



Global reach  
Local knowledge

# ANNUAL REPORT 2022

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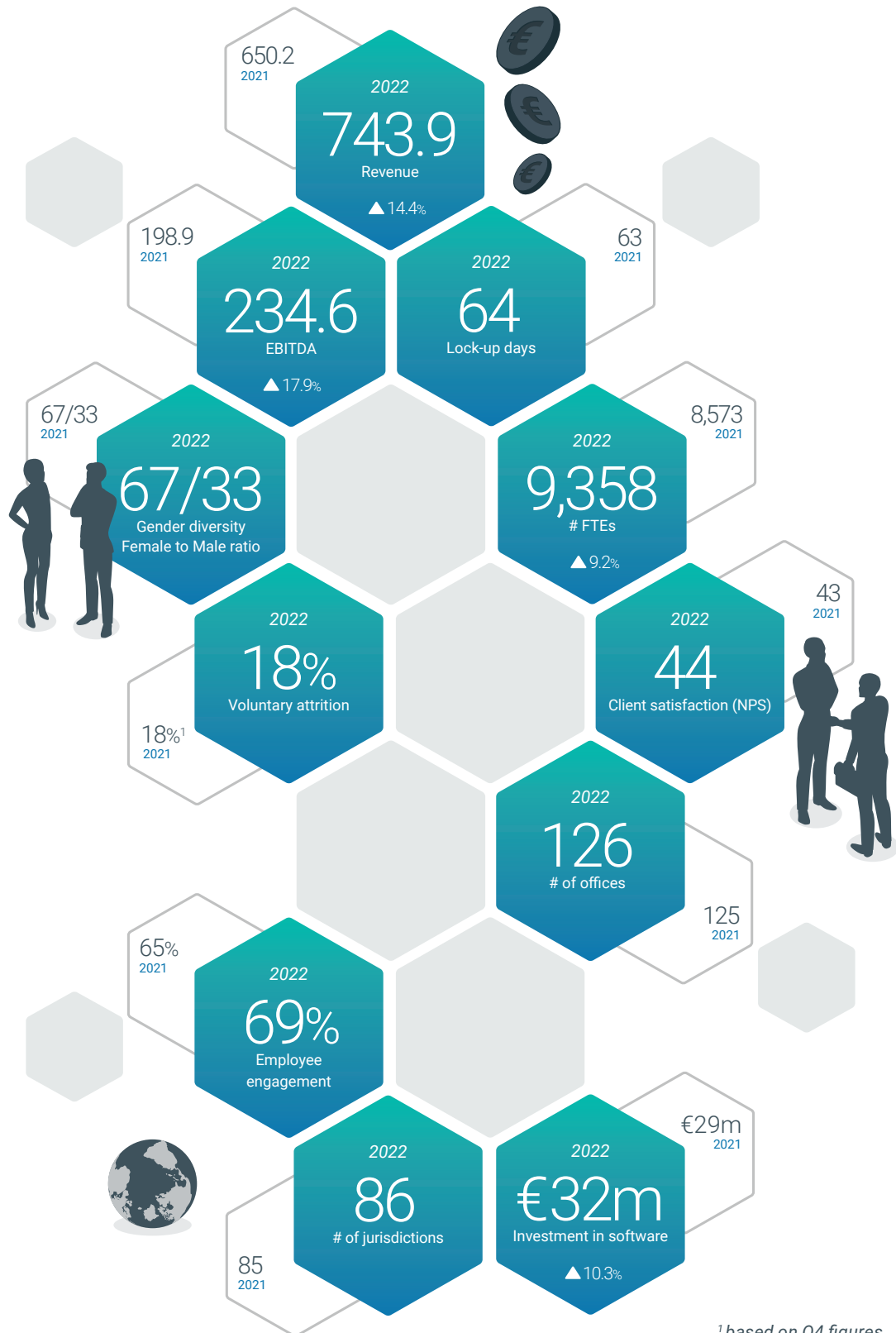
WE MAKE A  
COMPLEX  
WORLD  
SIMPLE

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## TMF AT A GLANCE



<sup>1</sup> based on Q4 figures

## LETTER FROM THE CEO

TMF exists to help our clients invest and operate safely around the world. We handle their critical administration—from legal entity formation and compliance to accounting, tax and payroll. We have people on the ground in 86 jurisdictions, providing a single solution to managing clients' portfolio of locations and entities.

2022 was marked by the on-going impact of Covid-19 in many countries in particular in Asia along with the shockwaves of the war in Ukraine. The combined economic impact of these on lower GDP growth and higher inflation is affecting people and businesses around the world. We have done our best to provide reliable service to our clients while helping our colleagues manage the impact on their lives. In particular at time of writing, I'm relieved to say that all our colleagues in Ukraine are accounted for and that we continue to be able to provide them with job security as one of the few dependable things in their lives.

Despite that rather bleak context, 2022 was a further year of strong progress for us. Our financial results – 14% revenue growth and 18% EBITDA growth over 2021 – take us to €744m in revenue and €235 m in EBITDA. That represents a further step up in the growth we have seen in the last several years and reflects two key elements of our strategy coming good. First, we have set ourselves the goal of flawless service so that we look after and grow with our existing clients. Our revenue retention is at a record level and the majority of our revenue growth is coming from existing clients. Secondly, we want to be the global solution for our clients to manage their long tail of complex locations. The majority of our growth now comes from global mandates and we are on average providing around two of our three service lines to them. That high level of repeat business and growth with our existing clients gives us an incredibly strong foundation on which to build.

The most important part of that foundation is, of course, our people. If TMF Group works for our people, then it will work for our clients; and if it works for our clients, it will work for our investors. In 2022, TMF Group employed almost 10,000 people. Earlier in the year as countries came out of lock-down, and with the great resignation beginning,



**MARK  
WEIL**  
CEO

“ We placed a bet four years ago that we could make TMF Group a single, trusted partner for our clients across their many locations and entities. To do that, we rebuilt the firm as OneTMF. In 2022 we won our largest client mandate so far – all 3 service lines in 86 countries. A part of that is about the hardware of our technology and processes. But above all it's about the software of how our people now think and act as a single global team. ”



we saw some increase in staff turnover. We finish the year with attrition at 18% and within our target range. Colleague engagement is at a record high, we are delivering a record amount of training through the TMF Academy and we are embarking on a new programme to give colleagues exciting, faster-moving career tracks within TMF Group.

We also used 2022 to build a better firm. We simplified our management structure to have as few layers as possible between me and our clients and as few internal boundaries as possible to allow us to deliver the whole firm to them. We invested a record level of capital expenditure in support of a further step up in our digital capabilities, with investments in areas like fund administration, legal entity management and ESG reporting. We launched TMF Labs as a hot-house for our data insights to help clients spot opportunities and risks ahead. We also completed 4 acquisitions covering Brazil, Hong Kong, UAE and Bulgaria. In parallel we delivered €145m of new business in annual contract value, an increase of 11% over prior year. Together those investments will stand us in good stead as we look ahead to 2023.

Finally, in June 2022, Zafiro Holdings S.à r.l., an entity owned by CVC Fund VII and the majority shareholder of the TMF Group, entered into an agreement to transfer the TMF Group to an entity owned by CVC Strategic Opportunities Fund II and a wholly owned subsidiary of the Abu Dhabi Investment Authority. All regulatory approvals have been obtained and the transaction is expected to complete in March of 2023. This new ownership structure will provide us with powerful sponsorship, stable ownership and secure financing for several years ahead.

As ever, I want to thank our clients for their continued trust in TMF Group as a partner to them and our colleagues for their hard work in achieving so much in 2022 despite the often difficult circumstances that the world threw at them.

**Mark Weil** | CEO

“ TMF Group has around 60 colleagues attached to our office in Kiev, serving multinational clients. We were aware of the growing risk of the invasion and had a BCP<sup>2</sup> in place that included contingencies for our staff and services. At time of writing, all our colleagues in Ukraine are safe and several have chosen to work remotely from mirror sites set up in neighbouring countries. That meant that we were able to continue to support our clients in Ukraine, allowing them to continue operating there, employing people and paying them their salaries. We are committed to the well-being of our colleagues affected by the conflict and continue to offer them employment, financial and other support during this difficult period. ”

<sup>2</sup> Business continuity plan





## OUR STRATEGY

TMF Group exists to help our clients invest and operate safely around the world. We provide compliance and administrative services in over 86 jurisdictions. Our broad footprint and set of services allow us to handle clients' critical administration across their portfolio of legal entities around the world in a safe and controlled environment.

Our services cover the critical administrative requirements to manage legal entities efficiently and compliantly. They are managed in four global service lines:

- Accounting and tax
- Payroll and HR
- Global entity management
- Others, including consultancy solutions

Our clients include many of the world's leading institutions including, for example, the majority of the Forbes500 and FTSE100. For reporting purposes, we group them as follows:

- Corporates (about 71% of 2022 total revenue)
- Financial institutions including Funds and Capital Markets (about 23% of 2022 total revenue)
- Private clients including Family offices (about 6% of 2022 total revenue)

The share in total revenue remains unchanged compared to 2021.

## THE WAY TO INVEST & OPERATE SAFELY AROUND THE WORLD

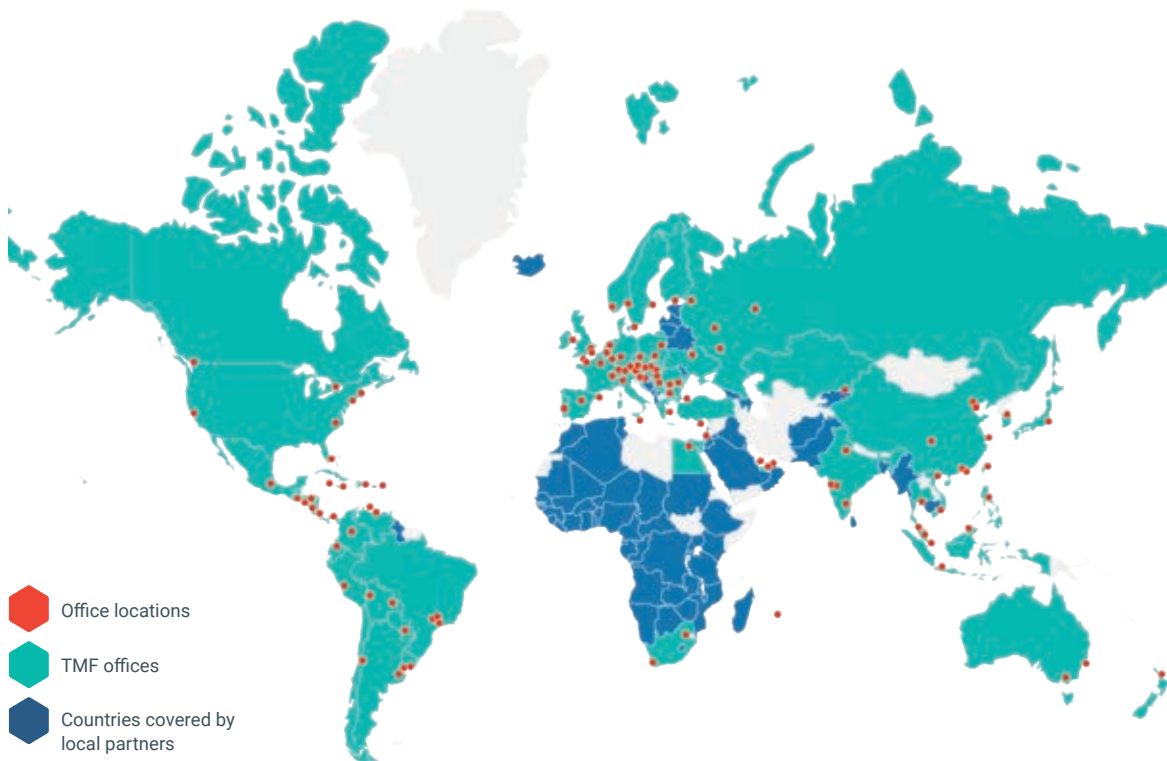
### Our proposition

Critical administration in critical locations



## Our platform

Almost 9,600 people on the ground in 86 countries



TMF Group organises its 86 countries into 18 markets which are in turn grouped into 3 regions – EMEA, Americas and APAC. We have experts on the ground in these locations serving clients locally and as part of global client teams.

