alterDomus*

Annual report and accounts

FOR THE YEAR ENDED 31 DECEMBER 2022

Alter Domus Global S.à r.l.

Highlights

- Foundation of **Data & Analytics** group to aid the transformation of our business and deliver Software as a Service (SaaS) solutions to our clients
- Continuing growth in all regions, with the key **US business** now providing 42% of revenues in a balanced, global client offering
- Award-winning client service recognised with further **industry awards**, including "Best Fund Administrator for GPs with assets over $30Bn"
- Record revenues up **30%** on 2021, delivered through progress in both organic and newly-integrated businesses
- An ability to match the scale of the largest investment managers and asset owners, with more than **4,500 employees** and Assets under Administration of **$2Tn**

Revenue

€604.5m

+30% from 2021

Underlying EBITDA[1]

167.3m

+15% from 2021

Underlying fully diluted earnings per share (EUR cents)[1]

97.66c

+117% from 2021

Underlying operating cash flow[1]

€130.9m

+23% from 2021

IFRS unless stated otherwise.

[1]The Group classifies certain non-recurring income and expenses that have a material impact on the Group's financial results as non-underlying items. These represent specific items of income or expenditure that are not of an operational nature and do not represent the core operating results, and are therefore presented separately to provide a better understanding of the Group's financial performance. A detailed reconciliation is presented in Note 11 to the financial statements.

Contents

"We are the business partner of choice for the alternative investment industry. People and technology are our greatest assets to be wherever our clients need us, whenever they need us."

Alter Domus is the leading global, integrated solution provider, dedicated to providing end-to-end expertise and technology to the alternative investment industry.

€605M REVENUES GLOBALLY

- North America €253.9m
- EMEA €316.8m
- APAC €33.8m

$2.0 TRILLION ASSETS UNDER ADMINISTRATION

- Funds under Administration $1.4tn
- Debt Products under Administration $0.6tn

4,500 PROFESSIONALS WORLDWIDE

- Private Equity 41%
- Real Assets 38%
- Debt + Corporates 21%

Business strengths

Attractive Industry Growth Fundamentals

Alternative assets is one of the fastest growing investment classes, with a strategic outsourcing trend set to continue for the foreseeable future. That exponential growth is being matched by rising demand for sophisticated and technology-driven services.

Unrivalled Market Leadership at Scale

Alter Domus is the leading global integrated fund administrator dedicated to the alternatives market. We provide an unrivalled range of services in markets around the world, with the scale to support the largest asset managers on a global basis.

Service Excellence Enabled by Technology

We are dedicated to excellence in both skills and technology. High-quality client service is underpinned by the best possible tech solutions, based on long-standing vendor partnerships, investment in pioneering proprietary solutions and increasingly our pioneering Data & Analytics capabilities.

Recurring, Inflation-Linked Revenue Base

The quality of our services means our clients stick with us. Our 98% client retention rate combined with our fixed contracted fee model deliver highly predictable revenues.

Strong Organic Growth and High Cash Conversion

Loyal clients and scalable solutions have helped our business grow even faster than the alternatives market. Repeat business and complementary services help drive strong organic growth and cash generation.

Disciplined and Selective M&A Strategy

Alter Domus has extended its global footprint and sustained the highest-quality service through a disciplined strategy of acquisitions, with successful integration to deliver an organisation with deep expertise and top-tier delivery capabilities.

Experienced Leadership Team and Client Service Culture

Our leadership team have deep experience in both the alternatives market and in building fast-growing professional services businesses, and head a professional workforce dedicated to serving our clients.

Chairman's statement

Dear stakeholders,
If I were to sum up 2022 in a single word, that word would be growth. As a result of our recent transformation the business grew its team, technology capabilities and revenues. Alter Domus is now in the global top tier of service providers to the alternative investment industry with a comprehensive service offering and strong foundations for further expansion. Our success is a tribute to the strategic leadership shown by our CEO Doug Hart and his team and to the talent of our people.

In 2022 the world started to recover from the global pandemic and many of our colleagues returned to the office. But there can be no doubt that COVID-19 changed the way businesses operate, and we are now fully adapted to more flexible and hybrid working methods. It was also the first year in which recent acquisitions were fully integrated into our business.

The top line tells its own story, with revenues up by nearly a third (30%). We are just as proud of the quality of our business and 2022 was yet another year in which Alter Domus was recognised in industry awards. The Private Equity Wire European Awards named Alter Domus as "Best Fund Administrator" and "Best Debt/Loan Administrator." Meanwhile in the Private Equity Wire's US awards we secured the award for "Best Fund Administrator – Private Debt."

As a service company, the engine of Alter Domus is its people. In a competitive market for talent, we set great store by our ability to attract the best. Our global careers website, launched in May last year, has proved invaluable in recruiting talent. What is more we have been able to retain the people who join us. Turnover in our industry is often high but Alter Domus is proud to have a lower turnover of staff than our peers and developing and nurturing our people is a vital part of ensuring the highest quality of service.

The Alter Domus Academy, our learning and development initiative, has gone from strength to strength, delivering world class development opportunities. This enables a consistent quality of delivery for clients in a work environment where everyone feels skilled, valued, and challenged. Further improving the Academy will be a continuous point of attention.

Talent is the key to service, but at Alter Domus it is inextricably linked to technology – the tool that enables our teams to deliver. 2022 saw further advances in our technology capability, both in our internal processes – bringing greater efficiency and responsiveness to client needs – and in the platforms that we provide to clients to empower them in their own operations.

A new and crucial dimension of our technological capability is our Data & Analytics team that will bring together big data, data science, technology, and product management disciplines. Alter Domus always aims to be an innovator and data and analytics represents the latest advance in this field – providing clients with insights and analytical tools to refine their strategies and maximise their returns.

The growth in our data and analytics capability demonstrates our commitment and investment in the long-term success of our company and of our clients. Rising demand from clients for these kinds of capabilities will be one of the most important trends in our sector and Alter Domus is determined to be at the leading edge of meeting that demand.

Our commitment to the Environmental Social and Governance agenda also remains undimmed. Our ESG reporting product has been in place for almost three years for our clients and is constantly being refined and updated. The programme for addressing environmental issues in our operations also picked up pace in 2022 with significant upgrades to many of our offices to control carbon emissions.

The last year has also seen a transformation in the wider world. The Russian invasion of Ukraine has brought uncertainty to geopolitics, while rising inflation and a new era of higher interest rates have changed the economic landscape. These dynamics reinforce the value in our long-term strategy as alternative assets will prove to be crucial – providing our clients with the services they need to optimise their alternative asset investments in a complex and changing world economy.

Following an outstanding 2022, Alter Domus is well placed to thrive this year and in the years ahead.

RENÉ BELTJENS
Chairman

CEO's statement

Dear stakeholders,
2022 was a watershed year for Alter Domus. Our strategy to invest in the right businesses, technology and talent came together to produce record revenues and consolidated Alter Domus as a tier one, fully integrated service provider to the alternatives market. I would like to thank all our colleagues for their work and commitment over the year.

Our strategy's success can be seen in many dimensions, from our technological capability to our global scale, to the deep pool of skillsets and expertise in our people, and to our unwavering focus on our clients' needs in a dynamic and ever-changing market.

Assets under administration rose from $1.6 trillion to $2 trillion – a record 25% increase. Our financial performance also hit new highs. Revenues rose by 30% and hit record levels in every market segment and in every geography in which we operate. Underlying EBITDA rose 15% to €167.3 million.

“We believe we have raised the bar on tech-enabled fund administration and clients, who like us recognise that data is the key to our industry’s future, have responded by joining our platforms.”

Recent acquisitions, notably of Strata Fund Solutions and of IEA in early 2021 laid the foundations by establishing Alter Domus as a full-service administration provider. With these acquisitions now fully integrated in the group, 2022 was a year of organic growth, as our enhanced capabilities attracted ever more business.

There will be further acquisitions in the future as we build out specific capabilities, enhance particular technologies or refine our services, but our current suite of solutions is comprehensive and aligned to our clients’ needs for a vertically integrated service. Alter Domus has served most of the top 30 alternatives houses for several years. In 2022 we established a position as one of the top 5 service providers and Alter Domus is included in major provider reviews as a matter of course. We expect to cement that position further in 2023.

Talent and Technology

As the alternatives market continues to grow and develop, clients expect service through the entire fund lifecycle. We see this as operating at three levels. Chief financial officers and managers across middle and back offices need excellent local services able to manage specific investment structures; they need a globally standardised service offering; and they expect platforms that provide a complete picture of their entire portfolio.

The talent in our company is critical to all three of these capabilities. The acquisitions of 2021 had already lifted our staff numbers to more than 3,600 and 2022 saw further expansion. We are proud to welcome the new colleagues who joined Alter Domus last year, making us now a business of 4,500 people. Training and development are essential to attract, retain and develop our teams and our commitment to investment in these areas is a core dimension of our strategy.

The result of hiring and nurturing the best in the business means the talent in our business is both deep and broad, combining segment-specific and regional expertise.

Our investment in technology continued in 2022, with ongoing investment in Accelerate, SAP and our leading client service platform. More important than the headline number is the effectiveness of that investment. Our core business operations system (SAP S/4HANA), which covers a range of processes from invoicing to procurement, brought greater efficiency to our own processes and improved service to our clients and was named by SAP itself as one of the best implementations of its technology in 2022.

Technology investment has also enabled success in managing our expanding workforce using the SAP SuccessFactors solution for operational efficiency.

Alongside our already market-leading suite of platforms for our clients, we are developing Data and Analytics as a new pillar in our technology offering. Part of our wider Accelerate Programme, Data and Analytics will bring together structured and unstructured data from our clients enabling us to build a whole new level of value-added services. It will combine a complete picture of clients’ portfolios with analytic tools allowing them to bring their investment decision-making skills to bear, both tactically and strategically.

Environmental Social and Governance is embedded part of our offering through our ESG reporting product, used by over 75 asset management clients covering 35 billion EUR in assets under management. Last year we deepened our partnerships with providers to extend the expertise in legal and ESG rating support available to our clients. ESG was also introduced as standard in our Investment Committee process for new business and we will continue to refine and develop our ESG capabilities as sustainability regulations and client expectations evolve.

We believe we have raised the bar on tech-enabled fund administration and clients, who like us recognise that data is the key to our industry’s future, have responded by joining our platforms. Their use of our reporting platform and cash processing systems set new records every quarter in 2022.

The digitalisation of the alternatives market is not over and Alter Domus will always aim to be at the forefront of that transformation.

Alter Domus on the map

Our dominance in long-standing markets stood us in good stead in 2022. Luxembourg's position as a destination for private funds strengthened in 2022 and as the number one provider of fund administration services in Luxembourg, we were able to leverage that position to grow even further.

In Europe, the UK market also expanded while in the US, our recent acquisitions were a game changer, enabling us to serve US clients in their home markets as well as Europe and to do so across private equity, private debt, infrastructure, and real estate.

Our expanded geographical reach is key to enabling our clients to make decisions locally and globally through a single suite of platforms and services.

Outlook

The global economy and markets are more uncertain today than for many years. Events of 2022 and early 2023 have demonstrated there is no escaping unpredictable events. Despite this we continue to look to 2023, and beyond, with optimism. Our broad client base and deep relationships with our clients means that stability is built into our business model, and we have excellent visibility of our future revenues and new business pipeline. At the same time, our geographic diversification adds a further layer of resilience and growth potential.

Meeting our client's needs, wherever they are in our global market, is the key to our success. This requires constant attention to how those needs are evolving as the alternatives market itself grows in scale and sophistication and is recognised as an essential element in wider investment strategy. Supported by our commitment to talent and technology, delivering for our clients will be the focus of our strategy this year, and in the years ahead.

Last year I ended my annual statement by declaring that 'we are the alternative.' I hope you will forgive me if I now appear to be changing my tune. After the successes of 2022, Alter Domus is on its way to becoming the obvious choice.

DOUG HART
Chief Executive Officer

The alternative assets market

Over the last 20 years the alternative assets market has expanded dramatically. The need for diversification and the pursuit of alpha has brought alternatives into the mainstream with rising allocations from investors of all types and that trend shows little sign of abating.

The rise of alternatives in recent years has in part been driven by low interest rates assisted by global geopolitical stability. That era came to an end in 2022, and in the second half of the year activity dipped. But 2022 was still the second biggest year for alternative fund-raising on record and alternative assets under management reached $12.8 trillion.[1]

Meanwhile, allocations, particularly from institutional investors, are expected to keep rising and market specialists Preqin forecast that by the end of 2027 that figure will have risen to $18.3 trillion.

The continued rise in alternative assets is testament to the resilience of this asset class. Long-term investment horizons and a diverse range of investment opportunities have always provided an underpinning of value that has attracted investors as well as being a tool for diversification. That diversification case has, if anything, become stronger in the new economic environment. The old verities of public markets are being challenged. In the past, diversification and a hedge against economic uncertainty could be achieved with a traditional portfolio of equities and bonds. Today, investors are faced with bonds and equities moving in parallel.

The case for alternative investments to diversify risk grows stronger.

Nevertheless, the new environment poses new challenges for private fund managers. Partly this is due to the increasingly detailed and time sensitive reporting expected from investors, not least institutions. But the changing global economy also requires greater sophistication in analysis and individual asset selection, and the growth in private markets investment naturally brings ever greater scrutiny from regulators. In the UK, Europe and the US, reviews of alternative asset regulation are underway.

Alternatives specialists and the wider investment community are increasingly looking for the tools that will give them an edge and the administration services to keep pace with client and regulatory demands, while allowing them to do their job – investing.

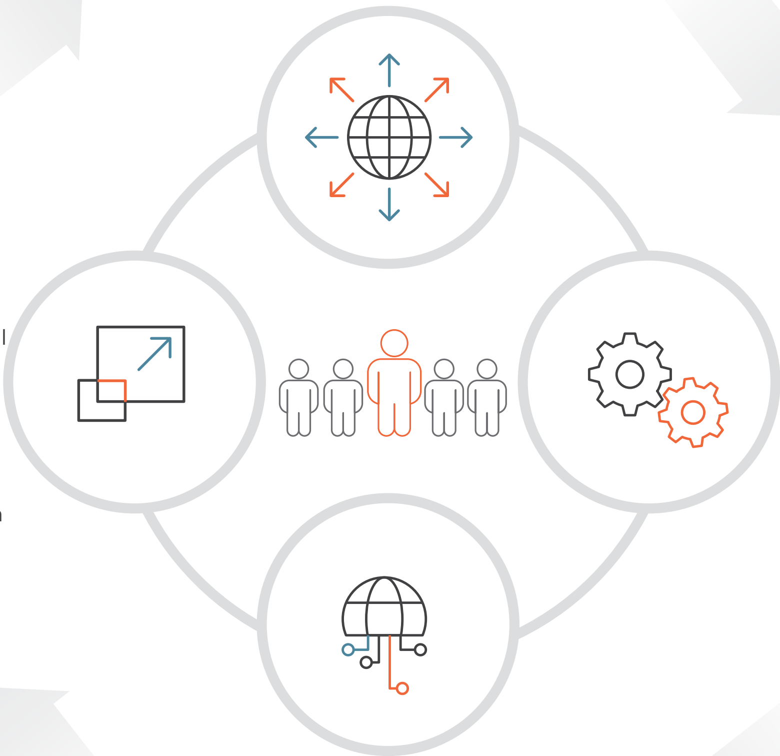
[1] Bain, Global Private Equity Report 2023

Standing out as a service provider

As global economies and markets adjust to new realities and the alternative asset class enters a new phase of its growth, fund managers need the best possible tools and administrative support. Success in this market means delivering first-class services on a global scale.

GLOBAL REACH

The alternatives market knows no boundaries and fund managers need a service provider who can match the global scope of their own business. A successful service provider will have a global presence, with capabilities across multiple markets and jurisdictions, and across the full range of asset types.



INTEGRATED AND SCALABLE

Alternative investment has become mainstream and administrative and essential technology services need to be fully integrated with existing systems, enabling managers to invest across all asset classes, including traditional markets through a single interface. Crucially they must be able to scale, allowing managers to grow their own business as the alternatives market continues to expand.

EXCELLENCE IN SERVICE

Service providers must have highly trained teams of experts, with knowledge and experience in a range of markets and assets, from private equity and debt to infrastructure and real estate, and with the technology and tools to do the job. They also need to be dedicated to delivering excellent service at all times.

TECHNOLOGY CAPABILITY

Clients demand transparency and accountability. To be a leader in corporate services, providers must be able to offer technology systems that deliver real-time reporting and, increasingly, the self-service financial and non-financial data and analytics capabilities that fund managers depend upon in an ever more demanding market.

Alter Domus – the natural choice for the alternatives industry

What sets us apart

BREADTH AND DEPTH

We span the world, from Los Angeles to Singapore and every major developed market in between. With 38 offices across 22 countries and our 4,500 strong staff between them speaking 52 different languages, we have market-leading global reach.

That geographical reach is matched by a breadth of expertise across alternative asset types. Whether it be private equity, infrastructure, credit markets or real estate, we have the systems and the experts to support your investment operations.

Our international profile and market-wide expertise is reflected in the trust placed in us by top-tier clients, including 26 out of the top 30 global private equity houses, 27 of the top global private debt managers and 22 of the world's biggest real estate firms.

We expect a healthy flow of new funds to be launched in 2023. At the same time, some existing funds will use secondaries to extend their life cycle, and many will look to grasp the opportunities of the new economic environment. Our suite of products and capabilities will prove invaluable to clients as they navigate their way through those opportunities.

The trend towards outsourcing fund administration also plays to our strengths. As funds direct their energies to what they do best – investing – we can provide the support and service that allows them to do their jobs more efficiently and more effectively.

TECHNOLOGY

Technology is the tool of our trade, driving efficiency within our own operations and for our clients. Our proprietary investor and client portal CorPro delivers real-time on demand service through a secure application that can be customised to each client's needs.

The system provides transparency and reporting capabilities across fund portfolios including data on individual assets, all integrated with investors' communications. We have also brought together the world's leading accounting engines into a single integrated platform.

As the leading alternative vendor platform, we offer clients options across a range of leading alternative investment tools and services and proprietary systems to build a technology package for their own unique needs that can be fully integrated with their existing tech infrastructure.

Data and analytics are key to the future of alternative investments. Our data depository can provide a wealth of insights, available with instant access, to help clients spot the trends across their portfolios as well as market opportunities. We have committed to continued investment in data and analytics with the aim of delivering new insights and services and remaining a market leader in this field.

In our own operations, technology is optimised for efficiency. Our interactive workflows enable our experts to deliver services smoothly, speedily and with agility.

SERVICE EXCELLENCE

A global footprint and technology leadership are the foundations upon which our teams of experts build our market leading service.

Our 4,500-strong workforce is highly skilled, dedicated to client service and supported by a company culture that puts training and development at the heart of its business. We aim to recruit and retain the best in the business, giving them the tools to excel.

The result is an award-winning service, recognised across the industry. In 2022 our awards included:

- Private Equity Wire European Awards 2022 – Best Fund Administrator (GPs with assets over $50 billion).
- Private Equity Wire European Credit Awards 2022 – Best Debt/Loan Administrator
- Private Equity Wire US Awards 2022 – Best Fund Administrator Private Debt
- Drawdown Awards 2022 – Fund Administration: Over $50 billion AuM
- Drawdown Awards 2022 – Fund Administration ManCo Services

But we never rest on our laurels. Already in 2023, at Private Equity Wire's European Awards, we have been named Best Fund Administrator – Private Debt.

The value we create

For two decades, we have focussed on delivering long-term value for our clients, our people, our shareholders and our lenders.

CLIENTS

85%
of the top 30 alternative asset managers

30,000
Client structures

$2.0tn
USD assets under administration

ALTER DOMUS PEOPLE

4,500
professionals in 22 countries speaking 52 languages

269,000
training hours

49% women
51% men
gender diversity

566
internal promotions in 2022

SHAREHOLDERS & LENDERS

80%
of revenues from recurring work

€167.3m
underlying EBITDA, up 15%

€130.9m
operating cash flow, up 23%

Delivering solutions for today and tomorrow

Our deep understanding of our clients' world and full dedication to alternative investments has helped us to develop an expansive range of services designed to meet clients' current and future needs.

Our specialised teams each serve a distinct industry segment, meaning our clients are always involved with experts who speak the same language as their business, whether it be private equity, real estate, infrastructure, or debt capital markets.

Our global guidelines coupled with local expertise and services delivered within a vertically integrated framework combine to help streamline complex processes and give clients the freedom to focus on what they do best.

Our vertically integrated approach offers a modular structure for fully streamlined results. With the flexibility to build a model designed to fit our clients' specific needs, we offer administration solutions across the entire value chain.

Alter Domus' vertically integrated range of services

THIRD PARTY AIFM SERVICES

- Portfolio Management
- Risk Management
- Valuation
- Compliance
- Regulatory Reporting
- Marketing and Distribution
- Super ManCo Licences

DEBT CAPITAL MARKET SERVICES

Custody and Treasury Management

- Operating accounts
- Expense payment/working capital management
- Custodian for underlying deal documents
- Non-Bank SWIFT participant institution

Agency Services

- Document review and onboarding
- Closing flow of funds
- Borrower/Lender communication
- Registrar
- Asset-Based Lending

Loan Trade Settlement

- Par and distressed trades
- Utilisation of ClearPar
- Expertise with manual settlement

Loan Administration/ Securitisation Services

- Collateral administration
- Analytics and surveillance
- CLO middle office services and compliance

Credit Portfolio Monitoring

CENTRAL ADMINISTRATION SERVICES

- Fund Accounting and Administration (NAV Calculation)
- Investment Processing
- Investor KYC AML
- Investor Services
- Statutory and Regulatory Reporting
- Compliance Support
- Consolidation, IFRS, Liquidation
- Liaison with Regulators and AIF external partners (Audit, Legal, Distributors)
- Tax Compliance
- Middle Office Support

DEPOSITARY SERVICES

- Safekeeping of Assets
- Cash Monitoring
- Oversight of Main Processes

CORPORATE SERVICES

- Implementation of Structures
- Domiciliation Services
- Director's Mandate
- Accounting and Reporting
- Corporate Secretarial
- Restructuring
- Tax Compliance
- Consolidation, IFRS, Liquidation
- Property Company Services
- Liaison with regulators and AIF external partners (Audit, Legal, Distributors)
- Transfer Pricing
- Secondments

Leading our industry in technology solutions

At Alter Domus, we are the global leader in tech-enabled solutions for the alternative investment industry. We invest in both cutting-edge client products and data and analytics capabilities to deliver unparalleled value to our customers. At the heart of this commitment to innovation is our “Accelerate” program, launched in 2020 with a $125-million investment over 5 years and designed to use new technology to transform our core activities and create new data assets for our clients.

Our clients can access our technology platform across different geographies, investment structures, and product types, and benefit from fully digitized and integrated workflows and enhanced data access. We have deep coverage of core areas of private markets – including private equity, fund of funds, real estate, credit, and infrastructure – with best-of-breed technology platforms, such as eFront, Yardi, Investran, and Allvue, complemented with proprietary solutions like CorPro, VBO and Agency360.

