alterDomus*

Navigating a challenging market to deliver the advantage in alternatives

Annual report and accounts

For the year ending December 2023

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.

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Strategy

A summary of how we delivered for our clients, people, and stakeholders in 2023

Alter Domus at a glance

- Trusted with $2.5tn in assets under administration and partner to 90% of the top 30 alternative asset managers
- 18% growth in revenue despite a 22% fall in fundraising across global private markets[1]
- Capitalized on revenue growth opportunities across all divisions (EMEA/APAC +16%, North America +17%, Data & Analytics +172%)
- Award-winning expertise and client service recognized by the industry, including “Best Debt/Loan Administrator” at the Private Equity Wire US Credit Awards
- Further recognition of our tech-enabled fund administration capabilities - voted “Best Administrator - Technology” at HFM’s European Services Awards
- Significant addition to our data and analytics capabilities and further validation of our selective M&A strategy through the acquisition of the Solvas business from Deloitte

Trusted with

$2.5tn

in assets under administration

IFRS unless stated otherwise.
[1]McKinsey & Company; “Private markets: A slower era”, February 2024

Alter Domus is the number one global fund administrator, delivering the advantage in alternatives through end-to-end expertise and technology.

Whether it's our strong revenue growth, the trust placed in us by some of the biggest names in the industry, our multi-sector expertise or peer recognition, we have established ourselves as a truly global force in private markets.

Revenue

€715.0m

+18%

Underlying EBITDA[2]

€219.0m

+31%

Underlying operating cash flow[2]

€209.2m

+60%

€715.0m revenues globally

North America **€291.4m**
EMEA / APAC **€408.1m**
DAP **€15.5m**

$2.5 trillion

Funds under administration **$1.7tn**
Debt products under administration **$0.8tn**

5,000 professionals worldwide

Private equity **37%**
Real estate **33%**
Debt + corporates **30%**

PREQIN 2023

#1 **Fund administrator**
funds closed (all time)

[2]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 the notes to the financial statements.

Behind the numbers: Our key business strengths

Every euro, dollar, or industry accolade is underpinned by the quality of our expertise in private markets, enabled by the application of our technology.

Unmatched breadth, depth, and quality of value proposition

Alter Domus' scale, international reach, and specialist expertise across private equity, private debt, and real assets make it the favored fund services partner for global asset managers, asset owners, and lenders. No other service provider can match the depth, breadth, and geographic reach of our value proposition.

High levels of customer satisfaction

Investment in talent and technology have ensured high levels of customer satisfaction, with Alter Domus consistently achieving net promoter scores that are multiples ahead of its competitors[1]. A client-centric service philosophy grounded in a robust technical and tech-enabled platform sits at the heart of our customer service proposition.

[1]Q2 2023 NPS score of +38 vs other peer average score of -1.
Source: Oliver Wyman Management Consulting

Ongoing investment in data, analytics, and processing

Alter Domus continues to invest in long-standing relationships with best-of-breed technology providers, expanding our own proprietary solutions and leading the market in the application of AI, automation, and data analytics. Our flexible platform enables our clients to combine access to all major vendor systems with proprietary client-facing portals, portfolio management tools, and data analytics platforms.

Successful growth through M&A

A proven track record of strategic cross-border deal origination, execution, and post-deal value creation has delivered consistent inorganic growth for the business. A long runway for further acquisitions lies ahead, complemented by extensive lift-out prospects. M&A also provides ongoing strategic opportunity to grow our tech capability and enhance our client value proposition, as demonstrated by our key 2023 acquisition of Solvas, an established loan and debt servicing software platform and services suite that has added critical mass to Alter Domus' data and analytics proposition.

Favorable long-term growth fundamentals across alternatives

Private markets activity cooled in 2023, but with Assets Under Management (AUM) and dry powder maintaining all-time highs regardless, alternative assets continue to benefit from solid, long-term fundamentals. Increasing regulation and higher investor expectations point to ongoing demand for strategic outsourcing support from partners with deep expertise in technology-driven service provision.

Chairman's statement

René Beltjens

Chairman

Dear stakeholders,

Alter Domus had a momentous year in 2023 as we celebrated the company's 20th Anniversary. When the business started in the early 2000s I don't believe anyone could have anticipated how much Alter Domus – and the private markets industry it serves – would flourish and evolve.

Today private markets firms manage more than US$14.5 trillion – more than triple the size of the industry just ten years ago. This remarkable period of growth is a testament to how the exceptional talent and dedication of the industry's professionals have delivered outstanding value for their investors. It has been a privilege for Alter Domus to support our clients every step of the way on this journey.

A challenging year

There is no arguing, however, that 2023 was a challenging one for the industry. Interest rates hikes across the globe saw investors and dealmakers recalibrate risk and valuation, leading to disconnect between buyer and seller pricing expectations.

Buyers stepped back from executing new deals against an uncertain macro-economic backdrop. Vendors preferred to sit tight rather than sell into a flat market. This led to double-digit declines in global buyout deal value and exit value[1]. Ossified deal markets had ramifications for fundraising. As exits slowed so did distributions to investors, jamming up fundraising timetables as LPs had to wait for realizations and liquidity from existing portfolios before making allocations to new vintages of funds.

Resilient growth

Alter Domus has demonstrated the resilience of its business model through this period of industry dislocation. We have continued to grow strongly, with revenues up by almost a fifth and assets under administration (AuA) rising to US$2.5 trillion.

A clear strategy

This strong growth is testament to our five pillar strategy that was put in place by the business to ensure long-term market leadership:

1. **Client quality and innovation** — we continue to deliver market-leading service levels both globally and locally, partnering with top, fast-growing and emerging managers. We remain committed to disrupting the industry through innovation, new services, products, efficiencies and access to data for our clients

2. **Talent** — we provide clients, wherever they are, with the best talent in the alternatives industry and focus on making Alter Domus an award-winning place to work. We achieve this by offering a unique employer value proposition with fantastic career progression opportunities and significant investment in training and development

3. **Technology, automation and data** — we invest heavily in tech-led service delivery for our clients and deliver the very latest data and analytics solutions to drive efficiency, transparency and value for ours and our clients' businesses. We remain technologically ahead of the time, anticipating the needs of managers and asset owners and developing technology solutions that give them the advantage in alternatives

[1]https://www.bain.com/globalassets/noindex/2024/bain_report_global-private-equity-report-2024.pdf. See Fig.1a

> We have continued to grow strongly, with revenues up by almost a fifth and assets under administration rising to US$2.5 trillion.

4. Profitable growth — we are committed to growing sustainably (both organically and through strategic acquisitions) to be a long-term partner to our clients, alongside a commitment to ongoing investment in solutions that drive our clients businesses forward. As evidenced by our 2023 performance, we remain focused on driving growth that delivers for our people, shareholders and clients

5. Reputation and trust — trust and reputation remain key to winning and retaining business and we continue to earn this through robust risk management processes, flawless service principles, ethical business practices and an unwavering commitment to ESG for our communities and clients. It is by staying true to these things that we will continue to partner with the biggest and best names in the alternatives industry

Our winning formula

Ultimately, our ability to execute on the above-mentioned strategic pillars requires talented people and technology expertise.

We are a service business and people sit at the center. We continue to invest in our people and recognize the huge value that the industry expertise and networks of our people add to Alter Domus and clients. Customer service and listening to what our clients and investors want to see are fundamental to our success.

It is crucial, however, that when our staff go the extra mile, they have the support to do that. This is where technology comes to the fore. Generative AI, automation and data analytics are tools to empower people – not to replace them. We recognize the growing demands placed on our teams, and importance of investing in technology to help them carry those workloads. If you don't invest in your technology proposition, your teams will end up exhausting themselves. This is why our business is centered on tech-enabled service provision. We want the best people to have access to the best technology, and data that enables them to provide the best possible service.

A firm foundation

Finally, in addition to our 20th Anniversary, I am delighted to see Alter Domus involved in a transformational deal, with Cinven agreeing to make a strategic investment in the company, while Permira and Alter Domus' founders maintain large investments in the company. We are delighted to be working alongside Cinven and are grateful for their investment, which provides us with the capital structure and scale to grow and invest in the business for years to come.

We look forward to 2024 with great anticipation and excitement.

René Beltjens
Chairman

CEO's statement

Doug Hart

Chief Executive Officer

Dear stakeholders,

The alternatives assets industry faced its stiffest headwinds in more than a decade in 2023, but through this period of uncertainty Alter Domus's long-term strategy of investing in technology and people to provide best-in-class, tech-enabled service to our clients has come into its own.

Our business celebrates its 20th Anniversary this year, so in many ways it is fitting to reflect on how our long-term plans and focus on tech-enabled service provision have put us in a strong position to support our clients and continue growing our business across the business cycle.

Indeed, against the most testing of macro-economic backdrops, Alter Domus has continued to deliver resilient growth. Year-on-year revenues climbed 18 percent in 2023 and assets under administration have climbed to US$2.5 trillion.

The cornerstone of our success has been a resolute focus on understanding what our clients need most from us and then delivering. Our NPS scores significantly outperform our peer group, and our business is constantly evolving to meet changing client needs across a dynamic alternative assets space.

A client-centric approach to navigating tough markets

During the last 12 months the challenging market backdrop has seen our clients focus on three core priorities:

1. Forming a clearer picture of complexity and risk
2. Harnessing data and technology to drive better decision-making
3. Benchmarking operating costs and evidencing value for money

Alter Domus has been well-placed to address these priorities, and we have worked hard to support clients in the following ways:

Client-centric service supported by exceptional technical expertise

Alter Domus's deep bench of talent and decades-long experience across all segments of private markets has enabled us to meet the bespoke requirements of individual clients; helping them to handle the complexity and administrative burdens that come with managing myriad structures across multiple jurisdictions.

Our commitment to putting clients first sits at the heart of what we do, and through this period of uncertainty our marketplace professionals have helped managers to curate tailor-made operating models, (ranging from co-sourced and managed options to a fully outsourced solution) supported by the best software and digital tools, to provide enhanced visibility and insight into their back, middle and front office functions.

Ongoing investment in data and software to power tech-enabled service

Managers across the industry are seeking out platforms and technology that can help them to fully utilize their data to provide a complete picture of their portfolios and enhance decision-making.

Alter Domus's flexible platform gives clients access to best-in-breed vendor software and operating systems, as well as a suite of proprietary portfolio management and data analytics tools.

There is no standing still when it comes to expanding our technology proposition, and our long-term commitment to investing into digital expertise and technology capability is unwavering.

Our proprietary Workflows Application, for example, which uses AI and automation to improve operational efficiency and collate multiple data streams into a single source of truth, is now available to clients. In 2023 we also further strengthened our technology proposition with the acquisition of Solvas, a loan and debt servicing software platform and services suite that has added critical mass to our data and analytics proposition.

Scale and geographic presence

Years of investment in building out our geographic footprint has seen Alter Domus grow into a service provider with the size to manage more than 29,000 client structures from a network of 39 offices in 23 jurisdictions.

Our scale allows us to capitalize on synergies and provide clients with significant operational efficiencies and cost savings on overheads. This empowers clients to invest more in their core front office businesses and to benchmark operational costs against industry standards.

[1]Q2 2023 NPS score of +38 vs other peer average score of -1.
Source: Oliver Wyman Management Consulting

> Our long-term strategy of investing in technology and people to provide best-in-class, tech-enabled service to our clients has come into its own.

Investing in people

Our relentless focus on client-centric, tech-enabled service provision would not be possible without our people.

Recruitment, retention and training have been key pillars of our long-term success, and the commitment and expertise of our colleagues through the choppy markets of 2023 have been a fundamental driver of our growth during the last year. Finding and nurturing talent are strategic priorities, and we take pride in the work we have done to retain, train and develop high-quality expertise. These are some of the highlights:

New members of our Global Executive Board:
We were delighted to welcome three new members to our Global Executive Board, all bringing a wealth of experience and expertise; Amaury Dauge as Chief Financial Officer, Michael Janiszewski as Chief Operating Officer and Demetry Zilberg as Chief Technology Officer. We would also like to recognise our outgoing Chief Financial Officer Andrew Cherry for his huge contribution to the success of our business

Growing the team:
Our headcount has grown by 112 percent over recent years to support rising client demand. This includes onboarding more than 450 staff via lift-outs

Training and career development:
The business has made provision for 269,000 hours of staff training and development, and the Alter Domus Academy has offered our people world class development opportunities.

Staff retention:
Training opportunities and a supportive workplace culture make Alter Domus a place where people want to build their careers, and retention rates for employees that join Alter Domus following an M&A transaction sit in the 85 percent to 90 percent range.

Employees at Alter Domus feel valued and challenged, with scope to build their skillsets. These have direct benefits for our clients, who value working with motivated teams with market-leading skills.

Outlook

Looking ahead to the rest of 2024, Alter Domus is well-placed to maintain its growth trajectory and support clients across private equity, private debt and real assets with unmatched depth, breadth and geographic reach.

As interest rates stabilize, there is growing optimism across the industry that deal activity and fundraising conditions will improve as the industry rallies after a quiet 2023. Macro-economic and geopolitical risk remain on the radar, but the industry certainly appears to be in stronger position than it was a year ago.

From an Alter Domus perspective, client demand for tech-enabled service provision – powered by a combination of excellent people and best-in-class technology – shows no signs of slowing down. Managers continue to seek out trusted partners with the scale, industry experience and technical expertise to navigate regulatory and operational complexity in a rapidly evolving industry.

We also see a long runway of M&A opportunity and will continue to seek out attractive deal targets that broaden Alter Domus's platform, deepen its technology capabilities and bring more talented people into the Alter Domus business.

In closing, I would also like to highlight the strategic investment Alter Domus secured earlier this year from global private equity investor Cinven, who plan to take a majority stake in the business alongside our founders and incumbent backers Permira, who have maintained large investments in the company.

There is a deep conviction across Alter Domus that we have the team and technology to sustain long-term growth and retain our position as the fund services partner of choice for the world's leading asset managers, investors and lenders.

Cinven's backing is a validation of this confidence and will provide Alter Domus with the capital to continue investing in our technology and people. We are grateful for the support and look forward to working in partnership to continue growing the platform.

There is much to look forward to in the months ahead.

Doug Hart
Chief Executive Officer

Review: The alternative assets market in 2023

Private markets managers have endured a testing 12 months, but after a year that saw steep declines in fundraising and deal volume, the outlook for returns performance and activity levels is improving.

In 2023, the private markets industry faced its most challenging year since the global financial crisis as climbing global interest rates saw investors and managers recalibrate risk and valuation expectations.

Deal value, exit value, and the number of funds closed all suffered double-digit year-on-year declines in 2023[1], putting the alternative assets space into a temporary state of suspended animation as stakeholders stepped back to reset strategies and shield existing portfolios from risk.

The exit imperative

Private equity, real estate, and infrastructure have all felt the impact of the market dislocation. Buy-side dealmakers have been understandably cautious when deploying capital against a backdrop of macro-economic uncertainty, and sell-side firms have been reluctant to exit assets at discount valuations at a low point in the cycle. Jammed-up deal markets have directly affected investors, with LP cash flows turning negative as distributions dried up, limiting the liquidity available for allocations to the next vintage of funds. According to Bain & Co, the value of unexited companies sitting in buyout funds alone has climbed to a record $3.2 trillion[2]. Clearing this backlog will be crucial to jump-start the private markets liquidity engine back into life.

[1] https://tinyurl.com/4v2946fs. See Fig. 1
[2] https://tinyurl.com/4v2946fs. See Fig. 2

> After navigating a period of uncertainty, there is a sense of cautious optimism building that the years ahead hold great potential.

Secondaries and private debt stand out

For all the challenges that have faced private markets, however, there have also been bright spots. Private debt has stood out as a solid performer across the cycle. Rising interest rates have pushed up yields on floating rate private debt loan structures to rank private debt as one of the best performing private markets segments in 2023[3]. As the main provider of liquidity in an illiquid asset class, the secondaries space has also thrived, with deal volume showing year-on-year gains as managers and LPs turned to secondaries funding to rebalance portfolios and unlock distributions.

Necessity drives innovation

Private markets managers have also displayed creativity and innovation in the face of adversity. NAV finance and GP-led secondaries have opened up alternative routes to distributions and liquidity at a time when traditional M&A and Initial Public Offering (IPO) exit routes have been shuttered. Progress has been made towards opening the industry to retail investment too, with growth in semi-liquid funds reaching record levels[4] to offer individual investors more flexibility and access to private markets opportunities. Managers have also continued to grow their franchises and look towards long-term growth opportunities, taking in third-party capital or merging with peers to build scale, expand into new markets, and launch new investment strategies. No managers have used the downcycle as an excuse to sit on their hands.