TMF has been in business serving clients for over 30 years. We have grown steadily through those decades and several global crises as a result of our resilience which stems from the following factors:

**We operate in a large, growing, and fragmented market.** We address a €19bn market that is growing rapidly as firms seek help dealing with increasing regulatory complexity in employment law, regulatory filings or fiduciary rules. We are one of the leading firms with an unrivalled global platform. With just 3% share, we have a lot of room to grow.

**We work with primarily global mandates.** Over half of our revenue now comes from clients using our services in multiple countries. That proportion is growing rapidly in response to our commercial strategy. These relationships reflect our global footprint and operating model and are inherently stickier than those in a single country.

**We provide business critical and recurring services.** Many of the services TMF Group provides – such as regulatory filing, or accounting and tax services – are mandatory for our clients, meaning our work is seldom vulnerable to economic downturns or shifts in clients' strategies. These services are recurring, meaning we start each year with about 90% of our revenue secure and creating a stable cashflow.

**We have a diversified and blue-chip client base.** TMF Group works mainly with multinational firms who themselves tend to be more resilient. Our largest client is just 2.1% of our revenue and we have low exposure to any single sector or country.

**We are investing in technology.** TMF Group has accelerated its investments in technology to enhance customer offerings, improve client satisfaction, efficiency, and reduce risk.

**We enjoy strong cash conversion.** TMF Group benefits from strong cash flow conversion. We are a service-focused business with relatively modest need for investment in property, plant or equipment and IT software.

**We apply robust controls.** Our Board is supported by centralised Group functions operating to the three lines of defence model. TMF Group has a centralised KYC function as part of our Operations team in the markets we operate, of which each employee is responsible for adhering to Group-wide AML/CFT and sanctions policies. We have also invested in areas of critical risk such as cyber security including recent measures to enhance data security with more people working from home and on laptops.

**We help our clients invest and operate safely around the world.** We provide the administrative services they need to run legal entities compliantly and efficiently, including accounting and tax filings, employee administration and payroll, incorporation and fiduciary oversight and regulatory services.

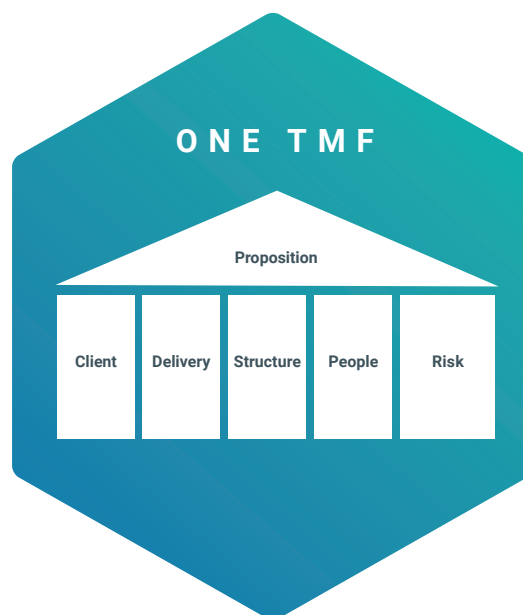
Within the broad space of administrative services, our strategy is to become the best solution for firms with multinational entities to look after. Our unique footprint in 86 of the world's most attractive investment hubs and economies, as well as our blend of services mean that we can manage operating and investment vehicles in all locations.

Particular elements of our strategy are reflective of that overall goal:

## WE CREATED ONE TMF

### Global foundations

- Global Client focus
- Engaged colleagues
- Effective structure
- Strong controls



### Global proposition

- Digital spine
- Global service model
- Go-to GEM solutions
- White space capture



## OUR VISION AND PURPOSE

### OUR PURPOSE

We make a complex world simple. We exist to help our clients invest and operate around the world, speedily, securely and efficiently. We are proud of the role our people play in driving investment and economic growth, making for a more connected and prosperous world.

We recognise that the world's most attractive markets are often also the most complex to do business in. Our people provide the administrative services to set up and run compliantly, from incorporation and fiduciary oversight to regulatory filings, accounting, tax and payroll, whether for corporates, private clients such as family offices, funds or capital markets.

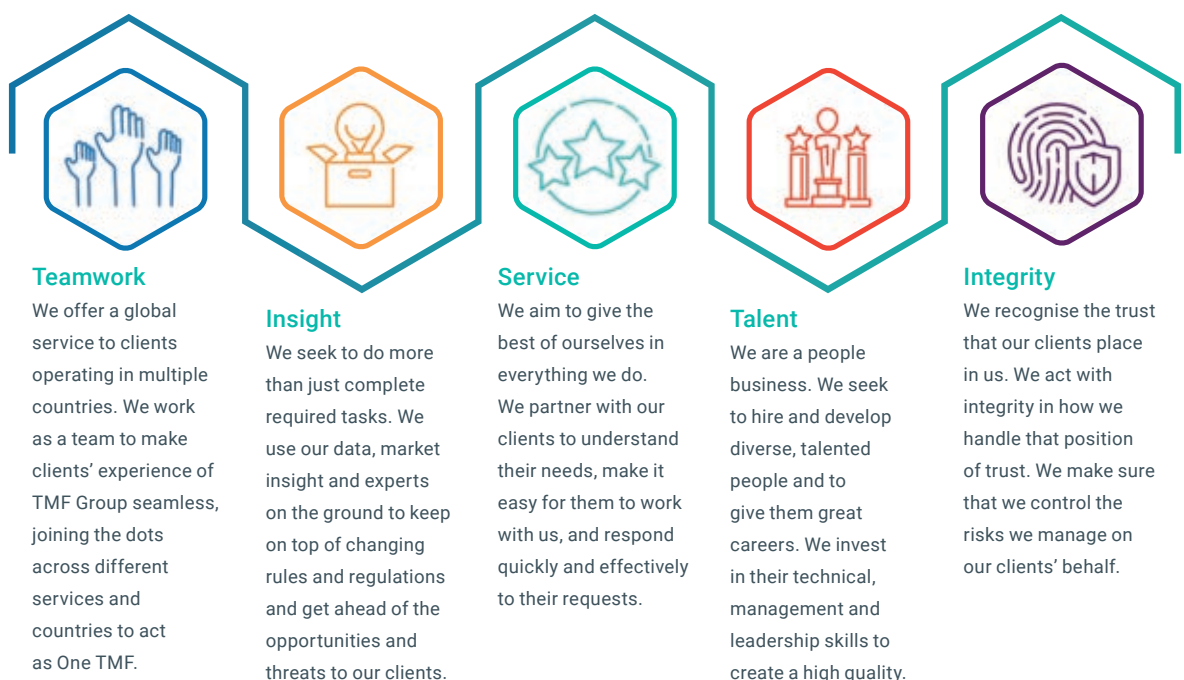
### OUR VISION

From its origins in the Netherlands, TMF has been built over more than 30 years into the leading global player in its field, offering a complete range of administrative support with almost 9,600 people in 86 countries.

We want to be the way to access the world's most exciting markets, making them easy and safe for our clients to invest and operate in. We will be enabled by technology, but powered by our people, with their local knowledge and insight at the heart of our proposition.

### OUR VALUES

Our values reflect the way that we run TMF Group, what we expect from our people and how we serve our clients.



# OUR CLIENTS

## GROW WITH OUR CLIENTS

We have put client care at the top of our agenda, introduced senior client sponsorship roles and measures of local service quality. As a result, we have seen a doubling of client responses to our surveys and a 2% increase in our Net Promotor Score (NPS) versus 2021, ending up in NPS of 44 which is 37.5% higher compared to the industry benchmark. The result has seen improved client attrition rate and overall new inflow of sales for 2022 and 2023 onwards. A distinct feature of TMF Group is that we serve many of our clients in only a few of their locations reflecting a history of more local client marketing. We have identified around €1bn of revenue opportunity by serving 1,400 high potential clients in their other locations for the services that they already use us for. We have constructed a consolidation campaign around this as an important part of our growth plan.

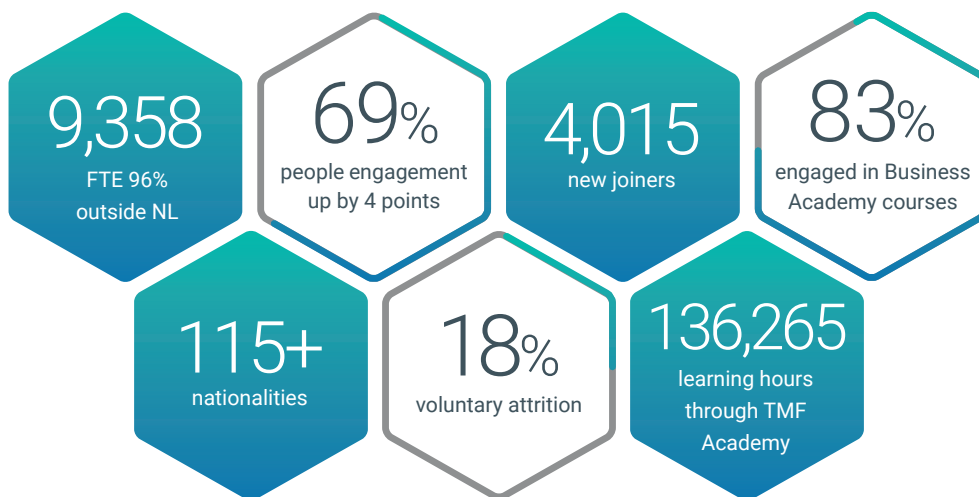
## WE HAVE AN AMAZING SET OF CLIENTS



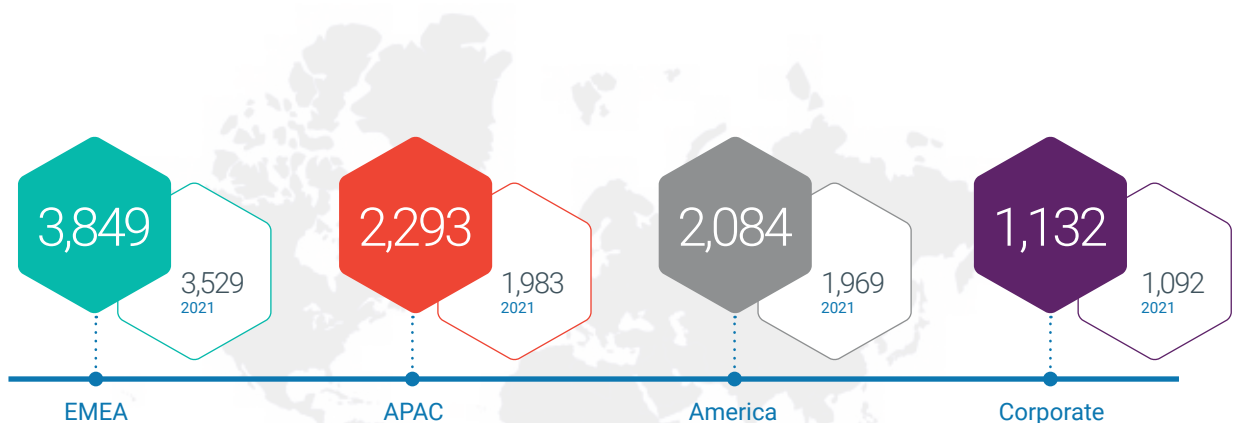
## OUR PEOPLE

### INVEST IN OUR PEOPLE

Our client service ultimately hinges on the quality and motivation of our people. As such, we have invested in their engagement and development. That includes a relaunch of our purpose and values supported by our One TMF campaign. By 31st of December 2022, 83% of current employees have engaged in TMF Business Academy courses and a total of 136,265 hours of learning have been offered across all markets (mandatory e-learning courses not included). TMF Group has managed to keep colleague voluntary attrition steady at 18%, despite a globally challenging market. The colleague engagement went up to 69%. In addition, we have achieved 'Great Place to Work' certifications in Peru, Bolivia, Paraguay, Uruguay, Colombia, Mexico, Brazil, China and India.