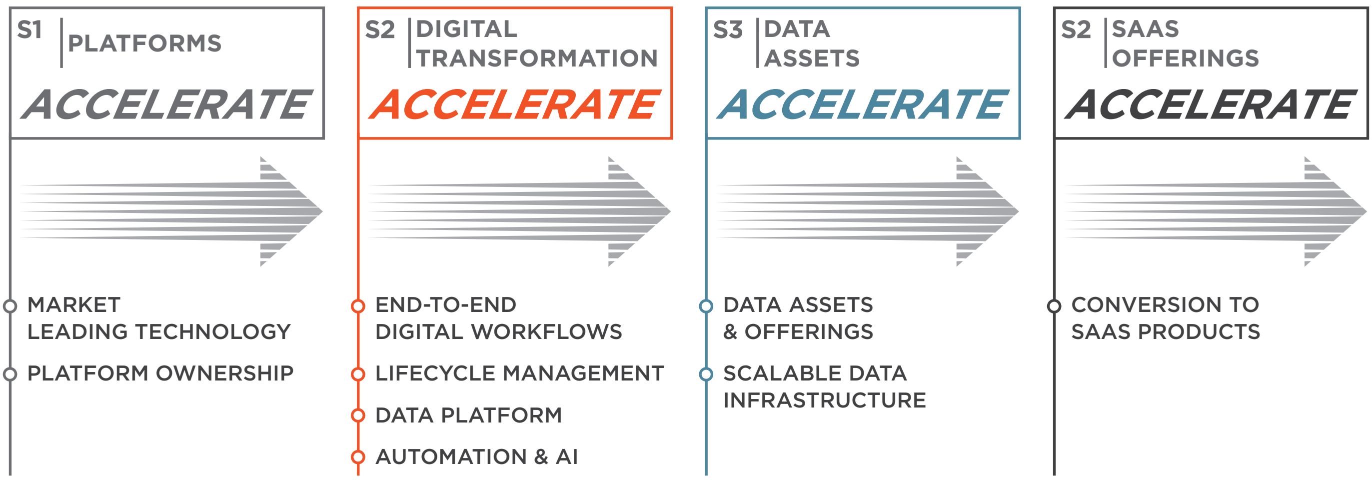
Our fast-growing Data & Analytics division, comprised of a team with deep expertise in building and maintaining modern tech-enabled data products, provides innovative SaaS solutions to investors in alternatives globally. Its modern tech stack, AI and machine-learning capabilities automate core activities, and channel a client’s data into useable form to support our clients’ decision-making processes. Our suite of consolidated platforms provides clients with powerful analytics and holistic views across their portfolios. The Data & Analytics team is accelerating, expanding and enhancing our core data offerings. For our growing client base the significant benefits include serving clients with tech-enabled data and analytics to facilitate effective decision-making, and adopting some of the same solutions to enhance our core internal administration operations. The Data & Analytics initiative is another example of how Alter Domus is investing heavily to support clients as they grow and embark on their own tech transformations.

Over recent years, we have also bolstered our internal technology investments through strategic acquisitions of leading solution providers, such as Credit Vision for private debt investors and debt capital market participants, and IEA which specialises in complex investor waterfall and carried-interest calculations.

Delivering value to our clients through best-in-class teams and technology is at the forefront of our group strategy. As a result, our clients can look forward to increasingly efficient, insightful, transparent and fast interactions with Alter Domus giving them an unrivalled customer experience and a trusted partner to support their own technology strategic imperatives.

ACCELERATE programme

FOUR STREAMS DRIVING WORLD-CLASS CLIENT SERVICE



Employer value proposition

With our continued growth trajectory and the changing dynamics of talent, 2022 was a pivotal moment to review our people strategy and articulate the **Employer Value Proposition** that defines the people experience at Alter Domus. We are focused on excellence in execution for our clients and in doing so, our employees benefit from an open, constructive, independent, and intellectually stimulating work environment built upon **three pillars**.

Professional freedom:

We are genuine professionals: experts, people with the answer, specialists who deliver the best service for alternative investment clients.

Diverse opportunity:

To make sure people can accomplish great things, we provide training, exposure to a huge financial market, and global opportunity.

Deliberative approach:

Improvement comes from persistence, discipline, rigour. This is a place where we own the failure just as much as we share in the successes.

The message we share with employees and with prospective candidates is

Invest Yourself in the Alternative

This new EVP enhances the employee and candidate experience across multiple internal and external channels such as our intranet, onboarding and learning tools, HR communications for employees, social media accounts on LinkedIn, Facebook, Instagram and WeChat, a distinctive presence on campus and a new global careers website.

Global Career Website Launch

In May 2022 we launched our global career website, an important milestone for us to be visible to talent interested in working for a high performing company and an alternative to more conventional career paths.

Attracting top talent is a critical capability for Alter Domus and our website has catapulted us to higher levels of outreach.

This new platform, available in English, French and Mandarin, makes us accessible to candidates and showcases opportunities across the firm and our global footprint.

The acADemy*

At Alter Domus we are committed to enabling our people to manage their own careers. Over the course of 2022, approximately 20% of our employees achieved a promotion. This strong focus on career development is supported by the **acADemy**.

Early Career This includes graduate development programs like internships and rotational learning	**Learning** Leadership training includes programs and other resources for leaders of all levels
Onboarding Onboarding items include the Welcome to AD app, orientation with HR, and job-specific training plans	**Professional skills** Training on professional skills includes programs and resources related to the competencies in our career paths
Compliance Annual compliance courses are required by the company, regions and local regulations	**Technical skills** Training on technical skills includes content on systems, the industry, our sectors, and team specific processes and procedures

The **acADemy** offers focused qualification programs, mentoring opportunities, in-house and on-line curricula to support the business, and employee professional career path progression. An average of 59 training hours per employee were delivered.

As part of our continuing commitment to education and development, in 2022, Alter Domus:

- Migrated to one global Learning Management System, building a fit for purpose tech ecosystem;
- Made ongoing investment into building the Academy team with resources allocated across the 3 regions to design and deliver world-class training at the point of need;
- Achieved ACCA Global Approved Employer Accreditation for our internal learning programs which means it is easier for employees to qualify and maintain their status as well as differentiating Alter Domus from its competitors;
- Completed successful re-accreditation by the Learning & Performance Institute (LPI) which ensures our programs are both measured against global industry best practice and remain fit for purpose;
- Expanded the Welcome Bootcamp to the APAC region ensuring the robust onboarding of our employees in the region;
- Launched the Expert Series giving our most senior and seasoned experts the platform to share their knowledge with our employees;
- Launched the Academy self-service reporting to all leaders, enabling the monitoring and management of learning and development of our employees;
- Launched Career Development Workshops, equipping employees to manage their own careers.

Employee Engagement

Alter Domus proactively seeks regular employee feedback through its use of an online periodic and anonymous engagement survey tool. During 2022 our overall engagement score improved by approximately 7% from 2021. Managers have access to summary data to use in proactively managing their teams based upon input across a range of work experience topics.

Chief Financial Officer's Review

Despite a challenging economic backdrop, Alter Domus delivered revenue growth of 30% during 2022, with record levels of profitability and cash generation.

Margins were temporarily suppressed due to increased inflationary and labour market pressures but we are confident that 2023 will see a return to our long-run trend of year-over-year improvements in margins, not least of all due to the significant advances made during 2022 with respect to both our internal and client-facing systems and processes.

Consolidated Financial Highlights

As shown in Table 1, revenues grew by 30% from €464.4m to €604.5m. This equated to 27% on a constant currency basis, of which organic growth was 23%. Our two regions of EMEA/APAC and North America both grew strongly with year-on-year growth of 17% and 53% respectively (17% and 37% on a constant currency, organic basis).

AD enjoys strong, long-standing relationships with the world's most established and respected investment managers, resulting in client retention of 98% and above, and significant recurring business, as our clients grow the funds already administered by AD, assign new funds to us or expand the range of services provided by AD. As such, our strong revenue growth in 2022 came mostly from our existing client base. We also experienced another year of record sales (contract wins), up 23% to support our revenue growth in 2023 and beyond. We are also seeing an increase in the proportion of our sales related to migrations of existing funds – either from competing fund administration firms or due to our clients outsourcing the administration activities that they had previously performed internally. This is encouraging as it demonstrates the strength of AD's competitive positioning and our clients' recognition of the added value offered by AD – two factors that have also been reflected in the slew of industry awards garnered by AD over

Table 1: Consolidated Financial Highlights

EUR Millions	2022	2021	Growth
Revenue	604.5	464.4	30%
Underlying Gross Profit (Contribution)	333.4	268.4	24%
Underlying Gross Profit (Contribution) margin	55.2%	57.8%	-2.6ppts
Underlying overheads	166.1	122.5	36%
Underlying overheads as a percentage of Revenue	27.5%	26.4%	1.1ppts
Underlying EBITDA	167.3	145.9	15%
Underlying EBITDA margin	27.7%	31.4%	-3.7ppts
Result after tax	46.0	16.2	184%
Underlying fully diluted earnings per share (EUR cents)	97.7	45.1	117%
Underlying operating cash flow	130.9	106.1	23%
Underlying operating cash conversion	87%	81%	6ppts
Bank Debt (balance outstanding)	624.8	614.7	2%
Interest cover ratio	3.39x	3.86x	-12%
Net debt: EBITDA (for covenant purposes)	3.00x	3.58x	-16%

the last 12 months. Whilst other fund administration players have curtailed their investments in people, platforms and processes due to a challenging labour market, reduced fund raising in the Alternatives space or pressure from their shareholders, AD has continued to strengthen its relative competitive position with an eye to the longer-term market opportunities.

One consequence of this was a temporary reduction in our Gross Profit and EBITDA margins. AD recognised in mid-2021 that the post-COVID labour market was undergoing significant changes and that the attraction and retention of the desired number and quality of professional staff required investments in our Employer Value Proposition. This covers the full spectrum from compensation and benefits, through the recruitment process, to on-boarding and induction, as well as training and development, the working environment and work-life balance including hybrid working. We have invested heavily in these areas to ensure that we retain our position at the forefront of the industry and continue to be a destination of choice for aspiring individuals looking to build a career in fund administration. The inclusion of an Employer Value Proposition section in this annual report for the first time underscores that commitment. AD also recognised that many of our clients and competitors were struggling to sustain sufficient human capital in order to support the underlying growth in the industry.

These investments by AD have helped underpin the revenue growth that we saw during the year, as we were able to increase market share against less well-positioned competitors (and clients).

During 2022 AD successfully passed on the majority of these increased costs to our clients, reflecting the essential nature of the services we provide and the value our clients ascribe to these services being provided by AD. However, even though these costs were recovered on an absolute € basis, it impacted on our Contribution Margin, with 1.4% of the total margin decline of 2.6% being due to this denominator effect. A further 0.4% of the margin decline was due to the mix effect with the faster growing, but lower margin, North American region increasing from 36% of total Group revenues in 2021 to 42% in 2022. The remaining margin decline (of circa 0.9%) was due to a range of other effects despite the benefits of some of our efficiency programs and increased near-shoring. One one-off impact was the investment of time by the business in the Accelerate program and in the SAP and SuccessFactors roll-outs, which will be less pronounced in 2023 and where moreover we will begin to see the benefits of these investments in 2023 and beyond.

Underlying operating cashflows increased 23% to €130.9m, equivalent to Underlying operating cashflow conversion of 87%, up 6% on the previous year. External financing is unchanged since the re-financing in 2021 to a EUR and USD-denominated Senior Facility Agreement, with €400m and $245m respectively, save for a small amortization on the USD facility. This facility matures in February 2028, and is substantially fully hedged for interest rate purposes till September 2024. Our interest cover ratio and net debt to EBITDA remain at conservative levels of 3.39x and 3.00x respectively.

Table 2: Revenue and Underlying Gross Profit by Region

2022	EMEA EUR '000	NA EUR '000	Total EUR '000
Revenue	350.6	253.9	604.5
Gross Profit (Contribution)	199.7	133.7	333.4
Contribution Margin %	57.0%	52.7%	55.2%

2021	EMEA EUR '000	NA EUR '000	Total EUR '000
Revenue	298.8	165.6	464.4
Gross Profit (Contribution)	178.9	89.5	268.4
Contribution Margin %	59.9%	54.0%	57.8%

2022 vs 2021 YOY revenue growth %	17%	53%	30%
2022 vs 2021 movement in contribution margin	-2.9ppts	-1.3ppts	-2.6ppts

Regional Performance

Table 2 shows the revenue and Underlying gross profit by region for EMEA/APAC and North America.

EMEA/APAC remains the larger of the two regions with 58% of total group revenues and 60% of total group contribution. Our market-leading position across the region, and notably in key jurisdictions such as Luxembourg, allowed us to deliver significant growth of 17%, which was entirely organic. We are the clear market leader within Luxembourg, the leading jurisdiction for alternative investments within Europe. Reported Contribution Margin declined during the year but more than half of this was the denominator effect of the price increases noted above.

Our North America region grew revenues by 53%, with constant currency organic growth of 37%. As a result, North America grew to 42% of group revenues and 40% of contribution in 2022. This is an impressive evolution given that prior to 2018, the Group had minimal presence in North America. Over just four years AD has grown to become one of the leading fund administrators of alternative assets in North America. At the time of writing this report we have over 1,400 employees within North America providing a coast-to-coast service out of nine offices, and we expect the region to be a continued focus for our organic and inorganic growth.

Underlying EBITDA and Non-underlying items

The Underlying EBITDA is viewed by the Board as the primary profit measure. It is also used by the Group for valuation purposes and as a basis for the covenants on our external loans.

The Underlying EBITDA increased 15% to €167.3m, with the Underlying EBITDA margin reducing 3.7ppts from 31.4% to 27.7%. As explained above, 2.6ppts of the margin movement was due to the Contribution Margin. The remaining 1.1ppt was due to Overheads increasing as a % of revenue, with 0.9ppts of the increase being due to increased investments in our Human Resources function, in line with the strategic investments outlined above. The aggregate cost of all other Overhead functions grew 30% in line with the revenues, with proportionately more investment in our technology and sales activities.

The Group classifies certain non-recurring income and expenses that have a material impact on the Group's financial results as non-underlying items. These represent specific items of income or expenditure that are not of an operational nature and do not represent the core operating results, and are therefore presented separately to provide a better understanding of the Group's financial performance. The Group has a written policy providing guidance on which items should be considered non-underlying and the Supervisory Board must approve all such items.

Non-underlying items totalled €43.5m in 2022. As explained in Note 11 to the accounts, substantially all of these costs relate to the following three items:

(i) €15.6m relating to the SAP project as described further below

(ii) €13.8m relating to the Accelerate transformation program. This is a strategic technology initiative, which began in 2022, that aims to deliver a step change in our ability to services our clients through higher quality platforms and new service lines, underpinned by automated workflows and data management. The three pillars of Accelerate ("Platforms", "Workflows" and "Data Assets") encompass a dedicated and discrete set of workstreams with separate activities, teams and goals from the Group's existing information technology function; and

(iii) €10.6m relating to Share Based Payments. Owing to the materiality, variability and the non-cash nature of much of the accounting for these arrangements, the Group believes that it is helpful for readers of the financial statements to present these items separately from the underlying results.

Other Profit and Loss items

(i) Net Finance Income and Costs

Net finance income for the year was €2.8m compared to a net finance cost of €33.4m in 2021.

The main items were net foreign exchange gains of €6.7m, largely unchanged from 2021; interest and finance charges on borrowings which is down year-on-year from €39.9m to €29.5m (net of €13.3m of re-estimation gains) due to the reduced margin under the Senior Facility Agreement as a result of the lower gearing; and the change in the fair value of our interest rate caps from €2.9m to €29.8m

(ii) Income Tax Expenses

The income tax charge for 2022 was €24.0m compared to €21.5m in 2021, at an effective rate of 35% that reflects the blend of tax rates paid by our subsidiaries around the world as well as the impact of certain costs that are not deductible for local tax purposes, such as share-based compensation accruals.

Cash Flow, Cash and Debt

(i) Cash Flow

The Group has two main cash flow measures which it monitors: the Underlying operating cash flow and the Underlying operating cash flow conversion.

i. Underlying Operating Cash Flow

Underlying operating cash flow increased 23% to €130.9m, broadly in line with the overall growth of the business.

Table 3: Underlying operating cash flow

EUR millions	2022	2021	Growth
Net Cash from operating activities	100.0	89.0	12%
Non underlying items	36.6	26.7	
Capitalisation of contract costs	11.7	5.8	
Cash flows on leases recognised under IFRS 16	(17.4)	(15.4)	
Underlying operating cash flow	130.9	106.1	23%

ii. Underlying Operating Cash Flow Conversion

Underlying operating cash flow conversion improved during the year from 81% in 2021 to 87% in 2022, demonstrating the ability of the Group to generate consistently high cash flows. This was achieved despite the challenges posed by the migration of the vast majority of the Group to the new SAP S/4 systems during the year and the consequential disruption to billings and collections caused by the system blackout periods and the steep learning curve for the business on the new system.

Table 4: Underlying operating cash flow conversion

EUR millions	2022	2021	Growth
Underlying operating cashflow	130.9	106.1	23%
Underlying EBITDA adjusted for lease costs	149.9	130.5	15%
Underlying operating cash conversion	87%	81%	6ppts

(ii) Cash

Cash and cash equivalents at 31 December 2022 was €108.3, €26.1m or 32% higher than the prior year.

(iii) Bank Debt and Covenants

During early 2021 the Group re-financed its external loans to facilitate the acquisition of Strata Fund Services. The previous Term Facility B bank loans totalling €245m were replaced with EUR and USD-denominated Senior Facility Agreements of €400m and $245m respectively, together with a €100m Revolving Credit Facility (RCF). The variable interest rates on the EUR and USD facilities are Euribor + 3.00% (3.25% from January to May 2022) and SOFR + 3.50% (3.75% up to June 2022) respectively, while interest rate caps of 0.5% and 1.125% are in place against these facilities until 30 September 2024. These facilities are due and payable on the 7th anniversary, 16 February 2028. The combined balance outstanding on the two facilities at 31 December 2022 was €624.8m, while the RCF was undrawn. In addition, the Group had an outstanding balance of €141.8m on the shareholder loan established in May 2017 which is repayable on the 20th anniversary and is sub-ordinated to the bank loans. Despite the additional debt our interest cover ratio and net debt to EBITDA remain at fairly conservative levels of 3.41x and 3.00x respectively.

Other notable financial events

2022 saw the completion of our SAP implementation across the entire Group. This represented the culmination of a 3-year programme, the result of which is that every entity in the Group now operates off a single, common back-office platform comprising:

- SAP S/4 HANA on the Cloud for accounting, financial and treasury activities;
- SAP DataWarehouseCloud and SAP Analytics Cloud Business Intelligence for management reporting purposes;
- SAP Analytics Cloud Financial Planning for budgeting and planning;
- SAP SuccessFactors for human resources capital management; and
- SalesForce for sales and client management and reporting.

The success of our SAP program was recognized by our award by SAP as a Digital Pioneer at SAP's Best of Customer Success Awards 2022.

2023 represents the first year for which these systems have been in-place throughout the full financial year and we are already seeing the benefits of these systems and processes in terms of the efficiency and effectiveness of business processes and in improved business controls, performance management and management decision making.

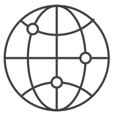
Sustainability

In prior yearly reports on ESG and Sustainability, Alter Domus aligned to the non-financial disclosure framework recommended under The World Economic Forum (WEF) IDC 'Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation'. The WEF alignment to broader climate based regulatory frameworks and to the UN Sustainability Development Goals (SDGs) provided a starting point for Alter Domus to monitor key metrics and progress as goals are established.

The WEF reporting framework is comprised of four pillars with recommended metrics for each pillar: **Principles of Governance; Planet; People; and Prosperity**. Some of the key non-financial metrics we follow internally form our ESG scorecard.

PRINCIPLES OF GOVERNANCE

PLANET



PEOPLE

PROSPERITY

Alter Domus sustainability metrics	2020	2021	2022
Anti-Corruption Policy adherence	100%	100%	100%
Protected Ethics and Reporting; Mandatory Compliance Training	100%	100%	100%
Average tCO2e per FTE	1.8	1.3	1.7
Gender Diversity in SM – DIR hires/promoted	metric added in 2021	42%	38.7%
Gender Diversity Overall	49%	48%	49.5%
Training Hours Overall Per Employee	not available	46.5	59
Employee Engagement	7.3	7.4	7.8
Health and Safety Incident Management Compliance	100%	100%	100%
Net New Hires	202	851	897
Absolute Employment	2,730	3,581	4,478

*Note: Scope emission data is captured in arrears. Estimates are used where actual invoice data is not available.

In anticipation of the Corporate Sustainability Reporting Directive (CSRD), we adopted metrics published by industry standards groups to lay an early foundation. With further directive guidance expected during 2023, we will enhance reporting as needed based on the updated guidance. A time bound roadmap for reduction in operational emissions linked to a 1.5-degree reduction has also been preliminarily defined to measure progress against.

ESG Product: Commercial ESG Reporting:

In 2021 Alter Domus, launched its ESG Reporting product. The highly customised, cloud based digital platform is designed to support alternative asset clients with comprehensive, tailored ESG reporting using recognised international standards and peer benchmarking across nine ESG sustainability factors:

Environmental	Social	Governance
Climate	Product	Board
Resources	Human rights	Integrity
Biodiversity	Labour	
Waste		

As of year-end 2022, the product is utilised by over 75 asset management clients covering 35 billion EUR in assets under management. During 2022, we deepened our partnerships with ESG market providers to provide ongoing expertise in legal and ESG rating support. We introduced ESG as an element of review in the AFIM Investment Committee process for new business and provide ongoing training support for our leaders and employees in ESG compliance requirements. We are committed to providing expertise and governance support for clients as regulations are added and evolve.

Pillar one: Principles of Governance

Governance continues as a core strength of Alter Domus. As reported in our 2021 annual sustainability report we have a comprehensive suite of policies tied to our culture of effective corporate governance. During 2022, building on existing structures linked to ESG:

- a Chief Risk Officer (CRO) role was established with direct reporting to the CEO;
- Alter Domus Chief Security Officer (CSO) reporting structure was moved under the CRO. As of early 2023, responsibility for ESG risk management has also been added to the CRO's remit.
- ISO certified standards maintained to proactively manage and enhance data and cyber security processes;
- approved and adopted an enhanced formal Fraud Policy;
- codified our existing values into an approved and adopted Human Rights Policy applicable across the organization;
- the ESG Steering Committee structure was revised to prepare for future reporting requirements under TCFD and CSRD.

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

17
PARTNERSHIPS FOR THE GOALS

The icons above represent the UN 2020 Sustainable Development Goals, encompassing a shared blueprint for peace and prosperity for people and the planet, now and into the future.

Pillar two: Planet

2022 was another important year for Alter Domus in building on the previous year's momentum to integrate our ESG philosophy and goals into property and facility oversight.

UN 2020 Sustainable Development Goals

7
AFFORDABLE AND CLEAN ENERGY

14
CLIMATE ACTION

We negotiated ESG commitments into all new lease negotiations with property managers and continue to pursue this strategy as renewals and new lease negotiations are undertaken.

Throughout the year we extended our footprint in Vilnius, Lithuania. The site has a 4-star rating under the Breeam (Building Research Establishment Environmental Assessment Method) certification systems for sustainable buildings and is equipped with controlled motion sensor LED lighting and building management systems to monitor and control the heating and ventilation systems.

In June, 2022 we relocated the Alter Domus Boston team from a 1920s era building to a new Breeam designed building and in October we relocated the London office from another outdated location to the Breeam designed Gherkin building. Both locations benefit from energy efficient lighting, heating and ventilation controls.

We upgraded or re-located to more modern locations for our offices across the portfolio in Guernsey, Beijing, Hong Kong, Ogden-Utah, Atlanta and Italy. Each location is equipped with upgraded lighting, heating and ventilation, and building controls. As office upgrades are completed, we are adopting Class A graded standards for controlled LED lighting to reduce emissions and improved energy efficiency.

Building class A standards are defined as high quality finishes, security, technology, HVAC and engineering efficiencies adopted to strive for greater sustainability.

Throughout 2022, Alter Domus has continued with our **Future Fit** campaign as we redesign our office spaces for the future in a hybrid world that requires collaborative, open, and flexible workspaces for our employees. Still supporting carbon neutral materials in our specifications, investing in technology, space booking tools, upgraded conferencing equipment and much more all to promote flexible working globally.

We have a hybrid-working policy which means we are flexible with our people regarding working from home or physically being in the office.

As we look to the future, in 2023 Alter Domus plans to continue with its ESG strategy, investing in technology, rating its buildings against energy performance, while continuing to review and monitor office usage and occupancy rates to help drive right sizing for the future.

2019

- Belgium – New LED lighting
- Dusseldorf, Germany –New LED lighting
- Hong Kong – new Breeam designed location
- Carmel, Indiana – New LED lighting and buildout

2020

- Cork New Office as part of the AD FutureFit program
- Shanghai – new LED lighting throughout
- Darien, Connecticut – office build out and refurbishing and new LED lighting

2021

- Vilnius – new location with Breeam designed building, LED, zoned controlled LED lighting, all rooms to have motion sensor-controlled lighting, BMS to control the H&V system
- Implemented shared space booking tools to support hybrid working models.