A resilient asset class

Indeed, private markets is an industry that is nothing if not resilient, and after navigating a period of uncertainty, there is a sense of cautious optimism building that the year ahead holds great potential. As interest rates top out and visibility on portfolio companies improves, it will become easier to price risk and reach consensus on valuations, and if past experience is anything to go by, where the best performing investments have been made directly following a down cycle, the 2024 vintage will present compelling investment opportunities for managers and LPs. After a fallow year, private markets dealmakers are eager to get back to the business of doing deals and delivering returns for their investors.

Looking ahead

In an increasingly sophisticated and complex asset class, where harnessing the opportunities presented by data analytics, automation, and AI will be crucial to success in 2024 and beyond, Alter Domus will be there to support its clients with its robust sector and technical expertise and market-leading, tech-enabled service platform.

[3]https://www.bloomberg.com/news/articles/2024-02-13/private-credit-returns-beat-buyout-funds-for-a-second-straight-quarter
[4]https://citywire.com/wealth-manager/news/semi-liquid-funds-reach-350bn-driven-by-private-wealth-demand/a2437082

A clear understanding of what clients need

Faced with the challenges of macroeconomic headwinds and subdued fundraising and deal volume conditions, both asset managers and asset owners needed partners who understood their needs better than ever:

1 The need to think and act globally

A volatile market demanded the ability to spot and capitalize on opportunities across sectors, geographies, and jurisdictions for both LPs and GPs. And with that came the onus to clearly understand legislative and regulatory change on both a global and local level. The facilitation of this needed to come through truly global operating models that worked efficiently and effectively as investors and managers expanded into new markets and launched new investment strategies.

2 The need to integrate technology solutions at speed

The ability to think and act at speed, enabled in no small part by technology, was a commercial imperative for all. Managers looking to combine both structured and unstructured data in a clear and usable way were looking for the very latest in automation, machine learning, and AI. And in the search for greater transparency, accountability, and control, managers actively sought out providers with the ability to integrate existing and proprietary technology platforms.

3 The need to capitalize on complex opportunity areas

In a subdued market, LPs and GPs sought out opportunities in increasingly complex sub-sectors and structures. Whether this was dealing with the different investor types and fund dynamics presented by open-ended characteristics or unlocking the opportunities presented by NAV finance and GP-led secondaries in private equity, managers needed administration partners with highly specialized and up-to-date knowledge alongside robust risk management processes.

4 The need for bespoke and high-quality service

Those looking to capitalize on opportunities in private markets needed partners who recognized their individual needs and reflected that recognition in a truly bespoke operating model and expert client service across private equity, private debt, and real assets. Whether administration needs were co-sourced, managed, or fully outsourced and regardless of the sector, sub-sector, or structure, LPs and GPs looked to providers who operated with transparency, accuracy, efficiency, and a technology-first mindset.

How we helped clients capitalize on the opportunities

Armed with a clear understanding of LP and GP needs, we delivered a number of initiatives and innovations that saw our clients capitalize on private market opportunities, including:

1 Our global strength and depth

- We grew our international footprint, both organically and through smart M&A activity, to 5,000 people across 39 offices, managing over 29,000 client structures by year-end 2023.
- By year-end 2023, we partnered with over 90% of the top alternative asset managers globally.
- We were proud to acquire the Solvas business from Deloitte, enhancing our integrated accounting, modeling, and credit risk solutions for CLO markets and opening up opportunities for our business and our clients in the Indian market.

2 Our integrated approach to technology

- We further developed our integrated technology capabilities, combining all major vendor systems (eFront, Investran, AllVue, Yardi) with Alter Domus' proprietary client-facing portal (CorPro), portfolio management tools (Credit-Vision), and data analytics platforms (Solvas, Mailroom).
- We launched a series of new technology solutions, including Gateway (giving clients the ability to combine formerly disparate datasets and spend more time confidently analyzing portfolio trends) and Workflows (giving clients a clear, singular quote and digitized view of their fund administration, powered by the latest in machine learning and AI).

3 Our specialist expertise

- In addition to other sector and sub-sector additions, we launched our dedicated team to help clients capitalize on opportunities in funds with open-ended characteristics, including striking up a partnership with the market-leading platform for open-ended fund administration, Multifonds by Temenos.
- We invested over 269,000 hours in training and development to ensure our clients were getting the very latest in tech-enabled service, regulatory understanding, and sector-specific recommendations.

4 Our commitment to service excellence

- We launched our key client partnerships proposition, giving us the ability to tailor an operating model to the bespoke needs of our clients, whether that be co-sourced, managed, or fully outsourced, spanning back, middle, and front office functions.
- We were proud to be recognized for our commitment to excellent service by our peers, clients, and the industry, being awarded Best Debt/Loan Administrator at the PEW US Credit Awards and Best Administrator – Technology at the HFM European Services Awards, and Best Fund Administration: ManCo Services at the Drawdown Awards.

The advantage, delivered

Ultimately, our ability to drive growth for our business and our clients lies in the quality of our expertise and the application of our technology.

We place significant emphasis on being where our clients need us, when they need us, and invest heavily in ensuring our people have the training and development opportunities they need to excel. This is a commitment we're proud to see reflected in our 2023 NPS scores. We also ensure our people are backed by market-leading technology platforms and solutions, again something we're proud to see reflected by recognition among our peers and the industry.

Unrivalled expertise

4,983

professionals in 23 jurisdictions speaking 51 languages

269,000

training hours delivered

+38

NPS score - significantly outperforming our peers

Q2 2023 NPS score of +38 vs other peer average score of -1.
Source: Oliver Wyman Management Consulting

Backed by market-leading technology

€103m

invested in tech development and M&A

+400

specialists driving application development, organized across 7 proprietary tech platforms

#1

voted Best Administrator – Technology at the HFM European Services Awards

Delivering for our clients

90%

of the top 30 alternative asset managers

29,000

client structures

$2.5tn

assets under administration

Delivering for our shareholders and lenders

96%

of revenues from recurring work

€219.0m

underlying EBITDA up 31%

€209.2m

operating cash flow, up 60%

A value proposition built on client needs

There are four key elements of our value proposition that were key to delivering the advantage for our business and our clients in 2023:

1. Industry-wide specialism

Our differentiated and specialist services encompass every sector, structure, and jurisdiction of the alternative investment industry, giving us both the experience and expertise to meet individual client needs.

2. End-to-end expertise

Driven by a clear understanding of how back office systems, processes, and data ultimately fuel better middle and front office decision-making, our service offering spans the full fund lifecycle.

3. Fully tailored partnerships

We're able to tailor bespoke operating models driven by individual client needs on a global and local basis. Whether it's co-sourced, managed, or fully outsourced, our models transform operational scalability, data management, and time-to-market.

4. Technology-enabled solutions

From first-class fund operations systems to standalone data solutions and a central access point for client applications, our technology suite informs and enables client growth.

Fund services

- Open-ended fund administration
- Fund formation
- Investor and transfer agency services
- Regulatory reporting
- Fund accounting and financial reporting
- Cash management
- Administration and governance
- Capital administration
- Tax services

Depositary services

- Safekeeping of assets
- Cash monitoring
- Oversight of main processes

Corporate services

- Entity formation
- Transfer pricing
- Business support
- Administration and governance
- Regulatory reporting
- Cash management
- Tax services
- Accounting and financial reporting

Private debt services

- Fund administration
- Corporate services
- AIFM services
- Depositary services
- CLO manager services
- Agency services
- Loan servicing
- Asset-based loan servicing
- Borrowing base administration
- Capital administration
- CLO collateral administration
- Trade settlement services
- Successor agent services
- Loan administration

Third party AIFM services

- Portfolio management
- Risk management
- Valuation
- Compliance
- Regulatory reporting
- Marketing and distribution
- Super ManCo licences

Technology solutions

- Fund accounting
- Investor management
- Data extraction and harmonization
- Asset monitoring and covenant management
- Enterprise credit and risk analytics
- Solvas CLO compliance
- Front-office portfolio workflow

A client-centric approach to technology

Our multi-year, ongoing investment in market-leading technologies (our Accelerate program; launched in 2020 with an investment over five years) has always had one clear goal: providing our clients with a competitive, technology-powered advantage amid ever-more challenging and complex markets.

We do this by letting client need drive our investment and deployment of technology across everything from refining and assessing investment strategies and understanding portfolio performance to managing exposure to risk and ensuring the servicing of funds is cost-effective, transparent, and operationally impactful.

These needs are all fulfilled by our integrated technology platform that combines all major vendor systems (eFront, Investran, AllVue, Yardi) with Alter Domus' proprietary client-facing portal (CorPro), portfolio management tools (Credit-Vision), and data analytics platforms (Solvas, Gateway).

2023 saw some major developments across our technology suite which continue to have a material effect on our clients' businesses:

Greater operational efficiency

The rollout of our Workflows technology is giving clients a clear, singular and digitized view of their fund administration, powered by the latest in machine learning and AI. Clients can initiate, review, and approve workflows and maintain oversight of every aspect of the day-to-day running of funds.

Sharper understanding of risk

Our acquisition of the Solvas business has significantly enhanced our ability to serve mid-sized banks, credit unions, and insurance companies when it comes to better understanding capital allocations and future risk modeling using existing client data.

Clearer portfolio visibility

By combining formerly disparate datasets through our Gateway product, analysts and portfolio managers are able to spend less time mapping data – from portfolio company financials to capital account statements – and more time confidently analyzing portfolio trends.

Faster access to services

The launch of Vega provides a seamless and singular entry point for our clients across our multiple technology platforms and solutions, saving time, delivering efficiencies, and enabling clients to access release notes from one location.

Better control of data

Built within an automated machine learning framework, our Digitize solutions for corporate financials, fund financials, CLO loan documentation, and investor financials ingest high volumes of complex documents and create instantaneous access to actionable data for clients.

Human capital summary 2023

Our values

As 2023 was a year of strong growth across Alter Domus, our focus on how we attract, develop, and retain our people remains a central pillar of our strategy. Our values reflect our people, our growth, and our future, and we refreshed our values during 2023 using 10,000 inputs from our employees around the world. Our values will underpin our high-performing inclusive culture.

Succeed at speed

We deliver at pace with agility, always connected to clients, regulators, and markets globally.

Take charge together

We take the initiative, always bringing the right people, insights, and expertise together and sharing accountability.

Adapt with authority

We flex to meet different needs in different contexts, always showing responsible leadership and growing trust.

Reimagine with results

We pursue new, more intelligent ways of working, always with a focus on efficient, high-quality service.

> Our 20th anniversary with 20 parties across the globe acknowledged our legacy, our people, and the future ahead of us.

Employee engagement

Our continued focus on engaging and retaining our talent saw Alter Domus celebrating its 20th anniversary with 20 parties across the globe where we acknowledged our legacy, our people, and the future ahead of us.

SHINE BRIGHT
ALTER DOMUS
20 YEARS

Our academy

At Alter Domus, we are committed to enabling our people to manage their own careers. 2023 saw us launch MyAcademy, a new learning experience platform giving all our employees access to training and development at the point of need. Our employees can find best-in-class content, tailored in line with their career paths.

My acADemy*

CFO's statement

Amaury Dauge

Chief Financial Officer

I am delighted to have recently joined Alter Domus as Chief Financial Officer and proud to join its talented teams as we prepare to enter our next phase of growth. I would like to thank Andrew Cherry for his support in this important transition and Doug and the whole leadership team for their strong welcome.

Financial Highlights

2023 was another step in the growth story for Alter Domus, with broad-based revenue growth of 18% at a consistent underlying contribution margin. With strong overhead cost control during the year, EBITDA margin improved by 3 percentage points to deliver underlying EBITDA of €219.0m, 31% higher than in 2022. Operating profits grew 51% to a record €102.2m.

Net profit declined from €46.0m in 2022 to €26.0m in 2023 as a result of both the effects of rising market interest rates and temporary non-cash hedging benefits in 2022. Operating cash flow conversion improved strongly to 107% on an underlying basis, however, due to improved working capital management, allowing the business to fund both ongoing technology investment and M&A primarily from internal cash resources.

	2023 €m/%	2022 €m/%	Change %
Revenues			
EMEA/APAC	408.1	350.6	16%
North America	291.4	248.2	17%
Data & Analytics	15.5	5.7	172%
Total	**715.0**	**604.5**	**18%**
Contribution			
Contribution (underlying)	394.6	333.4	18%
Contribution margin (underlying)	55%	55%	-
Profitability			
Underlying EBITDA	**219.0**	**167.3**	**31%**
Underlying EBITDA margin	31%	28%	+3 ppt
Profit after tax	26.0	46.0	-43%
Cash flows and debt			
Underlying operating cash flow	209.2	130.9	60%
Underlying operating cash conversion	107%	87%	+20 ppt
Net debt: EBITDA	2.23x	3.00x	

> 2023 represented another year of continued growth, with broad-based revenue growth of 18% at a consistent contribution margin.

Revenues and contribution

2023 represented another year of positive revenue growth across the globe, with both of our key regional businesses continuing to report increases in the high teen percentages, whilst our Data & Analytics business begins to grow and generate meaningful client revenues.

Within our largest division, EMEA and APAC, Luxembourg and the UK continue to be the primary drivers of revenue growth, coming primarily from our Private Credit and Multi-Asset teams, offsetting lower volumes for our Private Equity activity teams to reflect activity in the wider marketplace. Our growth was entirely organic and maintains our position as the market leader in Luxembourg, the leading jurisdiction for alternative investments in Europe.

Our US division continues to grow and constituted over 40% of total group revenue during the year. 2023 growth was entirely organic within North America and was led by our industry-leading Debt Capital Markets segment. Growth continued in Fund Services as well, particularly within Credit and Private Equity, although market conditions resulted in slower growth in Real Estate. Prior year acquisitions in Fund Services have now been fully integrated and are contributing significant benefits in terms of scope and service capabilities.

From 2023, we now present our Data & Analytics division as a separate line of business to reflect its importance to our future growth plans. Revenues almost tripled to €15.5m as we integrate the Solvas acquisition and onboard organic clients to new products and solutions.

Contribution is our core measure of gross profitability from services rendered to our clients and rose 18% to €394.6m on an underlying basis. With our strong client relationships allowing us to balance staffing investment against updates to pricing, the contribution margin remained consistent with 2022 at 55%.

CFO’s statement cont.

Amaury Dauge

Chief Financial Officer

Overheads and underlying EBITDA

Underlying overheads rose just 6% year over year to €175.6m despite growing staff numbers and the acquisition of Solvas in May 2023. This reflected significant and sustained efforts to manage costs appropriately, including in particular staffing efficiency strategies, enhanced use of technology, and focused supplier management. As a proportion of revenues, they now sit at 25%, well below each of the three previous years.

As a result of our stable contribution margin and careful overhead cost control, underlying EBITDA grew to €219.0m, 31% up on 2022 and at a margin of 31%.

Non-underlying items

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 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 €47.6m in 2023. As explained in Note 11 to the accounts, the largest components of these are as follows:

1. €14.3m relating to our Accelerate technology transformation that began in 2022 and which is now largely complete, to deliver a step change in our ability to service our clients through higher-quality platforms and new service lines, underpinned by automated workflows and data management.
2. €10.1m of acquisition and integration costs of the Solvas acquisition, which completed in May 2023, comprising primarily professional fees and technology consultancy spend.
3. €10.1m of other strategic projects, most notably costs incurred with external advisors in support of the Cinven investment that was announced in March 2024.
4. €9.0m in respect of share based payments, which owing to their scale and variability are presented outside of underlying results in order to avoid impairing the visibility of underlying performance.

Net finance costs and tax

Net finance costs in 2023 amounted to €68.0m, significantly higher than the €2.8m net finance income in 2022 on account of a number of large, non-recurring and non-cash credits in the prior year (including €29.8m of fair value gains on derivative positions and €13.3m of financial income from re-estimating future debt cash flows). Taking out such non-recurring items and currency gains and losses, net finance costs would instead have been €68.9m in 2023 and €46.9m in 2022, with the incremental €22.0m in 2023 reflecting almost entirely the effects of rises in market interest rates from late 2022 onwards.

The tax charge for the Group in 2023 was €8.2m at an effective rate of 24% that is in line with the rates applied in our key operating territories of the US and Luxembourg.

> "As a result of our stable contribution margin and careful overheads cost control, underlying EBITDA grew to €219.0m, 31% up on 2022."

Cash flow and balance sheet

Management monitors cash flow using an adjusted metric named "underlying operating cash flow", which is presented below and consistent with the measurement in prior years.