### AVERAGE FTE BY REGION



## RISK MANAGEMENT

TMF Group's business is subject to risks and uncertainties both as a firm in our own right and as a partner to our clients in providing them with critical services within local rules and regulations. Our ability to provide clients with reliable services, safe from regulatory concerns, fraud, cyber-attack and other potential impacts is inherent to our reputation and proposition. We therefore see risk management as an integral part of client delivery and the most important thing for us to get right. It is a pillar in our One TMF framework and occupies a key part of our management agenda.

Our aim is not to eliminate risk, which would anyway be impossible, but to prevent and control risk by taking informed decisions. We manage risk following the standard three lines of defence model; Business, which consists out of the business owners who are owning the risk, Group functions, oversee and specialise in risk management and Internal Audit function, providing independent assurance. We also manage risk in an ERM (Enterprise Risk Management) framework to provide structure and focus. Regardless of these technical approaches to risk management, we believe that good risk management ultimately stems from leadership signalling that it matters. We therefore set a strong tone from the top at TMF Group, with regular discussion and challenge on risk in our staff communication, training, and management & board review sessions. As an example, we put a lot of work into our KYC process in 2022 with a dedicated taskforce, management oversight and rapid improvement in the associated KPI that were reported on monthly at market level.

The risks that have the greatest potential impact on TMF Group are referred to as the 'principal risks'. They have the potential to have a material adverse impact on our business, whether financial or reputational. The principal risks TMF Group currently recognizes and is acting on are listed below, along with our actions to mitigate them. They are categorized as strategic, operational and financial and listed in that order.

### ATTRACT AND RETAIN TALENT (STRATEGIC)

#### Risk Description

TMF Group is dependent on its ability to retain and attract the key people it needs to execute its strategy.

A higher turnover rate among employees could potentially increase recruitment and training costs and could materially adversely impact the quality of services TMF Group provides to its clients. At the most basic level, high staff turnover leads to poorer client service as well as weaker compliance with core procedures such as documentation and filing.

#### Planned controls and mitigations

TMF Group has made colleague engagement a KPI for its One TMF programme. That has included ensuring that we offer a competitive employee value proposition, but also that we invest in colleagues from their onboarding into TMF Group to their performance management and personal development with us. We are also creating regional delivery centres (RDCs) partly to provide scale, stable support for local teams that are often staffed by fewer people in highly mobile labour markets where all competitors suffer from elevated turnover.

## ACQUIRE OR INTEGRATE NEW BUSINESSES (STRATEGIC)

### Risk Description

Since TMF Group's formation in 1988, we have grown significantly through acquisitions. Going forward, acquisitions will continue to be a driver of growth as we find businesses that add to our client capability and fit our strategy and culture. Potential uncertainties in the availability of appropriate targets and their successful integration into the organisation could mean TMF Group is unable to acquire businesses to achieve the inorganic growth component of strategic objectives. More likely, poor experience with candidate firm selection or integration could undermine our investors' confidence in our ability to acquire successfully.

### Planned controls and mitigations

TMF Group has a merger and acquisition team that possesses significant experience to scan the market for potential acquisition candidates and manage the M&A process. TMF Group also has an integration team in place to integrate new acquisitions in the business. We select businesses with great care for their cultural fit with TMF Group and make sure that we are only acquiring in parts of TMF Group that are well positioned to support their integration.

In 2022, TMF Group integrated the 4 acquisitions closed in 2022. That included the acquisitions of TMF Brasil Serviços de Administração de Fundos Ltda, a independent fund administrator based in Sao Paolo, Brazil.

## CHANGING MARKET DYNAMICS AND REGULATION (STRATEGIC)

### Risk Description

Significant changes in TMF Group's competitive business environment and uncertainties in the regulatory environment, legislative or market changes and TMF Group's potential inability to successfully develop and market new products, could challenge delivery and may have a material adverse effect on TMF Group's business. More fundamentally, TMF Group provides a number of services that are regulated in particular jurisdictions and which require licences to operate. A regulatory sanction or loss of licence could have a significant financial and reputational impact.

### Planned controls and mitigations

TMF Group has dedicated specialised teams that monitor, track and analyse developments of the regulatory and competitive landscape closely to identify new threats and ensure pro-active development of opportunities. These changes matter both to our own compliance with relevant regulation, but also our ability to ensure clients stay compliant. We operate an AI tool that scans relevant global regulation changes as an enhancement to our client offering and as a help to our own management of this risk.

We manage risk through our three lines of defence. That starts with practices and markets ensuring that we are doing things in the right way and where necessary leading remedial work to correct things. We are continually investing in our risk management infrastructure including our global KYC function, ISO/ISAE quality certification and compliance monitoring.

## COMPLIANCE WITH LAWS AND REGULATIONS (OPERATIONAL)

### Risk Description

TMF Group operates in global market constantly influenced by changes in laws and regulations. These changes may have significant impact on TMF Group's business and products and bring uncertainties to existing and prospective clients. Non-compliance with changes to laws and regulations may result in reputation damage, criticism, fines, disputes and litigation.

### Planned controls and mitigations

TMF Group has a Group Risk and Compliance Function and a Global Legal Function with dedicated risk & compliance and legal specialists that monitor, track and analyse developments of the regulatory landscape closely to identify changes. New laws and regulations, or changes therein and their impact on TMF Group operations are pro-actively shared, included in policies and procedures and in (compulsory) training programs. Where and when required, TMF Group's processes, services, products and business are reviewed and adjusted for compliance with laws and regulations. In 2022, new head of Risk & Compliance was appointed to Executive Committee.

## SATISFY CLIENT REQUIREMENTS (OPERATIONAL)

### Risk Description

TMF Group's revenue and revenue growth are dependent on its ability to serve clients. Within that broad requirement, we rely on client renewal and expansion which in turn are driven by their satisfaction with our service. As such, we are exposed to any service deterioration that may impact our reputation with a particular client or more widely in our client community.

### Planned controls and mitigations

TMF Group has a diversified client base, with limited revenue concentration (our largest client is just 2.1% of group revenue). Nevertheless, we have made client care our first group value and treat our service of existing clients as the foundation for our growth. As such, we set a strong emphasis on client care in all our communication and in particular the need for prompt, corrective action at any point that a client issue arises. We measure client satisfaction periodically (NPS metrics) and have implemented an event-driven system for monitoring client satisfaction and service quality. We have also created a specialized set of Client Service Directors and Managers for our largest and most complex relationships to ensure good co-ordination and day-to-day delivery.

## TRADE PROTECTIONISM/GEOPOLITICAL FACTORS (OPERATIONAL)

### Risk Description

TMF Group is subject to political and legal dynamics in the countries in which it operates. Some of the countries in which TMF Group operates may lack reliable legal and regulatory systems. As a broad rule, TMF Group performance is not affected by macro-economic or geo-political factors given the critical, recurring nature of services we provide and fact that most of our clients are already established in the countries where they seek our help. Indeed, increasing complexity can increase demand for our services as it adds to the burden of operating compliantly in a given jurisdiction.



Regardless, increasing protectionism and geopolitical uncertainties in key markets for TMF Group may depress macro-economic performance (GDP growth), impacting clients' levels of business activity and investment in those locations. Part of our purpose is to help 'make a complex world simple' and we seek to play our modest part in encouraging simpler, more aligned rules for doing business.



#### Planned controls and mitigations

TMF Group monitors its competitive landscape, identifying new threats and opportunities, including changes to the macro-economic, regulatory or political environment which could potentially affect TMF Group's performance. We also encourage companies operating in such jurisdictions to have simple, effective rules for doing business. We publish our annual Global Business Complexity Index (GBCI) which ranks significant number of jurisdictions on their ease of doing business across employment, legal and fiscal rules, available in several languages. We use that as a platform to encourage governments to take action to improve their ranking.

The impact of geopolitical factors on TMF Group's operations in 2022 was limited.

## TECHNOLOGY INNOVATION RISK (OPERATIONAL)



#### Risk Description

The technology environment in which TMF Group's services are delivered is changing rapidly. That ranges from new platforms with enhanced functionality, new tools for digitising and automating previously manual processes and more radical innovation using blockchain technology. TMF Group is adopting much of this technology, but recognises the risk that we do not adopt it fast enough or that new technologies reduce the value in our historic business model of expert-driven presence on the ground, making us a simple transaction processor with commensurate impact on our margins.



#### Planned controls and mitigations

TMF Group is focussed on developing and investing in technology. Our Operations and Technology team focuses on use of the best technologies to serve our clients. In 2022, the total amount from investments which went live during the year regarding investment in software, licenses and equipment amounted to €32 million (2021: €29 million).

We continue to work closely with Market Delivery to improve both the tool and the ways it is used to drive more value to clients from our Digital Delivery Model. During 2022 we witnessed an automation of 688 processes (or sub-processes) totalling over 48 thousand of hours of reduction of manual work. Not one person in TMF has lost their job due to automation as our aim is to create capacity for colleagues to focus on quality and flawless service to clients. We will continue to evolve our use of technology and in particular data insights that add value to clients beyond the core service of managing their processes compliantly.

Our digital strategy and investments bring together transformative and disruptive technology capabilities to create new digital delivery models, enhance client experience and provide our clients with valuable insights as they run their business or investments around the world. A key part of this digital journey is our next generation digital client platform, TMF KRAIOS – which is transforming the way our Accounting, Tax, Company Secretarial, Entity Management and Fund Administration clients engage and interact with our teams and suite of services, wherever they are on their journey with us. Next to that, more than 3,000 entities and 100,000 client employee users are on Horizon, our comprehensive portal providing HR administration and Payroll services.

## INFORMATION SECURITY MANAGEMENT (OPERATIONAL)

### Risk Description

TMF Group may be the target of attempts to gain unauthorized access to its IT systems, data and funds. The nature and size of the significant inherent information security risks that the industry faces may result in loss of or unauthorized use of sensitive and confidential information. Cyber attacks in general have been increasing over the last years and which has further accelerated over the last twelve months of disruption and homeworking. At the same time, regulations such as GDPR are clear about the sanctions attached to data breach and misuse.

### Planned controls and mitigations

TMF Group has a continually improving IT security and data protection framework in place. All staff are required to complete annual awareness training programmes. At the end of 2022, 110 of our offices had successfully achieved ISO/IEC 2700:2013 accreditation, demonstrating its adherence to the highest international standards of data security and information management. We recognise that cyber security is an arms race against criminal actors and is therefore never done. As such, we do regular monitoring, risk enhancements and auditing in alignment with risk & compliance and legal experts, to check that we are staying ahead in that race. We also follow strict procedures around payments to minimise the chance of a successful fraud.

