-market. We intend to leverage the massive digital banking transformation to enlarge our addressable market by launching new solutions and asserting our position as a leader for managing risk in the digital banking era.

*Empowering organisations to lead by adapting to change*

We intend to continue leading the market by leveraging several major industry trends and evolving our offering to meet our customers' current and future needs while focusing on key strategic pillars:

- Cloud Foundation – we provide cloud-native open platforms for our Customer Engagement and Financial Crime and Compliance offerings. This allows our customers to facilitate adoption of cloud infrastructure to accelerate innovation and reduce integration, implementation and operational efforts.
- Complete Suite – we provide one of the industry's most comprehensive set of integrated, scalable, world class applications, across all our markets. Our ability to provide our customers with a full range of capabilities, for organizations of various sizes that can answer their various needs using a single vendor unified suite, gives us a strong market differentiation in today's drive for simplicity, cost savings and elimination of legacy silos.
- Digital - we enable businesses to deliver digital-first omnichannel experiences, responding to consumer needs on their preferred channel of choice wherever their experience journey begins, including the ability to service customers across multiple digital channels, provide secure digital banking and help public safety organizations shift to digital interaction and digital evidence environments.
- AI – we accelerate business transformation with AI-embedded natively across our platforms, making our applications and business processes smarter. Our domain expertise, advanced technology, and pre-built AI models create industry-leading solutions for all our market segments.
- Data - recognizing the power of data, we consider data as a key component and a strategic asset across our portfolio and leverage it for creating frictionless experiences for consumers. We manage our customer data with security and compliance measures while leveraging it to operationalize data insights, to equip our customers with a data-driven approach to manage their business, improve performance and identify customer insights.

*Strengthening our market leadership*

Our brand, global reach, financial resources, extensive domain expertise and ability to deliver a wide array of solutions for large, as well as small and mid-sized organizations, will further anchor our market-leading position.

We plan to continue to develop our open cloud platforms for the Financial Crime and Compliance markets to enable unified integrated solutions that offer fast innovation and quick time to value. These platforms allow us to deepen our direct relationships with our customers, nurture our partner ecosystem and create new growth opportunities.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Financial Crime and Compliance Business Strategy and future developments (continued)**

In our Financial Crime and Compliance business, we will continue to expand our offerings across market segments by providing new and enhanced solutions that protect financial services organizations and their customers earlier in the customer lifecycle and by infusing more AI across our portfolio of solutions. With our X Sight cloud platform, we provide open, scalable and flexible solutions with broad financial crime and compliance coverage to the top tier of the market. Continued innovations on X-Sight will further cement our leading market position. With our Xceed platform, we provide packaged anti-money laundering (AML) and fraud coverage and solutions to the mid-market, enabling smaller organizations to realize greater protection with quick time to value. In the Financial Crime and Compliance business, our solutions are infused with Always on AI, our multi-layered approach that injects AI, machine learning, automation, natural language processing and other advanced technologies throughout the financial crime and compliance value chain. This allows financial services organizations to merge innovative and patented technologies to effortlessly connect data and apply AI to turn raw data into financial crime intelligence that fuels analytic precision to detect and prevent financial crimes. These offerings enable us to add value to our existing customers, as well as expand our reach and open-up new opportunities, considerably increasing our total addressable market.

*Helping our on premises customers and new customers transform to the cloud*

Our leading cloud platforms and domain expertise, along with our flexible maturity models, enable our customers to adopt cloud solutions and migrate to the cloud at the pace that matches their needs and preferences.

To support all of our customers and the different pace of their cloudification migration, we intend to continue offering our solutions in a variety of delivery models, which enable us to be flexible in effectively addressing our customers' needs.

*Continuing to offer our full solutions portfolio to our existing customer base*

One of our main assets is our growing customer base. We believe there are many opportunities to expand, up sell and cross-sell within our existing cloud customer base. This includes increasing our customers' exposure to the full breadth of our portfolio. We continue to provide our customers with new benefits by expanding the offerings they already use, adding new products and solutions.

*Continuing organic innovation and development, while also pursuing acquisitions*

We intend to continue investing in innovation across our portfolio and platforms and augment our organic growth with additional acquisitions that will broaden our product and technology portfolio, expand our presence in selected verticals, adjacent markets and geographic areas, broaden our customer base, and increase our distribution channels.

*Maximizing the synergies across our businesses*

At NICE, we value and promote a synergistic approach to our platforms and solutions. We will continue leveraging our solutions' common cloud architectures as well as methodologies of capturing and analysing massive amounts of structured and unstructured data, providing real-time insight and driving process automation. Maximizing these synergies and cooperation between our business areas is a key pillar of our corporate strategy.

We have several joint offerings across our business segments and combined go-to-market efforts. We will continue leveraging our extensive complementary domain expertise, technological know-how, capabilities and development, in order to grow our business through additional cross-sell and up-sell opportunities.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Financial Crime and Compliance Business Strategy and future developments (continued)**

*Expanding our global partnerships*

As part of our growth strategy, we are investing in expanding relationships with global go to market partners that we believe can accelerate our growth while ensuring the success of our customers. In addition, as part of our open platforms, we are enabling the success of our technology partners while providing a wider coverage and complementing our product offerings to bring unique value to our customers.