	2023 €m	2022 €m	Change %
Cash inflows from operating activities	177.7	100.0	78%
Non-underlying items (adjusted for Manco share based payments)	43.0	36.6	
Capitalization of contract costs	11.9	11.7	
Payments relating to operating leases	(23.4)	(17.4)	
Underlying operating cash flow (A)	**209.2**	**130.9**	**60%**
Underlying EBITDA	219.0	167.3	
Rent cash flows	(23.4)	(17.4)	
EBITDA adjusted for lease costs (B)	**195.6**	**149.9**	**30%**
Underlying operating cash conversion (A/B)	**107%**	**87%**	**+20 ppt**

Operational cash flows were €177.7m in 2023, growing much faster than underlying EBITDA at 78% to reflect significant improvements in our working capital management, with customer-facing working capital (trade receivables and net accrued income) reducing 13% despite revenue growth of 18%. Underlying operating cash flows (as calculated above) increased by 60% from €130.9m to €209.2m, delivering cash conversion of 107% against rent-adjusted underlying EBITDA. Cash as a result increased year over year to €116.8m as operating cash inflows outweighed investments in technology capex, the Solvas acquisition and payments of interest on debt.

Borrowings in the year increased marginally from €741.8m to €761.0m, representing a small net increase of €19.2m to support the Solvas acquisition along with interest accruals. With EBITDA growing much faster than net debt, however, our net debt:EBITDA ratio (for covenant purposes) has now declined to 2.23x from 3.00x in the prior year and sits well within our covenant metrics.

Alongside the cash, working capital and debt evolution described above, the Group's balance sheet also reflected the effects of the Solvas acquisition in May, in particular with €73.3m of new intangibles recognised and funded primarily through existing cash resources supported by $20m of new financing.

Amaury Dauge
Chief Financial Officer

ESG summary 2023

Environment, Social and Governance (ESG) is a cornerstone of the Alter Domus operational model and client value proposition, and we are grateful for this opportunity to share a review of how Alter Domus is adapting to ESG regulatory change and evolving its ESG capabilities to support clients, and to report on our performance across the core areas of Environment, Social, and Governance.

2023 ESG regulatory update

With further publication of Corporate Sustainability Reporting Directive (CSRD) guidance, we continue to adapt internal processes in preparation for disclosure reporting to begin in 2026 for 2025 year-end.

As a result, the World Economic Forum (WEF) non-financial metric and reporting structure we have used in the prior annual reports (addressing Planet, People, Prosperity, and Principles of Governance) will be expanded to meet the European Sustainability Reporting (ESRS) standards published in July 2023.

2023 ESG product update

During 2023, the ESG regulatory reporting product continued to serve clients well, providing support across 253 alternative investment funds captured by the Sustainable Finance Disclosure Regulation (SFDR) in Europe.

Sustainability disclosure and reporting requirements continue to evolve and mature globally, increasing the reporting and disclosure burden for clients. In response, we are expanding our sustainability services and solutions during 2024, going beyond ESG regulatory reporting and delivering multiple solutions that reflect both regulatory and non-mandatory drivers, yet recognizing the need to deliver bespoke solutions that add value.

Environment

Property update

In 2023, as part of our FutureFit strategy, we continued to redesign office space to enhance and create collaborative, open, and flexible workspaces for our employees while supporting carbon-neutral materials in our specifications.

We completed eight independent third-party energy audits across offices in Europe. The energy audits will be used to make investment decisions over the next four years to support energy efficiency and future greenhouse gas emission commitments.

Emissions and climate update

Due to the growth of the Alter Domus business during 2023, we have seen an uptick in overall emissions but remain confident in our facility and property management processes and commitment to energy efficiency. See Annex 1 for a detailed breakdown of carbon emissions reporting methodology.

Scope	Reported emissions by type	Gross carbon emissions ($kgCO_2e$)	Net carbon emissions ($kgCO_2e$)	Net carbon emissions by scope
1	Gas	116,332	116,332	2,203,133
	Transport	2,086,800	2,086,800	
2	Electricity	2,264,365	2,161,207	
	Heat/Steam	19,868	19,868	
	Transport	4,080	4,080	2,185,157
3	Electricity	567,487	537,147	
	Gas	19,420	19,420	
	Heat/Steam	27,259	27,259	
	Home working	1,516,632	1,516,632	
	Hotel stays	23,653	23,653	
	Transport	2,979,054	2,979,054	
	Waste	2,499,076	2,499,076	
	Water	17,299	17,299	7,619,543
Total		**12,141,331**	**12,007,833**	**12,007,833**

Emissions – Climate

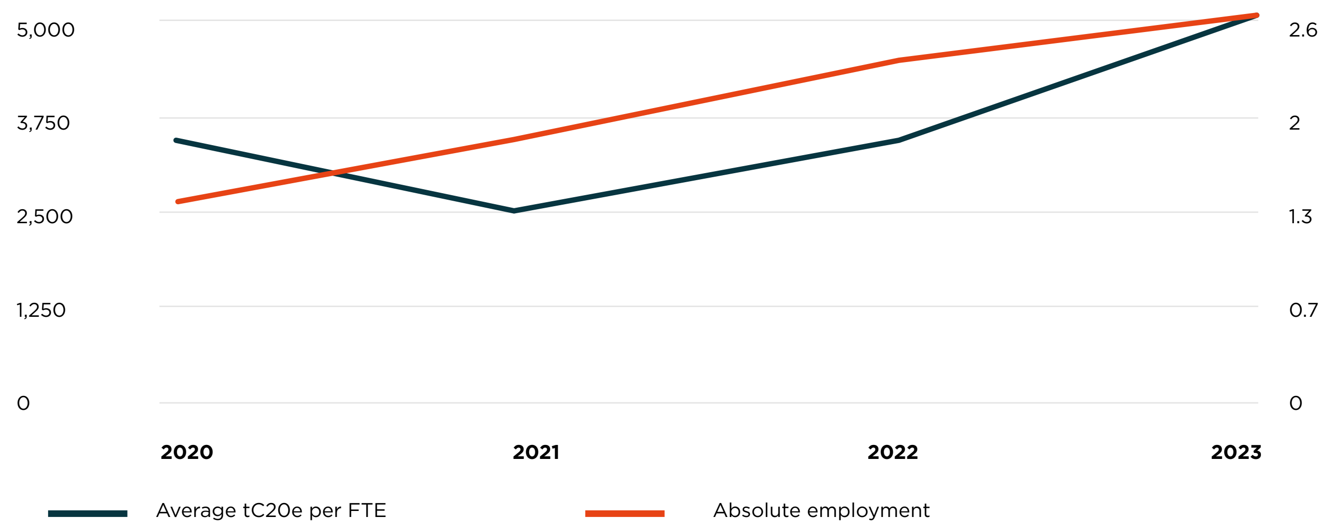
Scope 1 and 2 emissions include direct and activity-based emissions attributed to Alter Domus office locations and existing car lease programs.

Scope 3 emissions reported to date, include certain utility costs, waste, transport, business travel, and home working emission estimates accounted for to reflect our hybrid work policy.

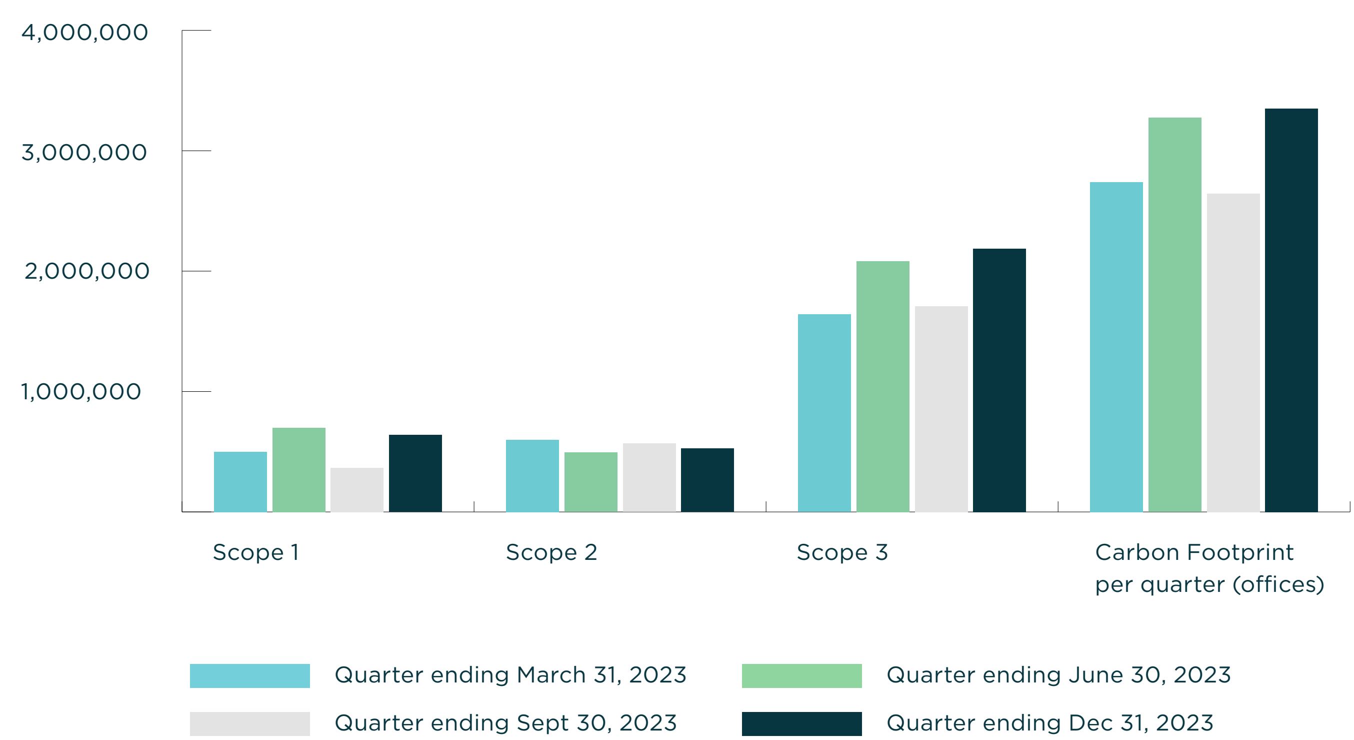
As we move forward with more detailed ESRS reporting, Scope 3 indirect cost-based emission estimates are under review. Consistent with professional services, Scope 3 emissions are material. See footnote below.

2023 Indirect cost-based emission estimates total 26,570,987 from purchased goods and services. Vendor reporting and review is ongoing to understand process opportunities and to define future reduction targets.

Alter Domus average tC20e to headcount



Alter Domus 2023 quarterly scope emissions and carbon footprint without indirect cost based emission estimates (market based)



Activity based reported emissions have remained consistent quarterly with seasonal variation.

Due to the business growth, we have seen an uptick in emissions but remain confident in our facility and property management processes and commitment to energy efficiency

Annex 1 – Alter Domus carbon emissions methodology

Carbon emissions for years 2020, 2021, 2022, and 2023 were calculated by the Rio Sustainability software platform and with support from Rio Sustainability consultants. The Rio platform is aligned to the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Emission factors used were UK Government Greenhouse Gas Conversion Factors for Company Reporting, for the appropriate years. For electricity emission factors outside of the UK, the International Energy Agency (IEA) conversion factors were used.

Organizational boundary

The emissions inventory for Alter Domus follows an operational control organizational boundary approach. Alter Domus has operational control over office buildings and car fleets owned and leased by Alter Domus but does not have control over sub-let space and non-Alter Domus tenant emissions.

Operational scopes

A GHG gap analysis in alignment with the GHG protocol was conducted to identify all relevant and material emission sources for Alter Domus. This includes:

Scope 1: Natural gas usage at offices (Stationary Combustion) and fuel usage in leased cars (Mobile Combustion).

Scope 2: Purchased electricity for offices, purchased heating and cooling usage, as well as the electricity consumed by AD-owned/leased electric vehicles.

Scope 3:

Category 5: Waste generated in Operations — Water and waste at offices

Category 3: Fuel-and energy-related activities (not included in scope 1 or 2) — Well-to-tank energy emissions, transmission, and distribution of energy emissions

Category 6: Business travel — Business travel from hotel stays, flights, rail, and cars as collated by the company travel expenses system[1].

Category 7: Employee Commuting — Employee commuting was estimated utilizing office occupancy percentages, average distance travelled, and mode of transport assumptions for commuting in major cities

Financed emissions are excluded from Scope 3. Alter Domus' primary function is one of fund administration, not asset management and therefore Scope 3, category 15 'investments' are not included in the scope of the carbon footprint.

Assumptions and estimations

Estimates made were based on cost data, where available. An estimation process was used for data collection between January 1, 2020, and December 31, 2023, where actual consumption data was not available. If cost data was not available, missing data estimates were 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.

Footnote to carbon data:

Total 2023 location-based emissions	Emissions totals	% of total data
Emissions from estimated data	**3,108** tC02e	**26%**
Emissions from actual data	**9,033** tC02e	**74%**
Total 2023 location-based data	**12,141** tC02e	**100%**

Base year recalculation policy

Alter Domus's operational activities were impacted by COVID-19. SBTi recommends choosing the base year after 2022 for companies demonstrating significant operational changes during the COVID-19 pandemic. Therefore, the base year that was initially set at January 1, 2020, to December 31, 2020, and has been recalculated and set at January 1, 2022, to December 31, 2022.

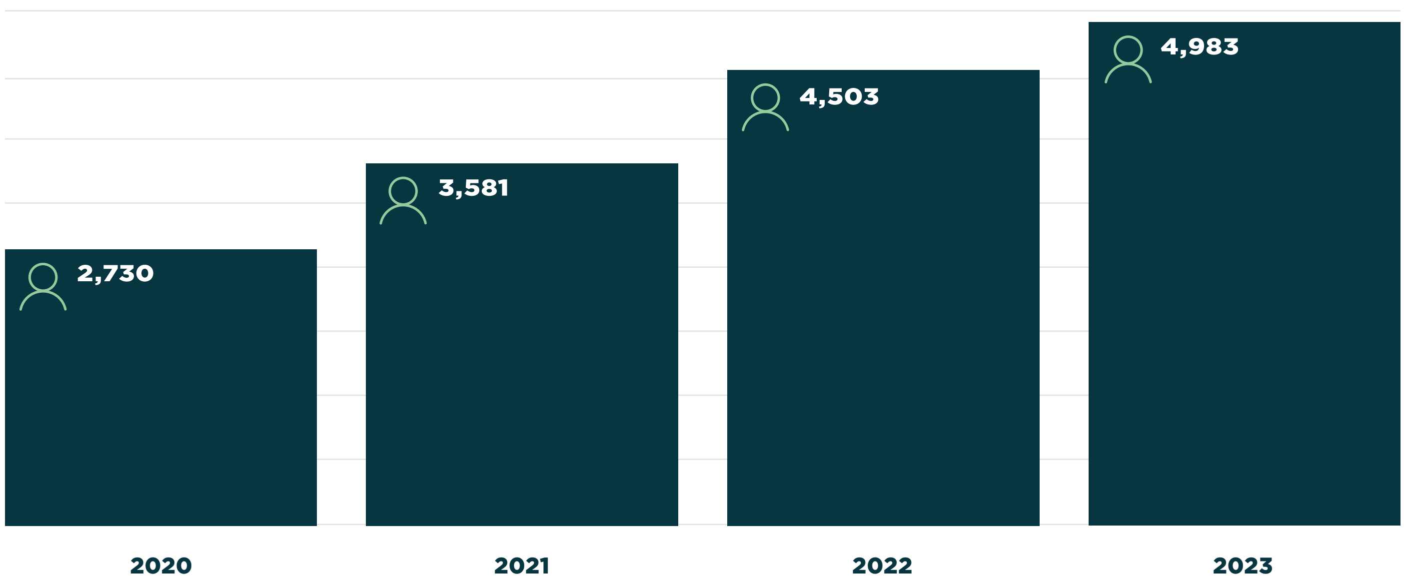
The base year recalculation policy will be reviewed annually and consider any significant business change above a 5% threshold and/or developments in climate change or carbon management legislation.

[1] This excludes any business travel taken, that has not been processed through the company travel expenses system.

Social

Alter Domus' headcount increased in 2023 as part of its strategic growth. As our team grew, we continued to apply gender diversity balance in hiring and promotion, deliver consistent overall scoring in employee engagement, support employees with dedicated training resources, and sustain best practice human resource policy and process.

Alter Domus absolute employment



Alter Domus gender distribution by level December 2023

Headcount by level	Male	Female	Unspecified	Total
Executives & Director	170	57	1	228
Senior Manager	292	194		486
Manager	426	351	1	778
Senior Officer	725	769		1,494
Officer (Includes students and trainees)	944	1,050	3	1,964
Total	**2,557**	**2,421**	**5**	**4,983**

During 2023, we continued to enhance and reinforce the importance of culture and engagement across Alter Domus.

Diversity, equity, and inclusion (DE&I)

Alter Domus broadened its equity and inclusion commitment with the addition of 53 global DEI champions in 2023 to engage locally to foster a culture of belonging and engagement.