## RELIANCE OF THIRD PARTIES (OPERATIONAL)

### Risk Description

TMF Group works with and relies on third party sub-contractors (typically, where TMF Group enters into master service agreements to provide client service in jurisdictions where TMF Group does not have presence). Potential failure of a third party including joint ventures and suppliers, to deliver services to agreed specification could lead to TMF Group's inability to fulfil client requirements, resulting in penalties, loss of client contracts and reputational damage.

### Planned controls and mitigations

TMF Group performs due diligence on all potential partners prior to contracting to ensure robust financial and operational resilience and their alignment with TMF Group standards.

## DEPENDENCE ON COUNTRIES (FINANCIAL)

### Risk Description

While our revenue is reasonably distributed, TMF Group generates a relatively large share of its revenue in the Netherlands and Luxembourg. Any significant change in client demand for TMF Group's services in the Netherlands or Luxembourg could have a significant adverse effect on TMF Group's business and financial condition.

### Planned controls and mitigations

We manage Netherlands and Luxembourg with great care – both are part of Markets (our key geographic unit and more typically a collection of countries). Luxembourg and Netherlands are individually less than 10% of total consolidated revenue. We look hard at our regulatory compliance and customer care in both markets. Although a significant portion of the revenue is produced by the operations in the Netherlands and Luxembourg, this revenue is generated by clients from all over the world seeking to use TMF Group's services in the Netherlands and Luxembourg to operate their international corporate structures. In other words, a change in the competitive environment there would likely lead to investors shifting to other jurisdictions.

## EXCHANGE CONTROL RESTRICTIONS (FINANCIAL)

### Risk Description

Exchange control restrictions or other restrictions regarding the repatriation of funds from certain countries in which TMF Group operates including regulatory capital restrictions could hinder our ability to make foreign investments and procure foreign denominated financing.

### Planned controls and mitigations

TMF Group regularly repatriates cash to avoid high cash balances accumulating in local offices. TMF currently does not face any restrictions to repatriate cash from local offices, albeit that certain countries only permit a delayed repatriation via dividends. The Group is required to maintain a specified level of local liquidity in certain of the jurisdictions in which it is regulated, which amounted to €1.9 million across all jurisdictions as at 31 December 2022.

## FOREIGN CURRENCY EXCHANGE RISK (FINANCIAL)

### Risk Description

TMF Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and related currencies. In several markets client contracts are denominated in Euros or US Dollars although this is not the functional currency in these markets. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and investments in foreign operations.



### Planned controls and mitigations

Currency exposure arising from the net assets of TMF Group's foreign operations is managed primarily through limiting the net assets in foreign operations to the extent possible. Furthermore, TMF Group aims as much as possible to invoice revenue in local currency to align with the cost base. No further hedging of foreign exchange risk takes places. As at 31 December 2022, if Euro had strengthened by 5% against the US Dollar with all variables held constant, net result would have been €4.4 million (2021: €3.3 million) lower.

## INTEREST RATE RISK (FINANCIAL)



### Risk Description

Interest rate risk is the risk that unexpected interest rate changes negatively affect TMF Group's results, cash flows and equity.



### Planned controls and mitigations

It is TMF Group's policy to mitigate the effects of interest rate volatility on its results, cash flows and balance sheet within certain boundaries. TMF Group's interest rate risk mainly arises from long-term borrowings. At 31 December 2022, the interest on the external borrowings is hedged for 70% (2021: 70%). The remainder of the interest is variable and linked to Euribor.

At 31 December 2022, if market interest rates had been 100 basis points higher with all other variables held constant, then the net result would have been €2.1 million lower (2021: €3.5 million) and if market interest rates had been 100 basis points lower with all other variables held constant, then the net result would have been €0.9 million higher (2021: nil).

## ACCOUNTING ESTIMATE RISK (FINANCIAL)



### Risk Description

TMF Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The critical accounting estimates and assumptions that may affect reported amounts of assets, liabilities income and expenses within the next financial year are:

- Impairment of goodwill;
- Recognition of deferred tax assets;
- Recognition of and measurements of provisions and contingencies.



### Planned controls and mitigations

TMF Group has an experienced group finance team reporting to the Chief Financial Officer. This team is primarily responsible for proposing significant accounting estimates which are approved by the audit committee. Input from other departments within TMF Group is used where required. TMF Group has summarised accounting policies as part of Digital Accounting Manual and has an experienced Manager Technical Accounting.

Estimates and underlying assumptions are reviewed on an ongoing basis and represent best estimate by the management.

## COMPLIANCE (LEGAL & COMPLIANCE)

### Risk Description

Unethical and/or fraudulent activities perpetrated by our employees or third parties, a regulatory breach or a data breach, could expose TMF Group to significant financial loss, regulatory or legal sanctions (including potential loss of license to operate) and reputation damage.

### Planned controls and mitigations

TMF Group has a robust regulatory and data protection compliance framework, with an overarching Code of Conduct. TMF Group maintains a 'zero tolerance' regime for any employee who knowingly breaches any laws or regulations, with all such actions reported to the Board of Directors, and potentially resulting in disciplinary action up to and including dismissal.

All staff and third parties, including subcontractors and joint ventures where TMF Group has operational control, are required to operate in accordance with TMF Group's Code of Conduct, Binding Corporate Rules respectively TMF Group Supplier Code of Conduct. Global communication and mandatory training programs are in place to increase compliance awareness. Global data protection compliance is managed centrally by the Chief Privacy Officer and the Group Privacy Office, together with a network of data protection experts, compliance experts and legal counsels in markets TMF Group operates in. Adherence to Binding Corporate Rules is audited on regular intervals by an independent Internal Audit function.

TMF Group companies will comply with the higher of local regulatory/legislative requirements or TMF Group compliance policies.

## LEGAL CLAIMS (LEGAL & COMPLIANCE)

### Risk Description

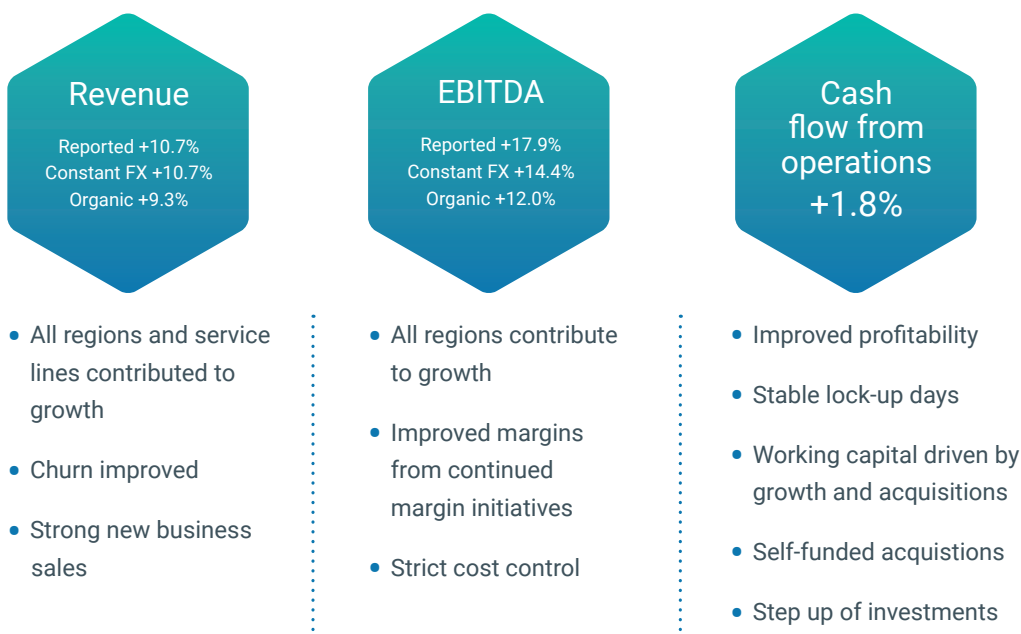
TMF Group may be adversely affected by current, potential and pending legal or administrative proceedings initiated, or to be initiated, against it and any resulting judgements, settlements and orders rendered by competent authorities; such proceedings may increase during periods of economic downturn.

### Planned controls and mitigations

TMF Group has a Global Legal function with experienced legal counsels, both centrally (at a group level) and at a market level, that work together and connect on the management of this risk. TMF Group has compliance and operating policies and client acceptance procedures, as well as strict contracting procedures in place to limit possible exposure when accepting clients. TMF Group has strict reporting and management policies and procedures in place. Claims & litigations are managed centrally by the Global Head Claims & Litigation within the Group Legal team, in conjunction with market legal counsels, external counsels and other relevant stakeholders. Every case is reviewed and evaluated and – if necessary – provided for. TMF Group maintains appropriate insurance.

## FINANCIAL REVIEW

### 2022 FINANCIAL PERFORMANCE <sup>3</sup>



In the financial review the focus is on the full year 2022 financial performance compared to the 12 months result and cash flow of TMF Group in 2021. In 2022 TMF Group continued to pursue its strategy of investing to drive organic growth. In addition to organic growth, TMF Group grew following four acquisitions made in 2022.

TMF Group's revenue increased by 10.7% from €672.3 million (2021) to 743.9 million 2022 revenue, adjusted for acquisitions and currency effect, shows 9.3% growth (2021: 5.8%). All regions contributed to organic growth during 2022.

Results from operating activities before depreciation, amortisation, impairment charges and non-underlying and separately disclosed items ("Adjusted EBITDA") increased by 14.4% from to €205.0 million (2021) to 234.6million in 2022 driven by organic growth, margin initiatives and strict cost control.

Adjusted EBITDA margin increased from 30.5% in 2021 to 31.5% in 2022. All regions contributed to the EBITDA (margin) improvement in 2022.

<sup>3</sup> Management basis comparatives at constant currency (2022 average rate), EBITDA excluding impact of non-underlying and separately disclosed items.



Cash generated from operations excluding cash flow from non-underlying and separately disclosed items ("Adjusted cash generated from operations") increased by €2.4 million from €131.7 million (2021) to €134.1 (2022) mainly due to improved EBITDA and offset by strategic investments in digitalisation.

The first lien net debt ratio, the ratio of net first lien debt to EBITDA for covenant calculation was 4.5 in 2022 (2021: 5.3).

## K P I S

In millions of Euro	2022	2021 <sup>4</sup>	Growth 21-22	% Growth 21-22
<b>Revenue</b>	<b>743.9</b>	<b>672.3</b>	<b>71.6</b>	<b>10.7%</b>
Gross profit	455.5	412.0	43.5	10.6%
Gross margin	61.2%	61.3%		
<b>Adjusted EBITDA</b>	<b>234.6</b>	<b>205.0</b>	<b>29.6</b>	<b>14.4%</b>
Adjusted EBITDA margin	31.5%	30.5%		
Average number of FTE	9,358	8,573	785	9.2%
Revenue per direct FTE (in '000 Euro)	106.1	103.9	2.2	2.1%
Employee benefit expenses per FTE (in '000 Euro)	45.6	44.3	1.3	2.9%
Ratio of direct to indirect FTEs	3.0:1	3.1:1		
<b>Adjusted cash flow from operating activities<sup>5</sup></b>	<b>134.1</b>	<b>131.7</b>		
Adjusted cash flow conversion	57.1%	64.2%		
<b>First lien net debt ratio<sup>6</sup></b>	<b>4.5x</b>	<b>5.3x</b>		

<sup>4</sup> Management basis comparatives at constant currency (2022 average rate), EBITDA excluding impact of non-underlying

<sup>5</sup> Adjusted EBITDA minus lease expenses, one-off cost and run rate impact of investment, restructuring and acquisitions.