**Financial Crime and Compliance Business Strategy**

We plan to continue extending our market leading position and our addressable market, while further supporting the move to the cloud by financial institutions. We also plan to leverage our capabilities to facilitate both better financial crime protection and help our customers realize cost reductions. We intend to achieve this by focusing on:

- Delivering integrated Financial Crime and Compliance solutions that help financial services organizations identify risks faster and earlier throughout all phases of the customer lifecycle.
- Expanding our market reach within the mid-tier banks and financial institutions with our Xceed native cloud and AI platform, which provides AML and Fraud solutions in a packaged SaaS offering to smaller organizations, enabling them to benefit from the capabilities previously only afforded to large organizations.
- Expanding X-Sight, our cloud-native AI platform and solutions for the top tiers of the market to further strengthen and grow our market leadership position. X-Sight combines data and analytics agility and provides us the ability to cross-sell solutions. Our cloud platform leverages data, AI, machine learning, advanced automation, and other technologies to help customers reduce the cost of operations, while increasing their adherence to compliance and preventing financial crime.
- Expanding X-Sight AI, our data driven, machine learning, analytics managed service or do-it-yourself environment to help further optimize analytic models and develop new analytics by leveraging insights across our broad customer base and our market-wide and domain expertise in fraud prevention and anti-money laundering.
- Offering X-Sight DataIQ, our orchestration and aggregation engine that effortlessly connects to multiple premium and public data sources, turning raw data into the data intelligence to fight financial crimes.
- Expanding the X-Sight Marketplace, an ecosystem of innovative third-party partners where our customers can select complementary offerings to extend our platforms and products.
- Offering our solutions to verticals outside of the traditional financial services, such as technology, gaming, energy, insurance, industry regulators, government agencies, as well as to fintech and alternative payment providers.
- Further expanding our footprint across international geographies and segments while continuing to cross-sell and up-sell into our existing customer base around the world.
- Expanding our sales channels with world-class systems integrators, consultancies, core banking providers, and other regional reseller firms to identify additional significant opportunities.

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## ACTIMIZE UK LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Industry and Technology Trends

Following are the key cross-industry trends that we have identified as driving demand for our solutions:

- Organisations of all sizes are transitioning to open cloud platforms as the foundation for their applications to allow quick innovation cycles and business agility.
- Organizations are replacing complex, siloed legacy point solutions with cloud platforms that offer a complete suite of applications.
- Consumers and organizations are embracing digital transformation at an accelerated pace. In order to remain competitive, organizations need to provide digital solutions to address consumers' self-service needs, digital banking compliance challenges, and digitization of evidence management.
- Artificial Intelligence and Automation are disrupting businesses across all industries. AI and automation are reshaping the way organizations are conducting their businesses across all organizational functions. They help with strategic decision-making by processing and analysing data on a scale much larger and faster than any human could accomplish.

Financial Crime and Compliance trends that are driving demand for our solutions:

- The need to embed risk management controls into digital first strategies. Financial services organizations are undergoing significant digital and analytics transformations to provide safer and more unhindered customer access to accounts across all channels and enable safe and secure transactions. At the forefront of these initiatives is the need to improve customer experience. The realization that risk management is a critical component to the customer experience, is helping drive demand for financial crime prevention and detection solutions across the customer lifecycle from onboarding to ongoing monitoring.
- Preventing financial crime and ensuring stringent compliance with evolving regulatory environments. Regulatory scrutiny of financial institutions continues to apply pressure on organizations to adopt more advanced regulatory compliance and risk management technology. Furthermore, regulators have been expanding their focus from the largest financial institutions to a broader market, including smaller banks and alternative financial service providers, and are creating increased demand for risk and compliance related solutions.
- An unpredictable threat landscape environment. The growing number of data breaches and cyber security incidents put increasing amounts of personally identifiable information and sensitive data at risk of exposure. This information can be used to open accounts that can be used for laundering money, terrorist financing, account fraud, market manipulation, social engineering, and more. Such potential risks threaten an organization's reputation, as well as create large financial exposures due to both losses as well as fines. In addition, the large volumes of data, related to both internal and external threats, place an enormous operational burden on organizations. Having the ability to deploy advanced technologies such as machine learning and automation that helps address these threats, becomes increasingly critical to financial services organizations.
- Financial institutions seek a single platform that aggregates and analyses financial crime-related risk in one place. The ever-expanding risk landscape and sophistication of financial criminals, as well as the need to keep costs in check, creates a growing need for a single view of different detection signals throughout the financial services organization. A single platform allows financial services organizations to analyse the data, act on it and present it in one dashboard to both operations and executives.
- Process automation is increasingly used to automate financial investigation tasks where it may not be necessary to have as much human involvement. This frees up investigators from low value, high volume manual tasks so that they may better focus on more important and strategic work. This leads to better resource utilization, increased accuracy and productivity, and improved return on investment

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Industry and Technology Trends (continued)**

- Financial institutions are being disrupted by digital players providing improved experiences and more personalized products and services. Banking services and many other financial service organizations are being challenged by neo-banks, fintech companies and other digital players. To improve customer experiences, and compete against these digital players, financial institutions continue to invest heavily in digital capabilities. Consumers have increased expectations for faster and frictionless processes. In terms of risk, digital banking moves the consumer away from the branch creating new risks around identity verification, customer due diligence and general monitoring of consumer financial behaviour. The expectations for fast response times drive financial institutions to re-design their compliance processes to be able to respond in minutes rather than days or weeks, which in turn requires broader adoption of AI across the customer lifecycle.

**Principal risks and uncertainties**

*The markets in which we operate are highly competitive and we may be unable to compete successfully.*

The markets for our products, solutions and related services are, in general, highly competitive. Our competitors include a number of large, established software development vendors. Some of our principal competitors or potential competitors may have advantages over us, including greater resources, a broader portfolio of products, applications and services, greater brand recognition, larger patent and intellectual property portfolios and access to a larger customer base. These potential advantages would enable our competitors to better adapt to new market trends, emerging technologies or customer requirements or devote more resources to the marketing and sale of their products and services.