DE&I champion's role

Drive a culture of belonging! AD DE&I Champions are change agents who support and foster a culture where all our employees feel they belong

Make recommendations to drive DE&I across AD

- Actively participate in the 1/4 DE&I Champions' Meetings
- Stay close to the peak on DE&I scores in own area
- Work side-by-side with local leaders and HBRP to drive DE&I initiatives

Actively encourage DE&I conversations

- Encourage others to talk about DE&I
- Promote the Academy Speaker Series focusing on DE&I
- Promote and cascade the DE&I Curriculum
- Cascade DE&I-related comms to business area

Coach, guide and educate

- Share the learning acquired as DE&I Champion
- Cascade the AD DE&I curriculum

DE&I role model & advocate

- Role-model behaviors that drive inclusion and belonging
- Encourage others to drive similar behaviors
- Promote DE&I internally and externally in line with AD EVP
- Where possible, be part of the local BRG Group

Annual non-financial metric summary

	2020	2021	2022	2023
Reportable incidents	–	–	–	–
Average tCO2e per FTE	1.8	1.3	1.7	2.6
Gender diversity in SM - DIR hires/promoted (%age female)	added in 2021	42%	39%	50%
Gender diversity overall (%age female)	49%	48%	50%	49%
YTD training hours overall per employee	added in 2021	46.5	59	55
Employee engagement score out of 10	7.3	7.4	7.8	7.7
Health and safety incident management compliance	100%	100%	100%	100%
Net new hires*	202	851	922	480
Absolute employment*	2,730	3,581	4,503	4,983

*Footnote: Due to a change in reporting for students, interns, and part-time employees, 2022 reported year-end numbers were revised from previously reported data.

Governance

Alter Domus maintains up-to-date policies covering its Code of Conduct, Whistleblowing, Data Privacy and Protection, Fraud, IT Security, Anti-Money Laundering, and Human Rights. Over 32,000 hours of mandatory corporate compliance training were completed by active employees during 2023 with no material incidents reported requiring disclosure.

Modern slavery statement

Alter Domus opposes the use of and exploitation of forced labor. We expect all those who work for us or on our behalf to share our zero-tolerance approach, which applies to all permanent and contracted employees, as well as our suppliers.

Governance

A summary of how our structure delivered governance best practice in 2023

Governance

Chairman’s introduction to governance

Dear stakeholders,

Alter Domus performed strongly in 2023, providing the expertise and technology solutions to help LPs and GPs navigate challenging economic headwinds.

Our ability to be a leader for our clients, in good times and bad, is in no small part down to transparency, responsibility, and sound governance. Our ongoing commitment to publishing an annual report, despite being under no obligation to do so, is testament to these principles.

Our company is structured to reflect the best practices of governance with a two-tier structure – a Group Executive Board 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 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 2023.

Our commitment to transparency, responsibility, and sound governance was a key element behind Cinven’s decision to take a majority stake in the company. Our ongoing efforts in this area will ensure we keep pace with a rapidly changing industry and continue to deliver for all our stakeholders.

René Beltjens
Chairman of the Supervisory Board

Supervisory board of directors

Biographies

René Beltjens

Chairman

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

Philip Muelder

Supervisory Board Member

Philip leads the global Services sector at Permira and headed Permira's London office from 2016 to 2018, having joined Permira in 2004. Philip currently serves on the boards of Alter Domus, AltamarCAM, Evelyn Partners and GGW and is a board observer at 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 boards of CyberArk Software, Atsign and Nasuni. Kim has a BSC in Computer Science from West of Scotland University and an MS from Pace University.

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 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.

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.

Group Executive Board

Biographies

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 Chicago.

Amaury Dauge

Chief Financial Officer

Amaury joined Alter Domus in February 2024 as Chief Financial Officer. He has broad international experience, ranging from stock exchanges to fintech, and he conducted a number of business transformation projects in capital investments, M&A, and post-merger integrations. He is based in Madrid.

Joanne Ferris

Chief Human Resources Officer

Joanne Ferris joined Alter Domus in September 2019 and has 25+ years of experience leading within global organizations. 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.

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.

Michael Janiszewski

Chief Operating Officer

Michael joined Alter Domus in November 2023 as Chief Operating Officer. He is a proven executive leader with global industry, consulting, and investor experience. Prior to joining Alter Domus, Mike served as Chief Operating Officer for BNY Mellon's Securities Services and Digital business. Mike is based in New York.

Sandra Legrand

Regional Executive Europe & Asia Pacific

Sandra Legrand joined Alter Domus in 2013 and is Regional Executive Europe and Asia Pacific where she oversees 18 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.

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 practicing attorney since 2003. Jessica is based in Chicago.

George Rologis

Chief Corporate Development & Strategy Officer

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

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.

Demetry Zilberg

Chief Technology Officer

Demetry joined Alter Domus in February 2024 as Chief Technology Officer. He brings a strong track record of product-driven technology transformation and program delivery in the financial services industry. Prior to joining Alter Domus, Demetry was the Chief Technology Officer and Managing Director in the Digital Technology & Innovation business at Wells Fargo.

Report of the Strategy Committee 2023

Dear stakeholders,

I am privileged to share the Report of the Strategy Committee ("the Report") for the year ending December 31, 2023. This marks my third year as Chair of the Committee. The Report has been duly approved by both the Committee and the Board.

Committee purpose

In view of the Company's increasing global scale, diversified capabilities, and ambitious strategic objectives, the Supervisory Board decided in 2021 to formalize 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 four areas of scope:

A. The annual Strategy Roadmap (StratMap), including the Long-Term Plan (LTP) and incorporating:

B. Value creation programs (VCP)

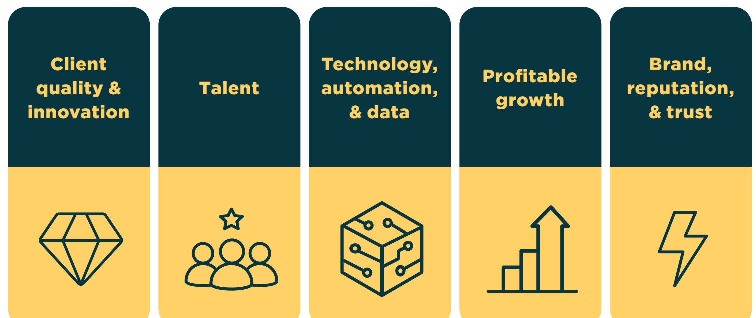
C. Mergers and acquisitions (M&A)

D. Major strategic/transformation initiatives

Alter Domus' vision is to be the leading, high-quality data- and technology-driven services partner to investors in alternative assets, globally. The committee is focused on identifying, prioritizing, and monitoring the strategic initiatives that help Alter Domus to achieve this vision, addressing opportunities that focus on efficiency improvements as well as on growth.

A. Value creation programs

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



In 2023, Alter Domus launched two additional Core VCPs to further optimize the efficiency and scalability of our direct workforce and our overhead functions.

To improve efficiency and effectiveness of Alter Domus' direct workforce, the company will focus on the optimization and functionalization of processes and take greater advantage of smart-shore locations for growing its talent base. The project will directly benefit from workflow digitization and optimization developed under Project Accelerate, which is Alter Domus' core Technology Transformation VCP.

Overhead functions have been benchmarked against best-in-class peers, and opportunities to improve efficiencies have been identified, again taking advantage of smart-shore locations for further growth.

The company has also successfully launched a VCP to enhance its Open-Ended Funds capabilities to increase its total addressable market, to better serve existing customers who offer these types of funds to their investors, and to take advantage of increasing opportunities opened through the changing regulatory landscape in the alternative investments space.

The Key Client Partnerships initiative launched in 2022 has seen significant success with the lift-out and operationalization of clients' fund administration services and is expected to scale further in 2024.

B. Mergers and acquisitions

Alter Domus completed the integration of Strata, IPS, and IEA in North America, and Credit Vision and Beechbrook in Europe, the middle-east and Africa (EMEA) in 2022, 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.

In May 2023, we announced the acquisition of Solvas from Deloitte. Solvas' technology solutions and its more than 200 employees at the time of the acquisition have been integrated into Alter Domus' Data & Analytics division, led by Gus Harris. This has materially accelerated Alter Domus' technology transformation strategy by supplementing its quant analytics capabilities and its provision of "Software as a Service" (SaaS) solutions directly to its customers. Solvas' solutions are also used internally to enhance Alter Domus' customer service propositions.

Additionally, the acquisition of Solvas established Alter Domus' presence in India, which now forms an important part of its global smart-shoring footprint.

C. Major strategic/transformation initiatives

Our multi-year Technology Transformation continued as a major area of strategic focus in 2023 under Project Accelerate, with three foundational streams:

1. Platforms: Driving tech adoption by aligning business priorities and platform functionality
2. Workflows: Driving tech usage by developing a standardized workflow platform
3. Data Assets: Developing new data assets, relevant for the middle and front office of investors in alternative assets globally

Throughout 2023, we have

- Delivered on the objectives set out for tech platforms, including CorPro as our global client portal, eFront for Private Equity fund services in EMEA & Asia and the Pacific (APAC), Investran and Allvue for Private Equity fund services in North America, Yardi for Real Estate fund services globally, VBO for credit fund services globally, and Agency360 for DCM agency services globally.
- Completed development of our digital workflow platform for private equity fund services clients in EMEA, APAC and North America. 2024 will be focused on migrating customers onto these platforms and evaluating further areas for process digitization, including in our Real Estate and Debt Fund Services business lines.
- Materially accelerated Alter Domus' D&A capabilities through the acquisition of Solvas. D&A is now fully set up as a division within Alter Domus, with its own management, strategy, and budget. The Strategy Committee continues to review D&A's strategy and progress towards Alter Domus' vision of becoming a more technology-led service provider.

Building on the successful delivery of our strategic initiatives and the general business growth in 2022, the Board decided in early 2023 to recruit new members of the executive leadership team through the appointment of a COO and CTO. After an extensive search, Michael Janiszewski joined as COO in Q4 2023 and Demetry Zilberg joined as CTO in Q1 2024.

In 2023, the committee reviewed the Company's LTP as part of its StratMap in November, a shift from previous years, where the LTP was reviewed in the first half of the year. By moving the StratMap and LPT to Q3, the Board and company can now more easily align the annual budgeting and planning cycle with its strategic goals and objectives.

Priorities for 2024

The committee's focus in 2024 will remain on overseeing successful execution of our strategic roadmap. We will maintain discipline and balance on our dual mandates of growth and efficiency, prioritizing ongoing investments to deliver long-term stakeholder value while enabling Alter Domus' strategy and vision.

We will continue to monitor the delivery of Alter Domus' three Core VCPs focused on efficiency, scalability, and technology transformation. Alter Domus' new COO, Michael Janiszewski, will lead the program to improve the efficiency of our client service operations. We expect to build on the success of Project Accelerate with further technology transformation initiatives led by Alter Domus' new CTO, Demetry Zilberg. The Core VCP focused on the efficiency of overhead functions is projected to conclude by the end of the 2024.

After the successful launch of Open-Ended Fund capabilities in 2023, we are planning to evaluate and launch additional revenue- and growth-focused initiatives, related to both sales-effectiveness and new product launches, over the course of 2024.

Finally, we continue to scan the market for meaningful non-organic opportunities, both to grow and consolidate our position in the market and to improve our technology or service proposition to our customers.

Ekta Singh-Bushell
Chair of the Strategy Committee

Strategy Committee in 2023

Committee remit

The Committee's Terms of Reference (ToR) cover the following areas of responsibility:

A. The annual StratMap review, including the company's Long-Term Plan (LPT) and incorporating

B. Value Creation Programmes (VCP)

C. Mergers and Acquisitions (M&A)

D. Major strategic/transformational initiatives across all functions of the organization, including technology, commercial, and operations

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

- Design – includes the phases of ideation, prioritization, selection of initiatives and creation of preliminary business case to realize 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 organization change management, program risk management to deliver project success as defined in a final business case, to be approved by the Supervisory Board.
- Execution – includes the oversight of delivery and implementation of the plans, risk mitigation, measurement of KPIs, KRIs, and benefits realized.

Committee membership

The following Directors served as members of the Committee during 2023:

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

Members of the Committee from Alter Domus' executive team are

- Doug Hart, Chief Executive Officer
- George Rologis, Chief Corporate Development Officer
- Andrew Cherry, Chief Financial Officer

In 2024, Amaury Dauge has replaced Andrew Cherry in his role as CFO.

Other members of the GEB and members of their teams are invited to attend the Strategy Committee on topics relevant to their function.

Governance

Quarterly Strategy Committee meetings are focused on strategic vision, technology transformation, mergers and acquisitions, and VCPs covering new products, new technologies, or new business models.

One meeting per year is dedicated to the review of Alter Domus' Long-Term Strategic Roadmap (StratMap). This session includes all Supervisory Board and GEB members and includes the review of the three- to five-year Long Term Strategic Plan of the company and a broader review of strategic priorities, in addition to the topics covered at other Quarterly Strategy Committee meetings.

The committee reviews material and minutes from Quarterly VCP Committee meetings, chaired by Alter Domus' CEO. This committee focuses on the progress across VCPs, M&A integrations, and other topics relevant to the strategy of the company.

During 2023, 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, 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 analyzed, and focus of the exercise.
3. Form extension sub-groups to evaluate material business model adjustments and organization 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 due diligence exercises as well as review of any proposed non-binding offers.
6. Monitor the follow-up of integration of acquisitions with a focus on risk mitigation and benefits realization.
7. Evaluate tech M&A opportunities that accelerate the company's Technology Transformation strategy.
8. Periodically review company business units/ assets for optimization, divestiture, and disposition.
9. Oversee and evaluate existing and future trends 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, other strategy/transformation initiatives) and make recommendations concerning individual projects, including reviewing internal and external resources necessary to achieve the plan.

Report of the Remuneration and Nominations Committee 2023

Dear stakeholders,

On behalf of the Supervisory Board, I am pleased to present the Report of the Remuneration and Nominations Committee ("the Committee") for the year ending December 31, 2023. This committee plays a key role in our governance structure for our most valuable asset — our colleagues. This report has been approved by both the Committee and the Board.

Human capital-focused growth

2023 was a year of strong growth for Alter Domus in which the attraction, motivation, and retention of talent remained central to our success. We renewed our focus on talent management, providing learning and career opportunities, and a world-class, technology-enabled employee experience. With a scalable model that enables us to internationalize, the Solvas acquisition, in addition to the business and colleague benefits, provided an attractive entry point into the Indian labor market where we will grow our company presence over the coming years.

Leadership

During 2023, we sourced world-class talent to supplement our organizational leadership and continue to build a "future fit" organization to drive our strategies and growth agenda. In Q4, we welcomed a new Chief Operations Officer while in Q1 2024 we welcomed a new Chief Financial Officer and Chief Technology Officer.

In May 2023, we held our in-person Global Directors Conference in Lake Maggiore, Italy. Having held virtual events during the pandemic, this was the first time in over three years that we had our 200+ Directors together in one place for a leadership event. Over three days, our leadership was inspired and renewed to drive our organization to deliver our strategic priorities.

20th anniversary 'Shine Bright'

Alter Domus also celebrated its 20th anniversary during 2023 with a series of "Shine Bright" events held around the world that included every employee globally. Each consistently branded and structured event was a celebration of the past, a recognition of the wonderful people, organization and culture we have, and an optimistic look at the future before us. The event was used as a platform to launch our new organizational values which were co-created with employees from across all areas of the business.

Performance oriented culture

The Committee has remained focused on driving the pay-for-performance orientation of our organization with annual incentive allocations made at business unit and function level to incentivize and reward stand-out delivery against key performance metrics.

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-caliber talent.

The committee believes the outcomes of the 2023 annual performance reviews and annual incentive plans accurately reflect the performance of Alter Domus over the year on business, compliance, and individual contribution dimensions.

The committee completed a comprehensive review of several areas including annual incentives, employee engagement, talent succession, and long-term incentives.

Priorities for 2024

In 2024, the Committee will maintain its focus on key areas of oversight and the attraction, development, and retention of our most valuable assets – our colleagues. Following the announcement of Cinven's investment in March 2024, we will refresh our reward strategy to drive the business forward on the next leg of its growth journey.

I would like to thank all members of the Committee and the management team for their support throughout 2023.

Kim Perdikou
Chair of the Remuneration and Nominations Committee

Remuneration Committee in 2023

Committee remit

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

- Remuneration and Reward
- Organizational 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 2023:

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

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 recuse themselves from the meeting.

During 2023, 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-caliber 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 organizations 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 incentivizing key short-term objectives through the annual bonus and long-term business objectives and creating shareholder value 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 & Pension	Annual Bonus	Long-Term Equity Incentive Plan
Purpose & Link to Strategy	Recognize 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 March 1.	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 2023

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 ending December 31, 2023. The Committee, which comprises members of the Supervisory Board, provides structured and systematic oversight of the Group's governance, risk management, financial reporting, and internal control practices. The ARC assists the Supervisory Board in providing advice and the Group Executive Board (the "GEB") in providing guidance and oversight on the adequacy of the Group's initiatives for:

- Internal audit activity;
- External audit;
- External financial and non-financial reporting;
- Risk management and internal controls (including 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 (Chairman)
- Gérard Becquer
- Chris Pell

All members attended the five meetings in 2023.