2022

- Ongoing Investment in energy efficient locations and tools to support growth and hybrid work needs
- Four new training academy locations with energy efficient enhancements
- Boston – relocation to new Breeam designed building
- Guernsey – relocation to more energy efficient space and controls
- Ogden, Utah expansion and refurbishing for more efficient energy controls
- London New Breeam designed building
- Beijing office relocation to more energy efficient controlled

2023 and beyond

- Opening 3 Satellite offices in Luxembourg to support mobility for cross boarder employees
- Opening of new offices as part of the Alter Domus global footprint and introduction to new talent
- Continued Vilnius phase 3 expansion to support growth
- Continued implementation of space planning tools. By the end 2023 80% of the portfolio will have the space planning tool available for use to manage space needs more efficiently.

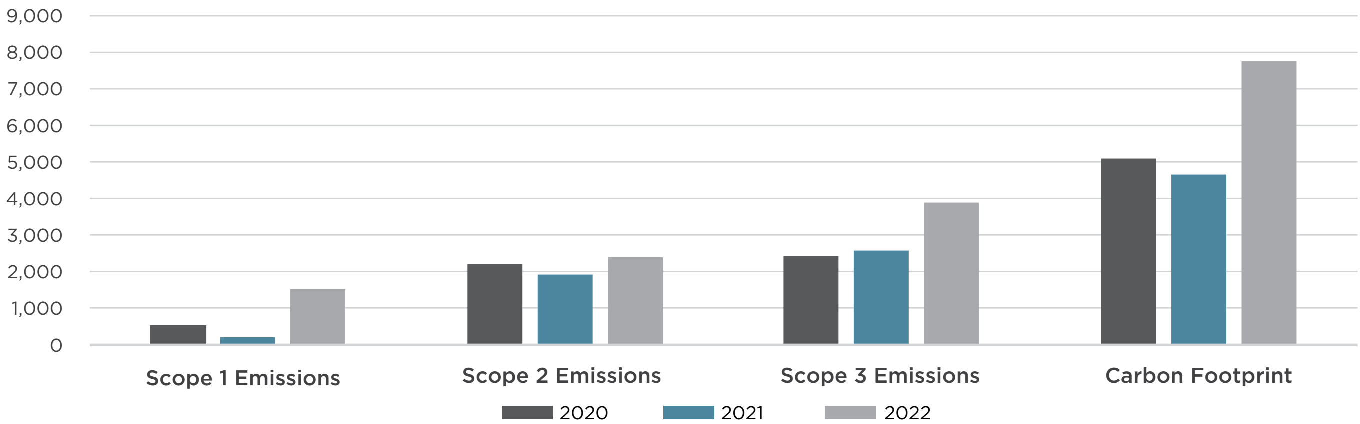
Timeline of actions taken in support of ESG

Emissions

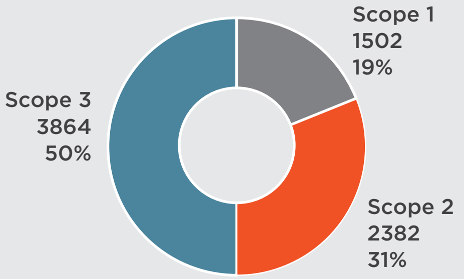
We continue to work with our property management offices to track consumption patterns and evaluate where location improvements are needed. The data below highlights the consumption across our global offices and data centers, inclusive of business travel, and car lease program which have the most impact carbon footprint. While growing, our average emission impact per FTE has remained relatively stable, although consumption levels increased in 2022 due to return to office and more post-pandemic hybrid work arrangements.

Data reporting is based on business records, leases, expense invoicing, and estimate methodologies where properties are not able to provide utility consumption directly. For 2022, 63% of Alter Domus carbon emissions are based on actual data and the remaining 37% is estimated by an independent third party ESG provider using invoicing, location square footage and headcount data to derive estimates (for detail on the estimate methodology, please refer to the operational disclosure at the end of this section).

Alter Domus Operational tCo2e Emission Trend, in Tonnes 2020, 2021, 2022



2022 Operational Emissions by Scope



2022 CO_2e Emissions	Source	Gross Carbon tCO_2e in Tonnes	Carbon tCO_2e Emissions by Scope in Tonnes
Scope 1	Gas	399	
	Transport	1,102	1,502
Scope 2	Electricity	2,370	
	Transport	12	2,382
Scope 3	Electricity	522	
	Gas	68	
	Transport	1,323	
	Waste	1,938	
	Water	13	3,864
Total Operational Carbon Footprint		**7,747**	**7,747**

As part of our continued efforts toward sustainability, we look for opportunities to reduce consumption impact. Just one example of our success is a multi-year initiative undertaken to transition users to electronic and digital signature resources to reduce paper consumption and improve overall efficiencies. During 2022 alone, we utilized Docusign for 184,203 packages saving time and paper consumption of over 2,703,134 pages.

Alter Domus has recently expanded data reporting to make future recommendations on a net zero emission strategy, including scope 3 – category 15, financed emissions. The data gathering process to establish the carbon impact of managed asset portfolios is complex and as such, we anticipate by end of 2023 our reported emissions will increase. Like many other companies, reducing Scope 3 indirect emissions will be a long-term project.

Disclosure

Organisational boundary

The organisational boundary is determined by the operational control approach. Alter Domus has operational control over office buildings and car fleet owned and leased by Alter Domus but does not have control over sub-let space and non-Alter Domus tenant emissions.

Operational scopes

Scope 1, scope 2 and certain scope 3 emissions have been measured. These carbon emissions are calculated for all global Alter Domus offices where data is available.

- Scope 1 includes natural gas usage at offices, and fuel usage in leased cars.
- Scope 2 includes the electricity usage at offices.
- Scope 3 includes water and waste at offices, well to tank energy emissions,
- Financed emissions are not currently included in scope 3. Alter Domus primary function is one of fund administration, and not asset management and therefore scope 3, category 15 'investments' are not currently included in the scope of the carbon footprint.

Assumptions and Estimations

An estimation process was put in place for data collection between 1st January 2020 and 31st December 2022. Where actual consumption data was not available, estimates were made based on cost data, where available. If cost data was not available, missing data was estimated based on average consumption of utility across the global portfolio, on a per square meter of floor area for kWh of electricity/ gas, if applicable, and on a per head basis for water and waste.

Base year recalculation policy

The base year was set at 1st January 2020 to 31st December 2020 and the base year recalculation policy will be reviewed annually and will take into account any significant business change above a 5% threshold, and/or developments in climate change or carbon management legislation.

Pillar three: People

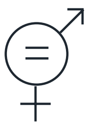
As we invest in our business and our people, we continued our growth trajectory with a headcount increase of 76% between 2019 and 2022. We are proud of our global diversity with over 107 nationalities represented across our employee base.

UN 2020 Sustainable Development Goals

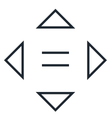
3
GOOD HEALTH AND WELL-BEING

4
QUALITY EDUCATION

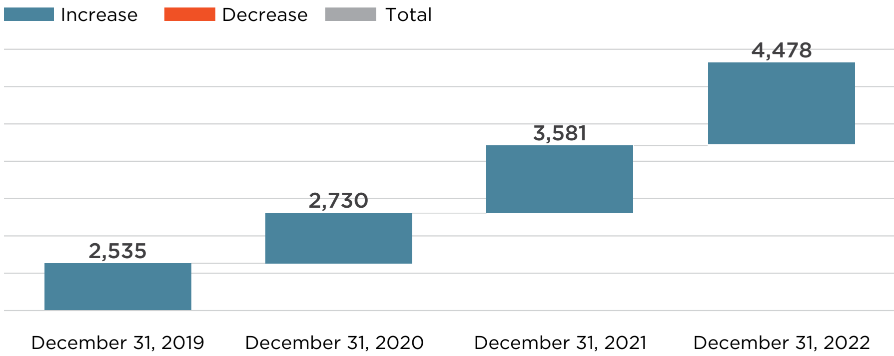
5
GENDER EQUALITY



10
REDUCED INEQUALITIES



Alter Domus Headcount Trends



Note: Data for prior years excludes trainees and students.

Diversity, Equity, and Inclusion

During 2022, the Alter Domus Diversity, Equity, and Inclusion Committee refreshed its committee membership and defined a more robust inclusion and diversity strategy and linking this to our **Employer Value Proposition**. Overall goals are to:

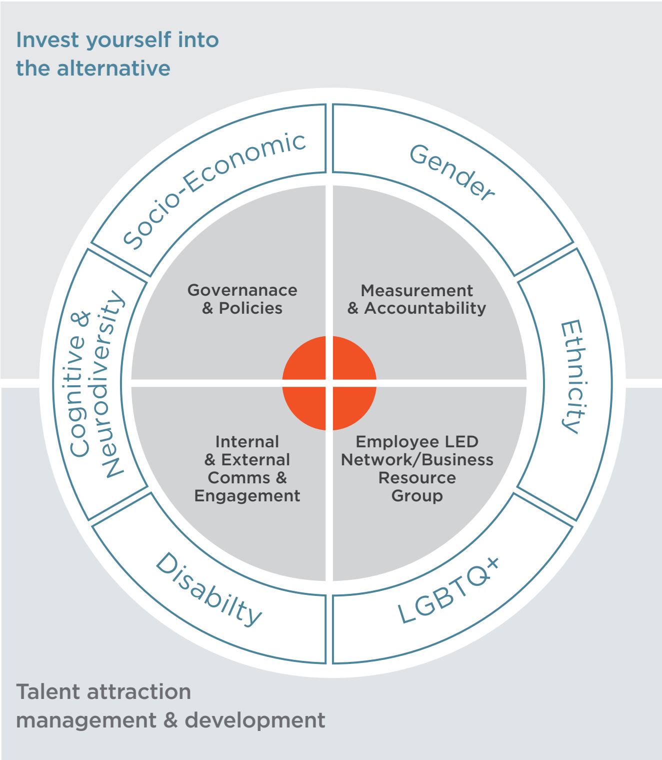
- Deliver on our Employer Value Proposition: **Invest yourself in the Alternative**.
- Ensure our Talent Management and Development practices drive the attraction, development, engagement, reward and retention of diverse talent.
- Foster an inclusive, equitable and fair culture.
- Build strong diversity and inclusive governance, infrastructure, and accountability across Alter Domus.
- Drive sustainable commercial outcomes through a more diverse and engaged organization.

We regularly measure engagement scores across the company and specifically on Diversity, Equity, and Inclusion we remain consistently strong as reported in prior years. Employees are satisfied that people of all backgrounds are accepted for who they are within Alter Domus and they continue to have a positive view of the company as a non-discriminatory workplace. As of November, 2022 the diversity net promoter score of 8.3 with a 64% response rate reflects positive employee engagement across the company above external peers. An area of continued focus is on promoting inclusiveness, or belonging, across a unique and geographically diverse employee base.

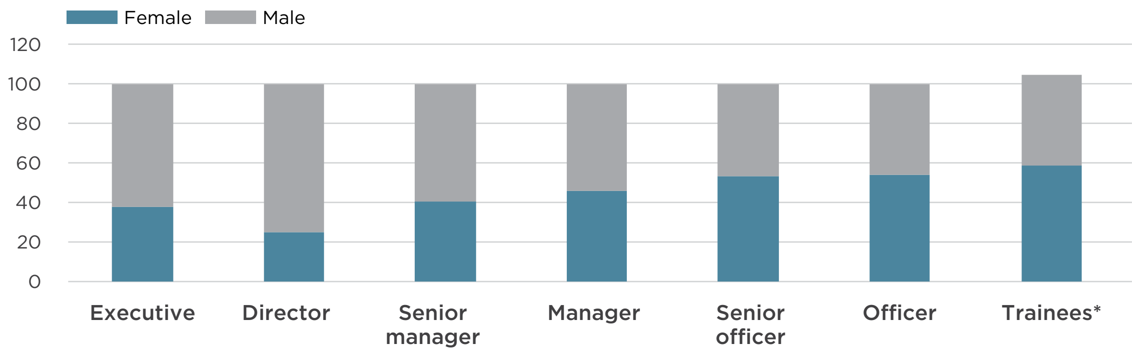
Gender, Age, and Pay Equity:

As we continue to grow, we have also maintained a strong gender diversity balance. Overall, Alter Domus has continued to push for representation across all levels. Pay equity is also reviewed to ensure our practices are fair and equitable within job levels and geographies.

Alter Domus Diversity, Equity and Inclusion Framework



2022 Gender representation by level



Efforts to proactively manage gender diversity at more senior levels remains an area of focus. Senior manager and director level hires and promotions are monitored closely to strive for balanced representation when openings and advancement opportunities arise. Females hired, as of year-end 2022 both at the Senior Manager and Director level, exceeded male hires. This granular focus will continue for both hires and internally promoted candidates as we strive to balance gender representation across all levels in the organization.

Pillar four: Prosperity

We continue to make ongoing investment in infrastructure and resources to support business growth and stability. Metrics on overall headcount growth, investment, and revenue contribution per employee are reported under the financial section.

UN 2020 Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

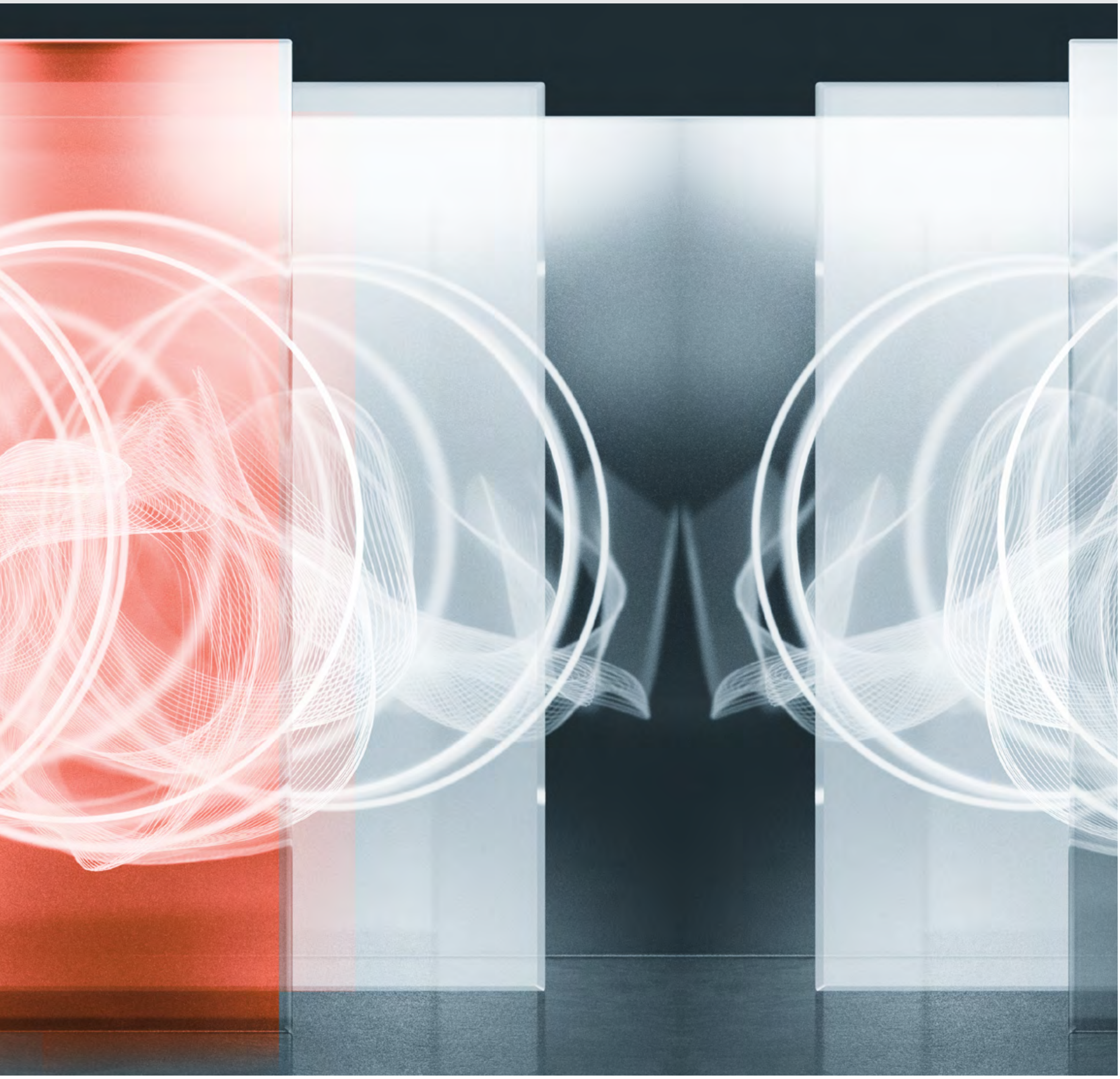
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Summary

2022 was a year of continued progress across each sustainability pillar, with experienced governance, ongoing environmental reporting in property and facility management, visible human resource contributions, the supporting policies and benefit programs linked to these broader initiatives, and finally strong prosperity metrics reflective of our growth and stability. With a foundation established for ESG, the Group can work to establish emission reduction goals at pace with regulatory guidance while at the same time invest in our people and infrastructure for the future.

Governance

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022



Chairman's introduction to governance

Dear stakeholders,
Alter Domus enjoyed another record year in 2022 and the alternatives market, despite significant economic uncertainties, continued to grow. Ours is an expanding sector and Alter Domus is determined to show leadership. But leadership is about more than rising revenues, pleasing though those are. Leadership is also about responsibility and governance – indeed it might be said that leadership begins with good governance.

The alternatives sector is now well-established as part of the financial mainstream and as such it must meet or better still exceed the standards expected in the wider financial world. As a private company we are under no obligation to produce an annual report, but we do so because we believe in transparency, responsibility, and good governance.

Our company is structured to reflect the best practices of governance with a two-tier structure – a Global Management Team and a Supervisory Board. The Supervisory Board, which I chair, sets strategic goals, and oversees the management team, who in turn have responsibility for executing that strategy and driving excellence in our operations. The Supervisory Board represents a broad range of experience and includes two independent non-executive directors to provide balance and expertise.

The Supervisory Board has three principal committees to oversee core matters of governance – the Audit and Risk Committee, the Remuneration and Nominations Committee, and the Strategy Committee.

I believe these structures have been a vital element in our continued success and I would like to thank all our supervisory board members and management team for their diligence and hard work in 2022.

In a fast-changing and uncertain world, good governance is more essential than ever and we will continue to develop our systems to ensure we keep pace with those changes and continue to deliver for all our stakeholders.

RENÉ BELTJENS
Chairman of the Supervisory Board

Supervisory Board of Directors

RENÉ BELTJENS

Chairman

René Beltjens joined the executive management team of Alter Domus in 2008, the Group's Supervisory Board in 2013, and became Chairman of the Board in December 2019. Prior to Alter Domus, René spent 20 years at PwC, rising to be member of the executive committee in Luxembourg. René is a member of the Remuneration and Nominations Committee.

GÉRARD BECQUER

Supervisory Board Member

Gérard Becquer joined Alter Domus at its inception in 2001 and is a member of the Supervisory Board and of the Audit and Risk Committee. Gérard's extensive experience in the financial sector has given him deep expertise in the management and administration of companies. Prior to Alter Domus, Gérard spent 21 years at PwC working in the audit practice and later on in corporate services where he became partner.

PASCAL RAKOVSKY

Supervisory Board Member

Pascal Rakovsky joined Alter Domus in January 2020 and is a member of the Supervisory Board and Chairman of the Audit and Risk Committee. Pascal spent 35 years at PwC in France and in Luxembourg, including more than 20 years at partner level. His final role was as leader of the audit practice and deputy managing partner of the Luxembourg office. Since leaving PwC in 2016, he acts as an independent director in several listed and non-listed companies.

PHILIP MUELDER

Supervisory Board Member

Philip leads the global Services sector at Permira and headed Permira's London office from 2016 to 2018. Since joining Permira in 2004, he has worked on a number of transactions including Acromas (The AA & Saga), Alter Domus, Duff & Phelps, Evelyn Partners, Kroll, Just, Lowell, Provimi, Tricor, Carta and Clearwater Analytics. Philip currently serves on the boards of Alter Domus and Evelyn Partners, and is a board observer for Clearwater Analytics. Philip has an MBA from Harvard Business School and previously worked at Bain and Company.

CHRIS PELL

Supervisory Board Member

Chris Pell joined Alter Domus in January 2020 with close to 20 years' experience in consultancy and investment. He has been a Principal at Permira since 2010, where he focuses on investment opportunities in the financial services sector. Chris is a member of the Audit and Risk Committee and Remuneration and Nominations Committee.

KIM PERDIKOU

Supervisory Board Member

Kim joined Alter Domus in January 2021 and is Chair of the Remuneration and Nominations Committee. Kim serves on the board of CyberArk Software, Atsign, Nasuni and Trunomi Inc. Kim has a BSC in Computer Science from West of Scotland University and an MS from Pace University.

EKTA SINGH-BUSHELL

Supervisory Board Member

Ekta joined Alter Domus in January 2021 and is Chair of Alter Domus' Strategy Committee. She serves on global public, private and private equity boards, bringing diverse global management experience and expertise in financial, digital and technology, cybersecurity and risk operations. Ekta has a Master's in Electrical Engineering & Computer Science from University of California, Berkeley and a Bachelor's of Engineering from University of Poona, India.

"With a clear segregation between setting our strategic direction at the Supervisory Board level and implementing that strategy at the Group Executive Board level, we remain on target to achieve our goals."

Global Executive Board

DOUG HART

Chief Executive Officer

Doug Hart was appointed Chief Executive Officer of Alter Domus in 2019. He was previously the Chief Executive Officer and Co-Founder of Cortland Capital Market Services LLC ("Cortland"). Prior to Cortland, Doug held senior-level securities services posts at ABN Amro and Bankers Trust/Deutsche Bank. Doug is based in Luxembourg.

ANDREW CHERRY

Chief Financial Officer

Andrew Cherry joined Alter Domus in 2019, and has more than 20 years of CFO experience, spanning financial services, technology, real estate, hospitality and manufacturing. Andrew has been CFO of a number of private equity and publicly listed companies, mostly specialising in global businesses undergoing major transformations in high-growth environments. He is based in Luxembourg.

JOANNE FERRIS

Chief Human Resources Officer

Joanne Ferris joined Alter Domus in September 2019 and has 25+ years of experience leading within global organisations. Joanne leads our Human Capital agenda ensuring our strong culture is represented across our People strategy, ESG initiatives, Employer Brand and Internal Communications. Joanne is based in Luxembourg.

GEORGE ROLOGIS

Chief Corporate Development & Strategy Officer

George Rologis joined Alter Domus in 2009 and previous roles he has held at Alter Domus include serving as Chief Commercial Officer, and Head of EMEA. Prior to Alter Domus, George spent 9 years in investment banking and private equity.

JESSICA MEAD

Regional Executive North America

Jessica Mead became Group General Counsel in February 2020 and has led our North America business from 2021. Prior to that, she served as the General Counsel at Cortland for 12 years. Jessica has been a practising attorney since 2003. Jessica is based in Chicago.

TIM HOUGHTON

Chief Operating Officer

Tim Houghton (CFA) has been Chief Operating Officer at Alter Domus since December 2020. He was previously a Partner at Cortland Capital Market Services LLC ("Cortland"), based in Chicago. Tim has over 25 years' experience in alternatives, structured finance and securitisation across the US and Europe. Tim is based in Luxembourg.

SANDRA LEGRAND

Regional Executive Europe

Sandra Legrand joined Alter Domus in 2013 and is Regional Executive Europe where she oversees 12 countries including the Group's home market in Luxembourg. The first woman to secure a position on the Group Executive Board, Sandra is a strong advocate for diversity and inclusion. Sandra is based in Luxembourg.

ALEX TRAUB

Chief Commercial Officer

Alex joined Alter Domus in 2018 as Head of Asia Pacific and now leads the Group's commercial activities. He has over 20 years' experience in global asset management and servicing across all asset classes. He is based in Singapore.

GUS HARRIS

Head of Data & Analytics Products

Gus joined Alter Domus in October 2021 to lead our new function building data and analytic solutions for our clients globally. Gus was previously at Moody's, where he spent over 20 years, and was one of the founding executives of Moody's Analytics, where he managed the core research, structured finance, economics and data businesses. Gus is based in New York.

Report of the Strategy Committee 2022

Dear stakeholders,
I am privileged to share the Report of the Strategy Committee (“the Report”) for the year ending on 31 December 2022. This marks my second year as Chair of the Committee. The Report has been duly approved by both the Committee and the Board.