Additional competition from new potential entrants to our markets, including new technology vendors competing in specific areas of our business, may lead to the widespread availability and standardization of some of the products and services we provide, which could result in the commoditization of our products and services, reduce the demand for our products and services and drive us to lower our prices.

*We may not be able to maintain and further expand the success in our cloud business.*

Our cloud-based business has grown significantly, and therefore we are more dependent now on the success of this area of our business. If we are not able to compete effectively, generate significant revenues or maintain the profitability of our cloud business, or if we do not successfully execute our cloud strategy or anticipate the needs of our customers, including in relation to the pace of adoption of cloud-based solutions by large enterprises, our revenues could decline and our reputation may be adversely affected.

We rely on cloud computing platforms provided by third parties, including PaaS provided by strategic partners, such as Amazon and Microsoft. These cloud computing platforms may not continue to provide competitive features and functionality, or may not be available on commercially reasonable terms. We may be affected by the pricing of certain infrastructure services, such as in the area of PaaS and network connectivity, which could in turn affect the rates we offer to our customers.

In addition, some of our customers may not accept the use of such services or particular platform. The inability to use any of these hardware, software or cloud computing platforms could have a material adverse impact on our business, increase our expenses and otherwise result in delays in providing our services until equivalent technology is either developed by us, or obtained through purchase or license and integrated into our services. In addition, to the extent that we suffer periods of unavailability of our service for reasons related to PaaS providers, we may be contractually obligated to provide our customers with credits for future services, and in some cases refunds, or be liable for penalties. Any such extended service outages could harm our reputation, revenue and operating results.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Principal risks and uncertainties (continued)**

*Our inability to respond to the rapid technological changes and frequent new products and service introductions in the markets in which we operate.*

We operate in several markets, each characterized by rapidly changing technology, new product introductions and evolving industry standards. The introduction of products and services embodying new technology and the emergence of new industry standards might exert price pressures on our offerings or render them obsolete. Our markets are also characterized by consistent demand for state-of-the-art technology and products. Existing and potential competitors might introduce new and enhanced products and services that could adversely affect the competitive position of our offerings.

We believe that our ability to anticipate changes in technology and industry standards and to successfully develop and introduce new, enhanced and differentiated products and services, on a timely basis, in each of the markets in which we operate, is a critical factor in our ability to grow our business. As a result, we expect to continue to make significant expenditures on research and development, particularly with respect to new software applications, which are continuously required in all our business areas. In the event that we do not anticipate changes in technology or industry practices or fail to timely address market needs or not be able to provide the products and services that are in demand, or should customer adoption of new technologies be slower than we anticipate, we may lose market share and our results of operations may be materially adversely affected.

In addition, some of our offerings must readily integrate with customers' systems of record and data sources, consumer facing front-office applications and back-office business operations systems. Any changes to these third-party systems could require us to redesign our products, and any such redesign might not be possible on a timely basis or achieve market acceptance.

We cannot assure that the market or demand for our offerings will be sustained or grow as rapidly as we expect, that we will successfully develop new products and applications, that such new products and applications will achieve market acceptance, or that the introduction of new products, services or technological developments by others, including artificial intelligence technologies, will not render our products and services obsolete. Our inability to develop products and services that are competitive in technology and price and responsive to customer needs could have a material adverse effect on our business, financial condition and results of operations.

*We may not be able to successfully execute our growth strategy.*

Our strategy is to continue investing in, enhancing and securing our business and operations and growing our business, both organically and through acquisitions. Investments in, among other things, new markets, products, solutions, and technologies, research and development, infrastructure and systems, geographic expansion, and additional qualified and experienced personnel, are critical to achieving our growth strategy. Growth of our revenue depends on the success of all these factors, including our ability to capture market share, attract new customers, develop our strategic partnerships, introduce our offerings to new global markets, strengthen and improve our offerings through significant investments in research and developments and successfully consummate and integrate acquisitions.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Principal risks and uncertainties (continued)**

*Our business could be materially adversely affected as a result of the risks associated with acquisitions and investments. In particular, we may not succeed in making additional acquisitions or be effective in integrating such acquisitions.*

As part of our growth strategy, we made a number of acquisitions over the last several years and expect to continue to complete acquisitions and investments in the future. As we continue to evaluate strategic opportunities, there can be no assurance that we will be successful in closing additional acquisitions. Even if we are successful in making additional acquisitions, integrating an acquired business into our operations or investing in new technologies may: (1) result in unforeseen operating difficulties and large expenditures; and (2) absorb significant management attention that would otherwise be available for the ongoing development of our business, both of which may result in the loss of key customers or personnel and expose us to unanticipated liabilities.

In recent years, several of our competitors have also completed acquisitions of companies in our markets or in complementary markets. As a result, it may be more difficult for us to identify suitable acquisitions or investment targets or to consummate acquisitions or investments once identified on acceptable terms or at all. If we are not able to execute on our acquisition strategy, we may not be able to achieve our growth strategy, may lose market share, or may lose our leadership position in one or more of our markets.

Future acquisitions or investments may also require us to incur contingent liabilities, amortization expenses related to intangible assets and impairment of goodwill, any of which could have a material adverse effect on our operating results and financial condition.

*Changes in the legal and regulatory environment could materially and adversely affect our business, results of operations and financial condition.*

Our business, results of operations and financial condition could be materially and adversely affected if laws, regulations or standards relating to our business and products, us or our employees (including labour laws and regulations) are changed or new ones are implemented.

While we attempt to prepare in advance for such new or changed requirements and standards, we cannot assure that we will be successful in our efforts, that such changes will not negatively affect the demand for our products and services, or that our competitors will not be more successful or prepared than us.

Alternatively, any substantial changes resulting in a reduction in the implementation or elimination of rules and regulations that apply to a certain sector of our business, such as deregulation in the area of compliance, could result in a decrease in demand by customers, which could materially and adversely affect our business and results of operations.