Throughout the year, the external auditor attended each meeting. The Chief Compliance Officer acts as secretary to the Committee and the CEO, CFO, Chief Internal Auditor and Chief Risk Officer attended all meetings. Additional management executives were asked to join meetings during the year as required. The ARC has implemented a charter which governs its work.

The Committee provides formal reporting 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 relation to its 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 requirements 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 published internal audit reports and monitors management's remediating actions to address internal audit findings.

The external auditor

The Committee oversees the relationship 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 on the external auditor's independence. 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 with the external auditor as required, but at least once a year, without management presence.

Financial reporting

The Supervisory Board has delegated the responsibility for the Group's financial reporting and, in particular, the Annual Report to the Committee. The Committee meets regularly with management, 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 finalized;
- 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.

Corporate sustainability reporting

The Supervisory Board has delegated sustainability and Environmental, Social, and Governance (ESG)-related Group reporting to the Committee. In particular, oversight of the program of work to achieve the Corporate Sustainability Reporting Directive (CSRD) disclosure reporting in 2026 for the 2025 year-end falls into the scope of the Committee, which works to:

- Review the approach and methodology applied to implement the new European Sustainability Reporting standards and IFRS sustainability standards S1 and S2;
- Oversee the Double Materiality Assessment (DMA) output and subsequent reviews or reassessments to reflect additional guidance published by the European Financial Reporting Advisory Group;
- Understand market practice assumptions and strategies used; and
- Oversee delivery of the narrative, semi-narrative, and metric-based reporting requirements.

Due to the developing nature of CSRD disclosure reporting requirement over 2023, the Committee ensured focus on established deliverables, including development of an approach for DMA aligned to the risk management framework and assessment of the DMA under this framework.

Risk management

The Committee has overseen the completion of the redesign 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. The risk management framework and system of controls are designed to enable commercial outcomes by selectively taking exposure to risks the Group seeks in line with its risk strategy and appetite, meeting expected client outcomes and compliance with rules and regulations. In particular, the Committee reviews the cartography of risks with a focus on the top risks related to the execution of the Group's strategic objectives.

The continued rise in modern (disruptive) technologies, including big data, artificial intelligence, and cyber security as well as the shifting regulatory and geopolitical landscape present key risks and opportunities for the Group. The Committee has explored these in deep dive risk reviews. In this context the Committee also oversaw the review of anti-fraud framework to ensure controls are designed and operate effectively to mitigate risk from new risk driver such impersonation and deep fake technology.

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

- Reviewing, approving and advising on the Risk Management Framework and its effectiveness;
- Reviewing the Group Risk Appetite and advising the Supervisory Board on the Group's risk appetite, risk tolerances and risk strategy;
- Overseeing fraud risk management; 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 p52.

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 in respect of legal and compliance risks, backlogs and action plans, including a report outlining any current or prospective litigation.

Matters considered in 2023

The priorities of the Committee during 2023 were as follows:

- Reviewing the 2023 Annual Report
- Monitoring the work of the external auditor
- Reviewing the internal audit work plan and reports prepared by the internal audit team
- Redesigning the risk management framework to enable commercial outcomes by selectively taking exposure to risk where it is well compensated and in line with strategy
- Reviewing the top risks the company is facing and exploring the most significant risks through deep dive reviews
- Reviewing the compliance of regulated and non-regulated entities with applicable laws and regulations
- Overseeing activity of the Group's Treasury Board on a quarterly basis; and
- Overseeing the Group's ESG journey and the programme to deliver non-financial reporting required under 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.

Pascal Rakovsky
Chair of the Audit and Risk Committee

Management's report on the Annual Report and Accounts

The Board of Managers presents its report on the Annual Report and Accounts for the year ending December 31, 2023.

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 around 5,000 employees applies their expertise and leverages 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, the Philippines, Singapore, Spain, the UK, and the US. The headquarters are in Luxembourg.

The enclosed consolidated financial statements cover the financial year ending December 31, 2023, together with the comparative period to December 31, 2022.

A detailed description of the Group's financial performance and position is included in the CFO's report on pages 24-27.

II. Strategy

A. Future development

We have achieved a strong position in the alternative assets market, where we continue to exhibit robust growth despite the economic challenges of 2023. Our clients rely on us to administer their expanding portfolios across various geographies and products.

We have consistently grown faster than the market and most of our competitors for six years consecutively. Our revenues have increased significantly, driven by our organic growth, expansion into new markets and services, as well as our strategic M&A. In 2023, our growth was 18%.

This growth was mainly achieved through:

- Strategic focus on the most attractive market segments (private assets), the most sought-after services (Fund Administration and services to the private debt/ capital markets industry), and the most promising geographies (Luxembourg, US, and Asia Pacific)
- Consistently the highest level of quality and customer service globally
- Investing ahead of the curve: 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.

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-offices. We have launched new products and services that set us apart in the market, such as our Data & Analytics suite of solutions, ESG solutions, and Regulatory & Compliance services. We are also accelerating cross-selling initiatives to expand our client service and capabilities across key markets.

Our proprietary technology as well as our adoption of industry-leading third-party platforms are key to our success and give us a competitive edge. We continuously invest ahead of the curve to boost our technology resources, adoption, utilization, and impact.

The technology program has four priority streams:

A. Tech platforms, allocating investments, resources, and disciplined governance to each of our six 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 infrastructure to ensure seamless interoperability for our clients and staff, leading to improved utilization, quality, transparency, and efficiency. We use digital workflows and data platforms tailored to our core activities, complemented with robotic process automation (RPA) and automation tools including Generative AI

C. D&A, providing innovative technology solutions to support our clients' investment and risk management decisions

D. Software-as-a-service, turning our market-leading proprietary tech platforms into solutions available to alternative asset investors globally.

In the past three years we have also completed and integrated six acquisitions, adding both human and technology 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 28-35.

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 (GRC), which is a sub-committee of the Group Executive Board (GEB). The Group has a risk taxonomy in place to support the categorization 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. 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 SOFR 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 from its treasury activities, including deposits with banks, 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 through 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 emerge due to compromising the 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 identify, assess, evaluate, treat, and monitor information security and cybersecurity risks. Following these internationally recognized 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 risks are the potential threats and vulnerabilities that are inherent due to the implementation, use, and reliance on information technology (IT). The Group mitigates these risks through technology risk management policies and procedures. Group policies enforce standards to deliver highly available, secure, and vendor-supported 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, and 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 of 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 of year-end, Group companies owned directly or indirectly 9,554,033 shares of the Company.

C. Other matters

On April 16, 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, management considers 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 of December 31, 2023 or subsequently.

VI. Significant events since the year end

On 4 March 2024, Cinven, a leading London-based international private equity firm agreed to make a strategic investment in the Group at a total enterprise value of EUR 4.9 billion (USD 5.3 billion). The existing shareholders will continue to maintain significant investments, demonstrating their continued confidence in Alter Domus' long term growth prospects. The transaction is expected to close by the end of 2024 and is subject to regulatory approvals and other customary closing conditions. Although the outcome of this transaction cannot yet be determined with accuracy, it is likely that there will be a change to the financing structure of the Group (including, amongst other things, the settlement of loans from shareholders and bank loans) and that this will constitute an exit event for the purpose of share plans (see Note 26 to the financial statements).

In March 2024, a subsidiary of the Group agreed to purchase certain shares in the Company from a shareholder entity for an amount of EUR 10.5 million. No liability has been recognized at 31 December 2023 in respect of this transaction.

On 23 April 2024, subsidiaries of the Group entered into a commercial arrangement with a strategic partner in support of the Group's long-term plans. As part of this agreement, the Group agreed to pay EUR 3.1 million in 2024 and EUR 7.3 million in 2027 to secure the exclusive rights to provide services for the next five years on existing investment products and new issuances, and a team of professionals servicing this book of business. The Group expects to incur integration costs associated with this agreement from mid 2024 through to 2026.

Luxembourg, April 26, 2024

Alter Domus Global S.à r.l.

Represented by

René Beltjens
Chair of the Supervisory Board

Financial statements

Independent auditor's report & consolidated financial statements

Audit report

To the Shareholders of
Alter Domus Global S.à 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 (the “Group”) as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- 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 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, including material accounting policy information and other explanatory information.

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.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518

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 IFRS Accounting Standards, 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 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, 26 April 2024
Represented by

Gilles Vanderweyen

Consolidated statement of profit or loss

For the year ended December 31 **Continuing operations**	Notes	2023 €m	2022 €m
Revenue	6	**715.0**	**604.5**
Staff costs	7	(313.7)	(260.2)
Operating expenses	8	(13.3)	(10.9)
Direct costs		**(327.0)**	**(271.1)**
Gross profit (Contribution)		**388.0**	**333.4**
Staff costs	7	(93.5)	(87.0)
Operating expenses	8	(127.0)	(124.2)
Overheads		**(220.5)**	**(211.2)**
Other operating income		3.9	1.6
Earnings before interest, taxes, depreciation, and amortization (“EBITDA”)		**171.4**	**123.8**
Depreciation of property, plant, and equipment	12	(7.4)	(4.2)
Amortization of right of use assets	13	(20.2)	(17.5)
Amortization of intangible assets	14	(32.5)	(28.6)
Amortization of capitalized contract costs	16	(9.0)	(5.2)
Total depreciation and amortization		**(69.1)**	**(55.5)**
Other gains/(losses)		(0.1)	(0.5)
Result from operating activities		**102.2**	**67.8**
Finance income	9	12.1	66.1
Finance costs	9	(80.1)	(63.3)
Profit before income tax		**34.2**	**70.6**
Tax income/(expense)	10	(8.2)	(24.6)
Profit after income tax		**26.0**	**46.0**

Profit for the year after tax is attributable to:		**26.0**	**46.0**
Owners of the Company		25.7	45.8
Non-controlling interests		0.3	0.2

Analysis of underlying EBITDA (unaudited):			
EBITDA		171.4	123.8
Non-underlying items	11	47.6	43.5
Underlying EBITDA (unaudited)		**219.0**	**167.3**

The notes on pages 65 to 105 form part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December	Notes	2023 €m	2022 €m
Profit after income tax		**26.0**	**46.0**
Other comprehensive income			
Exchange differences on translation of foreign operations		(12.3)	17.4
Items that may be subsequently reclassified to profit or loss		(12.3)	17.4
Total comprehensive income for the year, net of tax		**13.7**	**63.4**

Total comprehensive income for the year, net of tax is attributable to:			
Owners of the Company		13.4	63.2
Non-controlling interests		0.3	0.2
		13.7	**63.4**

The notes on pages 65 to 105 form part of these financial statements.

Consolidated statement of financial position

As at 31 December **Assets**	**Notes**	**2023 €m**	**2022 €m**
Non-current assets			
Property, plant and equipment	12	19.2	21.7
Right-of-use assets	13	67.8	70.7
Intangible assets	14	729.0	678.9
Deferred tax assets	15	45.0	40.9
Capitalized contract costs	16	30.7	25.8
Derivative assets	17	-	12.5
Other financial assets	17	24.1	15.6
Total non-current assets		**915.8**	**866.1**
Current assets			
Trade receivables	18	79.9	107.7
Accrued revenue	19	119.4	92.1
Deferred charges		9.1	13.3
Income tax receivables		15.2	12.0
Other tax receivables		7.3	1.9
Derivative assets	17	13.2	18.5
Other financial assets	17	4.9	2.9
Cash and cash equivalents (excluding bank overdrafts)	20	116.8	108.3
Total current assets		**365.8**	**356.7**
Total assets		**1,281.6**	**1,222.8**
Liabilities			
Non-current liabilities			
Borrowings	21	758.7	739.5
Lease liabilities	21	59.5	65.3
Deferred tax liabilities	15	67.2	61.4
Other liabilities	21	0.2	2.5
Provisions		2.0	1.6
Deferred income	21	20.7	17.1
Employee benefit obligations	23	-	2.0
Total non-current liabilities		**908.3**	**889.4**
Current liabilities			
Borrowings	21	2.3	2.3
Provisions		0.2	2.0
Trade and other payables	21	53.4	47.1
Deferred income	21	48.7	34.1
Income tax liabilities		40.7	46.9
Other tax liabilities	22	9.6	3.3
Lease liabilities	21	17.0	12.6
Employee benefit obligations	23	59.1	48.9
Total current liabilities		**231.0**	**197.2**
Total liabilities		**1,139.3**	**1,086.6**
Equity			
Share capital	24	3.4	3.4
Share premium	24	396.1	396.1
Treasury shares	25	(14.8)	(14.4)
Reserves		1.6	8.8
Translation reserve		28.9	41.2
Retained earnings		(272.4)	(298.1)
Equity attributable to owners of the Company		**142.8**	**137.0**
Non-controlling interests		(0.5)	(0.8)
Total equity		**142.3**	**136.2**
Total Equity and Liabilities		**1,281.6**	**1,222.8**

The notes on pages 65 to 105 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 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:										
Dividends to non-controlling interests		-	-	-	-	-	-	-	(0.3)	(0.3)
Share-based payments	25, 26	-	-	2.2	4.8	-	-	7.0	-	7.0
Balance at 31 December 2022		**3.4**	**396.1**	**(14.4)**	**8.8**	**41.2**	**(298.1)**	**137.0**	**(0.8)**	**136.2**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**25.7**	**25.7**	**0.3**	**26.0**
Other comprehensive income/(loss)		-	-	-	-	(12.3)	-	(12.3)	-	(12.3)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(12.3)**	**25.7**	**13.4**	**0.3**	**13.7**
Transactions with owners in their capacity as owners:										
Share-based payments	25, 26	-	-	(0.4)	(7.2)	-	-	(7.6)	-	(7.6)
Balance at 31 December 2023		**3.4**	**396.1**	**(14.8)**	**1.6**	**28.9**	**(272.4)**	**142.8**	**(0.5)**	**142.3**

The notes on pages 65 to 105 form part of these financial statements.

Consolidated statement of cash flows

	Notes	2023 €m	2022 €m
Profit before income tax:		**34.2**	**70.6**
Adjustment for:			
Total depreciation and amortization	12,13,14,16	69.1	55.5
Provisions for bad debts and accrued revenue	18,19	(0.1)	(0.1)
Employee benefits expense – share based payments	7	9.0	10.6
Net loss on disposal of non-current assets		3.3	1.1
Interest expenses on leases	9	3.9	3.5
Changes in the Fair Value of the derivatives	9	(2.3)	(29.8)
Net finance costs	9	58.8	29.5
Currency gains and losses	9	7.1	(6.0)
Capitalization of contract costs	16	(11.9)	(11.7)
Change in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables		31.9	(28.6)
(Increase)/decrease in accrued revenue		(27.7)	(1.1)
Increase/(decrease) in trade and other payables		8.9	27.3
Increase/(decrease) in deferred income		13.2	(11.8)
Increase/(decrease) in provisions		(5.2)	(1.2)
Income taxes paid		(14.8)	(7.8)
Interest received		0.3	-
Net cash inflow from operating activities		**177.7**	**100.0**
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired		(74.3)	(2.1)
Investment in intangible assets	14	(30.1)	(8.3)
Investment in property, plant and equipment	12	(5.8)	(15.0)
Net increase of other financial assets	17	(8.3)	(3.6)
Net cash outflow for investing activities		**(118.5)**	**(29.0)**
Cash flows from financing activities			
(Acquisition)/sale of treasury shares		(0.4)	-
Settlement of share-based payment liabilities	26	(15.4)	(0.2)
Proceeds from derivatives	17	20.1	1.3
Proceeds from borrowings	21	62.5	-
Repayment of borrowings	21	(47.3)	(2.8)
Interest paid	21	(51.4)	(30.4)
Principal element of lease payments	21	(19.5)	(13.9)
Government grants received		1.0	-
Net cash outflow for financing activities		**(50.4)**	**(46.0)**
Net increase in cash and cash equivalents		**8.8**	**25.0**
Cash and cash equivalents at the beginning of the financial year	20	108.3	82.2
Effects of exchange rate changes on cash and cash equivalents		(0.3)	1.1
Cash and cash equivalents at end of year		**116.8**	**108.3**

The notes on pages 65 to 105 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 organized 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 2023 were adopted by the Supervisory Board on 26 April 2024. 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 57.63% owned by Paradocs Partners SCSp, which is in turn 100% ultimately owned by individuals, including the group of founding shareholders. A further 34.92% of the Company is held by Castlelux S.à r.l., which is in turn 95.92% ultimately owned by Permira VI L.P.1 ("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 association of the Company and the Investment Agreement in respect of the Company's acquisition executed on 3 May 2017 as amended and restated on 17 February 2021 that it is appropriate to consolidate the Group at the level of the Company.