<sup>6</sup> First lien net debt minus cash divided by adjusted EBITDA minus lease expenses and including full year impact of acquisitions.

## INCOME STATEMENT

In millions of Euro	2022	2021 <sup>4</sup>	Growth 21-22
<b>Revenue</b>	<b>743.9</b>	<b>672.3</b>	<b>71.6</b>
Employee benefit expense	(426.3)	(379.4)	(46.9)
Office expenses	(33.0)	(35.2)	2.2
Professional fees	(22.6)	(23.6)	1.0
Other expenses	(27.4)	(29.1)	1.7
<b>Adjusted EBITDA</b>	<b>234.6</b>	<b>205.0</b>	<b>29.6</b>
Non-underlying and separately disclosed items	(25.1)	(20.6)	(4.5)
Depreciation, amortisation and impairment charges	(110.5)	(98.4)	(12.1)
<b>Operating result</b>	<b>99.0</b>	<b>86.0</b>	<b>13.0</b>
Other gains/(loss)	(1.0)	(2.9)	1.9
Net finance costs	(60.6)	(70.7)	10.1
Income tax expense	(30.7)	9.1	(39.8)
<b>Result for the year</b>	<b>6.7</b>	<b>21.5</b>	<b>(14.8)</b>

Overall revenue growth of 10.7% (2021: 7.8%) includes the full year impact of 2022 acquisitions of TMF Brazil Serviços de Administração de Fundos Ltda – Brazil, Novacon Bulgaria EOOD – Bulgaria, Etive Consulting Limited - Abu Dhabi, Focus Secretarial Services Limited and Focus Corporate Consultancy Limited - Hong Kong. Adjusted for the acquisitions and currency effect, revenue growth in the year 2022 is 9.3% (2021: 5.8%).

Because of TMF Group's global operations, several countries operate in currencies other than Euro. Consequently, TMF Group is exposed to translation impacts as local currencies are translated into Euro. December 2021 revenue, restated using 2022 rates, results in an increase of the revenue of €22.1 million.

Employee benefit expense is driven by a 9.2% growth in FTEs, resulting from growth including acquisitions and by 2.9% increase in average employee expense. Other costs and expenses have declined as a result of strict cost control.

EBITDA improved by €29.6 million from €205.0 million in 2021 to €234.6 million in 2022. This EBITDA gain stems from revenue growth margin initiatives and strict cost control.

## REVENUE BY SERVICE LINE

Revenue amounted to €743.9 million in 2022, an increase of 10.7% compared to €672.3 million in 2021. The following table sets out TMF Group's revenue split by service line for the year 2022 compared to 2021.

In millions of Euro	2022	2021 <sup>4</sup>	Growth 21-22	% Growth 21-22
Global entity management	277.4	254.3	23.1	9.1%
Accounting and tax	276.7	257.6	19.1	7.4%
Payroll and HR	175.6	147.2	28.4	19.3%
Other	14.2	13.2	1.0	7.3%
<b>Revenue</b>	<b>743.9</b>	<b>672.3</b>	<b>71.6</b>	<b>10.7%</b>

All service lines contributed to growth in 2022.

## REVENUE BY GEOGRAPHIC SEGMENT

In millions of Euro	2022	% cons. Rev.	2021 <sup>4</sup>	% cons. Rev.	Growth 21-22	% Growth 21-22
EMEA	415.1	56%	382.6	57%	32.5	8.5%
APAC	175.1	24%	157.6	23%	17.5	11.1%
Americas	136.8	18%	115.3	17%	21.5	18.6%
Corporate	16.9	2%	16.8	2%	0.1	0.6%
<b>Revenue</b>	<b>743.9</b>	<b>100%</b>	<b>672.3</b>	<b>100%</b>	<b>71.6</b>	<b>10.7%</b>

### EMEA

EMEA include markets Netherlands, Belgium, Curacao (NBC), Luxembourg, Germany, Switzerland (LGS), UK & Ireland, Channel Islands, Nordics, South West Europe, South East Europe, Central Eastern Europe, Middle East and Africa and RDC EMEA. Revenue in EMEA increased by €32.5 million, or 8.5% to €415.1million in 2022 from €382.6 million in 2021. This growth is driven by double-digit growth in Nordics, South West Europe, South East Europe, Channel Islands and Middle East and Africa as well as single digit growth in other markets. The revenue includes the full year effect of the 2022 acquisition of the business of Novacon Bulgaria EOOD – Bulgaria (closed March 2022), Etive Consulting Limited - Abu Dhabi (closed July 2022) and asset deal Isobel Consulting - France (closed May 2022). Excluding the impact from acquisitions, the year-on-year growth amounts €29.9 million, or 7.8%.

## APAC

APAC include markets South East Asia, Hong Kong, Korea & Japan, China & Taiwan, Singapore, Malaysia and Australasia and RDC APAC. Revenue in APAC increased by €17.6 million, or 11.2% to €175.1 million in 2022 from €157.6 million in 2021. Growth is mostly driven by South East Asia, Korea & Japan and Singapore, Malaysia and Australasia (double digit). The revenue includes the 2022 acquisition of the business of Focus Secretarial Services Limited and Focus Corporate Consultancy Limited - Hong Kong (closed November 2022). Excluding the impact from acquisitions, the year-on-year growth amounts €17.5 million, or 11.1%.

## Americas

Americas includes markets North America, Brazil, South Spanish Latam, North Spanish Latam, Brazil and RDC Americas. Revenue in Americas increased by €21.5 million, or 18.6% to €136.8 million in 2022 from €115.3 million in 2021. All markets contributed double digit growth.

The revenue includes the full year effect of the 2022 acquisition of the business of TMF Brasil Serviços de Administração de Fundos Ltda – Brazil, (closed January 2022). Excluding the impact from acquisitions, the year-on-year growth amounts €15.0 million, or 13.0%.

## CASH FLOW

The primary KPI of management for cash generation is the percentage of Adjusted EBITDA converted into cash. Cash flow conversion is calculated as Adjusted EBITDA plus or minus working capital movement minus capital expenditure minus lease expenses (IFRS 16) divided by Adjusted EBITDA. In 2022 an Adjusted cash flow conversion rate of 57.1% was achieved, compared to 64.2% in 2021.

In millions of Euro	2022	2021
Adjusted EBITDA	234.6	205.0
FX	-	(6.1)
Working capital	(21.6)	0.1
IFRS-16 Office leases	(33.7)	(31.8)
Capex (including licenses)	(45.2)	(35.5)
<b>Adjusted cash flow from operating activities</b>	<b>134.1</b>	<b>131.7</b>
<b>Adjusted cash flow conversion</b>	<b>57.1%</b>	<b>64.2%</b>

Cash flows from operating activities improvement stem mostly from EBITDA gain, partly offset by a step up of capex and leases mostly related to accelerated investments in development of software, licenses and equipment and reduction in working capital.

## FINANCING AND TREASURY ACTIVITIES

TMF Group's treasury function is responsible for ensuring the availability of cost-effective financing, managing TMF Group's financial risk arising from currency, interest rate volatility and counterparty credit. Treasury is not a profit centre and is not permitted to speculate in derivative financial instruments. The treasury policies are set by the Board of Directors. Treasury is subject to controls appropriate to the risks it manages.

TMF Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. TMF Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on TMF Group's financial performance.

Financial risk management is carried out by the central treasury function under instruction and with approval of the Board of Directors. TMF Group's treasury function identifies, evaluates and hedges (where considered necessary) financial risks in close cooperation with TMF Group's operating units. The Board of Directors provides guidelines for overall financial risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Refer to the risk paragraph and for further details on financial risk management.

## FINANCING

TMF Group's primary sources of finance are secured bank borrowings provided by a syndicate of banks. The senior secured bank borrowings were drawn on 3 May 2018, after which on the same date the previous financing was repaid. In addition to the secured bank borrowings, TMF Group has a revolving credit facility totalling €150 million as at 31 December 2022 (2021: €150 million).

This facility from our primary bank consists of a €122 million (2021: €117 million) facility for cash needs of which €109 million (2021: €117 million) is undrawn and a €28 million (2021: €33 million) facility for bank guarantees of which €6.4 million (2021: €12 million) is not used at 31 December 2022. As at 31 December 2022, the total undrawn borrowing facilities amounted to €115.4 million (2021: €129 million).

## FOREIGN CURRENCY

TMF Group has many foreign subsidiaries that are exposed to various currencies. Treasury policy is to manage significant balance sheet translation risks in respect of net operating assets and profit denominated in foreign currencies. The methods adopted are the use of borrowings denominated in foreign currencies to the extent that cash and debt requirements allow.

On a statutory basis, exchange rate differences on the translation of foreign operations amounted to a loss of €4.6 million (2021: loss €7.5 million) as shown in the consolidated statement of comprehensive income.

## CASH MANAGEMENT

Local cash balances are centralised into a cash pool with HSBC as much as effectively possible. Countries that are not permitted to participate in the cash pool regularly upstream cash by settling intercompany balances, dividends or loans.

The cash pool consists of overdraft balances offset by credit balances ("Secured bank overdraft") and is managed on a net surplus basis. Interest compensation is applied to the individual accounts within the cash pool.

TMF Group's treasury function monitors cash balances daily. Appropriate action is taken to optimize interest costs while at the same time safeguarding sufficient liquidity. TMF Group continues to review opportunities to improve the efficiency of its cash management including improved Global credit control, standardized processes which will result in a decrease of lock-up days.

## OUTLOOK 2023

The outbreak of the Russian – Ukraine war was clearly concerning, and we have invoked our Business Continuity Plans. We have taken all necessary steps to protect our people and mitigate the risk to our business.

In terms of sanctions response, TMF Group took the early decision to exit Russian-owned clients. That has been acted on and most of such clients have now been terminated. The few that remain are either prohibited to exit following sanctions or have resolved their Russian ownership. The financial impact of that decision has been absorbed into our 2022 results. TMF Group does continue to operate in two offices in Russia for clients who are multinationals and rely on our support there. Many have chosen to withdraw, and we are enabling that to happen in an orderly fashion.



Our employees have been working remotely for most of 2022 and although the Covid-19 continued to have an adverse impact on the global economy and therefore on the markets in which TMF Group operates, our business proved to be resilient, and Covid-19 did not have a significant impact on TMF Group's 2022 results.

Future investments can be funded within the existing borrowing facilities. In case of potential larger-scaled acquisitions TMF Group will assess if additional borrowing facilities are required. We expect investment in research and development.

Whilst also 2023 will most likely be (partially) impacted by the Russian – Ukraine war and the effects of the Coronavirus, we expect TMF Group to continue to be resilient and to continue to grow both organically and through acquisitions. To support this growth, the number of FTEs is also expected to grow and TMF Group will continue to invest in digitising our delivery and further increase strategic research and development projects.

In June 2022, Zafiro Holdings S.à r.l., an entity owned by CVC Fund VII and the majority shareholder of the TMF Group, entered into an agreement to transfer the TMF Group to an entity owned by CVC Strategic Opportunities Fund II and a wholly owned subsidiary of the Abu Dhabi Investment Authority. All regulatory approvals have been obtained and the transaction is expected to complete in March of 2023. This new ownership structure will provide TMF Group with powerful sponsorship, stable ownership and secure financing for several years ahead.

TMF Group signed agreement with Sino CSL - Hong Kong to acquire 100% of the shares which will become effective in March 2022. The acquisitions are driving our strategic and operational performance. Due to the recent closing date, additional IFRS disclosures cannot be made until the initial accounting for the business combination, including contingent consideration, has been completed.