*Conditions and changes in the local and global economic environments may adversely affect our business and financial results.*

Adverse economic conditions in markets or regions in which we operate can harm our business. Our results of operations can be affected by adverse changes in local and global economic conditions, slowdowns, recessions and economic instability. To the extent that our business suffers as a result of such unfavourable economic and market conditions our operating results may be materially adversely affected.

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**ACTIMIZE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Principal risks and uncertainties (continued)**

In particular, enterprises may reduce spending in connection with their contact centres, financial institutions may reduce spending in relation to trading floors and operational risk management (as IT-related capital expenditures are typically lower priority in times of economic slowdowns), and our customers may prioritize other expenditures over our solutions. In addition, enterprises' ordering and payment patterns are influenced by market conditions and could cause fluctuations in our quarterly results. If any of the above occurs, and our customers or partners significantly reduce their spending or significantly delay or fail to make payments to us, our business, results of operations, and financial condition would be materially adversely affected.

In addition, our operations may be subject to the effects of the rising rate of inflation. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.


Disruption to the global economy could also result in a number of follow-on effects in addition to a slow-down in our business and increased costs, including a possible (i) negative impact on our liquidity, financial condition and share price, which may impact our ability to raise capital in the market, obtain financing and secure other sources of funding in the future on terms favourable to us, and (ii) decrease in the value of our assets that are deemed to be other than temporary, which may result in impairment losses.

*Our business, facilities or operations could be adversely affected by events outside of our control, such as natural disasters or health epidemics.*

Natural disasters or other unexpected events that adversely affect the business climate in any of our markets could have a material adverse effect on our business, financial condition and results of operations. Our business operations may be subject to interruption by natural disasters, fire, power shortages, telecommunications failures, pandemics and epidemics, cyberattack, terrorist attack and other events beyond our control which could cause delays in completing sales, providing services, or performing other critical functions. Although we maintain disaster recovery and business continuity plans, such events could make it difficult or impossible for us to deliver our products and services to our customers, and could decrease the demand for our offerings.

The occurrence of regional epidemics or a global pandemic, such as COVID-19, may adversely affect our operations, financial condition, and results of operations. The COVID-19 pandemic has had widespread, evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. The extent to which global pandemics impact our business going forward will depend on factors such as the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity, including the possibility of recession or financial market instability.

This report was approved by the board and signed on its behalf by:

DocuSigned by:  
  
83AAC36AE7B64D6...  
**S Duliman**  
Director

Date: September 28, 2023

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## **ACTIMIZE UK LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their annual report and the audited financial statements of Actimize UK Limited (the 'Company') for the year ended 31 December 2022.

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have 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 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.

#### **Principal activity**

The Company's main activity is to market, distribute, service and maintain products and solutions, within its jurisdictions, for the Financial Crime & Compliance markets.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,746,871 (2021: £1,713,053).

The Directors do not propose the payment of a final dividend for the year (2021: £nil).

#### **Directors**

The Directors who served during the year were:

D J Rushworth (appointed 21 April 2022)  
S Duliman (appointed 27 October 2022)  
S L Joyce-Phillips (appointed 14 February 2022, resigned 11 October 2022)  
D Rhodes (resigned 14 February 2022)

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## **ACTIMIZE UK LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Streamlined Energy and Carbon Reporting (SECR)**

NICE prides itself on being fully committed to minimizing our environmental impact and holds itself accountable for operating with integrity and responsibility in the communities we call home. We comply with the standards, regulations and requirements concerning the environmental aspects of our operations and products. We believe that maintaining market leadership cannot preclude corporate commitment to a cleaner and safer world.

The following SECR reporting is from a group perspective unless otherwise stated.

#### **Our Policy**

At NICE we have an ongoing commitment to improving our operations in order to help cut energy use, reduce the use of plastic and generation of waste, encourage recycling, and lower our carbon footprint.

Our goal is to increase the awareness of the need to preserve the environments in which we operate and to minimize any environmental impact from our activities and products.

In coordination with our quality management policy, we are committed to:

- Complying applicable environmental legislation, regulations and the majority of customer requirements;
- Striving towards prevention and continual reduction of any adverse environmental effects from our activities and products; and
- Demonstrating continual improvement of environmental objectives and fostering environmental awareness among NICE personnel and promoting internal communication of this policy.

#### **How Our Policy is Implemented**

- Monitoring of energy use through BEMS (Building Energy Management System)
- Environmental Training: All New hires are provided environmental training;
- All Electric and Electronic equipment is disposed of by complying with WEEE Directive in the EU and local directives in all other jurisdictions, in addition to waste management and monitoring in our facilities;
- The majority of data centres we currently use have reported on using renewable energy and applicable target setting.
- Suppliers are contractually obligated to comply with our Supplier Code of Conduct which includes environmental related commitments. Critical suppliers undergo an initial due diligence questionnaire, annual monitoring and audits. Monitoring of energy use through BMS (Building Management System), in addition to monitoring of energy efficiency on an ad-hoc basis through an external auditor;

#### **NICE's Carbon Footprint**

As a leading global hi-tech company, NICE acknowledges the importance of environmental responsibility in its daily operations

Although our environmental commitment and policy apply to all operations, we recognize that our Environmental Management policy and procedures vary between offices. We started to implement our Environmental Management policy and procedures in Israel, where we are certified by ISO 14001, and we plan to implement in other operations in the coming years.