Note 2 – Summary of material accounting policies

The material 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 Accounting Standards (IFRS Accounting Standards) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards as adopted by the EU. The consolidated financial statements comply with IFRS Accounting Standards 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
IFRS 17	Insurance contracts (Amendments to IFRS 17)	1 January 2023
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
IAS12	Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12)	1 January 2023

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 or on foreseeable future transactions:

Standard/Interpretation		Effective date
IFRS 16	Amendment to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024
IAS 1	Classification of liabilities as Current and Non-current; Non-current Liabilities with Covenants	1 January 2024

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 unrealized gains on transactions between Group companies are eliminated. Unrealized 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.

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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized in profit or loss as part of the fair value gain or loss.

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 exchange rate at the date of the transaction.

All resulting exchange differences are recognized 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 recognizes 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 recognized as an asset if the costs are expected to be recovered. These costs are amortized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized on a straight-line basis over the relevant term of the lease.

2.6 Capitalized contract costs

The Group recognizes 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.

Capitalized contract costs are amortized 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 recognizes an impairment loss in the consolidated statement of profit or loss to the extent that the carrying amount of an asset recognized 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 recognized 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 a current liability unless payment is not due within twelve months after the reporting period. It is recognized initially at its fair value and subsequently measured at amortized cost using the effective interest method.

2.8 Trade receivables and accrued revenue

Trade receivables and accrued revenue are recognized initially at fair value and subsequently measured at amortized 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 recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized 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 recognized 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 recognized 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 payable 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 recognized initially at their fair value and subsequently measured at amortized 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 recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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 recognized 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 and does not give rise to equal taxable and deductible temporary differences. 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 realized or the deferred income tax liability is settled.

Deferred tax liabilities and assets are not recognized 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 recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 realize the asset and settle the liability simultaneously.

Effective 1 January 2023, in line with the amendments of IAS 12, deferred tax assets and liabilities are recognized on temporary differences arising on initial recognition from a single transaction, other than a business combination.

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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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 lease. The Group recognizes 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 recognizes 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 term 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 payments 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, 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 recognized 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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 are 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 the consolidated statement of profit or loss. Please refer to Note 12.

2.14 Intangible assets

(i) Goodwill

Goodwill is initially recognized in business combinations, as described in Note 2.3, and classified as an intangible asset. Goodwill is not amortized 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 recognized if the carrying amount of a group of CGUs exceeds its recoverable amount. The recoverable amount of a group of CGUs is the higher of its fair value less costs to sell and its 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 recognized 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 recognized 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 2023.

(ii) Trademarks, licenses and customer contracts

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

(iii) Software

Costs associated with maintaining software programs are recognized 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 recognized 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 customization 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 capitalized.

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

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

(iv) Research and development

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

(v) Amortization methods and periods

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

	Rate of amortization	Amortization 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 amortization 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 recognized 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.

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 amortized 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.

The Group classifies its financial assets at amortized 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.

(ii) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognized on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized 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:

- Amortized 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 amortized cost using the effective interest rate (EIR) method. Any gain or loss arising on derecognition is recognized 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 17 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 recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated statement of profit or loss and recognized 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 amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized 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 amortized 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 recognized 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 recognizes 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 recognized in other comprehensive income.

The Group always recognizes 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 recognizes 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 recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized 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 capitalized and amortized over the estimated lives of borrowings. Borrowings are presented net of capitalized costs.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, canceled 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 recognized 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 recognized 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.

2.18 Provisions

Provisions are recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 canceled 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 authorized 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 recognized at fair value; any directly attributable transaction costs are recognized 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 recognized 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.

(ii) 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 recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share-based payments

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

(iv) 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 recognizes 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 recognizes 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 current and prior years have led to the recognition of material goodwill and other intangible assets. The accounting for acquisitions is subject to assumptions and estimates made at the acquisition date for acquired assets, liabilities and, in particular, newly recognized intangible assets. This valuation process was supported by external experts and incorporated assumptions relating to future profit growth rates, EBIT margins and other commercial considerations. Useful economic lives have also been estimated for these acquired assets.

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 categorized 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 amortization 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 Customer Relationships (the largest intangible asset category resulting from acquisitions outside of goodwill) would lead to an increase in amortization charges of EUR 2.5 million in 2024.

3.2 Share-based payments

The accounting for the Group’s share-based payment plans 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 at the date of grant (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 and other available information
- 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 over which such cash payments might occur

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

- An estimation of the number of shares that would be bought back in cash as a result of 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 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.

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 recognized 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 recognizes 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 recognized 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 utilized. 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 authorized 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 analyzed 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 2023. 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:

	31/12/2023 USD/EUR	31/12/2022 USD/EUR
Trade receivables and accrued revenue	77.6	66.7
Cash and cash equivalents	57.6	52.0
Trade payables	(5.8)	(5.4)
Long term borrowings	(224.6)	(216.9)
Net position	**(95.2)**	**(103.6)**

The table below shows the Group`s sensitivity to changes in USD 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	
	2023 €m	2022 €m	2023 €m	2022 €m
USD/EUR exchange rate – increase 10% (2022 - 10%)	9.5	10.4	36.5	26.2
USD/EUR exchange rate – decrease 10% (2022 – 10%)	(9.5)	(10.4)	(36.5)	(26.2)

(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 the Group's net interest-bearing liabilities was six months EURIBOR for EUR and three months SOFR for USD. The Group entered into a EUR Interest Rate Cap with a floor of 0% and cap of 0.5%, and a USD Interest Rate Cap with a floor of 0.75% and a cap of 1.125% on 30 June 2021, in order to mitigate the risk of unfavorable movements on the EUR and USD variable rate debt instruments. The two interest rate caps are due to expire on 30 June 2024 and 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 in the following table:

	Impact on post tax profit	
	2023 €m	**2022 €m**
Interest rate – increase by 500 bps (2022: 100 bps) – EUR loans	(0.8)	(1.1)
Interest rate - decrease by 500 bps (2022: 100 bps) – EUR loans	0.8	0.5
Interest rate – increase by 500 bps (2022: 100 bps) – USD loans	(0.6)	(0.4)
Interest rate – decrease by 500 bps (2022: 100 bps) – USD loans	0.6	-

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 2023, the Group held EUR 137.9 million of cash at banks (including restricted cash), of which EUR 1.4 million were held with banks having credit ratings ranging from BB to BBB. 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.

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:

	31/12/2023 €m	**31/12/2022 €m**
Trade receivables and accrued revenue	200.9	201.2
Other financial assets at amortized cost	7.9	18.5
Financial assets at fair value through profit loss	13.2	31.0
Cash, restricted cash and cash equivalents	137.9	121.0
Total	**359.9**	**371.7**

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 minimize 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 2023 and 31 December 2022 and the corresponding historical credit losses experienced within these periods.

On that basis, the loss allowance at 31 December 2023 and 31 December 2022 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 2023					
Expected loss rate	0.32%	3.33%	9.52%	15.00%	0.80%
Gross carrying amount – trade receivables	69.4	6.0	2.1	4.0	81.5
Gross carrying amount – accrued revenue	119.4	-	-	-	119.4
Loss allowance	**0.6**	**0.2**	**0.2**	**0.6**	**1.6**

	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**

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

	Accrued revenue		Trade receivables	
	2023 €m	**2022 €m**	**2023 €m**	**2022 €m**
Opening loss allowance at 1 January	**-**	**-**	**1.4**	**1.4**
Increase in loss allowance recognized in profit or loss during the year	-	-	0.2	-
Unused amount reversed	-	-	-	-
Closing loss allowance at 31 December	**-**	**-**	**1.6**	**1.4**

Credit impairment losses on the face of profit or loss also includes permanent loss during the year 2023 amounting to nil (2022: EUR nil).

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, among 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 amortized cost

All of the Group's debt investments at amortized cost are considered to have low credit risk and the loss allowance recognized 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 amortized cost include restricted cash and bank deposits. There is no loss allowance for other financial assets at amortized cost as at 31 December 2023 and 31 December 2022.

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 2023				
Non derivatives:				
Trade and other payables	51.4	-	-	-
Other liabilities	2.0	-	-	-
Lease liabilities	18.5	17.7	32.2	15.9
Borrowings (excluding finance leases)	49.6	49.2	729.0	448.0
Total non-derivatives	**121.5**	**66.9**	**761.2**	**463.9**

	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 and other 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) (*)	31.6	31.6	93.3	1,066.3
Total non-derivatives	**94.6**	**51.7**	**119.6**	**1,088.9**

(*)The disclosures for 2022 have been updated to better reflect estimated future interest payments on loans. This is purely a presentational change with no impact upon recognized values in any year.

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 maximizing the return to shareholders through the optimization 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 400.0 million and a USD 245.0 million loan (upon which the outstanding amount is now USD 239 million). On 28 April 2023, the Group entered into an additional facility in the amount of USD 20.0 million.

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. In 2023 and 2022, 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 2023, the net debt to adjusted EBITDA ratio for covenant purposes was 2.23x (2022: 2.98x).

Financial asset and liabilities at fair value through profit loss

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

As at 31 December 2023

	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Derivatives – EUR Interest Rate Cap	-	7.0	-	7.0
Derivatives – USD Interest Rate Cap	-	6.2	-	6.2
Total	**-**	**13.2**	**-**	**13.2**

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**

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 2023 and 31 December 2022. 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.

Entity name	Country of residence	Type	31/12/2023	31/12/2022
			Ownership interest (%)	
Alter Domus Global S.à r.l.	Luxembourg	Parent	100	100
Alter Domus Australia PTY Ltd	Australia	Subsidiary	100	100
Alter Domus Credit Administration (Australia) PTY Ltd	Australia	Subsidiary	100	-
Pragma Business Services S.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	UK	Subsidiary	100	100
Alter Domus Financial Services (UK) Ltd	UK	Subsidiary	100	100
Alter Domus Agency Services (UK) Ltd	UK	Subsidiary	100	100
Alter Domus Trustees (UK) Limited (previously Cortland Trustees Limited)	UK	Subsidiary	100	100
Alter Domus Data Solutions (UK) Limited (previously 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
Acorn Investments Limited	Ireland	Subsidiary	100	100

Entity name	Country of residence	Type	31/12/2023	31/12/2022
			Ownership interest (%)	
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 Japan K.K.	Japan	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 (Jersey) Limited (formerly Sumod Nominees Limited)	Jersey	Subsidiary	100	100
Alter Domus (Jersey) Listing 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.	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	48.70	44.43
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
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
Alter Domus Nederland B.V.	The Netherlands	Subsidiary	100	100
Business Office Services Netherlands B.V.	The Netherlands	Subsidiary	-	100
Corfas B.V.	The Netherlands	Subsidiary	100	100
Alter Domus Liquidation Services B.V.	The Netherlands	Subsidiary	100	100
Alter Domus Philippines Corp.	Philippines	Subsidiary	100	-

Entity name	Country of residence	Type	31/12/2023	31/12/2022
			Ownership interest (%)	
Alter Domus Singapore Pte Limited	Singapore	Subsidiary	100	100
Alter Domus Credit Administration (Singapore) Pte. Ltd.	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 Seven, Inc.	USA	Subsidiary	100	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 first consolidated Alter Domus India Private Limited, Alter Domus Credit Administration (Singapore) Pte. Ltd., Alter Domus Data & Analytics Holdco (US) Inc. and Alter Domus Data Solutions Inc. subsidiaries from 2023 (figures being not material in prior years).

The Group did not consolidate Alter Domus Philippines Corp. and Alter Domus Credit Administration (Australia) PTY Ltd in 2023, because their figures were not material. Leaving out this information does not change the true and fair view of the consolidated accounts.

Alter Domus Co-Sourcing S.à r.l. was liquidated, Business Office Services Netherlands B.V. was dissolved in October 2022, Virtue Resources Limited was liquidated in July 2023 and Alter Domus (Treasury) Malta USD Limited is in the process of dissolution.

5.2 Acquisition of Solvas Business

On 11 May 2023, the Group, specifically Alter Domus Data Solutions Inc (ADDS Inc), acquired 100% of Solvas business, a leading financial technology provider in the US, as a carveout from Deloitte & Touche LLP. The total consideration transferred was EUR 73.3 million entirely in cash, of which ca. 69% is allocated to goodwill with the remainder substantially allocated to other intangibles such as customer relationships and technology. The acquisition bolsters and accelerates the ongoing transformation and expansion of the Alter Domus business, providing access to a suite of loan and debt servicing platforms that will allow us to meet our clients' demand for better data and technology.

The fair value of assets and liabilities recognized on the acquisition date was:

	Fair Value €m
Customer Relationships	12.0
Technology	9.0
Net Accounts Receivable	3.7
Brand Name	2.0
Accrued Income	0.5
Deferred Income	(4.2)
Net identifiable assets acquired	**23.0**
Goodwill	50.3
Net assets acquired	**73.3**

Goodwill arising on the acquisition reflects the skills and experience of the workforce, along with the potential for future profitability. EUR 37.7 million of goodwill is expected to be deductible for tax purposes. The Goodwill has been allocated to the Data Analytics Product ("DAP") group of Cash Generating Units for the purposes of impairment testing, since it is expected that the majority of the future cash flows will be recognized within this line of business (see Note 27).

The useful life is expected to be 5 - 10 years for technology assets, 19 years for customer relationships and 10 years for the brand name.

There is no contingent consideration and no non-controlling interest in the Solvas acquisition. Directly attributable costs of the acquisition including due diligence and legal fees amounted to EUR 2.7 million.

There were no acquisitions in the year ended 31 December 2022.

Acquired Receivables

The fair value of acquired trade receivables is EUR 3.7 million. The gross contractual amount of trade receivables due is EUR 4.0 million with a loss allowance of EUR 0.3 million recognized on acquisition.

From the date of acquisition on 11 May 2023, Solvas contributed EUR 11.1 million revenue and EUR 4.4 million net profit to the Group. If Solvas had been acquired by the Group on 1 January 2023, the proforma consolidated revenue and net profit would have been EUR 720.9 million and EUR 26.4 million respectively.

Note 6 – Revenue

The below tables illustrate revenue by type:

	2023 €m	2022 €m
Revenue – Contracts with customers	710.5	599.7
Revenue – Other income	4.5	4.8
Total	**715.0**	**604.5**

Other income primarily 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.

The below table illustrates revenue by geography:

	2023 €m	2022 €m
EMEA and APAC	406.5	350.6
Americas	308.5	253.9
Total	**715.0**	**604.5**

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

	2023 €m	2022 €m
Revenue – Contract with customers	710.5	599.7
Impairment losses from contracts with customers – (Note 4.2)	-	-

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.

	2023 €m	2022 €m
Salaries and wages	(284.5)	(235.7)
Other personnel expenses	(58.8)	(52.5)
Bonus expenses	(41.9)	(37.8)
Defined contribution plan	(13.0)	(10.6)
Share-based payment expenses - Note 11	(9.0)	(10.6)
Total	**(407.2)**	**(347.2)**

The average number of people employed by the Group for the years ended 31 December 2023 and 31 December 2022 were as follows:

	2023	2022
Directors	217	205
Employees	4,521	3,773
Total	**4,738**	**3,978**

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 recognized in the current period in relation to these contributions was EUR 13.0 million (2022 EUR 10.6 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.

	2023 €m	2022 €m
External IT expenses	(52.1)	(49.8)
Non-underlying expenses - Note 11	(41.9)	(32.9)
Professional fees	(14.8)	(20.9)
Office related expenses	(7.5)	(5.6)
Non-recoverable VAT	(5.1)	(7.6)
Insurance expenses	(5.1)	(4.4)
Travel expenses	(5.1)	(3.6)
Marketing and sales expenses	(2.0)	(2.5)
Credit Impairment losses	(0.2)	(0.1)
Other expenses	(6.5)	(7.7)
Subtotal	**(140.3)**	**(135.1)**
Non-underlying expenses (Note 11)	41.9	32.9
Total underlying expenses	**(98.4)**	**(102.2)**

Other expenses comprise many sundry items such as external events, seminars, and training expenses.

Note 9 – Finance result

	2023 €m	2022 €m
Financial income on re-estimation of the future cash flows	5.7	13.3
Foreign exchange gains	3.8	22.7
Changes in fair value of derivative instruments	2.3	29.8
Interest income	0.3	0.1
Other financial income	-	0.2
Finance income	**12.1**	**66.1**
Interest on borrowings (see Note 21)	(64.5)	(42.8)
Foreign exchange losses	(10.9)	(16.1)
Interest and finance charges on leases	(3.9)	(3.5)
Other financial expense	(0.8)	(0.9)
Finance costs	**(80.1)**	**(63.3)**
Net finance cost	**(68.0)**	**2.8**

Finance income includes a gain of EUR 5.7 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 (2022: EUR 13.3 million).