Committee Purpose

Amidst significant events in the global economy, 2022 was a year of continued substantial growth and sustained client excellence for Alter Domus. In view of the Company’s increasing global scale, diversified offerings, and ambitious strategic objectives, the Supervisory Board decided in 2021 to formalise the Alter Domus Strategy Committee. Our role is to provide independent, objective and expert counsel on management’s conception, development, and execution of corporate strategy, effectively assisting the Supervisory Board in its role of overseeing the Company’s corporate strategy. Corporate strategy at Alter Domus comprises three areas of scope:

A. Value Creation Programme (VCP)

B. Mergers and Acquisitions (M&A)

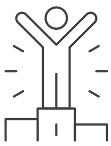
C. Technology Transformation

The Committee is focused on dual mandates of growth and efficiency. In alignment with our aspiration to be the business partner of choice for investors in alternative assets globally, in 2022 we have continued to make significant investments and to hire high-calibre talent, particularly in the Data and Tech domains. We are the only global, integrated solution provider dedicated to the alternative investment industry, and the Committee’s work will continue to be acutely focused on building our competitive edge through the best Client Value Proposition and the most attractive Employee Value Proposition.

Alter Domus’ VCP and M&A activities are guided by and strictly aligned to the five priorities that form our strategic vision:

CLIENT QUALITY & INNOVATION

TALENT



TECHNOLOGY, AUTOMATION, DATA

PROFITABLE GROWTH

BRAND, REPUTATION, TRUST

A. Value Creation Programme

High-priority investments that constitute Alter Domus' VCP program are guided by and strictly aligned to the five pillars that underpin our strategic vision, as shown on p46.

In 2022, strategic emphasis has been placed on Technology Transformation across regions. At the same time, several VCPs initiated in previous years have been successfully transitioned out of the programme into "business-as-usual", and their regular areas of responsibility, including new ESG and DCM offerings in EMEA and APAC, as well as Alter Domus' new centre of excellence in Vilnius (Lithuania).

B. Mergers and Acquisitions, and M&A integrations

Whereas 2021 was a very active year for M&A at Alter Domus with the acquisitions of Strata, IPS, and IEA in North America, and Credit Vision and Beechbrook in EMEA, 2022 has focused on successfully integrating each new team into AD, consolidating Technology platforms, and leveraging these new competencies for the largest set of clients through consolidated offerings, thus attaining both revenue growth and increased efficiencies in each combination.

By the end of the year we are delighted to report that we have successfully completed all integrations, meeting or exceeding the criteria set both by the Supervisory Board and the respective management teams. All major organisational changes have also been implemented, with several new members in leadership roles within the expanded Alter Domus organisation.

C. Technology Transformation

Our multi-year Technology Transformation also continued as a major area of strategic focus in 2022 under the programme name "Accelerate", with 3 foundational streams:

1. Technology Platforms: Driving Tech adoption by aligning business priorities and platform functionality
2. Digital Transformation: Driving Tech usage by developing a standardised workflow platform
3. Data & Analytics: Developing new data assets, relevant for the middle- and front-office of investors in alternative assets globally

Throughout 2022 we have:

- Fully aligned our set of Tech platforms to meet our global business priorities, including CorPro as our global client portal, eFront for Private Equity fund services in EMEA & APAC, Investran and Allvue for Private Equity fund services in NA, Yardi for Real Estate fund services globally, VBO for Credit fund services globally, and Agency360 for DCM agency services globally
- Launched our workflow platform to a first wave of Private Equity fund services clients in EMEA & APAC and are delighted at the preliminary feedback and client adoption KPIs
- Co-developed our first generation of Data & Analytics assets with a select set of global clients and have a pipeline of data products and services to deliver in 2023. We have built and will continue to expand on a strong team of 40+ highly qualified data science and analytics professionals
- Successfully completed the global rollout of our SAP S/4 and related business processes, unlocking next-level transparency and controls throughout our organisation

Priorities for 2023

The Committee's focus in 2023 will remain on overseeing successful execution of our strategic roadmap. We will maintain discipline and balance on our dual mandates of growth and efficiency, prioritising ongoing investments to align with our strategic priorities to deliver long term stakeholder value built on global, integrated and secure technology platforms, to match the sophistication of the alternatives market and deliver self-service access to data and real-time analytics from fund to portfolio and asset class. We will also enhance our focus on cost discipline throughout the organisation through targeted initiatives, reinforce our offering targeting open-ended funds, and launch a novel approach to strategic partnerships.

Committee Evaluation

The Committee conducted a self-assessment exercise as part of the annual Board evaluation. I am pleased to report that the Committee was assessed as operating effectively, is focused on continuous improvement, and the Board takes assurance from the quality of the Committee's work.

EKTA SINGH-BUSHELL
Chair of the Strategy Committee

Strategy Committee in 2022

Committee Remit

The Committee's Terms of Reference (ToR) were agreed in 2021 and cover the following areas of responsibility:

1. Value Creation Programmes (VCP)
2. Mergers and Acquisitions (M&A)
3. Technology Transformation

In each area, the Committee provides oversight, advice and constructive challenge, with respect to:

- **Design** – includes the phases of ideation, prioritisation, selection of initiatives and creation of preliminary business case to realise benefits
- **Development** – includes the phases of developing a project plan, resources, outcomes, key performance indicators (KPIs) and key risk indicators (KRIs) as well as governance processes of organisation change management, program risk management to deliver project success as defined in a final business case, to be approved by the SB
- **Execution** – includes the oversight of delivery and implementation of the plans, risk mitigation, measurement of KPIs, KRIs, and benefits realised.

Committee Membership

The following Directors served as members of the Committee during 2022:

- René Beltjens
- Chris Pell
- Ekta Singh-Bushell (Chair)

Members of the Committee from Alter Domus's executive team are

- Doug Hart, CEO
- George Rologis, Chief Corporate Development Officer
- Tim Houghton, COO
- Andrew Cherry, CFO

Governance

During 2022 the Committee met at least twice per quarter at scheduled meetings and held other ad hoc discussions as required, along 2 formats:

- **Quarterly Strategy Committee** focused on strategic vision, technology transformation, mergers and acquisitions, and VCPs covering new products, new technologies, or new business models
- **Quarterly VCP Committee** focused on efficiency VCPs or changes in existing company businesses

Advisors to the Committee

At the invitation of the Committee, other members including the Corporate Development team and VCP leads attend. The Committee is satisfied that all advice provided to the Committee was objective and judged that there were appropriate safeguards against conflicts of interest.

Strategic Focus

The Committee's focus evolves according to business, market, and economic trends. Its core list of priorities includes:

1. Communicate the Board's expectations for the operations of the Company and strategic planning process, make recommendations to management on areas of improvement, and provide other feedback and guidance to management on behalf of the Board
2. Scope annual StratMap exercise, including approach of the exercise, timeline analysed, and focus of the exercise
3. Form extension sub-groups where evaluating material business model adjustments and material organisation design
4. Oversee and provide guidance on progress of the VCP initiatives, including the availability of resources, business and operating plans, and financial, technological, operational, and human resources
5. Act as early sounding board and filter for Board feedback on M&A pipeline and specific potential M&A opportunities. This will include receiving progress updates on any ongoing DD exercises as well as review of any proposed NBOs
6. Monitor the follow up of integration of acquisitions with a focus on risk mitigation and benefits realisation
7. Evaluate tech M&A opportunities that accelerate company Technology Transformation strategy
8. Periodically review company business units/ assets for optimisation, divesture and disposition
9. Oversee and evaluate existing and future trends in technology that may affect the Company's strategic plans, including monitoring of overall industry trends
10. Oversee the performance of the Company's technology development in support of its overall business strategy
11. Assess the Company's risk mitigation policies and procedures relating to projects and products based on new technology or significant innovations to existing technology
12. Oversee Tech and Data commercialisation strategy
13. Review and make recommendations to the Board regarding the Company's annual capital plan, as well as reviewing, assessing, and approving, or recommending to the Board for approval, as appropriate, individual capital projects in excess of amounts, and in accordance with guidelines, established for the Committee by the Board
14. Review and make recommendations to the Board regarding the proposed plans (VCP, M&A, Technology Transformation) and make recommendations concerning individual projects, including reviewing internal and external resources necessary to achieve the plan

Report of the Remuneration and Nominations Committee 2022

Dear Stakeholder,
I am pleased to present to you the Report of the Remuneration and Nominations Committee (the Committee) for the year ended 31 December 2022. This report has been approved by both the Committee and the Board.

Performance and Reward for 2022

In the wake of the ‘great resignation’, 2022 was another challenging year in the war for talent that saw us grappling with an unusual combination of high inflation and low unemployment. This required Alter Domus to stay grounded in our philosophy of competitive pay for performance and to continue to improve the employee experience at every level. To do this we have managed our remuneration costs at a competitive market level while continuing to invest in our talent, people technology and a positive environment with great growth, learning and career opportunities.

At the end of 2022 Alter Domus has emerged stronger with a prepared and agile culture ready to face future challenges.

Talent Attraction and Retention ‘Invest yourself in the Alternative’

The activation of the Alter Domus employer brand, ‘Invest yourself in the alternative’, had resonance and traction in such a candidate driven market. External activation of the brand through digital recruitment channels enabled us to grow our business by approximately 900 new colleagues. Activation through internal communications and tools enabled us to deliver a superb employee experience. Despite the challenges of 2022 we continue to attract and retain the best talent and competitive advantage in the industry.

The Alter Domus Academy

Established in 2021, the Alter Domus Academy is the learning & development destination for all employees. Its purpose is to provide world class development to our people, enabling quality delivery to clients and successful business growth, in an environment where everyone feels skilled, valued, and challenged. Over the course of 2022 a record number of formal training hours were delivered to our employees in addition to informal / on-the-job training. We are very proud that Alter Domus is now globally accredited by the ACCA. Over the last two years 52% of new Directors have been promoted internally reflecting the quality of our internal development programs.

Incentive Plans

The value of our long-term incentive plans continues to grow in line with the enterprise value of the group, further strengthening the alignment between shareholders and management, and enabling the attraction and retention of high-calibre talent.

The Committee believes the outcomes of the 2022 annual performance reviews and long-term incentive plans accurately reflect the performance of Alter Domus over the year. The 2022 annual bonus was based on the achievement of financial and personal performance, with appropriate weightings for these elements at each level of the organisation.

The Committee completed a comprehensive review of several areas including people risk, employee engagement, talent acquisition, learning and development, annual incentives and talent succession.

Priorities for 2023

In 2023, the Committee will maintain its focus on key areas of oversight and the attraction, development and retention of our most valuable assets – our colleagues. We will continue to improve our reward framework ensuring incentives are aligned with pay-for-performance to deliver our strategic priorities and develop effective leadership.

KIM PERDIKOU
Chair of the Remuneration and Nominations Committee

Remuneration Committee in 2022

Committee Remit

The Committee's terms of reference were agreed in 2020 and cover the following areas of responsibility:

- Remuneration and Reward
- Organisational Structure and Effectiveness
- Recruitment, Training and Development
- Performance Management and Employee Engagement
- Corporate Governance and Regulatory Compliance
- Director and Executive Management Succession and Recruitment

Committee Membership

The following Directors served as members of the Committee during 2022:

- René Beltjens
- Chris Pell
- Kim Perdikou (Chair)

The Chief Executive Officer and Chief Human Resources Officer are also invited to attend all Committee meetings, except the parts of the meeting where those individuals' performance or remuneration are discussed or committee only closed door sessions, in which case they recused themselves from the meeting.

During 2022, the Committee met at least once per quarter at scheduled meetings and held other ad hoc discussions as required.

Advisors to the Committee

At the invitation of the Committee, except where their own remuneration is being discussed, the following officers may attend meetings and provide advice to the Committee: Chief Financial Officer, Group Director Performance and Reward, Regional leaders and General Counsel.

Clifford Chance LLP provided advice to the Committee in relation to the operation of the company's share plans, employment law considerations, and compliance with legislation. Deloitte was the primary provider of ad hoc advice in relation to taxation matters.

The Committee is satisfied that all advice provided to the Committee was objective and judged that there were appropriate safeguards against conflicts of interest.

Remuneration Policy

Alter Domus is committed to deploying shareholders' resources in a way that grows, enhances, and protects Alter Domus' financial performance and reputation.

The group's approach to remuneration is designed to attract and retain the high-calibre talent needed to execute our strategy. We deploy a performance-based pay philosophy to motivate talent and drive performance that is aligned with the delivery of shareholder value.

We aim to maintain competitive reward packages that focus employees on the delivery of long-term strategic and business objectives, while avoiding excessive or inappropriate risk taking.

The Committee believes Alter Domus' remuneration should be balanced, simple, and transparent, with an appropriate mix of fixed and variable, long- and short-term components. A significant proportion of total remuneration is performance-related and targets are based on drivers of business value that are commonly understood between executives and shareholders.

The remuneration policy has been developed on the following principles:

- **Establish Competitive Reward.** Total remuneration should be sufficient to attract, motivate and retain exceptional talent. The Committee looks at Alter Domus' competitors and other comparable organisations when considering total remuneration.
- **Simple and Transparent.** The remuneration framework should be simple and transparent to shareholders, participants, and other stakeholders. Our policy is that employees only participate in an annual bonus and a single long-term incentive plan, to ensure simplicity. Bonus payments are linked directly to the delivery of business performance targets and individual performance goals.
- **Shareholder Value and Alignment.** Remuneration should provide close alignment with long-term value creation for shareholders through the selection of appropriate performance targets for the annual bonus, and drivers of value under the long-term equity incentive plans. Annual bonus targets are set to ensure that above-target remuneration can only be achieved by delivering exceptional performance, while not encouraging excessive risk taking.
- **Linked to the Performance and Strategy of the Business.** The remuneration framework should provide a balance between incentivising key short-term objectives through the annual bonus and long-term business objectives, and shareholder value creation through the equity incentive plans.
- **Aligned to Culture, Purpose, and the Wider Workforce.** The remuneration framework has been designed to support our culture and business purpose.

The Committee determines the targets set for the different components of performance-related remuneration annually to ensure they are appropriate and sufficiently demanding in the context of the prevailing business environment, expectations and challenges faced by the group.

The Committee retains discretion to amend the policy in exceptional circumstances when considered to be in the best interests of shareholders.

ELEMENT OF REMUNERATION	BASE SALARY	BENEFITS AND PENSION	ANNUAL BONUS	LONG-TERM EQUITY INCENTIVE PLAN
PURPOSE AND LINK TO STRATEGY	Recognise responsibilities, experience and ability in a competitive global talent environment.	Offer market-competitive benefits sufficient to attract and retain employees with the appropriate experience and expertise.	Reward employees for achieving challenging annual targets linked to the annual plan and strategy agreed by the Board.	Align key employees' interests with those of shareholders and drive focus on sustainable long-term shareholder value creation in line with the company's long-term strategy.
OPERATION	Salaries are set considering salary levels for comparable roles at other companies of a similar size and complexity in the financial services sector, along with each individual's skills, experience, performance, and overall contribution to the business. Any salary increases are normally effective from 1 March.	Benefits for employees are determined considering country-specific practices for comparable roles at other companies of a similar size and complexity in the financial services sector. Benefits may include, but are not limited to: • defined contribution pension • medical insurance • life assurance • participation in the all-employee share plan.	Annual bonus is earned by delivering annual financial targets set by the Committee each year, together with individual personal performance targets. Targets are set to ensure that above target bonuses can only be earned for delivering exceptional performance, while not encouraging excessive risk taking. The Committee has discretion to adjust the bonus outcome, if it is not reflective of underlying financial or nonfinancial performance.	Selected key employees are invited to invest in shares of the company. In exceptional cases options over shares can be awarded. The value of investments/ options is directly correlated with the creation of shareholder value.

In making its decisions on remuneration policy, the Committee considers the reward framework for all employees worldwide, ensuring principles are applied consistently.

All employees are eligible for a variable incentive based on performance. The principle of shareholder alignment is sought through participation in our all-employee share plan, which is (where legally possible) extended to all eligible employees globally. All employees receive market-competitive benefits, including healthcare, retirement benefits, life assurance, and annual leave.

Report of the Audit and Risk Committee

Dear stakeholders,
On behalf of the Supervisory Board, I am pleased to present the report of the Audit and Risk Committee (the "ARC" or the "Committee") for the year ended 31 December 2022. The Committee plays a key role in our governance structure as one of the world's leading solution providers dedicated to the alternative investment industry.

Remit and Purpose

The Committee comprises members of the Supervisory Board and is tasked with providing structured and systematic oversight of the Group's governance, risk management, financial reporting and internal control practices. The ARC assists the Supervisory Board by providing advice and the Group Executive Board (the "GEB") by providing guidance and review on the adequacy of the Group's initiatives for:

- Internal audit activity;
- External auditors;
- External financial and non financial reporting;
- Risk management and internal controls;
- Fraud risk management; and
- Legal and regulatory compliance.

Composition

Members of the Committee are chosen from Supervisory Board members so that the Committee will collectively possess appropriate experience and understanding of relevant finance, audit, risk and governance matters. During the year, the Committee's members were:

- Pascal Rakovsky (Chair)
- Gérard Becquer
- Chris Pell

All members attended the six meetings in 2022.

Throughout the year, the external auditor attended at least a portion of each meeting of the Committee. The Chief Compliance Officer (previously the Chief Risk & Compliance Officer until August 2022) acts as secretary to the Committee and the CEO, CFO, Group General Counsel and Chief Internal Auditor attended all meetings of the Committee during 2022. In addition, the Chief Risk Officer has attended all meetings since she joined Alter Domus in September 2022. Other members of management were asked to join meetings during the year as required. The ARC has implemented a Charter which governs its work.

The Committee reports formally at each Supervisory Board meeting on its recent activities.

Internal Audit

The Group operates its own internal audit function, which is overseen by the Committee, independently of executive management. In its exercise of this remit, the Committee:

- Reviews and approves the Internal Audit Charter at least annually, taking into consideration the guidelines of the Institute of Internal Auditors, current practices in internal auditing and the needs and expectations of the Group;
- Evaluates and advises on the performance of the Chief Internal Auditor and any new appointments or changes to this role;
- Reviews and approves the internal audit function's plan, making recommendations on internal audit projects and any internal or external resource requirements relevant to the achievement of that plan; and
- Reviews summaries of all published internal audit reports and monitors the management's actions to address internal audit findings

The External Auditor

The Committee oversees the relationship with the external auditor and meets with the external auditor throughout the year. The Committee reviews the external auditor's annual scope and approach, including any interaction or coordination with the internal audit function, as well as their management letter. The Committee also assesses and opines whether, in their view, the external auditor remains independent. As a matter of principle, the external auditor is prohibited from providing any non-audit services to the Group. Any exemptions to this rule require explicit, prior approval by the Chairman of the Committee, together with the Group Chief Financial Officer, with such approval only granted on an exceptional basis after a case-by-case assessment of the nature of services to be provided and the associated fees. The performance of the external auditor is assessed by the Committee, which also exercises final approval on the appointment or discharge of auditors. The Committee meets when needed, and at least once a year, with the external auditor in the absence of management.

Financial Statements and Reporting

The Supervisory Board has delegated to the Committee responsibility for the Group's financial reporting and, in particular, the Annual Report. The Committee meets with management throughout the year and particularly during the preparation of the Annual Report in order to:

- Review significant accounting and reporting issues, including complex or unusual transactions, areas of significant judgement, and recent professional and regulatory pronouncements, to understand their impact on the financial statements;
- Review the annual consolidated and statutory financial statements prepared in conformity with respectively IFRS and local GAAP and consider whether they are complete, consistent with information known to ARC members, and reflect appropriate accounting principles;
- Review other sections of the annual report and related regulatory filings and consider the accuracy and completeness of the information before it is finalised;
- Review with the CFO and the external auditor all matters required to be communicated to the Supervisory Board under International Standards on Auditing as pronounced by the IAASB and as adopted for Luxembourg by the CSSF; and
- Understand strategies, assumptions and estimates that the CEO, CFO and Finance team have made in preparing the financial statements.

Risk Management

As part of a continuous assessment of our risk management framework, and reflecting the significant growth of the organisation, the Committee has endorsed the management decision to separate the risk and compliance functions through the establishment of a new, dedicated risk function headed by the Chief Risk Officer who joined Alter Domus in September 2022. The Chief Risk Officer reports directly to the CEO of the company.

The Committee has overseen a review of the design and effectiveness of the risk management framework, which establishes the principles and foundational statements by which AD manages risk in line with its agreed risk strategy and, hence, plays a key role in supporting the Group's business objectives. This has resulted in a comprehensive action plan and the Committee is actively monitoring its delivery.

Day to day management of the Group's risks and compliance matters is delegated by the Supervisory Board to the GEB, through:

- Monitoring risk matters in conjunction with the Chief Risk and Compliance Officer until August 2022 and thereafter with the Chief Risk Officer;
- Reviewing, approving and advising on the Risk Management Framework;
- Reviewing the Group Risk Appetite and proposing it for approval to the Supervisory Board; and
- Providing oversight and challenge on significant risk exposures and appropriateness of material governance arrangements, processes and controls.

A more detailed description of how the Group manages its risks is provided in the Management Report on p59.

Legal and Regulatory Compliance

The Committee oversees management's approach to compliance with legal and regulatory matters, including reviews of the effectiveness of the system for monitoring compliance with laws and regulations and the results of management investigations. In addition, the Committee reviews the observations and conclusions of internal and external auditors and the findings of any regulatory agencies, as well as related remedial actions undertaken by management. The Committee receives regular updates from the Chief Compliance Officer, CEO and General Counsel in respect of legal and compliance risks, backlogs and action plans, including a report outlining any current or prospective litigation.

Matters Considered in 2022

The priorities of the Committee during 2022 were as follows:

- Reviewing the 2021 Annual Report
- Monitoring the work of the external auditor;
- Reviewing the internal audit work plan and reports prepared by the internal audit team;
- Welcoming a new Chief Risk Officer, reviewing, challenging and approving an updated Risk Management Framework and evaluating the priorities of the risk function;
- Reviewing the compliance of regulated and non-regulated entities with applicable laws and regulations; and
- Formalising the oversight of the Group's Treasury Board, which now reports on a quarterly basis to the Committee.
- Overseeing the project to deliver non-financial reporting required under of the Corporate Sustainability Reporting Directive.

I would like to thank the other members of the Committee, management and the external auditor for their support during the year.

Committee Evaluation

The Committee performed a self-assessment exercise as part of the annual Supervisory Board evaluation. I am pleased to report that the Committee was assessed as operating effectively and the Supervisory Board takes assurance from the quality of the Committee's work.

PASCAL RAKOVSKY

Chair of the Audit and Risk Committee

Management's report on the Annual Report and Accounts for the year ended 31 December 2022

The Board of Managers presents its report on the Annual Report and Accounts for the year ended 31 December 2022.

I. Business activity

Alter Domus Global S.à r.l. is the ultimate holding company of the Alter Domus Group (hereinafter "Alter Domus" or "the Group"). Alter Domus is a fully integrated provider of fund administration, debt capital markets and corporate services, dedicated to global private equity and Infrastructure houses, real estate firms, private debt managers and capital markets issuers.

Our range of services spans the entire value chain of alternative investment structures thanks to our distinctive vertically integrated model. At any stage, our talent pool of over 4,500 employees apply their expertise and leverage our cutting-edge technology to put our clients ahead of the game and let them stay focused on their core activities.

Alter Domus is present in Australia, Belgium, the Cayman Islands, China, Cyprus, France, Germany, Guernsey, Hong Kong, India, Ireland, Italy, Japan, Jersey, Lithuania, Luxembourg, Malta, Mauritius, the Netherlands, Singapore, Spain, the United Kingdom, and the USA. The headquarters are in Luxembourg.

The enclosed consolidated financial statements cover the financial year ended 31 December 2022, together with the comparative period to 31 December 2021.

A detailed description of the Group's financial performance and position is included in the CFO's report on pages 22-27.

II. Strategy

A. Future Development

We have achieved a strong position in the alternative assets market, which continues to exhibit robust secular growth despite the economic challenges of 2022. Our clients rely on us to administer their expanding portfolios across various geographies and products.

We have also consistently exceeded the market and most of our competitors for five years consecutively. Our revenues have increased significantly, driven by our organic growth into new markets and services, as well as our strategic M&A. In 2022, our growth was 30%.