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**ACTIMIZE UK LIMITED**


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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**Streamlined Energy and Carbon Reporting (SECR) (continued)**

NICE's small fleet of cars is responsible for contributing approximately 3% of NICE's tracked carbon emissions, which fall under Scope 1 emissions. The majority of NICE's emissions come from electricity consumption in its facilities, which fall under Scope 2 emissions. In line with the targets set in the 2020 ESG report, NICE has made a concerted effort to improve its environmental data collection from its global operations in recent years. This has resulted in an increase in Scope 2 data collection from 64% to 86% in the 2021-2022 ESG Report, relative to NICE's total office area, allowing for better understanding of the company's carbon emissions and how to enhance its environmental KPIs.

While office closures during 2021 led to an increase in Scope 2 emissions upon reopening in 2022, total absolute emissions slightly decreased by 9% and emission intensity dropped by 31% compared to 2020.

Energy consumption	2020	2021	2022
Total fuel consumption (Gasoline) within the organization (L)	295,761	232,055	211,832
Electricity consumption in (MWh)	34,492	25,163	38,165
Total energy consumption within the organization (GJ)	134,285	98,524	144,640
Energy intensity ratio for the organization (GJ/ MM USD Revenue)	81.48	51.29	66.32

GHG Emissions (TCO <sub>2</sub> e)	2020	2021	2022
Scope 1 (direct emissions)*	691.49	542.54	495.26
Scope 2 (electricity emissions) - location-based approach**	23,773	18,399	21,703
Scope 1 and 2	24,464.72	18,941.83	22,198.67
GHG emissions intensity ratio (emissions/revenue - TCO <sub>2</sub> / MM USD Revenue)***	14.85	9.86	10.18
Scope 3****	584	837	296

Calculated according to GHG Protocol operational control option. Emissions include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O gases. Source of GWP factors: GHG Protocol (AR5). Emission factors from DEFRA, EPA, carbonfootprint.com. and other locals' sources.

\*Scope 1 includes Israel Gasoline consumption.

\*\*Scope 2 includes electricity consumption of Hoboken, London, Manila, Melbourne, Mountain View, Mumbai, Prague, Pune, Ra'anana, Richardson, Singapore, Southampton, Sydney, Tokyo, Utah, which represent approximately 86% of NICE's office area.

\*\*\* Covers Scope 1 and 2.

\*\*\*\* Includes the share of our emissions in our main data-centre supplier.

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**ACTIMIZE UK LIMITED**


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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**Streamlined Energy and Carbon Reporting (SECR) (continued)**

Although most of NICE's Scope 3 emissions are not monitored, emissions from data centres and international air travel are of particular relevance. NICE has started engaging with its data centres to monitor Scope 3 emissions. The top data centre supplier estimates the company's carbon footprint associated with its services is 838 tCO<sub>2</sub>e in 2021 and 296 tCO<sub>2</sub>e in 2022. The decrease in carbon emissions is explained by NICE's selection of its suppliers. NICE's data centre suppliers are committed to using renewable energy and/ or improving energy efficiency, with Energy Star Certification being a prime example. The Company's top two data centre suppliers are committed to using 100% renewable energy, with one already achieving 100% and the other 85% renewable energy use.

**Scope 2 Emissions**

Scope 2 accounts for indirect GHG emissions from consumption of purchased electricity, heat or steam. As NICE does not purchase heat or steam, the company's scope 2 emissions are from purchased electricity only.

**Market vs. location based**

Calculating scope 2 emissions requires a method of determining the emissions associated with electricity consumption. Two primary methods can be used in order to account for the emissions from electricity consumption: location-based and market-based methods.

The location-based method involves to quantifying scope 2 emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries, during a defined time period.

The market-based method involves quantifying the scope 2 emissions based on GHG emissions emitted by the generators from which the company contractually purchases electricity.

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

As such, we are reporting a Scope 2, location-based figure for emissions from electricity consumption in the UK by business facility for 2021.

<b>Country / Region</b>	<b>Scope 2, location-based (metric tons CO<sub>2</sub>e)</b>
United Kingdom	278

<b>Facility</b>	<b>Scope 2, location-based (metric tons CO<sub>2</sub>e)</b>
London, UK	72
Southampton, UK	206

Further details on tracking NICE's corporate carbon footprint and producing a detailed report, is expressed in NICE's Climate Change CDP questionnaire which can be found on NICE's website.

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## **ACTIMIZE UK LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Qualifying third party indemnity provisions**

The Director benefits from a third party qualifying indemnity provision in the form permitted by Section 234 of the Companies Act 2006 in respect of certain third party actions against the Director. No claim or notice of claim in respect of these indemnities has been received in the year. The qualifying indemnity provision was in force throughout the financial year and up to the date of approval of the Director's Report.

#### **Matters covered in the Strategic Report**

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to future developments, stakeholder engagement and research and development activities.

#### **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 Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have 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.

#### **Going Concern**

The Directors, at the time of approving the financial statements, have considered the operating budget and forecast for a period of twelve months and have determined there is a reasonable expectation that the group has adequate resources to continue to support the Company for at least twelve months from the date of signing these financial statements. The Company is dependent on its ultimate parent company, NICE Limited, and the Directors of that company have expressed a willingness to support the Company for a period of at least twelve months following the signing of these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

#### **Economic impact of global events**

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that the greatest impact on the business is expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

The Company continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

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**ACTIMIZE UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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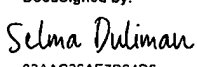
**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditor**

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

This report was approved by the board and signed on its behalf by:

DocuSigned by:  
  
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**S Duliman**  
Director

Date: September 28, 2023

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**ACTIMIZE UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIMIZE UK LIMITED**

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**Opinion**

We have audited the financial statements of Actimize UK Limited (the 'Company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the 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 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 Company's affairs as at 31 December 2022 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.

**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 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. 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 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.

**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 our report, we do not express any form of assurance conclusion thereon.

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**ACTIMIZE UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIMIZE UK LIMITED**

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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.