## CONCLUSION

In 2022, TMF Group delivered revenue growth of 10.7% (2021: 7.8%) and adjusted EBITDA improved by €29.6 million to €234.6 million (2021: €205.0 million). We have delivered again a solid set of results and 2022 has shown yet again that our strategy is paying off. Despite the challenging geopolitical and economic environment we are confident that in 2023 we will further accelerate our growth and profitability.

**Patrick de Graaf** | Chief Financial Officer

## ESG

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group's Environmental, Social and Governance ("ESG") activity is a critical focus for management, with efforts continuing to advance throughout 2022. This has been recognised through further improvements in the company's EcoVadis rating (a globally recognised assessment, with more than 85,000 companies taking part), and achievements and actions across three priority impact areas – Promoting Good Governance, Investing in Communities, and Protecting the Environment.

#### Promoting Good Governance

TMF Group is a key enabler of 'Good Governance' across various levels of investment structures through the delivery of critical administration services for corporate clients and financial institutions. The group also promotes transparency over international regulatory requirements and develops solutions supporting the adoption of ESG reporting standards – for example by publishing an annual 'Global Business Complexity Index', which in 2022 had a section dedicated to ESG.

The credibility of these services also depends on the business maintaining high governance standards internally. This is achieved through a robust internal framework for governance and controls, external endorsements including ISO and ISAE, and by taking a proactive stance on ethical issues impacting the industry. For example – In 2022 TMF Group was among the first in its industry to announce restrictions against Russian owned businesses following the invasion of Ukraine. The group has also been a signatory of the UN supported Principle In Responsible Investment (PRI) since November 2021, an organisation that helps its signatories embed ESG considerations in their investments

These efforts were recognised in 2022 by further improvements in customer satisfaction indicators, being ranked in the top 2% for 'Ethics' in their industry by EcoVadis, and by being named 'Best Fund Administrator - ESG' in Private Equity Wire's US awards.



In 2022 TMF Group improved their ESG rating with EcoVadis for the second consecutive year, retaining a Silver medal and ranking in the top 12% of companies in their industry group (top 2% for Ethics).

## Investing in Communities

The local knowledge held by its people is at the heart of the TMF proposition to clients, and by 2022 has led to the active employment of almost 10,000 people across 86 countries. TMF Group is committed to supporting these colleagues and maintains a comprehensive set of internal policies and procedures to ensure fair treatment of staff, and provide access to learning, development, and fair remuneration. The group is also committed to supporting colleagues in times of hardship; as shown by support provided to relocate employees and their families from Ukraine, as well as the commitment to protect availability of funds for employees in distress through the creation of the TMF Foundation. This support of colleagues has resulted in consistent improvements in employee engagement over each of the past few years, and recognised through 'Great Place to Work' certification in 7 countries.



TMF Group's Corporate Social Responsibility (CSR) initiatives also allow the group to also contribute to global communities in locations where the company operates. 2022 was the second year of the partnership with Ashoka – an internationally recognised NGO promoting changemaking through social enterprise. This year saw the completion of a pro bono compliance health checks for Ashoka, continuation of collaboration with Ashoka fellows by TMF Offices (led by the TMF CSR Ambassador community), and also the launch of a leadership discovery journey exploring Diversity, Equity, and Inclusion (DEI) practices across the business. The group also supports a range of fundraising activities promoted by staff – in 2022 this resulted in over €400k being raised to support International Red Cross initiatives in Ukraine through a combination of employee donations, employer donation matching, and additional contributions from shareholders.

## Protecting the Environment

TMF Group is committed to taking responsible action to help minimise the impact of climate change. The operations of the business are generally of a relatively low resource intensity, with the largest GHG impact believed to be resulting from a combination of business travel and office management (including lease decisions and energy consumption).

The focus for 2022 has been on establishing controls to ensure consumption remains at a lower level. This includes the introduction of new sustainable procurement and travel policies, the ongoing use of Ecosia as a platform to control travel bookings (which uses part of its profits to fund the planting of trees), as well as ongoing initiatives with Schneider Electric to formalise measurements, controls, and commitments around GHG emissions.

Local TMF teams also run their own initiatives to support the environment – Spanish speaking countries have partnered with Low Carbon City (an Ashoka Fellow) to deliver office carbon awareness training and TMF employees in India planted trees under the names of clients to celebrate Diwali, the festival of lights.

As a result of these efforts 'Sustainable Procurement' saw the largest improvement in Ecovadis recognition in the 2022 results, rating TMF Group within the top 14% of companies in their industry in this section.

### Corporate Social Responsibility

The Group believes that building long-term relationships with social entrepreneurs and local organisations is a great way to make a positive contribution to society and deliver long-lasting and meaningful benefits to the communities where it operates. The Group's network of CSR ambassadors, with leadership from its global CSR committee, provides the focal point for the Group's CSR activities around the world. These ambassadors assist the Group's local teams with supporting social enterprises. In its CSR activities, the Group aims to also offer its expertise to social entrepreneurs whose mission is to create positive social change with their businesses. At the heart of its CSR programme is its partnership with Ashoka, the international organisation that supports social entrepreneurs to drive social change, making a difference to communities across the globe.

## GOVERNANCE

### ULTIMATE HOLDING COMPANY

**TMF Sapphire Midco B.V.** (the “Company”) is the parent company of the operational entities within TMF Group (together “TMF Group” or “TMF”). TMF Sapphire Midco B.V. is 100% owned by TMF Sapphire Holdco B.V. which is 100% owned by TMF Sapphire Topco B.V. The majority of the shares in TMF Sapphire Topco B.V. are indirectly held by CVC Fund VII and the remainder of the shares are held by current and previous management and senior employees of TMF Group.

### GOVERNANCE STRUCTURE

**TMF Sapphire Topco B.V.**, the (indirect) shareholder of the Company, is governed by a Board of Directors, comprising of an independent chairman (Non-Executive Director), representatives from CVC Capital Partners (Non-Executive Directors), the Chief Executive Officer (Executive Director) and the Chief Financial Officer (Executive Director). The Board of Directors of TMF Sapphire Topco B.V. has established an audit committee, a risk and compliance committee and a people committee.

**TMF Sapphire Midco B.V.** is governed by a Board of Directors comprising of the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer and the Chief Financial Officer are supported by the executive committee which consists of Regional and Functional Heads.





## BOARD OF DIRECTORS



Joined  
2018

**MARK WEIL**  
**Chief Executive Officer**

Mark worked as a consultant for two decades, in Europe, North America and Asia. He became a partner at Oliver Wyman, where he ran the global retail banking practice and latterly the EMEA region. Following this, he was appointed Marsh's CEO, UK and Ireland. During his tenure, it became the largest insurance broker in the UK. He has led work on cyber risk for the UK government.

Mark has a degree in Engineering from Cambridge University.



Joined  
2019

**PATRICK DE GRAAF**  
**Chief Financial Officer**

Previously, Patrick held senior positions at KPMG, most recently that of CFO for KPMG Netherlands. He has a strong track record in finance management, with in-depth experience of deal finance support, operations and risk and quality management.

He holds degrees in Business Administration and Accountancy and has attended INSEAD and the International Institute for Management Development.

**WE MAKE  
A COMPLEX  
WORLD  
SIMPLE**



## EXECUTIVE COMMITTEE



Joined  
2019

### FRANK WELMAN

#### Head of EMEA Region

Frank re-joined TMF Group in 2019 after a period with Intertrust Group where he was Managing Director of Netherlands, Luxembourg, Belgium and Germany, and member of the Executive Committee. Before that he was heading TMF Group Benelux. Frank's career in the trust sector is focusing on performance improvement.



Joined  
2011

### MICHAEL SELIGMAN

#### Head of Americas

Michael has held various senior roles within TMF Group including Global Relationship Director, Country manager and sub-regional Director. Having worked in five continents, he has a strong track record in growing businesses in multicultural environments. Michael graduated from the European Business School.



Joined  
2015

### SHAGUN KUMAR

#### Head of APAC

Shagun joined TMF Group in 2015 as India Managing Director and thereafter became the Market leader for South-East which went on to deliver as a top-performing market. He has led business development for Asia Pacific since October 2021 and was promoted to head of region in May 2022.



Joined  
2019

### RUSSELL SHELDON

#### Chief Operations & Technology Officer

Russell has held senior positions at NGA Human Resources, Axiom, Hewitt Associates and PwC. He has a proven track record leading global teams, client delivery and technology-enabled operational change to overcome complex business challenges, reposition organisational capabilities and maximise market opportunities.



Joined  
2020

### JAN WILLEM VAN DRIMLEN

#### Chief Commercial Officer

Jan Willem has over 20 years of experience in professional services businesses. Before joining TMF Group, he was with Intertrust for over 12 years, in various senior leadership roles. Jan Willem obtained an LLM in International Taxation, and started his career at Freshfields.



Joined  
2018

### DANIEL MAX

#### Head of Global Solutions

Daniel is responsible for TMF Group's client service proposition for corporate, financial services and private clients which includes leading the development of new products and services. Previously, he led Marsh's international client advisory services and its UK private equity practice. He has built a strong track record, delivering data, advisory and process solutions to corporate and financial services clients around the world.



Joined  
2019

### ANGELICA THIJSSSEN

#### Chief HR Officer

Angelica has over 30 years' commercial and HR experience in Financial Services, with a strong record in HR, Leadership Development, Change Management and CSR. She holds a Master's in Law, a MSc (Economics) from London School of Economics and an INSEAD Certification in Corporate Governance.



Joined  
2018

### SEVERINE CANOVA

#### Head of Risk & Compliance

Severine joined TMF Group in December 2018 as a member of the TMF Luxembourg management team. She went on to become Executive Director, leading the governance setup for the Luxembourg market. Her primary focus was risk management, combined with championing organisational compliance. She was appointed to Head of Risk & Compliance in June '22 and joined ExCo.

# FINANCIAL STATEMENTS

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**TMF Sapphire Midco B.V.**

Year ended 31 December 2022

WE MAKE A  
COMPLEX  
WORLD  
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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In millions of Euro	Note	2022	2021
<b>Revenue</b>	<b>5</b>	<b>743.9</b>	<b>650.2</b>
Employee benefit expenses	6	(438.7)	(380.9)
Office expenses	7	(34.2)	(34.7)
Professional fees	8	(32.8)	(28.4)
Other expenses	9	(28.7)	(24.9)
Impairment financial assets	21	-	(3.0)
Depreciation and amortization	16/17/18	(110.5)	(96.2)
<b>Operating result</b>		<b>99.0</b>	<b>82.1</b>
Finance income		1.0	0.8
Finance expenses		(67.7)	(61.4)
Net foreign exchange gain/(loss)		6.1	(6.7)
<b>Net finance costs</b>	<b>10</b>	<b>(60.6)</b>	<b>(67.3)</b>
Other gains/(loss)	11	(1.0)	(3.0)
<b>Result before income tax</b>		<b>37.4</b>	<b>11.8</b>
Income tax (expense)/benefit	12	(30.7)	9.7
<b>Result for the period</b>		<b>6.7</b>	<b>21.5</b>
<b>Attributable to:</b>			
Owners of the parents		6.0	20.8
Non-controlling interest	14	0.7	0.7
<b>Result for the period</b>		<b>6.7</b>	<b>21.5</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of Euro	Note	2022	2021
<b>Result for the period</b>		<b>6.7</b>	<b>21.5</b>
Remeasurements of post-employment benefit obligations	29	1.5	(0.3)
<b>Items that will not be reclassified to income statement</b>		<b>1.5</b>	<b>(0.3)</b>
Foreign currency translation differences for foreign operations		(4.6)	6.8
Cash flow hedge - Change in fair value of hedging instruments		19.5	5.0
<b>Items that may be reclassified subsequently to income statement</b>		<b>14.9</b>	<b>11.8</b>
<b>Other comprehensive result for the year, net of tax</b>		<b>16.4</b>	<b>11.5</b>
<b>Comprehensive result for the year</b>		<b>23.1</b>	<b>33.0</b>
<b>Attributable to:</b>			
Owners of the parents		22.4	32.3
Non-controlling interest	14	0.7	0.7
<b>Comprehensive result for the year</b>		<b>23.1</b>	<b>33.0</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of Euro	Note	31 December 2022	31 December 2021
<b>Assets</b>			
Intangible assets	16	1,678.7	1,654.7
Property, plant and equipment	17	22.2	23.1
Right-of-use of assets	18	102.6	77.8
Financial assets	19	14.7	8.6
Derivative financial assets	19	1.5	-
Contract assets	20	8.3	8.8
Deferred tax assets	13	7.3	9.0
<b>Non-current assets</b>		<b>1,835.3</b>	<b>1,782.0</b>
Trade receivables and Unbilled services	21	163.7	141.6
Other receivables	22	34.9	32.8
Contract assets	20	7.1	6.9
Financial assets	19	0.6	0.7
Derivative financial assets	19	6.5	-
Current income tax receivables		6.6	6.2
Cash and cash equivalents	23	360.1	346.6
<b>Current assets</b>		<b>579.5</b>	<b>534.8</b>
<b>Assets</b>		<b>2,414.8</b>	<b>2,316.8</b>