This growth was mainly achieved through:

- Strategic focus on the most attractive market segments: Private Assets, the most sought-after services: Fund Administration, and the most promising geographies: Luxembourg, US, and Asia Pacific,
- Consistently high level of customer service and delivery
- Substantial investments in Tech platforms to support all relevant areas of client operations
- Enhanced branding and marketing to ensure client outreach and visibility
- Attracting, retaining and engaging the best talent across the industry,
- Stability of ownership, management and purpose.

We have a solid foundation, a strong competitive advantage, and trusted client relationships. We are confident that we will continue to achieve above-market growth rates in the coming years. We are convinced that our industry will undergo further consolidation and actively pursuing strategic acquisitions to accelerate our growth.

B. Research and Development

We are constantly innovating our products and services and improving our quality standards. We are reinforcing our role as a global one-stop shop for alternative asset investors, covering their needs across Back- Middle- and Front-office. We have launched new products and services that set us apart in the market, such as our Data & Analytics offering, ESG solutions, and Regulatory & Compliance services. We are also accelerating cross-selling initiatives to expand our client service and capabilities across key markets.

Our technology and platforms are key to our success and give us a competitive edge. In 2019, we started Alter Domus' Accelerate Program: a multi-year investment program to boost our Technology resources, adoption, utilization and impact. The program has 4 priority streams:

A. Tech Platforms, allocating investments, resources, and disciplined governance to each of our 6 best-of-breed Tech platforms. The objective is to ensure agility and adoption in line with our ambitious business growth in each segment

B. Digital Transformation, linking our Tech- and Data infrastructures to ensure seamless interoperability for our clients and staff, leading to improved utilization, quality, transparency, and efficiency. We use workflows and data platforms tailored to our core activities, complemented with Robotic Process Automation ("RPA")

C. Data & Analytics, providing innovative solutions to support our clients' investment and risk management decisions

D. Software-as-a-Service (SaaS), turning our market-leading proprietary Tech platforms into solutions available to alternative asset investors globally

In the past two years we have also completed 5 acquisitions, adding both human and tech skills to enhance our capabilities in the private equity, venture capital, real estate, and private debt sectors. We are integrating these skills to benefit a large set of clients. The Group continues to partner with technology providers and monitor the market for investment opportunities in software partners that will help us gain leading positions in more segments of the markets we already serve.

III. Environmental, Social and Governance ("ESG")

Alter Domus is committed to the highest standard of leadership principles and ethical governance and we are proud to present our ESG Report on pages 28-37.

IV. Risk Management

The Group has designed a risk management and compliance framework which comprises our system of risk management culture, risk appetite framework, governance structure and risk management processes. The risk management and compliance framework is reviewed regularly by the Audit and Risk Committee and adherence with it is actively monitored by the Risk Function and overseen by the Group Risk Committee (the 'GRC'), which is a sub-committee of the Global Executive Board (the 'GEB'). The Group has a risk taxonomy in place to support the categorisation and aggregation of risks. Risks in the Group risk taxonomy can broadly be split into two areas: Financial Risks and Non-Financial Risks.

A. Financial Risk Management

The direct financial risk exposure within the Group is managed by the Treasury Board. Financial risk is the risk of an adverse change in the financial situation of the Group arising directly or indirectly from fluctuations in financial instruments. Financial risk comprises market risk (foreign currency risk, interest rate risk and inflation risk), credit risk and liquidity risk. The Treasury function has established risk limits and robust processes to monitor and manage risks within these limits.

1. Market risk

Market risk is defined as the risk that changes in market prices such as foreign exchange rates, interest rates and inflation will affect the Group's cash flows, assets and liabilities.

i. Foreign currency risk

Foreign currency risk exposure arises from a mismatch in assets and liabilities denominated in a currency that is not the functional currency of the respective Group entity. The Group's exposure to currency risk is primarily driven by the Group's operating activities and, hence, mainly relates to US dollar (USD) and Pound Sterling (GBP). The Group's debt is denominated in EUR and USD and to manage currency risk, the Group aims to match operating cash flows to the denomination of its debts.

ii. Interest rate risk

Interest rate risk is the risk of adverse change in the Group's financial situation from fluctuations in interest rates.

The Group conducted a refinancing exercise in 2021, resulting in risk exposure linked to changes of EURIBOR and IBOR market reference rates. This risk is substantially managed through the use of interest rate caps.

iii. Inflation risk

The main inflation risk for the Group arises from wage inflation. The Group manages this risk by tracking price inflation in the territories in which it operates and, mitigates it, to the extent possible through its contractual terms and bilateral negotiations.

2 Credit risk

Credit risk arises for the Group from a counterparty not meeting its obligations. The Group is exposed to credit risk from its operating activities (primarily in respect of trade receivables and accrued income) and from its treasury activities, including deposits with banks and financial institutions, and other financial instruments. Customer credit risk management is governed by policies, procedures and control. Credit risks from balances with banks and financial institutions are managed by the Group in accordance with its treasury policies.

3 Liquidity risk

Liquidity risk refers to the risk that insufficient cash resources are available to meet the Group's contractual or contingent financial obligations as they fall due. Prudent liquidity risk management is achieved through the holding of sufficient cash and marketable securities and adequate availability of funding through committed credit facilities. Due to the dynamic nature of the underlying businesses, the Treasury Function maintains flexibility in funding by maintaining committed credit lines.

B. Non-Financial Risk Management

The management of non-financial risk is governed though the Group's risk culture, risk appetite, risk management processes and risk governance, including a robust committee structure and an appropriate policy framework. Non-financial risks comprise operational risks (including technology and cyber), reputational risks, strategic risks, legal and compliance risks and conduct risks.

1. Operational risk

Operational risks result from inadequate or failed internal processes and / or controls, systems, human error or external events. These include:

i. Business operations and process risks mainly arise from a failure to adequately design, execute or maintain processes or controls. The Group mitigates these risks through its risk management framework, processes and controls which are designed to meet business requirements and market practice. The Group regularly assesses their effectiveness and, where appropriate, updates its policies, processes and controls.

ii. Information Security risks relate to the loss of confidentiality, integrity, or availability of systems or data and reflect the potential adverse impacts to the Group's operations, assets, and/or individuals. The Group mitigates these risks through its Information Security Management System (ISMS) that aligns with the ISO 27001 security framework and follows ISO 27005 guidance to manage, assess, and treat information security and cybersecurity risks. Following these internationally recognised standards allows the Group to effectively manage its security risks.

iii. Privacy risk is the potential loss of control over personal information. The Group mitigates this risk by managing a comprehensive Data Protection Program which aligns to the NIST Privacy framework and GDPR guidelines. Policies and procedures have been implemented to identify and maintain personal information while determining the appropriate levels of protection consistent with the Group's Enterprise Risk Management requirements as well as regional legal and regulatory requirements.

iv. Technology risk is the potential for any information technology (IT) failure to result in business disruption. The Group mitigates this risk through Technology Risk Management policies and procedures. Group policies enforce standards to deliver highly available systems and applications where IT Service Management (ITSM) follows the ITIL framework. Additionally, regular assessments of IT systems and controls are performed along with identifying and logging risks, allocating risk owners and assigning severity statuses, and creating mitigation and/or remediation plans.

v. Business continuity risk is defined as the adverse impact on the Group from not being able to continue to operate as usual due to external factors such as natural and man-made disasters, civil disturbances, etc. The Group mitigates this risk through the development and maintenance of a management system that aligns to the ISO 22301 with a dedicated team to plan for foreseen and unforeseen crisis scenarios to identify and prepare for, adapt and respond to, recover from and learn from operational disruptions.

2. Legal and compliance risk

i. Compliance risk refers to the failure to adhere to external regulatory requirements. The Group, which includes several regulated entities, has a strong Compliance Function and robust regulatory monitoring processes. The Compliance Function embeds good compliance practices across the Group, for example through mandatory training that drives high levels of awareness on the regulations.

ii. Legal risk comprises mainly contractual, fiduciary and litigation risks. The Group mitigates these risks through robust processes, and controls, a highly experienced in-house legal team, and use of external counsel, where appropriate, to ensure vendor and client contracts are negotiated in line with the Group's risk appetite and litigation is managed efficiently.

3. Strategic risk

Strategic risk arises from external factors such as changes in the business environment or failure to implement the strategy. A significant aspect of the Group's strategic risks is people risk, which is mitigated through robust leadership attention and processes (including talent acquisition, recruitment teams, remuneration packages, and company share plans) to attract and retain talent.

V. Other

A. Branches

During the year under review, the Group did not have any branches.

B. Acquisition of own shares

As at year end, Group companies owned directly or indirectly 13,474,090 shares of the Company.

C. Other matters

On 16 April 2019, the board of directors of a fund (the "Fund") for which a Group company (Alter Domus Management Company S.A. or "ADMC") acted as Alternative Investment Fund Manager before its acquisition in December 2017 by the Group, initiated judicial proceedings against ADMC claiming for damages for i) the losses suffered by several sub-funds of the Fund and ii) all the fees paid by these sub-funds to ADMC since 2013. Although the total claims are significant, the directors consider them to reflect a highly unlikely outcome and expect to successfully resist all claims against the Group. The Luxembourg judicial authorities are still investigating the matter. At the date of this report, the outcome of the matter and any associated legal proceedings is uncertain; on this basis, no provision has been recorded as at 31 December 2022 or subsequently.

VI. Significant events since the year end

There were no significant events since the year end and up to the date of approval of this Annual Report.

Luxembourg, 28 April 2023

Alter Domus Global S.à r.l.

Represented by René Beltjens

Chairman of the Supervisory Board

Consolidated Financial Statements

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Independent auditor's report

To the Shareholders of Alter Domus Global S.a r.l.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Alter Domus Global S.à r.l. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2022, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

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

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual report including the Management's report on the annual report and accounts but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities of the Board of Managers and those charged with governance for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as

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applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;
- conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Management's report on the annual report and accounts is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Luxembourg, 28 April 2023

Represented by
Gilles Vanderweyen

Consolidated statement of profit or loss

For the year ended 31 December CONTINUING OPERATIONS	Notes	2022 €m	2021 €m
Revenue	6	**604.5**	**464.4**
Staff costs	7	(260.2)	(188.0)
Operating expenses	8	(10.9)	(8.0)
Direct costs		**(271.1)**	**(196.0)**
Gross profit (Contribution)		**333.4**	**268.4**
Staff costs	7	(87.0)	(65.2)
Operating expenses	8	(124.2)	(84.8)
Overheads		**(211.2)**	**(150.0)**
Other operating income		1.6	0.8
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")		**123.8**	**119.2**
Depreciation of property, plant and equipment	12	(4.2)	(3.6)
Amortisation of right of use assets	13	(17.5)	(15.1)
Amortisation of intangible assets	14	(28.6)	(25.3)
Amortisation of capitalised contract costs	16	(5.2)	(3.4)
Total depreciation and amortisation		**(55.5)**	**(47.4)**
Other gains/(losses)		(0.5)	(0.7)
Result from operating activities		**67.8**	**71.1**
Finance income	9	66.1	26.7
Finance costs	9	(63.3)	(60.1)
Profit before income tax		**70.6**	**37.7**
Tax income/(expense)	10	(24.6)	(21.5)
Profit after income tax		**46.0**	**16.2**
Profit for the year after tax is attributable to:		**46.0**	**16.2**
Owners of the Company		45.8	16.2
Non-controlling interests		0.2	-
Analysis of Underlying EBITDA (unaudited):			
EBITDA		123.8	119.2
Non-underlying items	11	43.5	26.7
Underlying EBITDA (unaudited)		**167.3**	**145.9**

The notes on pages 72 to 116 form part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December	Notes	2022 €m	2021 €m
Profit after income tax		**46.0**	**16.2**
Other comprehensive income			
Exchange differences on translation of foreign operations		17.4	23.0
Items that may be subsequently reclassified to profit or loss		**17.4**	**23.0**
Total comprehensive income for the year, net of tax		**63.4**	**39.2**
Total comprehensive income for the year, net of tax is attributable to:			
Owners of the Company		**63.2**	**39.2**
Non-controlling interests		**0.2**	**–**
		63.4	**39.2**

The notes on pages 72 to 116 form part of these financial statements.

Consolidated statement of financial position

As at 31 December	Notes	31/12/2022 €m	31/12/2021 €m
ASSETS			
Non-current assets			
Property, plant and equipment	12	21.7	11.6
Right-of-use assets	13	70.7	69.9
Intangible assets	14	678.9	663.6
Deferred tax assets	15	40.9	23.7
Capitalised contract costs	16	25.8	19.2
Derivative assets	17	12.5	2.9
Other financial assets	17	15.6	11.0
Total non-current assets		**866.1**	**801.9**
Current assets			
Trade receivables	18	107.7	101.2
Accrued revenue	19	92.1	91.0
Deferred charges		13.3	7.7
Current tax receivables		13.9	15.0
Derivative assets	17	18.5	–
Other financial assets	17	2.9	2.7
Cash and cash equivalents (excluding bank overdrafts)	20	108.3	82.2
Total current assets		**356.7**	**299.8**
Total assets		**1,222.8**	**1,101.7**
LIABILITIES			
Non-current liabilities			
Borrowings	21	739.5	729.1
Lease liabilities	21	65.3	62.4
Deferred tax liabilities	15	61.4	42.8
Other liabilities	21	2.5	3.1
Provisions		1.6	1.8
Deferred income	21	17.1	15.5
Employee benefit obligations	23	2.0	3.9
Total non-current liabilities		**889.4**	**858.6**
Current liabilities			
Borrowings	21	2.3	0.9
Provisions		2.0	0.5
Trade and other payables	21	47.1	35.7
Deferred income	21	34.1	47.3
Income tax liabilities		46.9	32.7
Other tax liabilities	22	3.3	8.1
Lease liabilities	21	12.6	13.1
Employee benefit obligations	23	48.9	38.7
Total current liabilities		**197.2**	**177.0**
Total liabilities		**1,086.6**	**1,035.6**
EQUITY			
Share capital	24	3.4	3.4
Share premium	24	396.1	396.1
Treasury shares	25	(14.4)	(16.6)
Reserves		8.8	4.0
Translation reserve		41.2	23.8
Retained earnings		(298.1)	(343.9)
Equity attributable to owners of the Company		**137.0**	**66.8**
Non-controlling interests		(0.8)	(0.7)
Total equity		**136.2**	**66.1**
Total Equity and Liabilities		**1,222.8**	**1,101.7**

The notes on pages 72 to 116 form part of these financial statements.

Consolidated statement of changes in equity

All values in €m	Notes	Attributable to equity holders of the parent Share capital	Share premium	Treasury shares	Reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2021		**3.3**	**364.4**	**(10.8)**	**(1.8)**	**0.8**	**(359.9)**	**(4.0)**	**(0.7)**	**(4.7)**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**16.2**	**16.2**	**–**	**16.2**
Other comprehensive income		–	–	–	–	23.0	–	23.0	–	23.0
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**23.0**	**16.2**	**39.2**	**–**	**39.2**
Transactions with owners in their capacity as owners:										
Change in interest in employee share ownership plan		–	–	0.2	–	–	(0.2)	–	–	–
Equity issuance	24	0.1	31.7	(4.9)	–	–	–	26.9	–	26.9
(Acquisition)/sale of treasury shares		–	–	0.6	0.6	–	–	1.2	–	1.2
Share-based payments	25, 26	–	–	(1.7)	5.2	–	–	3.5	–	3.5
Balance at 31 December 2021 and 1 January 2022		**3.4**	**396.1**	**(16.6)**	**4.0**	**23.8**	**(343.9)**	**66.8**	**(0.7)**	**66.1**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**45.8**	**45.8**	**0.2**	**46.0**
Other comprehensive income		–	–	–	–	17.4	–	17.4	–	17.4
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**17.4**	**45.8**	**63.2**	**0.2**	**63.4**
Transactions with owners in their capacity as owners:										
Share-based payments	25, 26	–	–	2.2	4.8	–	–	7.0	–	7.0
Dividends to non-controlling interests		–	–	–	–	–	–	–	(0.3)	(0.3)
Balance at 31 December 2022		**3.4**	**396.1**	**(14.4)**	**8.8**	**41.2**	**(298.1)**	**137.0**	**(0.8)**	**136.2**

The notes on pages 72 to 116 form part of these financial statements.

Consolidated statement of cash flows

	Notes	2022 €m	2021 €m
Profit before income tax:		**70.6**	**37.7**
Adjustment for:			
Total depreciation and amortisation	12,13,14,16	55.5	47.4
Provisions for bad debts and accrued revenue	18,19	(0.1)	(0.3)
Employee benefits expense – share based payments	7	10.6	0.3
Net loss on disposal of non-current assets		1.1	0.7
Interest expenses on leases	9	3.5	2.8
Changes in the Fair Value of the derivatives	9	(29.8)	2.9
Net finance costs	9	29.5	39.5
Currency gains and losses	9	(6.0)	(6.3)
Capitalisation of contract costs	16	(11.7)	(5.8)
Change in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables		(28.6)	3.6
(Increase)/decrease in accrued revenue		(1.1)	(15.6)
Increase/(decrease) in trade and other payables		27.3	3.8
Increase/(decrease) in deferred income		(11.8)	(15.0)
Increase/(decrease) in provisions		(1.2)	0.6
Income taxes paid		(7.8)	(7.6)
Interest received		–	0.3
Net cash inflow from operating activities		**100.0**	**89.0**
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired		(2.1)	(320.0)
Investment in intangible assets	14	(8.3)	(15.7)
Investment in property, plant and equipment	12	(15.0)	(3.9)
Sale of tangible assets		–	0.1
Net (increase)/decrease of other financial assets	17	(3.6)	(8.6)
Net cash outflow for investing activities		**(29.0)**	**(348.1)**
Cash flows from financing activities			
(Acquisition)/sale of treasury shares		–	7.7
Settlement of share-based payment liabilities		(0.2)	(8.2)
Proceeds from derivatives		1.3	–
Proceeds from borrowings	21	–	586.5
Repayment of borrowings	21	(2.8)	(260.6)
Interest paid	21	(30.4)	(28.5)
Principal element of lease payments	21	(13.9)	(12.6)
Net cash inflow/(outflow) for financing activities		**(46.0)**	**284.3**
Net increase in cash and cash equivalents		**25.0**	**25.2**
Cash and cash equivalents at the beginning of the financial year	20	82.2	54.5
Effects of exchange rate changes on cash and cash equivalents		1.1	2.5
Cash and cash equivalents at end of year		**108.3**	**82.2**

Following a review of the requirements of IAS 7 "Statement of Cash Flows" and paragraphs 14(d) and 16(a) in particular, management has updated its judgement of the most relevant presentation within the statement of cash flows of capitalisation of contract costs. Where these were previously presented as relating to investing activities, they are now presented within operating activities and this update has been applied also to the values reported for 2021. There is no change to the reported line items for either 2021 or 2022 or to reported performance or net assets as a result of this change in classification.

The notes on pages 72 to 116 form part of these financial statements.

Notes to the financial statements

NOTE 1 – General information

Alter Domus Global S.à r.l. (hereafter the "Company") was incorporated on 31 October 2016 and is organised under the laws of Luxembourg as a "Société à responsabilité limitée" for an unlimited period. The registered office of the Company is 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg.

The consolidated financial statements ("Financial Statements") of the Company and its subsidiaries (collectively "the Group") for the year ended on 31 December 2022 were adopted by the Supervisory Board on 28 April 2023. Under Luxembourg law, consolidated financial statements are approved by the shareholders during the annual general meeting. The Company`s financial year starts on the first of January and ends on the thirty-first of December of each year.

The principal activity of the Group is to provide integrated fund administration, debt capital markets and corporate services to global private equity and infrastructure houses, real estate firms, private debt managers, multinationals and capital market issuers. This includes third party AIFM services, central administration services, middle office services, depositary services, trade settlement, loan administration, loan agency and the provision of related technological and data analysis services.

The Company is 58.75% owned by Paradocs Partners SCSp, which is in turn 100% ultimately owned by individuals, including the group of founding shareholders. A further 33.79% of the Company is held by Castlelux S.à r.l., which is in turn 95.92% ultimately owned by Permira VI LP1 ("Permira"). The Company acquired 100% of Alter Domus Holdco S.à r.l. (previously "Paradocs Holding S.à r.l.") in May 2017.

Management has concluded with reference to IFRS 11 "Joint Arrangements", the articles of incorporation of the Company and the Investment Agreement in respect of the Company's acquisition executed on 3 May 2017 as amended and restated on 22 March 2018 that it is appropriate to consolidate the Group at the level of the Company.

NOTE 2 – Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as adopted by the EU. The consolidated financial statements comply with IFRS as adopted by the EU. The accounting policies have been consistently applied by Group entities.

These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss or other comprehensive income. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The consolidated financial statements are presented in Euros and all values are rounded to the nearest million (€m), except when otherwise indicated.

New standards, amendments and interpretations

The following new standards, amendments and interpretations to published standards and interpretations are deemed to have an immaterial effect on these financial statements.

Standard/Interpretation		Effective date
IAS 16	Property plant and equipment – proceeds before intended use (Amendments to IAS 16)	1 January 2022
IAS 37	Onerous Contracts – costs of fulfilling a contract (Amendments to IAS 37)	1 January 2022
IFRSs	Annual improvements to IFRSs 2018-2020 cycle	1 January 2022
IFRS 3	Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022

New standards, amendments and interpretations not yet adopted by the Group

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

Standard/Interpretation		Effective date
IFRS 17	Insurance contracts (Amendments to IFRS 17)	1 January 2023
IAS 1	Classification of liabilities as Current and Non-current	1 January 2024
IAS 1	Presentation of Financial Statements	1 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
IAS 8	Accounting policies, changes in accounting estimates and errors and definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12)	1 January 2023

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2.2 Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group (please refer to Note 2.3). A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been permanently changed where necessary to ensure consistency with the policies adopted by the Group.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and the consolidated statement of financial position.

Notes to the financial statements

2.3 Business combinations

The acquisition method is used to account for the acquisition of subsidiaries. The cost of the acquisition is measured at the fair value of the consideration given. The acquiree's identifiable net assets (including intangible assets) that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised initially at their fair values at the date the Group assumes control of the acquiree. The results of the subsidiaries and businesses acquired are included in the Financial Statements from the acquisition date.

Where the measurement of the fair value of identifiable net assets acquired is incomplete at the end of the reporting period in which the combination occurs, the Group will report provisional fair values. Final fair values are determined within a year of the acquisition date and retrospectively applied. The excess of the consideration transferred and the amount of any non-controlling interest over the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. The consideration transferred is measured at the fair value of the assets given, equity instruments issued (if any), and liabilities assumed or incurred at the date of acquisition. Acquisition-related costs are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability, depending on whether or not there is an obligation to deliver a fixed number of equity instruments. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 Foreign currency translation

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros, which is the Group's presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges, and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss on translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Group companies

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expenses are translated at the average exchange rates for the period or the exchange rate at the date of the transaction. All resulting exchange differences are recognised in other comprehensive income under the caption translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Revenue from contracts with customers

Revenue comprises corporate and fund services, private wealth services, debt and capital markets services, and rental income from subletting of office space to clients. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognises revenue when performance obligations in the contracts are satisfied. Revenue is stated net of discounts, returns, value-added tax and after eliminating sales within the Group. The Group bases its estimates on historical results, taking into consideration the type of client, transaction and the specifics of each arrangement. IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The incremental costs of obtaining a contract (i.e. costs that would not have been incurred if the contract had not been obtained, e.g. sales commissions), and costs to fulfil a contract (e.g. set up costs) are recognised as an asset if the costs are expected to be recovered. These costs are amortised in a systemic manner consistent with the pattern of transfer of the related services as detailed in Note 2.6.

(i) Service contracts

The Group's main source of revenue is from the rendering of services. The Group primarily renders these services on a recurring basis under long-term contracts. Under these contracts, it primarily charges fixed prices for a fixed bundle of services. Services may also be rendered on a variable time and cost basis, or a combination of both fixed price and variable price.

Revenue from time basis arrangements is recognised at the contractual rates as time is spent and/or direct expenses are incurred.

Revenue from fixed-price contracts mainly includes fees relating to services rendered for corporate management, accounting and bookkeeping services, domiciliation etc. These services are provided continuously over the contract period, so the services in the contract will generally represent a single performance obligation comprising a series of distinct service periods (e.g. quarters or months). The services are satisfied over time because the customer simultaneously receives and consumes the benefits provided as the Group performs the service. The fixed-price services are generally recognised as the service is provided, on a pro-rata basis over the period the service is rendered.