**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 the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In 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.

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**ACTIMIZE UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIMIZE UK LIMITED**

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**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 17, 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 intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

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**ACTIMIZE UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIMIZE UK LIMITED**

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In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the bad debt provision and share-based payment expenses, revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit 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.

  
Lesley Fox (Sep 29, 2023 07:52 GMT+1)

Lesley Fox (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants & Statutory Auditor

5th Floor, Merck House  
Seldown Lane  
Poole  
Dorset  
BH15 1TW

Date: Sep 29, 2023

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**ACTIMIZE UK LIMITED**


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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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	Note	2022 £	2021 £
Turnover	4	75,361,924	57,162,946
Cost of sales		<u>(62,692,113)</u>	<u>(43,305,325)</u>
<b>Gross profit</b>		12,669,811	13,857,621
Administrative expenses		<u>(10,678,571)</u>	<u>(11,856,918)</u>
<b>Operating profit</b>	5	1,991,240	2,000,703
Interest receivable and similar income	9	269,618	-
Interest payable and similar expenses	10	-	<u>(2,065)</u>
<b>Profit before tax</b>		2,260,858	1,998,638
Tax on profit	11	<u>(513,987)</u>	<u>(285,585)</u>
<b>Profit for the financial year</b>		<u><u>1,746,871</u></u>	<u><u>1,713,053</u></u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for 2022 (2021: £nil).

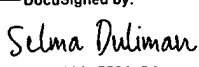
The notes on pages 30 to 45 form part of these financial statements.

**ACTIMIZE UK LIMITED**  
**REGISTERED NUMBER: 05135139**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	12,493	17,876
		<u>12,493</u>	<u>17,876</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	2,442	2,186
Debtors: amounts falling due within one year	13	43,835,734	36,068,833
Cash at bank	14	39,879,993	16,044,363
		<u>83,718,169</u>	<u>52,115,382</u>
Creditors: amounts falling due within one year	15	(61,179,381)	(32,829,562)
<b>Net current assets</b>		<u>22,538,788</u>	<u>19,285,820</u>
<b>Total assets less current liabilities</b>		<u>22,551,281</u>	<u>19,303,696</u>
<b>Provisions for liabilities</b>			
Other provisions	17	(186,525)	(101,718)
		<u>(186,525)</u>	<u>(101,718)</u>
<b>Net assets</b>		<u><u>22,364,756</u></u>	<u><u>19,201,978</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	100	100
Profit and loss account	19	22,364,656	19,201,878
<b>Total equity</b>		<u><u>22,364,756</u></u>	<u><u>19,201,978</u></u>

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

DocuSigned by:  
  
 83AAC36AE7B64D6...  
**S Duliman**  
 Director

Date: September 28, 2023

The notes on pages 30 to 45 form part of these financial statements.

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**ACTIMIZE UK LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£
<b>At 1 January 2021</b>	100	16,502,624	16,502,724
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,713,053	1,713,053
<b>Total comprehensive income for the year</b>	-	1,713,053	1,713,053
Share-based payments	-	986,201	986,201
<b>At 1 January 2022</b>	100	19,201,878	19,201,978
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,746,871	1,746,871
<b>Total comprehensive income for the year</b>	-	1,746,871	1,746,871
Share-based payments	-	1,415,907	1,415,907
<b>At 31 December 2022</b>	<u>100</u>	<u>22,364,656</u>	<u>22,364,756</u>

The notes on pages 30 to 45 form part of these financial statements.

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**ACTIMIZE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

Actimize UK Limited is a private company limited by shares and incorporated in England and Wales, registration number 05135139. The address of its registered office is Tollbar House, Tollbar Way, Southampton, Hampshire, SO30 2ZP.

The Company's main activity is to market, distribute, service and maintain products and solutions, within its jurisdictions, for the Financial Crime & Compliance markets.

**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 presented in GBP which is the currency of the primary economic environment in which the Company operates and are rounded to the nearest Pound.

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 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 NICE Limited as at 31 December 2022 and these financial statements may be obtained from 22 Zarchin Street, Ra'anana, Israel 43101.

**2.3 Going concern**

The Directors, at the time of approving the financial statements, have considered the operating budget and forecast for a period of twelve months and have determined there is a reasonable expectation that the group has adequate resources to continue to support the Company for at least twelve months from the date of signing these financial statements. The Company is dependent on its ultimate parent company, NICE Limited, and the Directors of that company have expressed a willingness to support the Company for a period of at least twelve months following the signing of these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

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**ACTIMIZE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.4 Turnover**

The Company generates revenues from sales of software products, services and cloud, which include software license, SaaS and network connectivity, hosting, support and maintenance, implementation, configuration, project management, consulting and training. The Company sells its products directly through its sales force and indirectly through a global network of distributors, system integrators and strategic partners, all of whom are considered end-users.

The Company identifies a contract with a customer and the performance obligations in the contract, determines the transaction price, allocates the transaction price to each performance obligation in the contract and recognises revenues when (or as) the Company satisfies a performance obligation.

Revenue is measured based on the consideration specified in a contract with a customer, excluding taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer. The Company enters into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations.

The Company allocates the transaction price to each performance obligation identified based on its relative standalone selling price ("SSP") out of the total consideration of the contract. The Company determines SSP based on the price at which the performance obligation is sold separately. If the SSP is not observable through past transactions, the Company estimates the SSP taking into account available information such as geographic or regional specific factors, internal costs, profit objectives, and internally approved pricing guidelines related to the performance obligation. For product where the SSP cannot be determined based on observable prices, given the same products are sold for a broad range of amounts (that is, the selling price is highly variable), the SSP included in a contract with multiple performance obligations is determined by applying a residual approach whereby all other performance obligations within a contract are first allocated a portion of the transaction price based upon their respective SSPs, with any residual amount of transaction price allocated to these product revenues.