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

	2023 €m	2022 €m
Current tax		
Current tax on profits for the year	(12.1)	(24.2)
Adjustments for current tax of prior periods (including changes in accounting estimates)	7.2	1.3
Other taxes	(0.5)	(0.6)
Total current tax income/(expense)	**(5.4)**	**(23.5)**
Deferred income tax		
Net movement in deferred tax assets/ liabilities	(2.8)	(1.1)
Total deferred tax income/(expense)	**(2.8)**	**(1.1)**
Total income tax income/(expense)	**(8.2)**	**(24.6)**

(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:

	2023 €m	2022 €m
Profit before income tax	**34.2**	**70.6**
Luxembourg tax rate	24.94%	24.94%
Tax at the Luxembourg tax rate	**(8.5)**	**(17.6)**
Tax losses not available to reduce future tax liabilities	(7.9)	(0.4)
Share-based payments	(2.4)	(2.5)
Non-deductible expenses	(1.5)	(3.4)
Difference between Luxembourg and overseas tax rates	(0.5)	0.7
Adjustments for deferred tax of prior periods	1.2	(7.3)
Newly-recognized deferred tax assets in respect of available tax losses	-	1.4
Tax refundable relating to intra-group dividends	5.3	4.2
Adjustments for current tax of prior periods (including changes in accounting estimates)	7.2	1.3
Other items	(1.1)	(1.0)
Income tax income/(expense)	**(8.2)**	**(24.6)**
Effective tax rate	23.98%	34.84%

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

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 categorized 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.

	2023 (unaudited) €m	2022 (unaudited) €m
EBITDA	**171.4**	**123.8**
Share based payments	9.0	10.6
Acquisition and integration cost of Solvas acquisition	10.1	-
Accelerate technology program – Pillar 3 "Data Assets"	8.0	5.4
Accelerate technology program – Pillars 1 "Platforms" and 2 "Workflows"	6.3	8.4
Value creation projects	5.6	-
Strategic transaction	4.5	-
20th Anniversary Event	4.2	-
SAP implementation	2.3	15.6
Other costs	0.9	(0.7)
Derecognition of earnout liabilities	(3.3)	-
Acquisition and integration costs	-	2.7
Lithuania office setup costs	-	1.5
Total non-underlying items	**47.6**	**43.5**
Underlying EBITDA	**219.0**	**167.3**

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. Costs attaching to these plans included those relating to Manco (€4.6m), the options plan (€4.0m) and the Strata MIP (€0.4).

Acquisition and integration costs of the Solvas acquisition

During 2023, the Group incurred professional and legal fees associated with the Solvas acquisition (€2.7m), along with integration costs linked to bringing the Solvas employees, business, customers and technology into the Alter Domus Group (€7.4m). Consistently with previous M&A activity, incremental and directly attributable costs of acquisition are presented as exceptional costs.

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 "Data Assets") 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 capabilities, whilst the majority of costs attaching to Pillar 3 relate to specified, dedicated staff establishing this pioneering new line of business.

Value creation projects

Certain discrete projects are classified as exceptional where these are substantial and outside of normal operating activities. These include the costs of launching into new markets and strategic cost/transformation initiatives.

Strategic transaction

The Group incurred costs in relation to a strategic transaction, including in particular professional fees in support of due diligence activity. Owing to the material, non-recurring and non-operational nature of the spend, these are presented as an exceptional item. Further material costs are likely to occur in 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.

The above note represents unaudited information that is not required by IFRS Accounting Standards 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 fittings €m	Computers €m	Total €m
Acquisition costs – 31 December 2022	**10.6**	**11.8**	**18.7**	**41.1**
Additions during the year	3.4	1.2	1.2	5.8
Disposals during the year	-	(0.2)	(0.3)	(0.5)
Transfer during the year to Intangible assets	-	0.5	(1.2)	(0.7)
Currency translation movements	(0.1)	-	(0.1)	(0.2)
Acquisition costs – 31 December 2023	**13.9**	**13.3**	**18.3**	**45.5**
Accumulated depreciation – 31 December 2022	**(5.0)**	**(5.8)**	**(8.6)**	**(19.4)**
Depreciation during the year	(1.4)	(1.2)	(4.8)	(7.4)
Disposals during the year	-	-	0.3	0.3
Currency translation movements	0.1	-	0.1	0.2
Accumulated depreciation – 31 December 2023	**(6.3)**	**(7.0)**	**(13.0)**	**(26.3)**
Net book value – 31 December 2022	**5.6**	**6.0**	**10.1**	**21.7**
Net book value – 31 December 2023	**7.6**	**6.3**	**5.3**	**19.2**

Management has chosen to update the presentation of this table (in comparison to the presentation in prior years) to show computer equipment separately from other fixtures and fittings, as this is felt to improve transparency. The prior year's presentation has also been updated. There is no change to the total values presented in any year.

Transfers reflect changes in classification of assets between categories and also between computers and intangible assets (Note 14) during the year.

The Group did not have any material amount of fully depreciated property, plant and equipment still in use as of 31 December 2023 or 31 December 2022.

	Leasehold improvements €m	Other fixtures and fittings €m	Computers €m	Total €m
Acquisition costs – 31 December 2021	**7.0**	**9.7**	**11.9**	**28.6**
Additions during the year	3.7	4.2	7.1	15.0
Disposals during the year	(0.3)	(2.2)	-	(2.5)
Currency translation movements	0.2	0.1	(0.3)	-
Acquisition costs – 31 December 2022	**10.6**	**11.8**	**18.7**	**41.1**
Accumulated depreciation – 31 December 2021	**(4.0)**	**(4.8)**	**(8.2)**	**(17.0)**
Depreciation during the year	(1.0)	(1.2)	(2.0)	(4.2)
Disposals during the year	-	2.0	-	2.0
Currency translation movements	-	(1.8)	1.6	(0.2)
Accumulated depreciation – 31 December 2022	**(5.0)**	**(5.8)**	**(8.6)**	**(19.4)**
Net book value – 31 December 2021	**3.0**	**4.9**	**3.7**	**11.6**
Net book value – 31 December 2022	**5.6**	**6.0**	**10.1**	**21.7**

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 recognized 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 2022	**108.0**	**10.8**	**5.9**	**124.7**
Additions during the year	10.0	2.2	6.8	19.0
Disposals during the year	(2.1)	-	-	(2.1)
Currency translation movements	(0.7)	(0.6)	(0.1)	(1.4)
Acquisition costs – 31 December 2023	**115.2**	**12.4**	**12.6**	**140.2**
Accumulated amortization – 31 December 2022	**(43.6)**	**(7.5)**	**(2.9)**	**(54.0)**
Amortization during the year	(13.4)	(2.5)	(4.3)	(20.2)
Disposals during the year	1.4	-	-	1.4
Currency translation movements	0.1	0.5	(0.2)	0.4
Accumulated amortization – 31 December 2023	**(55.5)**	**(9.5)**	**(7.4)**	**(72.4)**
Net book value – 31 December 2022	**64.4**	**3.3**	**3.0**	**70.7**
Net book value – 31 December 2023	**59.7**	**2.9**	**5.2**	**67.8**

Additions include new contracts the Group entered into during the year, including indexation of multiple building in multiple locations in Luxembourg, Malta, and the United States.

	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 amortization – 31 December 2021	**(33.9)**	**(5.6)**	**(1.2)**	**(40.7)**
Amortization 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 amortization – 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**

13.2 Amounts recognized in the consolidated statement of profit or loss

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

	2023 €m	2022 €m
Amortization charge on right-of-use assets:		
Buildings	(13.4)	(13.9)
Vehicles	(2.5)	(1.9)
IT equipment	(4.3)	(1.7)
Total amortization charge on right-of-use assets	**(20.2)**	**(17.5)**
Interest expense (included in finance costs)	(3.9)	(3.5)
Expense relating to short-term leases (included in operating expenses)	-	(0.6)
Total	**(24.1)**	**(21.6)**

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 23.4 million in the year ending 31 December 2023 (2022: EUR 17.4 million).

Note 14 – Intangible assets

	Goodwill €m	Customer relationships and brands €m	Software €m	Total €m
Acquisition costs – 31 December 2022	**432.0**	**257.9**	**102.0**	**791.9**
Acquired in business combinations (Note 5)	50.3	14.0	9.0	73.3
Additions during the year	-	-	30.4	30.4
Write-off during the year	-	-	(3.5)	(3.5)
Transfer during the year from tangible assets	-	-	0.7	0.7
Transfer during the year to capitalized contract costs	-	-	(1.4)	(1.4)
Currency translation movements	(11.3)	(5.7)	(1.4)	(18.4)
Acquisition costs – 31 December 2023	**471.0**	**266.2**	**135.8**	**873.0**
Accumulated amortization and impairment – 31 December 2022	**-**	**(50.0)**	**(63.0)**	**(113.0)**
Amortization during the year	-	(14.8)	(17.7)	(32.5)
Disposal during the year	-	-	0.3	0.3
Currency translation movements	-	(0.4)	1.6	1.2
Accumulated amortization and impairment – 31 December 2023	**-**	**(65.2)**	**(78.8)**	**(144.0)**
Net book value – 31 December 2022	**432.0**	**207.9**	**39.0**	**678.9**
Net book value – 31 December 2023	**471.0**	**201.0**	**57.0**	**729.0**

Management has chosen to update the presentation of intangible assets by showing three categories of assets as compared to the four shown in previous years, in order to better portray the differing nature of assets held by the Group. This is purely a presentational update, with no change to net assets and the change is reflected also in the prior year movement schedules.

Transfers during the year relate to EUR 0.7 million of assets reclassified from property, plant and equipment as shown in Note 12 and EUR 1.4 million transferred to capitalized contract costs in Note 16.

Additions during the year reflected primarily the creation and enhancement of software.

	Goodwill €m	Customer relationships and brands €m	Software €m	Total €m
Acquisition costs – 31 December 2021	**412.7**	**244.0**	**85.1**	**741.8**
Additions during the year	-	-	8.3	8.3
Currency translation movements	19.3	13.9	8.6	41.8
Acquisition costs – 31 December 2022	**432.0**	**257.9**	**102.0**	**791.9**
Accumulated amortization and impairment – 31 December 2021	**-**	**(29.2)**	**(49.0)**	**(78.2)**
Amortization during the year	-	(17.6)	(11.0)	(28.6)
Currency translation movements	-	(3.2)	(3.0)	(6.2)
Accumulated amortization and impairment – 31 December 2022	**-**	**(50.0)**	**(63.0)**	**(113.0)**
Net book value – 31 December 2021	**412.7**	**214.8**	**36.1**	**663.6**
Net book value – 31 December 2022	**432.0**	**207.9**	**39.0**	**678.9**

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	Tax losses €m	Compensation €m	Tax credits €m	Total €m
At 1 January 2022	**1.2**	**0.2**	**0.4**	**2.7**	**9.1**	**9.7**	**-**	**0.4**	**23.7**
(Charged)/credited to profit or loss	4.5	0.5	(0.4)	5.8	1.1	0.2	4.5	0.4	16.6
Currency translation movements	-	-	-	0.2	-	0.3	0.1	-	0.6
At 31 December 2022	**5.7**	**0.7**	**-**	**8.7**	**10.2**	**10.2**	**4.6**	**0.8**	**40.9**
(Charged)/credited to profit or loss	2.4	0.3	0.1	6.1	(3.7)	(1.7)	1.3	-	4.8
Currency translation movements	(0.1)	-	-	(0.2)	-	(0.3)	-	(0.1)	(0.7)
At 31 December 2023	**8.0**	**1.0**	**0.1**	**14.6**	**6.5**	**8.2**	**5.9**	**0.7**	**45.0**

The Group decided to update the presentation of the table above from the layout used for prior years, reclassifying certain items that were being presented in the column "Tax credits" into other categories, in order to better present the nature of deferred tax assets. This is a purely presentational change with no impact upon gross or net recognized deferred tax positions.

Deferred tax assets are recognized only where management is confident that the Group will be able to benefit in future years from the use of these assets to reduce future tax liabilities, based upon forecasts of future profitability. No asset is recognized for tax losses where the Group is not confident of generating sufficient future taxable profits to utilize the losses. The carrying amount of deferred tax assets is reviewed at each reporting date. At 31 December 2023, the Group had tax losses of EUR 74.9 million (2022: EUR 43.1 million) upon which no deferred tax asset was recognized.

(ii) Deferred tax liabilities

	Leases €m	Revenue €m	Bad debts €m	Borrowings €m	Set up costs €m	Intangibles €m	Total €m
At 1 January 2022	**0.3**	**15.3**	**0.5**	**1.1**	**1.8**	**23.8**	**42.8**
Charged/(credited) to profit or loss	3.6	(7.3)	(0.2)	11.4	1.9	8.3	17.7
Currency translation movements	-	-	-	-	-	0.9	0.9
At 31 December 2022	**3.9**	**8.0**	**0.3**	**12.5**	**3.7**	**33.0**	**61.4**
Charged/(credited) to profit or loss	1.7	4.6	(0.3)	(4.2)	0.5	5.3	7.6
Currency translation movements	-	-	-	0.2	-	(2.0)	(1.8)
At 31 December 2023	**5.6**	**12.6**	**-**	**8.5**	**4.2**	**36.3**	**67.2**

The Group decided to update the presentation of the table above from the layout used for prior years, reclassifying a column previously titled "Other" into other categories, in order to better present the nature of deferred tax liability. This is a purely presentational change with no impact upon gross or net recognized deferred tax positions.

Note 16 – Capitalized contract costs

	2023 €m	2022 €m
Balance 1 January	**37.3**	**27.0**
Additions during the year	11.9	11.7
Transfer during the year from intangible assets	1.4	-
Disposals during the year	-	(0.6)
Translation difference	(0.1)	(0.8)
Balance 31 December	**50.5**	**37.3**
Amortization		
Balance 1 January	(11.5)	(7.8)
Amortization during the year	(9.0)	(5.2)
Translation difference	0.7	1.5
Balance 31 December	**(19.8)**	**(11.5)**
Net book value – Opening	**25.8**	**19.2**
Net book value - Closing	**30.7**	**25.8**

Revenues associated with the costs of obtaining contracts are deferred over the life of the contract and the corresponding liability at 31 December 2023 represented EUR 25.9 million (2022: EUR 17.1 million). There was no impairment loss in relation to the costs capitalized. Refer to Note 21 (iv) for further details on unearned revenue.

Note 17 – Other financial assets

	31/12/2023 €m		31/12/2022 €m	
	Current	**Non-current**	**Current**	**Non-current**
Other financial assets at amortized cost	4.9	24.1	2.9	15.6
Derivative asset	13.2	-	18.5	12.5
Total	**18.1**	**24.1**	**21.4**	**28.1**

Other financial assets at amortized cost

Current other financial assets at amortized cost include other receivables of the Group. Non-current other financial assets at amortized cost include bank deposits and guarantees required by landlords for rented buildings due within 5 years for EUR 3.0 million (2022: EUR 2.8 million) and restricted cash for EUR 21.1 million (2022: EUR 12.8 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.

Financial assets at fair value through profit and loss

In order to mitigate the risk of unfavorable interest rate movements on the EUR 400 million and USD 239 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 20.1 million cash in 2023 (2022: EUR 1.7 million). Refer to Note 4.1 for further details of these instruments and their expiry dates.

These two derivative assets were initially accounted at the value of the premium paid and subsequent value changes of EUR 2.3 million during the period to 31 December 2023 (2022: EUR 29.8 million) were recognized 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

	31/12/2023 €m	31/12/2022 €m
Trade receivables	81.5	109.1
Expected credit loss	(1.6)	(1.4)
Total trade receivables – net	**79.9**	**107.7**

Credit impairment losses have been disclosed in the consolidated statement of profit or loss within operating expenses (Note 8) and include EUR 0.2 million permanent loss during the year 2023 (2022: nil).

Note 19 – Accrued revenue

	31/12/2023 €m	31/12/2022 €m
Accrued revenue	**119.4**	**92.1**
Expected credit loss	-	-
Total accrued revenue – net	**119.4**	**92.1**

Note 20 – Cash and cash equivalents

Cash and cash equivalents of EUR 116.8 million (2022: EUR 108.3 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 amortized 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:

	31/12/2023 €m	31/12/2022 €m
Liabilities (at amortized cost unless otherwise stated):		
Trade and other payables[1] – (i)	53.4	47.1
Borrowings non-current – (ii) and (iii)	758.7	739.5
Borrowings current – (ii) and (iii)	2.3	2.3
Deferred income non-current – (iv)	20.7	17.1
Deferred income current – (iv)	48.7	34.1
Other liabilities non-current[1]	0.2	2.5
Lease liability non-current – (iii)	59.5	65.3
Lease liability current – (iii)	17.0	12.6
Total	**960.5**	**920.5**

[1] Values for 2022 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:

	31/12/2023 €m	31/12/2022 €m
Trade payables	46.5	37.6
Social security payables	4.9	2.5
Contingent consideration[1]	-	1.4
Other payables	2.0	5.6
Total	**53.4**	**47.1**

[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.