Revenue from variable-price contracts mainly includes fees relating to investment operations, management fees and debt capital market services. Revenues are recognised when the Group satisfies the performance obligations by transferring services to its clients. As fees in relation to investment operations, management fees and debt capital market services are generally calculated on a percentage of net assets value or numbers of transactions, they are considered as variable considerations which are subject to market conditions and are recognised only to the extent that it is highly probable that a significant reversal will not occur in accordance with IFRS 15.

Estimates of revenues and costs are revised if circumstances change. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the consolidated statement of profit or loss in the period in which the circumstances that give rise to the revision become known.

To the extent that any fees paid exceed the value of work performed, they are included in deferred income as detailed in Note 2.7.

(ii) Other revenue

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

Notes to the financial statements

2.6 Capitalised contract costs

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if these costs are expected to be recovered and the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Capitalised contract costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The Group recognises an impairment loss in the consolidated statement of profit or loss to the extent that the carrying amount of an asset recognised exceeds:

- the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates; less
- the costs that relate directly to providing those services and that have not been recognised as expenses.

2.7 Deferred income

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Deferred income is presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Trade receivables and accrued revenue

Trade receivables and accrued revenue are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less loss allowance.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short-term nature of the current receivables, their carrying amount is considered to be approximately the same as their fair value.

If the Group performs work by transferring services to a customer and has not yet invoiced the customer, the Group presents the contract as a contract asset. A contract asset is an entity's right to consideration in exchange for services that the Group has transferred to a customer. The carrying amount of the assets is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of profit or loss.

When a receivable is uncollectable, it is written off against the allowance account for trade receivables and accrued revenue. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of profit or loss.

The impairment of trade receivables is based on expected credit losses ("ECL") using a provision matrix (ECL simplified approach) based on historical credit losses adjusted for future economic indicators which are linked to credit risk. Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 4.

Accrued revenue is all classified as current based on expected recoverability. Accrued revenue is subject to the impairment requirements of IFRS 9. Accrued revenue relates to unbilled work recognised on a time spent basis as performance obligations are met and substantially have the same risk characteristics as the trade receivables. That simplified approach was also applied to accrued revenue. The Group has therefore concluded that the expected loss rates applied to trade receivables of not more than 30 days are an appropriate estimation of the expected credit losses of accrued revenue.

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management which are shown within borrowings in current liabilities in the consolidated statement of financial position.

2.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

2.11 Income and deferred tax

The income tax expense or credit for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Notes to the financial statements

2.11 Income and deferred tax (continued)

Deferred tax (continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Recognition, therefore, involves judgement regarding the prudent risk-adjusted forecasting of future taxable profits of the business and in applying an appropriate risk adjustment factor. The final outcome of some of these items may give rise to material profit and loss and/or cash-flow variances.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

IFRIC 23 interpretation requires an entity to determine whether uncertain income tax treatments are assessed separately or as a group. When making those examinations, the Group makes the assumption that a taxation authority will examine the position as if it has a right to examine and have full knowledge of all relevant information. If the Group concludes that it is not probable that a taxation authority will accept an uncertain tax treatment, the Group reflects the effect of uncertainty in determining its accounting tax position. Reassessment in the event of change in facts and circumstances is done on a yearly basis.

2.12 Leases

(i) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(ii) Group as a lessee

The Group leases various offices, employee vehicles and some IT equipment. At the inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period in exchange for consideration, in which case it is identified as a Finance Lease. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value (below USD 5,000) assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right of Use Assets

At commencement date, right of use assets are measured at cost, which comprises the following:

- The initial measurement of the lease liability;
- Prepayments before commencement date of the lease;
- Initial direct costs; and
- Costs to restore.

Subsequent to initial recognition right of use assets are depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term. If the Group is reasonably certain to exercise a purchase option, the lease terms contains the period covered by the option. Right of use assets are assessed for impairment where indicators of impairment are present.

Lease Liabilities

At commencement date, lease liabilities are measured at the present value of lease payments not yet paid including:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Subsequent to initial recognition lease liabilities are increased by the interest costs on the lease liabilities and decreased by lease payments made. Lease liabilities held are remeasured to account for revised future payments.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that individual lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with the similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received; and
- makes adjustments specific to the lease, e.g. term, country, currency or security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between operational and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.13 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Notes to the financial statements

2.13 Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate the asset cost net of its residual value over the estimated useful life. Leased assets are depreciated over the shorter of the useful economic life of the asset and the lease term. The lease terms of property plant and equipment, leasehold improvements and certain leased plant and equipment is as follows:

	Rate of depreciation	Depreciation method
Buildings (leasehold improvements)	10% – 20%	Straight-line
Furniture & Fittings	10% – 25%	Straight-line
Hardware	33%	Straight-line
Other Office Equipment	20% – 33%	Straight-line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be appropriate. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in consolidated statement of profit or loss. Please refer to Note 12.

2.14 Intangible assets

(i) Goodwill

Goodwill is initially recognised in business combinations, as described in Note 2.3, and classified as an intangible asset. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is being disposed.

Goodwill is allocated to cash-generating units (CGUs) or groups of CGUs for the purpose of impairment testing. The allocation is made to the groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

An impairment loss is recognised if the carrying amount of a group of CGUs exceeds its recoverable amount. The recoverable amount of group of CGUs is the higher of fair value less costs to sell and the value in use.

To perform impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other CGUs.

Where the recoverable amount is less than the carrying amount, impairment losses recognised in respect of a group of CGUs are allocated initially to reduce the carrying amount of any goodwill allocated to the group of CGUs and subsequently to reduce the carrying amount of other assets in the group of CGUs. Any impairment loss identified is immediately recognised in the consolidated statement of profit or loss. An impairment loss in respect of goodwill is irreversible. Note 27 provides further details of the annual impairment review for the year ended 31 December 2022.

(ii) Trademarks, licences and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Software

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when all the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and the expenditure attributable to the software during its development can be reliably measured

Costs relating to the configuration and customisation of SaaS platforms developed by third parties are typically not deemed to result in the creation of intangible assets and are, therefore, expensed. In the instance where the Group is developing its own software that is hosted alongside or interacting with the SaaS platform and which represents an asset as defined in IAS 38, relevant and applicable expenditure will be capitalised.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(iv) Research and development

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(v) Amortisation methods and periods

The Group amortises intangible assets with a finite life using the straight-line method at the following rates:

	Rate of amortisation	Amortisation method
Costs of development	33%	Straight-line
Concessions, patents, licenses, trademarks, software and similar rights	13% – 33%	Straight-line
Customer contracts	5% – 10%	Straight-line

2.15 Impairment of non-financial assets

Non-financial assets other than goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the financial statements

2.16 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss) and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in consolidated statement of profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated statement of profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss. Please see Note 16 for these items.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated statement of profit or loss and presented net within other gains/(losses) in the period in which it arises. There are no such instruments.

(iv) Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and accrued revenue, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Lifetime expected credit loss represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables, unbilled services, accrued revenue and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve months expected credit loss.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method. Costs incurred during financing of borrowings are capitalised and amortised over the estimated lives of borrowings. Borrowings are presented net of capitalised costs.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss within net finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability, a gain or loss is recognised in the consolidated statement of profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Notes to the financial statements

2.18 Provisions

Provisions are recognised in line with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions can be distinguished from other types of liability by considering the events that give rise to the obligation and the degree of uncertainty as to the amount or timing of the liability. These are recognised on the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an out-flow of resources will be required to settle the obligation, and the amount can be estimated reliably.

The amounts recognised as provisions are Management’s best estimates of the expenditure required to settle present obligations at the reporting date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The outcome depends on future events, which are by their nature uncertain. Any difference between expectations and the actual future liability will be accounted for in the period in which this is determined. In assessing the likely outcome, Management bases its assessment on historical experience and other factors that are believed to be reasonable in the circumstances

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.19 Equity

Ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company’s equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

2.20 Dividends

A liability is recorded for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.21 Derivatives

Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value with all changes in fair value being taken to the consolidated statement of profit or loss.

2.22 Employee benefits including share-based payments

(i) Short-term obligations

Liabilities for wages and salaries and bonus, including non-monetary benefits, annual leave and accumulated sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service, are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(i) Post-employment obligations

Pension obligations

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Share-based payments

Please refer to Note 26 for details of Share-based payments and the accounting policies applied.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; or (b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to present value.

NOTE 3 – Significant estimates, judgements and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The areas involving significant estimates or judgements are:

3.1 Valuation and useful life of intangible assets

Acquisitions in prior years have led to the recognition of material goodwill and other intangible assets. The value at initial recognition is subject to assumptions and estimates made at the acquisition date as part of the purchase price allocations.

In order to test the goodwill allocated to groups of cash generating units for the purpose of impairment testing, the Group estimates a fair value less costs to sell with reference to the forward EBITDA multiple which reflects the established nature of these businesses. Since EBITDA multiples are unobservable inputs, fair value less costs to sell is categorised as a “Level 3” input for the purposes of IFRS 13’s fair value hierarchy. Note 27 provides further information on our approach to impairment reviews and the sensitivity of our conclusions to changes in assumptions.

Intangible assets with finite lives (e.g. customer contracts) are depreciated over their estimated useful economic lives. Changes to those estimates would be accounted for prospectively and could materially alter future amortisation charges. As an illustration of the impact of these estimates, we note for example that a reduction of 2 years in the useful life of the Strata customer relationships (the largest intangible asset acquired in 2021) would lead to an increase in amortisation charges of EUR 1.3 million in 2023.

Notes to the financial statements

3.2 Share-based payments

The accounting for the Group's share-based payment schemes incorporates assumptions and estimates as noted below:

For share options

- The estimated lifetime of the options
- Assumptions incorporated into the value of the option instruments (computed based on a Black & Scholes model), such as volatility, risk-free rates and the fair value of the underlying shares

For liabilities attaching to the Manco plan (as described in Note 26)

- An estimation of the number of shares that would be bought back in cash from employees resigning from the Group in the future, informed by past trends
- Estimates of the most likely value at which those shares would be repurchased, informed by an assumption regarding the nature of leavers
- An estimation of the most likely timeframe for an exit event and thus over which such cash payments might occur

The main assumptions used by the Group and the value of the corresponding liability are noted in Note 26 to the accounts. Were the estimated timeframe to be varied by one year with all other assumptions remaining unchanged, the liability would alter by EUR 4.2 million.

3.3 Accounting for litigation

Management's assessment of the financial reporting impact of litigations requires significant judgement in assessing how to apply the requirements of IFRS, including inter alia estimates of the probability of corresponding in – or out-flows of economic benefits. Management judgements are based upon the most recent legal advice.

Changes to these judgements and estimates might result in material income or expenditure being recognised in future periods. Refer to Note 30 for details.

3.4 Estimation of current and deferred tax expense

The Group is subject to income taxes in numerous jurisdictions and adopts a low risk approach that does not involve risky or aggressive tax positions. However, the nature of tax legislation globally is such that there are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities when a tax risk arising from positions taken by the Group, or one of its subsidiaries, is considered as probable, assuming that the tax authorities have full knowledge of all relevant information when making their examination. The Group determines the level of a tax risk considering the specific facts and circumstances and the nature of the risk. When applicable, the liability recognised corresponds to the amount expected to be paid and is measured using the method which reflects the Group's best estimate of the underlying risk.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Recognition of deferred tax assets for deductible temporary differences and net operating losses carried forwards is based on the projected taxable income in the following periods. Please see Notes 10 and 15 for details of relevant balances.

NOTE 4 – Financial risk management

This note explains the Group’s exposure to financial risks and how these risks could affect the Group’s future financial performance. Current year profit and loss information has been included where relevant to add further context.

Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting year. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the risk management function are to establish risk limits and then ensure that exposure to these risks stays within these limits.

4.1 Market risk

Market risk is defined as the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group`s income or the value of its holdings of financial instruments. Market risk management is overseen by the Treasury Board and its objective is to manage and control market risk exposures within acceptable parameters. The Treasury Board is authorised by the Supervisory Board to oversee the Group’s Treasury risk management activities and associated guidelines and to proactively manage the Group’s market risk exposure within prescribed risk limits. In this capacity, the Treasury Board operates under the auspices of the Audit and Risk Committee, to which it must formally report on a frequent basis.

(i) Foreign exchange risk

The Group is exposed to transactional foreign exchange risks within the scope of both its business activities and financing activities. Foreign exchange risks are frequently and regularly analysed and reported to the Treasury Board. The Group’s foreign exchange exposure is mainly derived from cash and cash equivalents or receivables, long term borrowings and payables in non-functional currencies. The exposures are mainly with respect to USD. The loans and borrowings of the Group were denominated in EUR and USD during the financial year ended 31 December 2022. The objective is to partly match the main cash flows generated by the underlying operations of the Group with the debt which provides a natural hedge.

The Group`s exposure to foreign currency risk at the end of the reporting period, expressed in million EUR, was as follows:

	31/12/2022	31/12/2021
	USD/EUR	USD/EUR
Trade receivables and accrued revenue	66.7	35.9
Cash and cash equivalents	52.0	26.2
Trade payables	(5.4)	(1.1)
Long term borrowings	(216.9)	(214.7)
Net position	**(103.6)**	**(153.7)**

The Group is primarily exposed to changes in USD/EUR exchange rate.

Notes to the financial statements

4.1 Market risk (continued)

The table below shows the Group`s sensitivity to changes in USD and GBP foreign exchange rates, based upon a 10% swing which we consider to be a plausible outcome in any one year:

	Impact on post tax profit		Impact on equity	
	2022 €m	2021 €m	2022 €m	2021 €m
USD/EUR exchange rate – increase 10% (2021 – 10%)	10.4	15.4	26.2	31.5
USD/EUR exchange rate – decrease 10% (2021 – 10%)	(10.4)	(15.4)	(26.2)	(31.5)

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which exposes the Group to cash flow interest rate risk. Fluctuations in interest rates affect the interest expense of the Group. The benchmark floating rate for Group`s net interest-bearing liabilities was six months EURIBOR for EUR and three months SOFR for USD. During 2022, the Group's borrowings at variable rate were therefore denominated in EUR and USD. The Term Facilities bear interest rates that are dependent on the net leverage ratio at that point in time. From January 2022 to 31 May, the EUR loan bore an interest rate of Euribor + 3.25% and from 1 June 2022 the rate was Euribor + 3.00%. The USD loan bore a rate of SOFR + 3.75% for the period from 1 January 2022 to 30 June 2022 and from 1 July 2022 the rate was SOFR + 3.50%. The Group entered into a 0.5% EUR Interest Rate Cap and a 1.125% USD Interest Rate Cap on 30 June 2021, in order to mitigate the risk of unfavourable movements on the EUR and USD variable rate debt instruments. The two interest rate caps are due to expire on 30 September 2024. Profit or loss and equity is sensitive to higher/lower interest income as a result of changes in interest rates as shown below.

	Impact on post tax profit	
	2022 €m	2021 €m
Interest rate – increase by 100 bps (2021: 100 bps) – EUR loan	(1.1)	(1.7)
Interest rate – decrease by 100 bps (2021: 100 bps) – EUR loan	0.5	–
Interest rate – increase by 100 bps (2021: 100 bps) – USD loan	(0.4)	(3.0)
Interest rate – decrease by 100 bps (2021: 100 bps) – USD loan	–	–

4.2 Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and accrued revenue, including cash deposits with banks and financial institutions, and other financial instruments). Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risks from balances with banks and financial institutions are managed by the Group in accordance with its treasury policies. As of 31 December 2022, the Group held EUR 121.0 million of cash at banks (including restricted cash), of which EUR 15.4 million were held with banks having credit ratings ranging from BB to BBB. Management has taken action after the closing date to reduce this exposure by permanently moving cash holding to more reputable credit institutions.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The compliance with credit limits by customers is regularly monitored by management.

The gross carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	31/12/2022 €m	31/12/2021 €m
Trade receivables and accrued revenue	201.2	193.6
Other financial assets at amortised cost	18.5	13.7
Financial assets at fair value through profit loss	31.0	2.9
Cash, restricted cash and cash equivalents	121.0	91.3
Total	**371.7**	**301.5**

Trade receivables and accrued revenue

The Group applies the IFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued revenue.

To measure the expected credit losses, trade receivables and accrued revenue have been grouped based on shared credit risk characteristics and the days past due. Accrued revenue relates to unbilled work in progress and has substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for accrued revenue.

Credit risk from balances with banks including deposits and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Treasury Board on a regular basis and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The expected loss rates are based on the payment profiles of services over a period of 36 months before 31 December 2022 and 31 December 2021 and the corresponding historical credit losses experienced within these periods.

On that basis, the loss allowance at 31 December 2022 and 31 December 2021 was determined as follows for both trade receivables and accrued revenue:

	1-90 days	91-180 days	181-270 days	More than 270 days	Total
31 December 2022					
Expected loss rate	0.33%	1.28%	2.56%	7.31%	0.70%
Gross carrying amount – trade receivables	89.2	7.8	3.9	8.2	109.1
Gross carrying amount – accrued revenue	92.1	–	–	–	92.1
Loss allowance	**0.6**	**0.1**	**0.1**	**0.6**	**1.4**

	1-90 days	91-180 days	181-270 days	More than 270 days	Total
31 December 2021					
Expected loss rate	0.39%	1.81%	5.0%	12.8%	0.72%
Gross carrying amount – trade receivables	91.2	5.5	2.0	3.9	102.6
Gross carrying amount – accrued revenue	91.0	–	–	–	91.0
Loss allowance	**0.7**	**0.1**	**0.1**	**0.5**	**1.4**

Notes to the financial statements

4.2 Credit Risk (continued)

The loss allowances for trade receivables and accrued revenue at 31 December reconcile to the opening loss allowances as follows:

	Accrued revenue		Trade receivables	
	2022 €m	2021 €m	2022 €m	2021 €m
Opening loss allowance at 1 January	**-**	**0.1**	**1.4**	**1.7**
Increase in loss allowance recognised in profit or loss during the year	–	–	–	0.1
Unused amount reversed	–	(0.1)	–	(0.4)
Closing loss allowance at 31 December	**-**	**-**	**1.4**	**1.4**

Credit impairment losses on the face of profit or loss also includes permanent loss during the year 2022 amounting to nil (2021: EUR 0.1 million).

Trade receivables and accrued revenue are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables and accrued revenue are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other Financial assets at amortised cost

All of the Group's debt investments at amortised cost are considered to have low credit risk and the loss allowance recognised during the period was therefore limited to twelve months' expected losses. Instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other financial assets at amortised cost include restricted cash and bank deposits. There is no loss allowance for other financial assets at amortised cost as at 31 December 2022 and 31 December 2021.

4.3 Liquidity Risk

Liquidity risk is the risk that the Group encounters difficulty in meeting its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring consolidated statement of financial position liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The table below analyses the Group's financial liabilities in terms of maturity based on the period remaining to contractual maturity date. This analysis includes estimated interest payments and does not consider voluntary prepayments of bank debt that are permitted in loan agreements.

	Less than 1 year €m	1 to 2 years €m	2 to 5 years €m	Over 5 years €m
31 December 2022				
Non derivatives:				
Trade payables	49.0	–	–	–
Other liabilities	1.4	1.6	1.9	–
Lease liabilities	12.6	18.5	24.4	22.6
Borrowings (excluding finance leases)	32.1	32.1	94.0	848.4
Total non-derivatives	**95.1**	**52.2**	**120.3**	**871.0**

	Less than 1 year €m	1 to 2 years €m	2 to 5 years €m	Over 5 years €m
31 December 2021				
Non derivatives:				
Trade payables	38.3	–	–	–
Other liabilities	1.8	5.7	4.7	–
Lease liabilities	13.1	18.9	21.7	23.0
Borrowings (excluding finance leases)	23.9	23.9	71.7	746.6
Total non-derivatives	**95.1**	**52.2**	**98.1**	**782.6**

4.4 Capital risk management

The capital structure of the Group consists of equity and borrowings. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's objectives when managing capital are to

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to achieve the Group's capital risk management objective, the Group aims to ensure that it meets financial covenants attached to bank borrowings. On 16 February 2021, the Group refinanced its existing loan facility with a EUR 400 million and a USD 245 million loan.

Notes to the financial statements

4.4 Capital risk management (continued)

Loan covenants

Under the terms of the current borrowing facilities, the Group is required to comply with the following financial covenants:

- Covenant ratios are tested quarterly on a "last twelve months" basis by reference to each set of quarterly financial metrics;
- The ratio of net debt on the last day of each quarter to underlying EBITDA for the 12 months prior shall not be greater than 9.00x. Net debt for covenant purposes and underlying EBITDA for covenant purposes are materially similar to values derived from the Group's financial statements; and
- The Group in some circumstances is also required to repay a certain percentage of cash flow, as determined by the net debt to EBITDA ratio for covenant purposes. During the year, the Group did not repay any excess cash to the lenders.

The Group has complied with these covenants throughout the reporting period. As at 31 December 2022, the net debt to EBITDA ratio for covenant purposes was 2.98x.

Financial asset and liabilities at fair value through profit loss

The following table categorises the Group's financial assets held at fair value by the valuation methodology applied in determining their fair value

As at 31 December 2022	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Derivatives – EUR Interest Rate Cap	–	17.8	–	17.8
Derivatives – USD Interest Rate Cap	–	13.2	–	13.2
Total	**–**	**31.0**	**–**	**31.0**

As at 31 December 2021	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Derivatives – EUR Interest Rate Cap	–	1.2	–	1.2
Derivatives – USD Interest Rate Cap	–	1.7	–	1.7
Total	**–**	**2.9**	**–**	**2.9**

The fair value measurement hierarchy levels have been defined as follows:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

NOTE 5 – Scope of consolidation

5.1 Group entities

The following companies were included in the scope of consolidated entities of the Group as at 31 December 2022 and 31 December 2021. All subsidiaries are controlled through a majority shareholding, except for Paradocs Manco SCSp, which is deemed to be controlled by virtue of the manner in which it is managed by the Group and its purpose.