Revenue is recognised at the time the related performance obligation is satisfied by transferring the promised product or service to the customer. Software license revenues are recognised at the point in time when the software license has been delivered and the benefit of the asset has transferred.

Support and maintenance service revenues are recognised ratably over the term of the underlying maintenance contract term. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognised ratably over the period of the renewal.

Revenues from professional services are recognised as services are performed.

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**ACTIMIZE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.4 Turnover (continued)**

The Company's SaaS offerings provide customers access to certain of its software within a cloud-based IT environment on a subscription basis, and may also include network connectivity services over the Company's network or through third party network connectivity providers on a usage basis. Because such offerings do not grant customers the right to take possession of the software, the Company considers these arrangements to be service contracts. In addition, the Company also derives revenue from professional services included in implementing or improving a customer's cloud software solutions experience.

Revenues for SaaS offerings are recognised ratably over the contract term or based on actual usage, commencing with the date the service is made available to the customers. Revenue from the network connectivity usage is derived based on customer specific rate plans and call usage and is recognised in the period the call is initiated. Upfront fees related to professional services that are interdependent with SaaS are not considered distinct. These services are considered a material right and as such are deferred and recognised over the estimated life of the customer.

Payment terms and conditions vary by contract type. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company determines its contracts generally to not include a significant financing component since the Company's selling prices are not subjected to billing terms nor is its purpose to receive financing from its customers or to provide customers with financing.

**2.5 Tangible fixed assets**

Tangible fixed assets 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful life.

Depreciation is provided on the following bases:

Fixtures & fittings	-	10% straight line
Computer equipment	-	33% straight line

Depreciation is charged to 'Administrative expenses' in the Profit and Loss Account.

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**ACTIMIZE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.6 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.

**2.7 Cash at bank**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.8 Creditors**

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

**2.9 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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.10 Interest payable and similar expenses**

Interest payable and similar expenses 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.

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**ACTIMIZE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.11 Share based payments - Equity settled transactions**

The cost of equity settled transactions with employees is measured by reference to fair value at the date of which they are granted and is recognised as an expense over the vesting periods, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer, using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market conditions, which are treated as vesting irrespective of whether or not the market conditions is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest, or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expenses since the previous balance sheet date is recognised in the Profit and Loss Account, with the corresponding entry in equity.

Where the terms of the equity-settled transaction are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Profit and Loss Account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Profit and Loss Account.

**2.12 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.13 Interest receivable and similar income**

Interest receivable and similar income is recognised in profit or loss using the effective interest method.

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**ACTIMIZE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.14 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.15 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 balance sheet 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 balance sheet 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 balance sheet date.

**2.16 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.

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**ACTIMIZE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

The Company's significant accounting policies are stated in note 2. Not all of these significant policies require the management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgement and estimation involved in their application and their impact on these financial statements.

Judgements and estimates are reviewed on an ongoing basis and actual results may differ from these estimates. The areas involving a higher degree of judgements or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

**3.1 Critical judgements in applying the Company's accounting policies**

*Allowance for doubtful debts*

The Company performs ongoing credit evaluations of its customers and insures certain of its receivables with a credit insurance company. An allowance for doubtful accounts is provided, based on the length of time the receivables are past due.

**3.2 Key sources of estimation uncertainty**

*Share-based payments*

Share-based compensation cost is estimated at the grant date based on the fair value of the award and is recognised as expense ratably over the requisite period of the award. We estimate the fair value of stock options granted using the Black-Scholes-Merton option-pricing model and value restricted stock based on the market value of the underlying shares at the date of grant. We recognise compensation costs using the graded vesting attribution method that results in an accelerated recognition of compensation costs.

The fair value of an award is affected by our stock price on the date of grant and other assumptions including the estimated volatility of our stock price over the term of the awards and the estimated period of time that we expect employees to hold their stock options. Share-based compensation expense recognised in our financial statements was reduced for estimated forfeitures.

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**ACTIMIZE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Product revenue	30,081,907	16,761,669
Service revenue	13,743,391	12,844,291
Maintenance revenue	21,137,658	21,536,526
Cloud revenue	10,398,968	6,020,460
	<u>75,361,924</u>	<u>57,162,946</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	32,674,249	20,139,084
Rest of Europe	26,133,655	22,390,308
Rest of the world	16,554,020	14,633,554
	<u>75,361,924</u>	<u>57,162,946</u>

**5. Operating profit**

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

	2022 £	2021 £
Depreciation of tangible fixed assets	16,776	12,342
Exchange differences	(1,399,123)	754,450
Research and development charged as an expense	322,608	134,636
	<u>322,608</u>	<u>134,636</u>

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**ACTIMIZE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**6. Auditor's remuneration**

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	36,000	33,500
<b>Fees payable to the Company's auditor in respect of:</b>		
Taxation compliance services	6,615	6,300
All other non-audit services not included above	3,905	3,550

**7. Staff costs**

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	11,809,318	12,816,615
Social security costs	1,623,005	1,533,988
Cost of defined contribution scheme	381,089	363,599
	<u>13,813,412</u>	<u>14,714,202</u>

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

	2022 No.	2021 No.
Administration	3	4
Professional services	47	47
Sales and marketing	34	30
Research and development	2	2
	<u>86</u>	<u>83</u>

**8. Directors' remuneration**

The Directors' remuneration is all borne by another company within the Group.

The Directors do not consider there to be any other key management personnel.