Financial liabilities at fair value through profit loss

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

As at 31 December 2023

	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Contingent Consideration – non current	-	-	-	-
Contingent Consideration – current	-	-	-	-
Total	**-**	**-**	**-**	**-**

Liabilities for contingent consideration were partially released to profit or loss during 2023 in the amount of EUR 2.7 million.

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**

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 for 2022 a discount rate of 28.5%.

(II) Borrowings

	31/12/2023 €m		31/12/2022 €m	
	Current	Non-current	Current	Non-current
Senior Facility Agreement (1)	2.3	605.1	2.3	597.7
Shareholder loan (2)	-	153.6	-	141.8
Total	**2.3**	**758.7**	**2.3**	**739.5**

(1) As at 31 December 2023, the Senior Facility Agreement in an aggregate amount of EUR 400 million (2022: EUR 400 million) and USD 239 million (2022: USD 241 million) was outstanding to various lenders. For the USD facility, USD 2.45m has a mandatory repayment of 1% of the original outstanding every year. Interest on these loans is payable on the last day of each interest period, which is quarterly for USD loan and semi-annually for EUR loan. The interest rate on these loans is the aggregate of margin and Euribor for EUR loan and SOFR for USD loan. The remaining balance of the loans is due and payable on the 7th anniversary, 16 February 2028. Both loans have an applicable margin, which changes in accordance with calculations as per a "first lien net leverage ratio grid" as agreed with lenders. The initial interest rate for the EUR Senior Facility was Euribor + 3.50%, whilst the USD Senior Facility bore an initial interest of SOFR + 3.75%. The applicable margin changed throughout the year as indicated per the below tables:

USD 239M

Year	From	To	Applicable Margin in %
2022	1 Jan	30 Jun	3.75
2022	30 Jun	31 Dec	3.50
2023	1 Jan	2 May	3.50
2023	2 May	31 May	3.25
2023	31 May	30 Nov	3.50
2023	30 Nov	31 Dec	3.25

EUR 400M

Year	From	To	Applicable Margin in %
2022	1 Jan	31 May	3.25
2022	31 May	31 Dec	3.00
2023	1 Jan	2 May	3.00
2023	2 May	31 May	2.75
2023	31 May	30 Nov	3.00
2023	30 Nov	31 Dec	2.75

The interest charge for the year on these loans amounted to EUR 49.5 million (2022: EUR 31.0 million). As at 31 December 2023, the accrued interest amounted to nil (2022: nil).

On 28 April 2023, the Group obtained an additional USD 20.0 million loan facility under the same agreement for the purpose of the Solvas acquisition. As at 31 December 2023, the additional loan facility amounted to USD 20.0 million (2022: nil). The interest rate for the loan was SOFR + 5.5% and is not subject to changes in the first lien net leverage ratio grid as agreed with lenders. The Group shall pay accrued interest on this loan on the last day of each interest period. Interest on this loan is payable quarterly. The loan is due and payable on 16 February 2028. The interest charge for the year amounted to EUR 1.6 million (2022: nil). As at 31 December 2023, the accrued interest amounted to nil (2022: nil).

In accordance with the Senior Facility Agreement, the Group must comply with ratios and financial covenants as detailed in Note 4.4 (i). Certain intragroup loans are provided as security for this agreement, as described in Note 29.

The Group also has access to a Revolving Credit Facility under the same agreement in an aggregate amount of EUR 100 million, with EUR 5.5 million carved out as a bilateral ancillary between the Group and one of its lenders. Interest is payable monthly in arrears. The interest rate changes as per the "first lien net leverage grid" and this facility expires on 16 August 2027. On 3 May 2023, EUR 45 million was drawn down to support the Solvas acquisition and repaid by 10 November 2023, leaving the facility unutilized at both 31 December 2022 and 31 December 2023. The cost, including non-utilization fees and interest, for the year 31 December 2023 amounted to EUR 1.6 million (2022: EUR 1.0 million). As at 31 December 2023, the accrued interest amounted to nil (2022: nil).

EUR 100M

Year	From	To	Applicable Margin in %
2022	1 Jan	31 Dec	2.75
2023	1 Jan	31 Oct	2.75
2023	1 Nov	31 Dec	2.50

(2) On 3 May 2017, certain 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 11.8 million (2022: EUR 10.8 million). As at 31 December 2023, the accrued interest amounted to EUR 11.8 million (2022: EUR 10.8 million) and is compounded into the principal, in the amount of EUR 61.6 million since inception (2022: 49.8 million). The shareholders' loan is subordinated to any bank loan. The maturity is May 2037.

As at 31 December 2023 and 2022, 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 31 December 2021 and at 1 January 2022	**730.0**	**75.5**	**805.5**
Additions during the year	-	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**
Additions during the year	62.5	19.0	81.5
Interest expense during the year	64.5	3.9	68.4
Payments during the year	(47.3)	(19.5)	(66.8)
Interest payments	(47.5)	(3.9)	(51.4)
Remeasurement of future cash flows	(5.7)	-	(5.7)
Disposals during the year	-	(0.7)	(0.7)
Foreign exchange adjustments	(7.3)	(0.2)	(7.5)
At 31 December 2023	**761.0**	**76.5**	**837.5**

(iv) Movements in deferred income

Included within deferred income are balances relating to the invoicing of costs of obtaining contracts, amounting to EUR 25.9 million (2022: EUR 17.1 million).

Note 22 – Other tax liabilities

	31/12/2023 €m	31/12/2022 €m
VAT payables	5.8	-
Wages tax payables	2.8	1.7
Other tax payables	1.0	1.6
Other tax liabilities total	**9.6**	**3.3**

Note 23 – Employee benefit obligations

	31/12/2023 €m	31/12/2022 €m
Bonus payables	43.3	36.2
Share-based payment liabilities (see Note 26) – non-current	-	2.0
Share-based payment liabilities (see Note 26) – current	11.1	8.6
Holiday pay provision and others	4.7	4.1
Total	**59.1**	**50.9**

Share-based payment liabilities represent the Group's obligations at each reporting date in relation to cash-settled share-based investment arrangements, including agreements to provide funding to shareholder entities that repurchase shares from employees. 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 2022	**339,605,533**	**0.01**	**3.4**	**396.1**	**399.5**
Movement for 2022	-	-	-	-	-
Balance at 31 December 2022	**339,605,533**	**0.01**	**3.4**	**396.1**	**399.5**
Movement for 2023	-	-	-	-	-
Closing balance at 31 December 2023	**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 2022	**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**
Movement for 2023	-	-	-	-	-
Balance at 31 December 2023	**7,641,870**	**72,870,019**	**224,000,000**	**35,093,644**	**339,605,533**

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 employee share plans (see Note 26 for further information).

Type of treasury shares	31/12/2023 €m	31/12/2022 €m
Opening balance at 1 January	**14.4**	**16.6**
Share based payments	0.4	(2.2)
Closing balance at 31 December	**14.8**	**14.4**

Type of treasury shares	31/12/2023 Number of shares	31/12/2022 Number of shares
A Ordinary	3,721,813	3,395,274
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	**9,554,033**	**9,227,494**

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 plans operated normally in 2023, with no impact during the year from the Cinven acquisition that was agreed and announced in March 2024 (see Note 32).

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

	2023 €m		2022 €m	
	Liability	Expense	Liability	Expense
Manco plan	5.4	4.6	10.6	6.9
Strata Management Incentive Plan ("MIP")	-	0.4	-	1.9
Share options plan	-	4.0	-	1.8
All Employee Share Plan ("AESP")	5.7	-	-	-
Total	**11.1**	**9.0**	**10.6**	**10.6**

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

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.

Shares held by Participants are expected to crystallize a value to the holder upon an exit event. Where Participants 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 Participants 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 independent 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 recognized in the consolidated statement of profit or loss for the period.

The Manco plan is operated through an entity called Paradocs Manco SCSp that is owned partly by the Participants (around 51%) and partly by one of the Group's subsidiaries (around 49%), 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 5.4 million (2022: EUR 10.6 million) and EUR 1.2 million reserves (2022: EUR 2.7 million).

All Employee Share Plan ("AESP")

The AESP share purchase plan (which we have previously named "Staffco") provides certain eligible employees with an opportunity to purchase shares in the Group, based upon the fair value of those shares. This plan covers employees globally, with the arrangements varying according to the jurisdiction of the employing entity and with participation managed partly through a vehicle named Paradocs Staffco SCSp and partly through a vehicle named Paradocs Partners SCSp via a fiduciary arrangement. Although there has been no change to the manner in which employees interact with this plan, it was agreed during 2023 that the Group would participate in the cash flows of the plan such that one of its subsidiaries would fund the repurchase of shares in any employee divestments in 2023 and prospectively. Accordingly, management has reassessed the most appropriate accounting for the plan and concluded that a liability should be recognized in respect of an obligation to purchase shares from leavers in the future, with this liability being estimated to represent expected future cash settlements. Since the Group is providing funding to shareholder entities (i.e. Paradocs Staffco and Paradocs Partners) to repurchase employee investments and not itself directly or immediately repurchasing shares from employees, the accounting impact of changes in this liability will be recognized within equity as a transaction with shareholders and not within profit or loss. At December 2023, the liability amounted to EUR 5.7 million. Participants in the AESP who remain invested at the date of an exit event (such as the expected Cinven transaction) are expected to realize the value of their holdings in 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. This arrangement is effected via the Paradocs Partners shareholding entity, although unlike the AESP plan above there is no agreement between members of the Group and Paradocs Partners to provide funding in respect of transactions in this plan and accordingly no liability recognized.

Strata Management Incentive Plan ("MIP")

Upon the acquisition of Strata during 2021, 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 over a vesting period. 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 plan in 2024, with a charge of ca. EUR 0.4 million during 2023 (2022: EUR 1.9 million). The reserve amounted to EUR 3.6 million by the end of the year (2022: EUR 3.2 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 the vesting conditions described hereafter are met. The eligible Participants 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 (1-2 years), volatility (35%), risk-free rate (1.04%) and dividend yield (nil). For 2022, the comparative assumptions were time to expiration of 2-4 years, volatility of 35%, risk-free rate of 0-1% and dividend yield of nil.

This option plan resulted in a charge of EUR 4.0 million during the year (2022: EUR 1.8 million) against the reserves, which amounted to EUR 7.0 million by the end of the year (2022: EUR 3 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:

	2023		2022	
	WAEP EUR	Number of shares	WAEP EUR	Number of shares
At 1 January	**10.49**	**3,276,673**	**8.76**	**2,986,896**
Granted during the year	36.99	84,000	26.63	588,834
Exercised during the year	8.36	(5,623)	4.89	(97,061)
Forfeited during the year	22.52	(15,137)	20.25	(201,996)
At 31 December	**11.11**	**3,339,913**	**10.49**	**3,276,673**

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 four divisional businesses. The carrying amounts of goodwill allocated to each CGU or group of CGUs are as follows:

	APAC €m	EMEA €m	AMERICAS €m	DAP €m	Total €m
Opening balance at 1 January 2022	**3.6**	**75.2**	**333.9**	**-**	**412.7**
Translation differences	0.3	0.3	18.7	-	19.3
Balance at 31 December 2022	**3.9**	**75.5**	**352.6**	**-**	**432.0**
Business combinations (Note 5)	-	-	-	50.3	50.3
Translation differences	(0.1)	-	(10.7)	(0.5)	(11.3)
Balance at 31 December 2023	**3.8**	**75.5**	**341.9**	**49.8**	**471.0**

Methodology and assumptions applied in December 2023 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 were 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 DAP group of CGUs, being a different economic context, management has estimated a value in use on the basis of a discounted cash flow model. This model makes use of the medium term (five year) forecast for the business, which is extrapolated on a reasonable but conversative basis into the future and discounted back to a present value using a pre-tax rate of 9.65% that is indicative for this business. The key assumptions in this process are those reflected in the forecasting process and in particular:

i. Assumed long-term EBITDA margins of 35% and EBITDA growth, which are based upon recent observed trends and expectations of the results of technology investments and client adoption

ii. The forecasting period over which cash flows are to be analyzed, which reflects a management assessment of the degree of confidence that can be placed upon future years' predictions

iii. The long term growth rate of 2.5% applied to years after the initial forecast period, which reflects management's estimates of the underlying long term growth expectations in the territories in which the DAP business operates

iv. The discount rate applied to the business, which reflects management's estimates of the risks applicable to the business's cash flows and is informed by the analyses conducted at the time of the acquisition of Solvas in May 2021

For the years ended 31 December 2023 and 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 a material impairment in any of the CGUs or groups of CGUs assessed, except for goodwill in the DAP group of CGUs, which is sensitive to changes in the discount rate and EBITDA margins as noted below. An increase of 1% in the discount rate would result in an impairment of EUR 6.2 million, a 1% reduction in long term EBITDA margins would result in no impairment and a 2.5% decrease in long term EBITDA margins would result in an impairment of EUR 5.0 million.

The recoverable amount of the DAP group of CGUs is estimated to exceed the carrying amount at 31 December 2023 by EUR 6.4 million. The recoverable amount of this group of CGUs would equal its carrying amount if assumptions were to change as follows:

	From	To
Discount rate	9.65%	10.12%
EBITDA margin	35%	33%

Management has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of this group of CGUs to exceed its recoverable amount.

Note 28 – Related party transactions

(i) Shareholder entities

	Type	Place of incorporation	Ownership interest 31/12/2023	Ownership interest 31/12/2022
Paradocs Partners SCSp	Shareholder	Luxembourg	57.63%	58.75%
Castlelux S.à r.l.	Shareholder	Luxembourg	34.92%	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.

During the year, entities of the Group agreed to sell certain treasury shares held by a subsidiary to Castlelux S.à r.l. for a value of EUR 2.0 million. The transfer of shares is expected in 2024 and cash received is presented within liabilities.

(ii) Key management compensation

	2023 €m	2022 €m
Short-term employee benefits	6.4	5.6
Post-employment benefits	0.5	0.6
Shared based payments	3.1	2.3
Total	**10.0**	**8.5**

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

	2023 €m	2022 €m
Service charges	0.1	-
Service income	-	-
Interest charges (see section iv below)	(11.8)	(10.8)

These have been concluded at arm's length.

During the year, one of the Group's subsidiaries purchased treasury shares in the Company from shareholder entities for EUR 4.3 million in support of the Group's share plans (see Note 26).

(iv) Loans to/from related parties

	2023 €m	2022 €m
Net loan position from related parties:		
Beginning of the year	141.8	131.0
Interest charged	11.8	10.8
End of year	**153.6**	**141.8**

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 1-10 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.

Repurchase of shares

As described in Note 26, subsidiaries of the Group have agreed to repurchase shares from shareholder entities when employees leave the Group. The Group has recognized EUR 5.7 million of liabilities as at 31 December 2023 in respect of this agreement.

Securities

In connection with the Senior Facility Agreement in Note 21, the Group pledged some of its intragroup loans in the amount of EUR 122.5 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, management considers 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 2023 or subsequently.

Note 31 – Auditors' remuneration

The audit fees received by the Réviseur d'Entreprises (including the Group's audit firm and any of its network firms) for the years ended 31 December 2023 and 31 December 2022 were as follows:

	2023 €m	2022 €m
Audit fees	2.5	2.6
Tax fees	-	-
Other fees	-	-
Total	**2.5**	**2.6**

Note 32 – Subsequent events

On 4 March 2024, Cinven, a leading London-based international private equity firm agreed to make a strategic investment in the Group at a total enterprise value of EUR 4.9 billion (USD 5.3 billion). The existing shareholders will continue maintain significant investments, demonstrating their continued confidence in Alter Domus' long term growth prospects. The transaction is expected to close by the end of 2024 and is subject to regulatory approvals and other customary closing conditions. Although the outcome of this transaction cannot yet be determined with accuracy, it is likely that there will be a change to the financing structure of the Group (including, amongst other things, the settlement of loans from shareholders and bank loans) and that this will constitute an exit event for the purpose of share plans (see Note 26).

In March 2024, a subsidiary of the Group agreed to purchase certain shares in the Company from a shareholder entity for an amount of EUR 10.5 million. No liability has been recognized at 31 December 2023 in respect of this transaction.

On 23 April, subsidiaries of the Group entered into a commercial arrangement with a strategic partner in support of the Group's long-term plans. As part of this agreement, the Group agreed to pay EUR 3.1 million in 2024 and EUR 7.3 million in 2027 to secure the exclusive rights to provide services for the next five years on existing investment products and new issuances, and a team of professionals servicing this book of business. The Group expects to incur integration costs associated with this agreement from mid 2024 through to 2026.

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