			31/12/2022	31/12/2021
Entity name	**Country of residence**	**Type**	**Ownership interest (%)**	
Alter Domus Global S.à r.l.	Luxembourg	Parent	100	100
Alter Domus Australia PTY Ltd	Australia	Subsidiary	100	100
Pragma Business Services S.R.L (previously Alter Domus (Belgium) S.P.R.L)	Belgium	Subsidiary	100	100
AD-BEL Services S.P.R.L.	Belgium	Subsidiary	66	66
Alter Domus Alternative Asset Fund Administration (Beijing) Limited	China	Subsidiary	100	100
Alter Domus China Limited	China	Subsidiary	100	100
Nanjing Cortland Information Consultation Co. LTD	China	Subsidiary	100	100
Alter Domus (Cyprus) Limited	Cyprus	Subsidiary	100	100
Alter Domus Management Limited	Cyprus	Subsidiary	100	100
Alter Domus Nominees Limited	Cyprus	Subsidiary	100	100
Alter Domus Services Limited	Cyprus	Subsidiary	100	100
BOS Business Office Services (Cyprus) Ltd	Cyprus	Subsidiary	100	100
Alter Domus Deutschland GmbH	Germany	Subsidiary	100	100
Alter Domus Iberia, S. L.	Spain	Subsidiary	100	100
AD Iberia Management, S.L.	Spain	Subsidiary	100	100
Alter Domus Fund Services France SAS	France	Subsidiary	100	100
Alter Domus France SAS	France	Subsidiary	100	100
Alter Domus (UK) Limited	UK	Subsidiary	100	100
Alter Domus Depositary Services (UK) Limited	UK	Subsidiary	100	100
Alter Domus Fund Services (UK) Limited	UK	Subsidiary	100	100
Alter Domus DCM (UK) Limited (previously Cortland EMEA Ltd)	UK	Subsidiary	100	100
Alter Domus Financial Services (UK) Ltd (previously Cortland Financial Services Ltd)	UK	Subsidiary	100	100
Alter Domus Agency Services (UK) Ltd (previously Cortland Capital Market Services Ltd)	UK	Subsidiary	100	100
Alter Domus Trustees (UK) Limited (Cortland Trustees Limited)	UK	Subsidiary	100	100
Credit Vision Limited	UK	Subsidiary	100	100
Alter Domus (Guernsey) Limited	Guernsey	Subsidiary	100	100
Sumod (Guernsey) Limited	Guernsey	Subsidiary	100	100
Alter Domus Hong Kong Limited	Hong Kong	Subsidiary	100	100
Alter Domus Credit Administration (Hong Kong) Limited	Hong Kong	Subsidiary	100	100
Alter Domus India Private Limited	India	Subsidiary	100	100
Alter Domus (Ireland) Limited	Ireland	Subsidiary	100	100
Alter Domus Secretarial (Ireland) Limited	Ireland	Subsidiary	100	100

Notes to the financial statements

5.1 Group entities (continued)

Entity name	Country of residence	Type	31/12/2022 Ownership interest (%)	31/12/2021 Ownership interest (%)
Acorn Investments Limited	Ireland	Subsidiary	100	100
Alter Domus Funds Services (Ireland) Limited	Ireland	Subsidiary	100	100
Alter Domus Depositary Services (Ireland) Limited	Ireland	Subsidiary	100	100
Alter Domus Management Company (Ireland) DAC	Ireland	Subsidiary	100	100
Alter Domus Italy S.r.l.	Italy	Subsidiary	100	100
Alter Domus (Jersey) Limited	Jersey	Subsidiary	100	100
Alter Domus (Services) Limited	Jersey	Subsidiary	100	100
Alter Domus Secretarial Services Limited	Jersey	Subsidiary	100	100
Sumod Nominees Limited	Jersey	Subsidiary	100	100
Alter Domus (Jersey) Listing Services Limited (previously Alter Domus Director Services Limited)	Jersey	Subsidiary	100	100
Alter Domus Cayman Limited	Cayman Islands	Subsidiary	100	100
Alter Domus Luxembourg S.à r.l.	Luxembourg	Subsidiary	100	100
Business Office Services S.à r.l.	Luxembourg	Subsidiary	100	100
Alter Domus Alternative Asset Fund Administration S.à r.l.	Luxembourg	Subsidiary	100	100
Alter Domus Liquidation Services S.à r.l.	Luxembourg	Subsidiary	100	100
Alter Domus International S.à r.l.	Luxembourg	Subsidiary	100	100
Alter Domus Transfer Pricing S.à r.l	Luxembourg	Subsidiary	100	100
Alter Domus Data & Analytics S.à r.l. (previously Alter Domus Group S.à r.l.)	Luxembourg	Subsidiary	100	100
Alter Domus Co-sourcing Services S.à r.l.	Luxembourg	Subsidiary	100	100
Alter Domus Participations S.à r.l.	Luxembourg	Subsidiary	100	100
Alter Domus Depositary Services S.à r.l.	Luxembourg	Subsidiary	100	100
Alter Domus Holdco S.à r.l.	Luxembourg	Subsidiary	100	100
Paradocs Manco SCSp	Luxembourg	Subsidiary	44.43	44.51
Alter Domus Co-Sourcing S.à r.l.	Luxembourg	Subsidiary	100	100
Alter Domus Management Company S.A.	Luxembourg	Subsidiary	100	100
Alter Domus Lithuania, UAB	Lithuania	Subsidiary	100	100
Alter Domus Agency Services Europe, UAB	Lithuania	Subsidiary	100	100
Alter Domus (Services) Malta Limited	Malta	Subsidiary	100	100
Alter Domus Fund Services (Malta) Limited	Malta	Subsidiary	100	100
Virtue Resources Limited	Malta	Subsidiary	100	100
Alter Domus (Holding) Malta Limited	Malta	Subsidiary	100	100
Alter Domus Trustee Services (Malta) Limited	Malta	Subsidiary	100	100
Alter Domus (Treasury) Malta Limited (“Malta Treasury”)	Malta	Subsidiary	100	100
Business Office Services International (Malta) Ltd	Malta	Subsidiary	100	100
Alter Domus (Treasury) Malta USD Limited	Malta	Subsidiary	100	100
Alter Domus (Mauritius) Limited	Mauritius	Subsidiary	67	67
Alter Domus (Mauritius) Nominees Limited	Mauritius	Subsidiary	67	67

			31/12/2022	31/12/2021
Entity name	**Country of residence**	**Type**	**Ownership interest (%)**	
Alter Domus Nederland B.V.	The Netherlands	Subsidiary	100	100
Business Office Services Netherlands B.V.	The Netherlands	Subsidiary	100	100
Corfas B.V.	The Netherlands	Subsidiary	100	100
Alter Domus Liquidation Services B.V.	The Netherlands	Subsidiary	100	100
Alter Domus Singapore Pte Limited	Singapore	Subsidiary	100	100
Alter Domus Inc.	USA	Subsidiary	100	100
AD Carta, LLC	USA	Subsidiary	100	100
Alter Domus Products Corp.	USA	Subsidiary	100	100
Alter Domus (US) LLC	USA	Subsidiary	100	100
Alter Domus (CA) Inc.	USA	Subsidiary	100	100
Bloomingdale Technology LLC	USA	Subsidiary	100	100
Cortland Capital Market Services LLC	USA	Subsidiary	100	100
IPS Fund Services LLC	USA	Subsidiary	100	100
Strata Fund Solutions LLC	USA	Subsidiary	100	100
Alpine Blocker Parent, LLC (merged into Alpine Blocker Seven, Inc. during 2022)	USA	Subsidiary	0	100
Alpine Blocker Seven, Inc.	USA	Subsidiary	100	100
Alpine Seven Midco, LLC (merged into Strata Fund Solutions LLC during 2022)	USA	Subsidiary	0	100
Investors' Economic Assurance	USA	Subsidiary	100	100
IEA NY LLC	USA	Subsidiary	100	100
Alter Domus Data & Analytics Holdco (US) Inc.	USA	Subsidiary	100	100
Alter Domus Data Solutions Inc.	USA	Subsidiary	100	100

The Group did not consolidate Alter Domus India Private Limited, Alter Domus Data & Analytics Holdco (US) Inc. and Alter Domus Data Solutions Inc. subsidiaries, their figures being not material. Leaving out this information does not change the true and fair view of the consolidated accounts.

NOTE 6 – Revenue

The below tables illustrate revenue by type:

	2022 €m	2021 €m
Revenue – Contracts with customers	599.7	459.6
Revenue – Other income	4.8	4.8
Total	**604.5**	**464.4**

Other income reflects rental income in respect of certain assets where the risks and rewards of ownership of those assets have not been transferred to the lessee.

Notes to the financial statements

NOTE 6 – Revenue (continued)

The below table illustrates revenue by geography:

	2022 €m	2021 €m
EMEA and APAC	350.6	298.8
Americas	253.9	165.6
Total	**604.5**	**464.4**

This note refers to the revenue that the Group generates from its contract with customers and the impairment losses that have been recognised on the corresponding receivables.

	2022 €m	2021 €m
Revenue – Contract with customers	599.7	459.6
Impairment losses from contracts with customers – (Note 4.2)	–	(0.4)

NOTE 7 – Staff costs

This note and the enclosed table refer to the combination of direct staff costs and indirect staff costs (overheads) disclosed on the face of the consolidated statement of profit or loss.

	2022 €m	2021 €m
Salaries and wages	(235.7)	(173.7)
Other personnel expenses	(52.5)	(31.2)
Bonus expenses	(37.8)	(33.5)
Defined contribution plan	(10.6)	(6.8)
Share-based payment expenses – Note 11	(10.6)	(8.0)
Total	**(347.2)**	**(253.2)**

The average number of people employed by the Group for the years ended 31 December 2022 and 31 December 2021 were as follows:

	2022	2021
Directors	205	184
Employees	3,773	2,922
Total	**3,978**	**3,106**

Defined contribution plans

The Group makes contributions to defined contribution plans on behalf of employees of the Group. The Group's obligation in respect of these plans is limited to the contributions. The total expense recognised in the current period in relation to these contributions was EUR 10.6 million (2021 EUR 6.8 million). The group does not operate any defined benefit plan.

NOTE 8 – Operating expenses

This note and the enclosed table refer to the combination of direct costs and overhead costs disclosed on the face of the consolidated statement of profit or loss.

	2022 €m	2021 €m
External IT expenses	(49.8)	(32.7)
Non-underlying expenses – Note 11	(32.9)	(18.5)
Professional fees	(20.9)	(16.0)
Non-recoverable VAT	(7.6)	(5.6)
Office related expenses	(5.6)	(4.3)
Insurance expenses	(4.4)	(4.4)
Travel expenses	(3.6)	(1.5)
Marketing and sales expenses	(2.5)	(2.3)
Credit Impairment losses	(0.1)	(0.1)
Other expenses	(7.7)	(7.4)
Subtotal	**(135.1)**	**(92.8)**
Non-underlying expenses – Note 11	32.9	18.5
Total underlying expenses	**(102.2)**	**(74.3)**

Other expenses comprise many sundry items such as external events, seminars, and training expenses. The increase in IT expenses reflects, amongst other things, innovation spend as part of our long term development and the costs of configuring and enhancing technology platforms that cannot be capitalised.

NOTE 9 – Finance result

	2022 €m	2021 €m
Foreign exchange gains	22.7	23.3
Changes in fair value of derivative instruments	29.8	2.9
Financial income on re-estimation of the future cash flows	13.3	–
Interest income	0.1	0.3
Other financial income	0.2	0.2
Finance income	**66.1**	**26.7**
Interest and finance charges on borrowings	(42.8)	(39.9)
Foreign exchange losses	(16.1)	(16.7)
Interest and finance charges on leases	(3.5)	(2.8)
Other financial expense	(0.9)	(0.7)
Finance costs	**(63.3)**	**(60.1)**
Net finance cost	**2.8**	**(33.4)**

Interest and finance charges on borrowings consists of interest charges in the amounts of EUR 42.8 million (2021: EUR 33.1 million), and nil expenses (2021: EUR 6.8 million). Finance income includes a gain of EUR 13.3 million on the Group's external borrowings following contractual revision of the interest rates relating to a re-estimation of the present value of future cash flows (2021: nil).

Notes to the financial statements

NOTE 10 – Income tax

This note provides an analysis of the Group's income tax expense and shows how the tax expense is affected by non-assessable and non-deductible items.

(i) Income tax expense

	2022 €m	2021 €m
Current tax		
Current tax on profits for the year	(24.2)	(10.1)
Adjustments for current tax of prior periods (including changes in accounting estimates)	1.3	(7.0)
Other taxes	(0.6)	(0.2)
Total current tax income/(expense)	**(23.5)**	**(17.3)**
Deferred income tax		
Net movement in deferred tax assets/liabilities	(1.1)	(4.2)
Total deferred tax income/(expense)	**(1.1)**	**(4.2)**
Total income tax income/(expense)	**(24.6)**	**(21.5)**

(ii) The reconciliation between the total tax shown and the amount calculated by applying the standard rate of income tax in Luxembourg to the profit before tax is as follows:

	2022 €m	2021 €m
Profit before income tax	**70.6**	**37.7**
Luxembourg tax rate	24.94%	24.94%
Tax at the Luxembourg tax rate	(17.6)	(9.4)
Adjustments for deferred tax of prior periods	(7.3)	(4.3)
Non-deductible expenses	(3.4)	(5.6)
Share-based payments	(2.5)	(1.3)
Tax losses not available to reduce future tax liabilities	(0.4)	(2.2)
Gains relating to transactions in treasury shares	–	(1.9)
Difference between Luxembourg and overseas tax rates	0.7	0.2
Adjustments for current tax of prior periods (including changes in accounting estimates)	1.3	(7.0)
Newly-recognised deferred tax assets in respect of available tax losses	1.4	–
Tax refundable relating to intra-group dividends	4.2	7.1
Other items	(1.0)	2.9
Income tax income/(expense)	**(24.6)**	**(21.5)**
Effective tax rate	**34.8%**	**57.0%**

The applicable tax rate of each jurisdiction is used to calculate deferred tax assets and liabilities for each of the jurisdictions. Wherever there is a change anticipated in the tax rate, this is used in determining the value of deferred taxes.

NOTE 11 – Non-underlying items – unaudited

The Group presents some of its results on an "underlying" basis, which differs from the basis of statutory results under IFRS due to the exclusion of certain "non-underlying" items of income or expenditure.

Non-underlying items are categorised as such where they are material and not of an operational nature and where their separate presentation is useful in providing further understanding about the financial performance of the Group.

	2022 (unaudited) €m	2021 (unaudited) €m
EBITDA	**123.8**	**119.2**
SAP implementation	15.6	10.6
Share based payments	10.6	8.0
Accelerate technology programme – Pillars 1 "Platforms" and 2 "Workflows"	8.4	–
Accelerate technology programme – Pillar 3 "Data Assets"	5.4	–
Acquisition and integration costs	2.7	(0.6)
Lithuania office setup costs	1.5	1.3
Litigation costs	0.6	0.8
Value creation projects	–	2.7
Setup costs for other strategic SaaS platforms	–	1.9
Other costs	(1.3)	2.0
Total non-underlying items	**43.5**	**26.7**
Underlying EBITDA	**167.3**	**145.9**

Accelerate

The Group has embarked on a strategic technology initiative ("Accelerate"), beginning in 2022, that aims to deliver a step change in our ability to service our clients through higher quality platforms and new service lines, underpinned by automated and streamlined workflows and data management. The three pillars of Accelerate ("Platforms", "Workflows" and "Digital Transformation") encompass a dedicated and discrete set of workstreams with separate activities, teams and goals from the Group's existing information technology function.

Where costs can be directly and uniquely allocated to Accelerate deliverables, they are separately identified and presented as exceptional. Costs relating to Pillars 1 and 2 relate primarily to external vendor spend in support of strategic changes to our existing offering, whilst the majority of costs attaching to Pillar 3 relate to specified, dedicated staff establishing this pioneering new line of business.

Costs attaching to Pillar 1 are expected to continue until completion in 2023, whilst spend on Pillars 2 and 3 will continue into 2024.

SAP implementation

The Group's three-year implementation of SAP S/4HANA Cloud completed successfully in early 2023, across all of Alter Domus's operations worldwide. The directly attributable costs of vendor activity (both of the core supplier and implementation partners) and dedicated staff have been presented as exceptional, in line with our accounting policy for expenditure on cloud-based software.

Notes to the financial statements

NOTE 11 – Non-underlying items – unaudited (continued)

Acquisition costs

These reflect professional and legal fees associated with actual and prospective acquisitions, along with movements in the estimated value of deferred consideration from complete acquisitions. Costs associated with acquisitions are typically presented as exceptional where they occur in the twelve months following acquisition.

Lithuania office setup costs

Costs relating to the establishment of the Group's new centre of excellence in Lithuania. This project completed in May 2022 and costs after that date have been presented within underlying operating expenses.

Litigation costs

These reflect legal fees associated with a specific and significant litigation, unrelated to normal operating activities.

Share based payments

As described in Note 26, the Group operates a number of share plans for the benefit of employees, with consequent accounting impacts including P&L gains and losses. The accounting impact of these plans can be both material and variable, reflecting the participation of a small number of employees and influenced by estimations and assumptions. Owing to the large scale, the variability and the non-cash nature of much of the accounting, the Group believes that it is helpful for readers of the financial statements to present these items separately from underlying results.

The above note represents unaudited information that is not required by IFRSs and which is provided solely to facilitate an understanding of the Group's underlying financial measures.

NOTE 12 – Property, plant and equipment

	Leasehold improvements €m	Other fixtures and fitting €m	Total €m
Acquisition costs – 31 December 2021	**7.0**	**21.6**	**28.6**
Additions during the year	3.7	11.3	15.0
Disposals during the year	(0.3)	(2.2)	(2.5)
Currency translation movements	0.2	(0.2)	–
Acquisition costs – 31 December 2022	**10.6**	**30.5**	**41.1**
Accumulated depreciation – 31 December 2021	**(4.0)**	**(13.0)**	**(17.0)**
Depreciation during the year	(1.0)	(3.2)	(4.2)
Disposals during the year	–	2.0	2.0
Currency translation movements	–	(0.2)	(0.2)
Accumulated depreciation – 31 December 2022	**(5.0)**	**(14.4)**	**(19.4)**
Net book value – 31 December 2021	**3.0**	**8.6**	**11.6**
Net book value – 31 December 2022	**5.6**	**16.1**	**21.7**

The Group did not have any material amount of fully depreciated property, plant and equipment still in use as of 31 December 2022 or 31 December 2021.

	Leasehold improvements €m	Other fixtures and fitting €m	Total €m
Acquisition costs – 31 December 2020	**5.8**	**17.7**	**23.5**
Acquired in business combinations	–	0.5	0.5
Additions during the year	1.3	2.6	3.9
Disposals during the year	(0.2)	(0.1)	(0.3)
Currency translation movements	0.1	0.9	1.0
Acquisition costs – 31 December 2021	**7.0**	**21.6**	**28.6**
Accumulated depreciation – 31 December 2020	**(3.3)**	**(9.8)**	**(13.1)**
Depreciation during the year	(0.8)	(2.8)	(3.6)
Disposals during the year	0.2	0.1	0.3
Currency translation movements	(0.1)	(0.5)	(0.6)
Accumulated depreciation – 31 December 2021	**(4.0)**	**(13.0)**	**(17.0)**
Net book value – 31 December 2020	**2.5**	**7.9**	**10.4**
Net book value – 31 December 2021	**3.0**	**8.6**	**11.6**

NOTE 13 – Right-of-use assets

The Group leases various offices, cars and IT equipment under certain conditions with varying terms and renewal.

13.1 Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to right of use assets in leases. Liabilities are shown in Note 21.

	Buildings €m	Vehicles €m	IT equipment €m	Total €m
Acquisition costs – 31 December 2021	**97.5**	**8.7**	**4.4**	**110.6**
Additions during the year	15.4	3.2	1.4	20.0
Disposals during the year	(5.3)	(1.2)	–	(6.5)
Currency translation movements	0.4	0.1	0.1	0.6
Acquisition costs – 31 December 2022	**108.0**	**10.8**	**5.9**	**124.7**
Accumulated amortisation – 31 December 2021	**(33.9)**	**(5.6)**	**(1.2)**	**(40.7)**
Amortisation during the year	(13.9)	(1.9)	(1.7)	(17.5)
Disposals during the year	3.9	–	–	3.9
Currency translation movements	0.3	–	–	0.3
Accumulated amortisation – 31 December 2022	**(43.6)**	**(7.5)**	**(2.9)**	**(54.0)**
Net book value – 31 December 2021	**63.6**	**3.1**	**3.2**	**69.9**
Net book value – 31 December 2022	**64.4**	**3.3**	**3.0**	**70.7**

Notes to the financial statements

13.1 Amounts recognised in the consolidated statement of financial position (continued)

Additions during the year include new contracts the Group entered into during the year, including extensions of building lease agreements in multiple locations in the United States, UK, China, Hong Kong and Guernsey.

	Buildings €m	Vehicles €m	IT equipment €m	Total €m
Acquisition costs – 31 December 2020	**87.8**	**8.4**	**0.8**	**97.0**
Acquired in business combinations	1.3	–	–	1.3
Additions during the year	14.5	1.9	3.6	20.0
Disposals during the year	(8.2)	(1.6)	–	(9.8)
Currency translation movements	2.1	–	–	2.1
Acquisition costs – 31 December 2021	**97.5**	**8.7**	**4.4**	**110.6**
Accumulated amortisation – 31 December 2020	**(25.0)**	**(5.5)**	**–**	**(30.5)**
Amortisation during the year	(12.0)	(1.9)	(1.2)	(15.1)
Disposals during the year	4.0	1.8	–	5.8
Currency translation movements	(0.9)	–	–	(0.9)
Accumulated amortisation – 31 December 2021	**(33.9)**	**(5.6)**	**(1.2)**	**(40.7)**
Net book value – 31 December 2020	**62.8**	**2.9**	**0.8**	**66.5**
Net book value – 31 December 2021	**63.6**	**3.1**	**3.2**	**69.9**

13.2 Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2022 €m	2021 €m
Amortisation charge on right-of-use assets:		
Buildings	(13.9)	(12.0)
Vehicles	(1.9)	(1.9)
IT equipment	(1.7)	(1.2)
Total amortisation charge on right-of-use assets	**(17.5)**	**(15.1)**
Interest expense (included in finance costs)	(3.5)	(2.8)
Expense relating to short-term leases (included in operating expenses)	(0.6)	(1.0)
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in operating expenses)	–	(0.3)
Total	**(21.6)**	**(19.2)**

The Group does not have any variable leases but in some jurisdictions lease payments are indexed to the Consumer Price Index of the respective jurisdiction. Total cash outflow for leases amount to EUR 17.4 million in the year ending 31 December 2022 (2021: EUR 15.4 million).

NOTE 14 – Intangible assets

	Goodwill €m	Concessions, patents, trademarks and similar rights €m	Licences €m	Other intangibles €m	Total €m
Acquisition costs – 31 December 2021	**412.7**	**4.0**	**85.1**	**240.0**	**741.8**
Additions during the year	–	–	8.3	–	8.3
Currency translation movements	19.3	–	8.6	13.9	41.8
Acquisition costs – 31 December 2022	**432.0**	**4.0**	**102.0**	**253.9**	**791.9**
Accumulated amortisation and impairment – 31 December 2021	**–**	**(2.9)**	**(49.0)**	**(26.3)**	**(78.2)**
Amortisation during the year	–	(1.1)	(11.0)	(16.5)	(28.6)
Currency translation movements	–	–	(3.0)	(3.2)	(6.2)
Accumulated amortisation and impairment – 31 December 2022	**–**	**(4.0)**	**(63.0)**	**(46.0)**	**(113.0)**
Net book value – 31 December 2021	**412.7**	**1.1**	**36.1**	**213.7**	**663.6**
Net book value – 31 December 2022	**432.0**	**–**	**39.0**	**207.9**	**678.9**

Other intangibles consists of mainly the fair value of the identified intangibles during acquisitions in the previous years.

	Goodwill €m	Concessions, patents, trademarks and similar rights €m	Licences €m	Other intangibles €m	Total €m
Acquisition costs – 31 December 2020	190.3	**1.6**	**60.2**	**56.7**	**308.8**
Acquired in business combinations	198.6	2.1	6.7	167.6	375.0
Additions during the year	–	–	15.6	0.1	15.7
Disposals during the year	–	–	(0.2)	–	(0.2)
Transfer during the year	–	–	–	–	–
Currency translation movements	23.8	0.3	2.8	15.6	42.5
Acquisition costs – 31 December 2021	**412.7**	**4.0**	**85.1**	**240.0**	**741.8**
Accumulated amortisation and impairment – 31 December 2020	**–**	**(1.3)**	**(36.7)**	**(11.6)**	**(49.6)**
Amortisation during the year	–	(1.4)	(10.7)	(13.2)	(25.3)
Transfer during the year	–	–	–	–	–
Currency translation movements	–	(0.2)	(1.6)	(1.5)	(3.3)
Accumulated amortisation and impairment – 31 December 2021	**–**	**(2.9)**	**(49.0)**	**(26.3)**	**(78.2)**
Net book value – 31 December 2020	**190.3**	**0.3**	**23.5**	**45.1**	**259.2**
Net book value – 31 December 2021	**412.7**	**1.1**	**36.1**	**213.7**	**663.6**

Notes to the financial statements

NOTE 15 – Deferred tax balances

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset tax receivables against tax liabilities and when the deferred income tax relates to the same fiscal unity.

(i) Deferred tax assets

	Leases €m	Revenue and setup cost €m	Bad debts €m	Borrowings €m	Intangibles €m	Share based payments €m	Tax losses €m	Tax credits €m	Total €m
At 1 January 2021	**1.4**	**(0.4)**	**(0.1)**	**0.2**	**3.1**	**1.0**	**16.1**	**4.3**	**25.6**
(Charged)/credited to profit or loss	(0.2)	0.6	0.5	(0.2)	6.0	(1.0)	(7.0)	(1.2)	(2.5)
Currency translation movements	–	–	–	–	–	–	0.6	–	0.6
At 31 December 2021	**1.2**	**0.2**	**0.4**	**–**	**9.1**	**–**	**9.7**	**3.1**	**23.7**
(Charged)/credited to profit or loss	4.5	0.5	(0.4)	8.5	1.1	–	0.2	2.2	16.6
Currency translation movements	–	–	–	–	–	–	0.3	0.3	0.6
At 31 December 2022	**5.7**	**0.7**	**–**	**8.5**	**10.2**	**–**	**10.2**	**5.6**	**40.9**

Deferred tax assets in respect of losses are recognised only where management is confident that the Group will be able to benefit in future years from the use of these losses to reduce future tax liabilities, based upon forecasts of future profitability. No asset is recognised for tax losses where the Group is not confident of generating sufficient future taxable profits to utilise the losses. The carrying amount of deferred tax assets is reviewed at each reporting date. At 31 December 2022, the Group had tax losses of EUR 43.1 million (2021: EUR 60.4 million) upon which no deferred tax asset was recognised.