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**ACTIMIZE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**9. Interest receivable and similar income**

	2022 £	2021 £
Bank interest	269,618	-

**10. Interest payable and similar expenses**

	2022 £	2021 £
Other interest payable	-	2,065

**11. Taxation**

	2022 £	2021 £
Corporation tax	683,250	118,837
Adjustments in respect of previous periods	23	248,013
Double taxation relief	(140,961)	(132,837)
	<u>542,312</u>	<u>234,013</u>
Foreign tax on income for the year	138,291	269,527
<b>Total current tax</b>	<u>680,603</u>	<u>503,540</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(166,616)	(129,298)
Adjustments in respect of prior periods	-	(31)
Effect of tax rate change on opening balance	-	(88,626)
<b>Total deferred tax credit</b>	<u>(166,616)</u>	<u>(217,955)</u>
<b>Taxation on profit</b>	<u>513,987</u>	<u>285,585</u>

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**ACTIMIZE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**11. Taxation (continued)****Factors affecting tax charge/(credit) for the year**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before tax	2,260,858	1,998,638
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	429,563	379,741
<b>Effects of:</b>		
Expenses not deductible for tax purposes	5,265	964
Fixed asset differences	(722)	-
Adjustments to tax charge in respect of prior periods	23	248,013
Short term timing difference leading to an increase (decrease) in taxation	(127,031)	(117,302)
Adjustments to tax charge in respect of previous periods - deferred tax	-	(31)
Double taxation relief	(2,670)	136,690
Remeasurement of deferred tax for changes in tax rates	(39,987)	(119,657)
Share based payment adjustment	249,546	(242,833)
<b>Total tax charge for the year</b>	<b>513,987</b>	<b>285,585</b>

**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

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**ACTIMIZE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**12. Tangible fixed assets**

	<b>Fixtures &amp; fittings and computer equipment £</b>
<b>Cost</b>	
At 1 January 2022	38,500
Additions	12,673
Disposals	(2,144)
At 31 December 2022	<u>49,029</u>
<b>Depreciation</b>	
At 1 January 2022	20,624
Charge for the year	16,776
Disposals	(864)
At 31 December 2022	<u>36,536</u>
<b>Net book value</b>	
At 31 December 2022	<u>12,493</u>
At 31 December 2021	<u>17,876</u>

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**ACTIMIZE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Debtors**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Due after more than one year</b>		
Other debtors	2,442	2,186
	<u>2,442</u>	<u>2,186</u>
	<b>2022</b>	<b>2021</b>
	£	£
<b>Due within one year</b>		
Trade debtors	14,661,235	14,396,587
Amounts owed by group undertakings	6,050,988	7,769,430
Other debtors	-	88
Prepayments and accrued income	22,458,322	13,298,160
Tax recoverable	-	105,995
Deferred taxation	665,189	498,573
	<u>43,835,734</u>	<u>36,068,833</u>

Trade debtors are stated after provisions for impairment of £446,905 (2021: £341,556).

Amounts owed by group undertakings are unsecured, interest-free and payable on demand.

**14. Cash at bank**

	<b>2022</b>	<b>2021</b>
	£	£
Cash at bank	39,879,993	16,044,363
	<u>39,879,993</u>	<u>16,044,363</u>

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**ACTIMIZE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	£	£
Trade creditors	1,473,028	1,195,828
Amounts owed to group undertakings	32,367,565	2,754,464
Corporation tax	135,095	-
Other taxation and social security	863,582	894,531
Other creditors	16,463	4,909
Accruals and deferred income	26,323,648	27,979,830
	<u>61,179,381</u>	<u>32,829,562</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**16. Deferred taxation**

	<b>2022</b>	<b>2021</b>
	£	£
At beginning of year	498,573	280,618
Charged to profit or loss	166,616	217,955
<b>At end of year</b>	<u>665,189</u>	<u>498,573</u>

The deferred tax asset is made up as follows:

	<b>2022</b>	<b>2021</b>
	£	£
Accelerated capital allowances	3,987	4,516
Share based payments	661,202	494,057
	<u>665,189</u>	<u>498,573</u>

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**ACTIMIZE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Provisions**

	<b>National Insurance on Share Options £</b>
At 1 January 2022	101,718
Charged to profit or loss	96,564
Utilised in year	(11,757)
<b>At 31 December 2022</b>	<b>186,525</b>

**National Insurance on share options**

The provision relates to the National Insurance on the share options issued in the parent company and controlling party, NICE Limited. The amount of National Insurance payable depends upon the number of employees who remain with the Company and exercise their options, the market price of the parent undertaking's ordinary shares at the time of exercise and the prevailing National Insurance rates at the time.

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**ACTIMIZE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**18. Share capital**

	2022	2021
	£	£
<b>Allotted, called up and fully paid</b>		
100 (2021: 100) Ordinary shares of £1 each	100	100

The Company has one class of ordinary shares, each share gives rise to one voting right but no right to fixed income.

**19. Reserves****Profit and loss account**

The profit and loss account is made up of distributable reserves less any dividends paid and share-based payments.

**20. Pension commitments**

During the year the Company operated a funded defined contribution Group Personal Pension Plan for eligible employees. The assets of the plan are held separately from those of the Company. The total contributions to the scheme for the year were £381,089 (2021: £363,599). At the year end contributions of £nil (2021: £nil) were outstanding and are included in creditors.

**21. Related party transactions**

The Company has taken advantage of the exemption in Financial Reporting Standard 102, Section 33, from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

**22. Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**23. Ultimate parent undertaking and controlling party**

The immediate and ultimate parent company of Actimize UK Limited is NICE Limited, a company registered in Israel. The ultimate parent undertaking of the largest and smallest group which includes the Company for which group financial statements were prepared is NICE Limited.

Copies of the consolidated financial statements of NICE Limited can be obtained from 22 Zarchin Street, Ra'anana, Israel 43101.