In millions of Euro	Note	31 December 2022	31 December 2021
<b>Equity</b>			
Share capital	24	3.2	3.2
Share premium	24	734.3	734.3
Reserves	26	8.9	(6.9)
Retained earnings		(264.0)	(271.5)
<b>Equity attributable to owners of the parent</b>		<b>482.4</b>	<b>459.1</b>
Non-controlling interest	14	15.1	15.1
<b>Equity</b>		<b>497.5</b>	<b>474.2</b>
<b>Liabilities</b>			
Loans and borrowings	27	1,239.8	1,213.1
Derivative financial liability	19	-	5.4
Provisions	28	7.1	6.7
Retirement benefit obligations	29	1.6	2.5
Trade and other payables	30	6.0	7.9
Deferred tax liabilities	13	89.2	93.5
<b>Non-current liabilities</b>		<b>1,343.7</b>	<b>1,329.1</b>
Loans and borrowings	27	403.4	353.6
Derivative financial liability	19	-	8.2
Provisions	28	3.6	4.3
Trade and other payables	30	153.4	139.0
Current income tax liabilities		13.2	8.4
<b>Current liabilities</b>		<b>573.6</b>	<b>513.5</b>
<b>Liabilities</b>		<b>1,917.3</b>	<b>1,842.6</b>
<b>Equity and liabilities</b>		<b>2,414.8</b>	<b>2,316.8</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the parent

In millions of Euro	Issued capital	Share premium	Other capital reserves	Accumulated losses	Total	Non-controlling interest	Total equity
<b>Balance at 1 January 2021</b>	<b>3.2</b>	<b>734.3</b>	<b>(18.7)</b>	<b>(292.0)</b>	<b>426.8</b>	<b>15.1</b>	<b>441.9</b>
Result for the year	-	-	-	20.8	20.8	0.7	21.5
<b>Other comprehensive income</b>							
Remeasurement IAS 19	-	-	-	(0.3)	(0.3)	-	(0.3)
Cash flow hedge - Change in fair value of hedging instruments	-	-	5.0	-	5.0	-	5.0
Translation movements	-	-	6.8	-	6.8	-	6.8
Total other comprehensive income	-	-	11.8	(0.3)	11.5	0.7	11.5
<b>Comprehensive income</b>	-	-	<b>11.8</b>	<b>20.5</b>	<b>32.3</b>	0.7	<b>33.0</b>
<b>Transactions with owners</b>							
Dividend non-controlling interest	-	-	-	-	-	(0.7)	(0.7)
<b>Transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.7)</b>	<b>(0.7)</b>
<b>Balance at 31 December 2021</b>	<b>3.2</b>	<b>734.3</b>	<b>(6.9)</b>	<b>(271.5)</b>	<b>459.1</b>	<b>15.1</b>	<b>474.2</b>



*Attributable to the equity holders of the parent*

In millions of Euro	Issued capital	Share premium	Other capital reserves	Accumulated losses	Total	Non-controlling interest	Total equity
<b>Balance at 1 January 2022</b>	<b>3.2</b>	<b>734.3</b>	<b>(6.9)</b>	<b>(271.5)</b>	<b>459.1</b>	<b>15.1</b>	<b>474.2</b>
Result for the year	-	-	-	6.0	6.0	6.7	6.7
<b>Other comprehensive income</b>							
Remeasurement IAS 19	-	-	-	1.5	1.5	-	1.5
Cash flow hedge - Change in fair value of hedging instruments	-	-	19.5	-	19.5	-	19.5
Translation movements	-	-	(4.6)	-	(4.6)	-	(4.6)
Total other comprehensive income	-	-	14.9	1.5	16.4	-	16.4
<b>Comprehensive income</b>	-	-	14.9	7.5	22.4	0.7	23.1
<b>Transactions with owners</b>							
Share based payment	-	-	0.9	-	-	-	0.9
Dividend non-controlling interest	-	-	-	-	-	(0.7)	(0.7)
<b>Transactions with owners, recognised directly in equity</b>	-	-	0.9	-	-	(0.7)	(0.7)
<b>Balance at 31 December 2022</b>	<b>3.2</b>	<b>734.3</b>	<b>8.9</b>	<b>(264.0)</b>	<b>482.4</b>	<b>15.1</b>	<b>497.5</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

In millions of Euro	Note	2022	2021
<b>Operating activities</b>			
Result before income tax		37.4	11.8
Adjustments to reconcile result before income tax to net cash flows:			
Amortisation/impairment	16	62.9	53.3
Depreciation/impairment	17/18	47.6	43.1
Retirement benefit obligations	29	(0.3)	(0.7)
Other losses	11	1.0	3.0
Provisions and employee benefit expenses	29/6	25.5	20.3
Net finance costs	10	66.6	60.6
Changes in foreign currency (excluding movement in currency translation reserve)		(9.7)	4.4
<b>Working capital adjustments</b>			
Financial assets	19	(0.1)	(1.0)
Trade receivables and Unbilled services	21	(24.2)	0.5
Other receivables	22	(0.7)	(0.9)
Trade and other payables	30	3.5	1.2
<b>Cash generated from operations, before income tax paid</b>		<b>209.5</b>	<b>195.6</b>

In millions of Euro	Note	2022	2021
<b>Cash flows from operating activities</b>			
Cash generated from operations, before income tax paid		209.5	195.6
Income tax (paid) / received	12	(29.9)	(26.7)
<b>Cash generated from operating activities</b>		<b>179.6</b>	<b>168.9</b>
Cash outflow on provisions and employee benefits		(22.9)	(21.9)
Interest paid	10	(57.2)	(51.3)
Interest received	10	0.9	0.7
<b>Net cash flows from operating activities</b>		<b>100.4</b>	<b>96.4</b>
<b>Investing activities</b>			
Acquisition of subsidiaries, net of cash	15	(40.8)	(20.1)
Proceeds from disposal of subsidiaries, net of cash		-	0.3
Investment in intangible assets	16	(34.9)	(34.5)
Investment in property, plant and equipment	17/18	(10.5)	(9.9)
Disposal of intangible assets and property, plant and equipment	17/18	0.6	0.1
<b>Net cash flows used in investing activities</b>		<b>(85.6)</b>	<b>(64.1)</b>
<b>Financing activities</b>			
Repayments of borrowings (incl. lease liability)	27	(32.9)	(22.4)
Dividend paid to non-controlling interest		(0.7)	(0.7)
<b>Net cash flows from / (used in) financing activities</b>		<b>(33.6)</b>	<b>(23.1)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(18.8)</b>	<b>9.2</b>
<b>Cash, cash equivalents and bank overdrafts at beginning of the year</b>	<b>23</b>	<b>50.4</b>	<b>38.9</b>
Exchange gains/(losses) on cash and cash equivalents from operations		3.6	2.3
<b>Cash and cash equivalents at 31 December</b>	<b>23</b>	<b>35.2</b>	<b>50.4</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

TMF Sapphire Midco B.V. was incorporated in the Netherlands on 6 October 2017. The address of the registered office is at Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands. The Chamber of Commerce number of TMF Sapphire Midco B.V. is 69779805. TMF Sapphire Midco B.V. principally acts as a holding and finance company for TMF Group investments.

TMF Sapphire Midco B.V. is 100% owned by TMF Sapphire Holdco B.V. which is 100% owned by TMF Sapphire Topco B.V. CVC Capital Partners is the ultimate parent company.

These consolidated financial statements for the year ended 31 December 2022 of TMF Sapphire Midco B.V. were authorised for issue by the Board of Directors on 9 March 2023. The consolidated financial statements are prepared on a going concern basis.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied during the period, unless stated otherwise.

### 2.1 BASIS OF PREPARATION

The consolidated financial statements of TMF Sapphire Midco B.V. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

These consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and liabilities (including derivative financial instruments) measured at fair value, assets held for sale measured at fair value less costs of disposal and retirement benefit obligations of which the plan assets are measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying TMF Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in

note 3 Significant accounting judgements, estimates and assumptions.

### 2.1.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by TMF Group entities. There have been no significant changes compared to the prior year, which has ended 31 December 2021.

#### New and revised IFRS standards in issue but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted, however, TMF Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations, which have been endorsed are not expected to have a significant impact on TMF Group's consolidated statements:

- Amendments to IAS 12 Income Taxes: Deferred Tax
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors

#### New standards and interpretations issued and effective from 1 January 2022

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2022, have been adopted by TMF Group from 1 January 2022. These standards and interpretations had no material impact for TMF Group.

- Amendments to IFRS 3 Business Combinations
- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

## 2.2 CONSOLIDATION AND EQUITY ACCOUNTING

### Subsidiaries

Subsidiaries are all entities over which TMF Sapphire Midco B.V. has control. TMF Group controls an entity when TMF 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 over the entity.

Subsidiaries are fully consolidated from the date when control is transferred to TMF Group. They are de-consolidated from the date that control ceases.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by TMF Group, liabilities incurred by TMF Group to the former owners of the acquiree and the equity interest issued by TMF Group in exchange for control of the acquiree.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair value at the acquisition date. On an acquisition by acquisition basis, TMF Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any contingent consideration to be transferred by TMF Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in the income statement.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of the consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances, income and expenses on transactions between TMF Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Amounts reported by subsidiaries are based on the policies adopted by TMF Group.

### Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity and attributed to the owners of TMF Group.

### Disposal of subsidiaries

When TMF Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained

interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income ("OCI") in respect of that entity are accounted for as if TMF Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to the income statement.

### Associates

Associates are all entities over which TMF Group has significant influence but not control or joint control. This is generally the case where TMF Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

TMF Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Dividends received or receivables from associates are recognised as a reduction in the carrying amount of the investment. When TMF Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity (which includes any long-term interests that, in substance, form part of TMF Group's net investment in associates), TMF Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between TMF Group and its associates are eliminated to the extent of TMF Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investments have been changed where necessary to ensure consistency with the policies adopted by TMF Group.

## 2.3 FOREIGN CURRENCY TRANSLATION

### Functional and presentation currency

Items included in the financial statements of each of TMF 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 TMF Group's presentation currency.