(ii) Deferred tax liabilities

	Leases €m	Revenue €m	Bad debts €m	Borrowings €m	Set up costs €m	Acquisitions €m	Other €m	Total €m
At 1 January 2021	**1.4**	**8.0**	**–**	**0.8**	**–**	**5.7**	**5.4**	**21.3**
Acquired in business combinations	–	–	–	–	–	20.4	–	20.4
Charged/(credited) to profit or loss	(1.0)	(0.1)	0.4	0.3	1.8	(4.1)	1.9	(0.8)
Currency translation movements	(0.1)	–	0.1	–	–	1.8	0.1	1.9
At 31 December 2021	**0.3**	**7.9**	**0.5**	**1.1**	**1.8**	**23.8**	**7.4**	**42.8**
Charged/(credited) to profit or loss	0.1	(7.9)	(0.2)	3.3	1.9	9.7	10.8	17.7
Currency translation movements	–	–	–	–	–	0.5	**0.4**	0.9
At 31 December 2022	**0.4**	**–**	**0.3**	**4.4**	**3.7**	**34.0**	**18.6**	**61.4**

The “Other” column consists of mainly deferred tax liabilities resulting from a difference between tax and book values related to unbilled revenues in Luxembourg, and the deferred tax on hedging instruments on the bank loan.

NOTE 16 – Capitalised contract costs

Cost	2022 €m	2021 €m
Balance 1 January	27.0	19.3
Acquired in business combinations	–	0.8
Additions during the year	11.7	5.8
Disposals during the year	(0.6)	–
Translation difference	(0.8)	1.1
Balance 31 December	**37.3**	**27.0**
Amortisation		
Balance 1 January	(7.8)	(4.1)
Amortisation during the year	(5.2)	(3.4)
Translation difference	1.5	(0.3)
Balance 31 December	**(11.5)**	**(7.8)**
Net book value – Opening	**19.2**	**15.2**
Net book value – Closing	**25.8**	**19.2**

Revenues associated with the costs of obtaining contracts are deferred over the life of the contract and the cor-responding liability at 31 December 2022 represented EUR 17.1 million (2021: EUR 15.5 million). There was no im-pairment loss in relation to the costs capitalised.

NOTE 17 – Other financial assets

	31/12/2022 €m		31/12/2021 €m	
	Current	**Non-current**	**Current**	**Non-current**
Other financial assets at amortised costs	2.9	15.6	2.7	11.0
Derivative asset	18.5	12.5	–	2.9
Total	**21.4**	**28.1**	**2.7**	**13.9**

Other financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include bank deposits required by landlords for rented buildings due within 5 years and restricted cash for EUR 12.8 million (2021: EUR 9.1 million). Restricted cash is mainly held for regulatory reasons in different locations. There was no impairment loss in relation to other financial assets as of year-end.

Notes to the financial statements

NOTE 17 – Other financial assets (continued)

Financial assets at fair value through profit and loss

In order to mitigate the risk of unfavourable interest rate movements on the EUR 400 million and USD 245 million variable rate debt instruments (Note 21), the Group entered into EUR and USD interest rate cap derivatives hedging arrangements on 30 June 2021. The Group received EUR 1.7 million cash in 2022 (2021: nil).

These two derivative assets were initially accounted at the value of the premium paid and subsequent value changes of EUR 29.8 million during the period to 31 December 2022 (2021: EUR 2.8 million) were recognised through profit or loss.

All derivative assets were classified as Level 2 within the terms of IFRS 13 Fair Value measure hierarchy. Valuations are obtained from third parties and are not estimated by management.

NOTE 18 – Trade receivables

	31/12/2022 €m	31/12/2021 €m
Trade receivables	109.1	102.6
Expected credit loss	(1.4)	(1.4)
Total trade receivables – net	**107.7**	**101.2**

Credit impairment losses have been disclosed in the consolidated statement of profit or loss within operating expenses (Note 8) and include nil permanent loss during the year 2022 (2021: EUR 0.1 million).

NOTE 19 – Accrued revenue

	31/12/2022 €m	31/12/2021 €m
Accrued revenue	92.1	91.1
Expected credit loss	–	(0.1)
Total accrued revenue – net	**92.1**	**91.0**

NOTE 20 – Cash and cash equivalents

Cash and cash equivalents of EUR 108.3 million (2021: EUR 82.2 million) comprise cash balances in bank accounts, cash on hand and cash in short-term deposits with maturities of three months or less. Cash and cash equivalents exclude restricted cash balances, which are classified as other financial assets at amortised cost. Please refer to Note 17 for further details.

The carrying value of the cash and cash equivalents approximates their fair value.

NOTE 21 – Financial liabilities

The Group holds the following financial liabilities:

	31/12/2022 €m	31/12/2021 €m
Liabilities (at amortised cost unless otherwise stated):		
Trade and other payables[1] – (i)	47.1	35.7
Borrowings non-current – (ii) and (iii)	739.5	729.1
Borrowings current – (ii) and (iii)	2.3	0.9
Deferred income non-current	17.1	15.5
Deferred income current	34.1	47.3
Other liabilities non-current[1]	2.5	3.1
Lease liability non-current(iii)	65.3	62.4
Lease liability current(iii)	12.6	13.1
Total	**920.5**	**907.1**

[1]These lines also include elements of contingent consideration that are carried at fair value through profit or loss

(i) Trade and other payables

Trade and other payables include:

	31/12/2022 €m	31/12/2021 €m
Trade payables	37.6	21.8
Social security payables	2.5	3.3
Contingent consideration[1]	1.4	6.3
Other payables	5.6	4.3
Total	**47.1**	**35.7**

[1]Presented at fair value

Trade payables are unsecured and usually payable within 30 days of recognition. The carrying amount of trade and other payables is considered to be approximately the same as their fair values, due to their short-term nature. Social security payables are salary related amounts.

Notes to the financial statements

NOTE 21 – Financial liabilities (continued)

(i) Trade and other payables (continued)

Financial liabilities at fair value through profit loss

The following table categorises the Group's contingent consideration liabilities held at fair value by valuation methodology applied in determining their fair value:

As at 31 December 2022	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Contingent Consideration – non current	–	–	2.3	2.3
Contingent Consideration – current	–	–	1.4	1.4
Total	**–**	**–**	**3.7**	**3.7**

As at 31 December 2021	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Contingent Consideration – non current	–	–	2.3	2.3
Contingent Consideration – current	–	–	6.3	6.3
Total	**–**	**–**	**8.6**	**8.6**

The fair value measurement hierarchy levels have been defined as follows:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

Assumptions used for Level 3 include the expected commercial trends of the acquired entities in the future years and a discount rate of 28.5% (2021: 25.5%).

(ii) Borrowings

	31/12/2022 €m		31/12/2021 €m	
	Current	Non-current	Current	Non-current
Senior Facility Agreement (1)	2.3	597.7	–	597.5
Accrued interest on bank loan (1)	–	–	0.9	–
Shareholder loan (2)	–	141.8	–	131.6
Total	**2.3**	**739.5**	**0.9**	**729.1**

(1) As at 31 December 2022, the Senior Facility Agreement in an aggregate amount of EUR 400 million (2021: EUR 400 million) and USD 241 million (2021: USD 243 million) was outstanding to various lenders. This is due and payable on the 7th anniversary, 16 February 2028. Both loans have an applicable margin, adjustable and changes as per the first lien net leverage grid. The initial interest rate for the EUR Senior Facility was Euribor + 3.50%, with the margin changing from 3.50% to 3.00% during the year of 2022. The interest rate for the USD Senior Facility was SOFR + 3.75%. The applicable margin changed from 3.75% to 3.50%. EUR 13.3 million gain is relating to the re-estimation of the present value of future cash flows following contractual revision of the interest rates for the loans (2021: nil). The interest charge for the year amounted to EUR 31.0 million (2021: EUR 21.1 million). As at 31 December 2022, the accrued interest amounted to nil (2021: EUR 0.9 million).

In accordance with the Senior Facility Agreement, the Group must comply with ratios and financial covenants as detailed in Note 4.4 (i).

A Revolving Credit Facility in an aggregate amount of EUR 100 million. The interest rate is fixed at 3.25% and this facility expires on 16 August 2027. The facility was unutilised as at 31 December 2021 and 2022 and the cost, including non-utilisation fees, for the year 31 December 2022 amounted to EUR 1.0 million (2021: EUR 0.9 million).

(2) On 3 May 2017, some shareholders agreed to provide an interest-bearing loan amounting to EUR 92 million to the Group. The loan bears a fixed interest of 8.31% and is repayable on the 20th anniversary of the agreement. Unless otherwise agreed, the interest is payable upon the maturity of the loan and may be compounded. The interest charge for the year amounted to EUR 10.8 million (2021: EUR 10.2 million). As at 31 December 2022, the accrued interest amounted to EUR 10.8 million (2021: nil). The shareholders' loan is subordinated to any bank loan. The maturity is May 2037.

As at 31 December 2022 and 2021, the fair values of the bank borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is close to current market rates. The book value of the shareholders' loan is materially the same as the fair value of the loan.

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 4.

(iii) Movements in borrowings and leases

	Borrowings €m	Leases €m	Total €m
At 1 January 2021	**375.1**	**71.9**	**447.0**
Acquired in business combinations	–	1.3	1.3
Additions during the year	586.5	17.5	604.0
Interest expense during the year	33.1	2.8	35.9
Payments during the year	(260.6)	(12.6)	(273.2)
Interest payments	(23.5)	(2.8)	(26.3)
Disposals during the year	–	(4.2)	(4.2)
Release of unamortised finance fees on loan facilities cancelled in year	5.4	–	5.4
Foreign exchange adjustments	14.0	1.6	15.6
At 31 December 2021 and at 1 January 2022	**730.0**	**75.5**	**805.5**
Additions during the year – non-cash	–	17.9	17.9
Interest expense during the year	42.8	3.5	46.3
Payments during the year	(2.8)	(13.9)	(16.7)
Interest payments	(26.9)	(3.5)	(30.4)
Remeasurement of future cash flows	(13.3)	–	(13.3)
Disposals during the year	–	(2.3)	(2.3)
Foreign exchange adjustments	12.0	0.7	12.7
At 31 December 2022	**741.8**	**77.9**	**819.7**

Notes to the financial statements

NOTE 22 – Other tax liabilities

	31/12/2022 €m	31/12/2021 €m
Wages tax payables	1.7	1.7
Other tax payables	1.6	1.6
VAT payables	–	4.8
Other tax liabilities total	**3.3**	**8.1**

NOTE 23 – Employee benefit obligations

	31/12/2022 €m	31/12/2021 €m
Bonus payables	36.2	32.9
Share-based payment liabilities (see Note 26) – non-current	2.0	3.9
Share-based payment liabilities (see Note 26) – current	8.6	2.7
Holiday pay provision and other payments	4.1	3.1
Total	**50.9**	**42.6**

Share-based payment liabilities represent the Group's obligations at each reporting date in relation to cash-settled share-based investment arrangements. Please refer to Note 26 for more details.

NOTE 24 – Share capital and share premium

	Number of shares	Par value EUR	Share capital €m	Share premium €m	Total €m
Opening balance at 1 January 2021	**333,927,475**	**0.01**	**3.3**	**364.4**	**367.7**
Movement for 2021	5,678,058	–	0.1	31.7	31.8
Balance at 31 December 2021	**339,605,533**	**0.01**	**3.4**	**396.1**	**399.5**
Movement for 2022	–	–	–	–	–
Closing balance at 31 December 2022	**339,605,533**	**0.01**	**3.4**	**396.1**	**399.5**

	Class A Ordinary Shares	Class B Ordinary Shares	Class A Preference Shares	Class B Preference Shares	Total
Opening balance at 1 January 2021	**7,641,870**	**71,623,665**	**224,000,000**	**30,661,940**	**333,927,475**
Movement for 2021	–	1,246,354	–	4,431,704	5,678,058
Balance at 31 December 2021	**7,641,870**	**72,870,019**	**224,000,000**	**35,093,644**	**339,605,533**
Movement for 2022	–	–	–	–	–
Balance at 31 December 2022	**7,641,870**	**72,870,019**	**224,000,000**	**35,093,644**	**339,605,533**

On 17 February 2021, the Group issued new shares in order to finance the acquisition of Strata. The nominal value of the shares was EUR 26.9 million including new shares and share premium.

On the same day, 17 February 2021, the Group issued new shares in the amount of EUR 4.9 million, which are held in Treasury to underpin the Strata Management Incentive Plan (see Note 26).

NOTE 25 – Treasury shares

Treasury shares are shares in the Company that are held by the Company or its subsidiaries, typically for the purpose of issuing shares under the employee share scheme (see Note 26 for further information).

Type of treasury shares	31/12/2022 €m	31/12/2021 €m
Opening balance at 1 January	**16.6**	**10.8**
Change in interest in employee share ownership plan	–	(0.2)
Share based payments	(2.2)	6.6
Acquisition/(sale) of treasury shares	–	(0.6)
Closing balance at 31 December	**14.4**	**16.6**

Type of treasury shares	31/12/2022 Number of shares	31/12/2021 Number of shares
A Ordinary	3,395,274	3,401,560
B Ordinary	1,280,212	1,280,212
Preference A	3,450,436	3,450,436
Preference B	1,101,572	1,101,572
Total	**9,227,494**	**9,233,780**

NOTE 26 – Share-based payments

The Group operates five share plans in which employees may participate and we describe below how these have been reflected in the Group's financial results and position.

The total charge to profit or loss for share-based payments for the year were as follows:

	2022 €m	2021 €m
Manco plan	6.9	5.8
Strata Management Incentive Plan ("MIP")	1.9	1.3
Share options plan	1.8	0.9
Total	**10.6**	**8.0**

Details of the plans operated by the Group are presented below, along with a description of how they have been accounted for.

Notes to the financial statements

NOTE 26 – Share-based payments (continued)

Manco plan ("Manco")

The Manco plan provides eligible employees ("Participants") with an opportunity to purchase interests in the Group. On entry, shares are purchased at fair value, which is computed using an appropriate valuation model. Participants are members of the senior management team.

Where employees leave the Group prior to an exit event, it is typically the practice of the Group to repurchase their shares using the Group's own cash and, for this reason, management judges that a portion of the plan's investments is to be accounted for as cash-settled share-based payments. The value paid to repurchase shares will vary to reflect the circumstances of the departure, with employees classified as "good leavers" (such as those entering retirement) typically receiving current market value and those classified as "bad leavers" (such as voluntary resignations) typically receiving only their initial investment. Some employees may leave the Group as "medium leavers" at the discretion of the Group's Remuneration and Nominations Committee and they will usually receive a portion of the fair value of their investments. Accordingly, a liability exists to reflect expected future cash settlements, of which some is at fair value and some is at historical entry cost. Fair value for this purpose is determined by the Group's investors in-dependent of management, using an EBITDA multiple approach that is consistent with industry practice and informed by forecast commercial trends and observations of industry EBITDA multiples. Changes in the value of this liability are recognised in the consolidated statement of profit or loss for the period. A negative reserves movement indicates that on a net basis the Group has repurchased more shares than it has sold.

The Manco plan is operated through an entity called Paradocs Manco SCSp that is owned partly by the Participants (around 55%) and partly by one of the Group's subsidiaries (around 45%), with new Participants purchasing their shares from the subsidiary. As explained in Note 5, Paradocs Manco SCSp is deemed to be controlled by the Group despite the Group owning at times less than 50% of its shares, with the result that this entity is consolidated within the Group's financial position. The liability for the year-end amounted to EUR 10.6 million (2021: EUR 6.6 million) and EUR 2.7 million reserves (2021: EUR 1.5 million).

Staffco Plan ("Staffco")

The Staffco share purchase plan provides certain eligible employees with an opportunity to purchase shares in the Group, based upon the fair value of those shares. Since employees purchase their shares at fair value and there is no element considered to be cash-settled, there is no accounting impact resulting from this plan.

Partners Plan ("Partners")

The Partners share purchase plan provides certain eligible employees with an opportunity to purchase shares in the Group, based upon the fair value of those shares. Since employees purchase their shares at fair value and there is no element considered to be cash-settled, there is no accounting impact resulting from this plan.

Strata Management Incentive Plan ("MIP")

Upon the acquisition of Strata during the previous year, the MIP was established in which certain specified employees of Strata are able to receive shares of the Group for nil consideration in exchange for their service. Approximately EUR 4.9 million by value of shares (corresponding to 872,975 underlying shares) have been placed in treasury to this end and that value is being expensed over time until the expected vesting of the scheme in 2024, with a charge of ca. EUR 1.9 million during 2022 (2021: EUR 1.3 million). The reserve amounted to EUR 3.1 million by the end of the year (2021: EUR 1.3 million). Participants are able to vest their shares early in the event of a change of ownership of the Group. This plan is deemed to be equity-settled and the charge will continue to reflect the grant-date fair value of the underlying shares.

Share options plan

The Group operates a share options plan which permits eligible employees (Participants) to purchase shares in the Group at a future date, providing certain conditions are met at a pre-determined exercise price. The eligible Par-ticipants are Directors of the Group. The fair value of the options granted under this plan has been estimated using the Black-Scholes valuation model. Key inputs into the valuation model for options granted during the year, along with the market value of the underlying shares, were time to expiration (2-4 years), volatility (35%), risk-free rate (0-1%) and dividend yield (nil).

This option plan resulted in a charge of EUR 1.8 million during the year (2021: EUR 0.9 million) against the reserves, which amounted to EUR 3 million by the end of the year (2021: EUR 1.2 million).

Vesting Conditions

Upon a change in control event such as the buyout of a new shareholder, Initial Public Offering (IPO) or dissolution of the Group, the participants can exercise share options and buy shares at the exercise price. The options expire after 10 years.

The following table presents the number and weighted average exercise price (WAEP) of share options during the year:

	2022		2021	
	WAEP EUR	Number of shares	WAEP EUR	Number of shares
At 1 January	8.76	2,986,896	4.94	2,445,169
Granted during the year	26.63	588,834	19.43	926,161
Exercised during the year	4.89	(97,061)	–	–
Forfeited during the year	20.25	(201,996)	10.2	(384,434)
At 31 December	10.49	3,276,673	8.76	2,986,896

NOTE 27 – Impairment reviews

Note 2.14 sets out the Group's policy in respect of impairment reviews. During the current period, the only assets subject to an impairment review were goodwill assets. Goodwill is monitored by management at the level of the three regional businesses. The carrying amounts of goodwill allocated to each CGU or Group of CGUs are as follows:

	EMEA €m	AMERICAS €m	APAC €m	Total €m
Opening balance at 1 January 2021	**75.2**	**114.8**	**0.3**	**190.3**
Business combinations	–	198.6	–	198.6
Translation differences	–	23.8	–	23.8
Transfer	–	(3.3)	3.3	–
Balance at 31 December 2021	**75.2**	**333.9**	**3.6**	**412.7**
Translation differences	0.3	18.7	0.3	19.3
Balance at 31 December 2022	**75.5**	**352.6**	**3.9**	**432.0**

Notes to the financial statements

NOTE 27 – Impairment reviews (continued)

Methodology and assumptions applied in December 2022 impairment reviews

In order to test the goodwill within the EMEA, APAC and Americas groups of CGUs for impairment, a fair value less costs to sell was estimated with reference to the forward EBITDA multiples which reflect the established nature of these businesses, as applied to forecast future results in the underlying businesses. The forward EBITDA multiples that was applied to these three groups of CGUs were benchmarked to industry ranges and the economic environment. EBITDA multiples are unobservable, and so are a "Level 3" input as per IFRS 13's fair value hierarchy. Management has also assessed a reasonable amount of costs to sell.

For the year ended 31 December 2022, no impairment was identified in any of the assets reviewed.

Sensitivity assessment

There are no reasonably possible changes to the underlying assumptions (such as EBITDA multiples or actual/forecast profits) that would have resulted in an impairment in any of the CGUs or groups of CGUs assessed.

NOTE 28 – Related party transactions

(i) Shareholder entities

Name	Type	Place of incorporation	Ownership interest 31/12/2022	Ownership interest 31/12/2021
Paradocs Partners SCSp	Shareholder	Luxembourg	58.75%	58.75%
Castlelux S.à r.l.	Shareholder	Luxembourg	33.79%	33.79%

The majority of the shares in the Company are held by Paradocs Partners SCSp and Castlelux S.à r.l., which are together deemed to jointly control the Company. Since neither of those two entities exercises control over the Company as defined in IFRS 10, the highest level at which consolidated accounts are prepared is at the level of the Company.

(ii) Key management compensation

	2022 €m	2021 €m
Short-term employee benefits	5.6	5.9
Post-employment benefits	0.6	0.6
Shared based payments	2.3	1.6
Total	**8.5**	**8.1**

Key management is defined for this purpose to mean all members of the Global Executive Board and Supervisory Board. Compensation includes salaries, expenses, non-cash benefits and contributions to pension plans.

(iii) Transactions with other related parties

	2022 €m	2021 €m
Service charges	–	(0.1)
Service income	–	0.1
Interest charges (see section iv below)	(10.8)	(10.2)

These have been concluded at arm's length.

(iv) Loans to/from related parties

	2022 €m	2021 €m
Net loan position from related parties:		
Beginning of the year	**131.0**	**120.8**
Interest charged	10.8	10.2
End of year	**141.8**	**131.0**

On 3 May 2017, certain shareholders agreed to provide an interest-bearing loan to the Company. The loan bears a fixed interest of 8.31% and is repayable on the 20th anniversary of the agreement. Unless otherwise agreed, the interest is payable upon the maturity of the loan and it may be compounded.

NOTE 29 – Commitments

Leasing commitments

The Group leases various offices, staff cars, and IT equipment under non-cancellable operating leases expiring within 1-11 years. An immaterial portion of these are expensed to the income statement through operating costs and thus not recorded as a liability on the balance sheet.

Securities

In connection with the Senior Facility Agreement, the Group pledged some of its intragroup loans in the amount of EUR 115.7 million and the shares of Alter Domus Holdco S.à r.l.

NOTE 30 – Contingent liabilities

On 16 April 2019, the board of directors of a fund (the "Fund") for which a Group company (Alter Domus Management Company S.A. or "ADMC") acted as Alternative Investment Fund Manager before its acquisition in December 2017 by the Group, initiated judicial proceedings against ADMC claiming for damages for i) the losses suffered by several sub-funds of the Fund and ii) all the fees paid by these sub-funds to ADMC since 2013. Although the total claims are significant, the directors consider them to reflect a highly unlikely outcome and expect to successfully resist all claims against the Group. The Luxembourg judicial authorities are still investigating the matter. At the date of this report, the outcome of the matter and any associated legal proceedings is uncertain; on this basis, no provision has been recorded as at 31 December 2022 or subsequently.

Notes to the financial statements

NOTE 31 – Auditors' remuneration

The audit fees received by the Réviseur d'Entreprises (including the Group's audit firm and any of its network) for the years ended 31 December 2022 and 31 December 2021 were as follows:

	2022 €m	2021 €m
Audit fees	2.6	1.3
Tax fees	–	–
Other fees	–	–
Total	**2.6**	**1.3**

NOTE 32 – Subsequent events

On 15 November 2022, the Group entered into an asset purchase agreement to buy specified assets from a third party in support of the Group's strategy of expanding its Data & Analytics offering and providing a comprehensive range of technology solutions to its clients. The closing of the transaction is subject to the satisfactory completion of certain conditions, which pertain mainly to the preparation of certain contractual assignments and transitional arrangements. The date of the closing has not been confirmed but is likely to be in mid 2023.

The transaction will be paid for in cash, for a consideration of between EUR 80 million and EUR 90 million, subject to closing adjustments. Based on preliminary analysis, Management believes that the transaction will qualify as a business combination, the effect of which (including the purchase price allocation) will be reflected in the consolidated financial statements for the year ended 31 December 2023.

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