### Transactions and balances

Foreign currency transactions are translated into the presentation currency of TMF Group using the exchange rates prevailing at the dates of the transactions. All 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 recognized in the income statement.

### TMF Group companies

The results and financial position of all TMF Group entities that have a functional currency different from the Euro are translated into Euro as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; and
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).



On consolidation, exchange differences arising from the translation of the net investment in foreign operations and currency effects on loans receivable which are part of the net investment are taken to other comprehensive income. When a foreign operation is disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Foreign exchange results on goodwill are recognised in other comprehensive income.

None of the TMF Group entities that could have a significant impact on the results and financial position of TMF Group have the currency of a hyperinflationary economy.

All amounts have been rounded to millions, unless otherwise indicated.

## 2.4 FAIR VALUE ESTIMATION WITH RESPECT TO FINANCIAL INSTRUMENTS

There are three valuation methods to determine the fair value of financial instruments. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

During the reporting period TMF Group has financial assets and financial liabilities that are accounted for at fair value through income statement. For other financial instruments only fair value disclosures are presented. The fair value calculations take place on either Level 1, Level 2 or Level 3 methods.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of TMF Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The results form the basis for TMF Group's assessment of the carrying amounts of the assets and liabilities that are not readily evident from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Critical accounting estimates have been made in respect of the following items:

- **Impairment of goodwill:** key assumptions underlying recoverable amounts of cash generation units (note 16);
- **Recognition of deferred tax assets:** availability of future taxable profit against carry forward tax losses can be used (note 13);
- **Recognition and measurement of provisions and contingencies:** key assumptions about the likelihood and magnitude of an outflow of cash (note 28 & 32).

### 4. FINANCIAL RISK MANAGEMENT

#### 4.1 FINANCIAL RISK FACTORS

TMF Group's operating activities expose it to a variety of financial risks, such as market risks (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. TMF Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on TMF Group's financial performance.

Financial risk management is carried out by TMF Group's central treasury department ("TMF Group treasury") under policies approved by the Board of Directors. TMF Group treasury identifies, evaluates and hedges financial risks in close co-operation with TMF Group's operating units. Management provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivatives and non-derivative financial instruments and investments of excess liquidity. TMF Group's treasury risk management policy is to reduce, where it is deemed appropriate to do so, fluctuations in earnings and cash flows associated with changes in interest rates, foreign currency rates and the currency exposure of certain investments in foreign subsidiaries.

#### 4.2 INTEREST RATE RISK

Interest rate risk is the risk that unexpected interest rate changes negatively affect TMF Group's results, cash flows and equity. It is TMF Group's policy to mitigate the effects of interest rate volatility on its results, cash flows and balance sheet within certain boundaries. TMF Group's interest rate risk mainly arises from long-term borrowings. Borrowings issued at variable rates expose TMF Group to cash flow interest rate risk.

TMF Group analyses its interest rate exposure on a periodic basis. Based on this analysis and in close cooperation with its advisors and banks, TMF Group determines whether derivative financial instruments

should be in place to limit the interest rate risk in such a way that it has a minimum potential adverse effect on the financial performance of TMF Group.

TMF Group holds derivative financial instruments to hedge its interest rate risk exposures for which TMF Group applies hedge accounting. TMF Group has an interest rate swap and cap. For the period July 2021 until July 2023 TMF Group has entered into an interest rate swap, effectively fixing the floating rate on Senior Loan Notes to 1.034% for a notional of €805 million. For the period July 2023 until April 2025 TMF Group entered into a cap, with a notional of €805 million. Effectively Euribor on the senior loan notes is partially capped at 3.0%. The premium for the interest rate cap will be paid over the lifetime of the instrument. The interest on the secured bank borrowings is based on Euribor interest rates. In case of a negative Euribor, a floor of 0% applies in the secured senior bank borrowings, revolving credit facility and interest rate swap.

For the applicable interest rates on loans and borrowings reference is made to note 27. For the year ended 31 December 2022 and 31 December 2021, if market interest rates had been 100 basis points higher/lower with all other variables held constant, then this would have the following impact:

In millions of Euro	31 December 2022 -/-1% / +1%	31 December 2021 -/-1% / +1%
Result for the year	0.9/(2.1)	0.0/(3.5)
Other comprehensive income	(9.9)/14.3	(0.6)/6.2
Statement of changes in equity	(9.0)/12.2	(0.6)/2.8
Fair value of derivative financial instruments	(9.9)/14.3	(0.6)/6.2

#### 4.3 FOREIGN CURRENCY EXCHANGE RISK

TMF Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US Dollar. In several markets client contracts are denominated in Euro or US Dollar although this is not the functional currency in these markets. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and investments in foreign operations. Currently, no hedging of foreign exchange risk takes place.

TMF Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of TMF Group's foreign operations is managed primarily through limiting the net assets in foreign operations to the extent possible. As such, TMF Group does not apply for net investment hedge accounting in its financial statements.

TMF Group's exposure to foreign currency risk for balance sheet items held in US Dollar in non-USD countries was as follows:

In millions of Euro	31 December 2022	31 December 2021
Trade receivables and Unbilled services	51.1	39.9
Cash and cash equivalents	129.1	86.2
Loans and borrowings	112.9	46.5
Trade and other payables	2.8	4.3

If Euro had strengthened by 5% (2021: 5%) against the US Dollar with all variables held constant, then this would have the following impact:

In millions of Euro	31 December 2022	31 December 2021
Result for the period	(4.4)	(3.3)

Other currencies on which TMF Group is exposed are GBP, CNY, BRL and SGD however the currency risk for these currencies are not significant. Reference is made to note 11. TMF Group has assessed the impact of hyperinflation in hyperinflationary economies where it operates. The economies which are subject are Argentina, Turkey and Venezuela. TMF Group concluded that the impact is not significant.

#### 4.4 CREDIT RISK

Credit risk is the risk that counterparties fail to meet their contractual payment obligations through insolvency or default as well as credit exposure to clients. TMF Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies Moody's and Standard & Poor's.

Credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions is managed centrally. For banks and financial institutions, TMF Group's policy is that only independently rated parties with a minimum rating of 'BBB' are accepted. However, in certain circumstances (e.g. due to local regulation) banks and financial institutions are used that are not rated and/ or that do not have a minimum 'BBB' rating. The use of these banks and financial institutions is kept to the minimum level possible, closely monitored by TMF Group treasury and periodically reported to the Board of Directors. The preferred bank for external funding and the cash pool is HSBC Bank which has credit rating of 'A1' (Moody's) and 'A+' (Standard and Poor's).

Credit exposures to clients, including outstanding receivables and committed transactions, are managed on a central basis. Each local entity is responsible for managing and analysing the credit risk for each of their clients in conjunction with Global credit control team. Approval from Group CFO is mandatory before standard payment terms and delivery terms and conditions are contractually agreed with new clients. Creditworthiness of trade receivables are monitored and concentration risks/debtor ageing is managed in order to limit exposures.

TMF Group has no significant concentrations of credit risk. The maximum credit risk exposure of TMF Group's financial assets at the end of the period is represented by the amounts reported under the corresponding balance sheet headings. The impact of the assumption of the Expected Credit Loss +1% or -1% will not have a material impact on the expected credit loss allowance regarding Trade receivables.

TMF Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Details of concentration of credit risk are included in the note of trade receivables (note 21) and financial assets (note 19).

#### 4.5 LIQUIDITY RISK

Liquidity risk is the risk that TMF Group does not have sufficient headroom (cash and cash equivalents plus committed credit lines) available to meet both TMF Group's day-to-day operating requirements and debt servicing obligations (interest and debt repayment).

TMF Group treasury mitigates liquidity risk by ensuring TMF Group maintains sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Cash flow forecasting is performed by management of the operating entities of TMF Group. These rolling forecasts are monitored to ensure TMF Group's cash and liquidity requirements are sufficient to meet operational needs whilst maintaining sufficient headroom on its undrawn committed borrowing facilities. This enables management to monitor compliance with borrowing limits.

The table below analyses TMF Group's financial liabilities into relevant maturity groupings based on the period remaining to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and including transaction costs. Balances due within 12 months are equal to their carrying balances.

In millions of Euro	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
<b>At 31 December 2021</b>					
Loans and borrowings (note 27)	353.6	38.5	1,165.8	8.8	1,566.7
Trade and other payables, excluding deferred income (note 30)	111.8	-	-	-	111.8
Financial liability (note 19)	8.2	-	5.4	-	13.6
<b>Total</b>	<b>473.6</b>	<b>38.5</b>	<b>1,171.2</b>	<b>8.8</b>	<b>1,692.1</b>

**At 31 December 2022**

Loans and borrowings (note 27)	403.4	66.1	1,165.0	8.8	1,643.2
Trade and other payables, excluding deferred income (note 30)	123.6	-	-	-	123.6
<b>Total</b>	<b>526.9</b>	<b>66.1</b>	<b>1,165.0</b>	<b>8.8</b>	<b>1,766.8</b>

TMF Group's primary sources of finance are secured bank borrowings provided by a syndicate of banks. The senior secured bank borrowings were drawn on 3 May 2018, after which on the same date the previous financing was repaid. As part of the secured bank borrowings, TMF Group has a revolving credit facility totalling €150 million as at 31 December 2022 (2021: €150 million).

The revolving credit facility consists of a €122 million (2021: €117 million) facility for cash needs, of which €109 million (2021: €117 million) is undrawn, and a split off facility of €28 million (2021: €33 million) with our primary bank for issuing bank guarantees. Of this guarantee facility €6.4 million (2021: €12 million) is not used at 31 December 2022.

TMF Group repaid in full external funding for local investments in Brazil during 2022 (2021: €5.5 million).

Refer to disclosure note 28 Loans and borrowings for the overview.

#### 4.6 CAPITAL RISK MANAGEMENT

TMF Group's objectives when managing capital are to ensure TMF Group's ability to continue as a going concern in order to provide returns to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. TMF Group's loans and borrowings are considered as the most important items from a capital management perspective.

TMF Group is highly leveraged and management focus is on cash generation and an important KPI used in this respect is the cash flow conversion ratio, which is the percentage of underlying operating result (excluding depreciation, amortisation and impairment charges) converted into cash. Cash flow conversion is calculated as underlying operating result (excluding depreciation, amortisation and impairment charges) plus/ minus working capital movement minus investment in and proceeds on disposal of intangible assets and property, plant and equipment divided by underlying operating result (excluding depreciation, amortisation and impairment charges).

The cashflow conversion rate for 2022 is 57.1% and is 7.1 points lower than 2021 (2021: 64.2%).

TMF Group treasury monitors cash balances on a daily basis. Appropriate action is taken to optimize interest costs while at the same time safeguarding sufficient liquidity. In order to further increase the efficient management of TMF Group's interest costs and revolving credit facility drawings, TMF Group has a global cash management system and process and continues to enhance cash management operations. This focus should make it possible for TMF Group to pay the interest on loans and borrowings.

The following table sets out TMF Group's consolidated cash, total indebtedness, total capitalization and net debt as of 31 December 2022 and 31 December 2021:

In millions of Euro	31 December 2022	31 December 2021
<b>Cash and Cash equivalents</b>	<b>30.5</b>	<b>50.4</b>
Secured bank borrowings	(1,150.0)	(1,150.0)
Revolving credit facility	(13.0)	-
Current portion secured bank borrowing	-	-
Loans guaranteed by guarantee facility	(2.5)	(7.6)
Other loans	(1.2)	(1.8)
<b>Third-party debt</b>	<b>(1,166.7)</b>	<b>(1,159.4)</b>
<b>Net third party debt</b>	<b>(1,131.5)</b>	<b>(1,109.0)</b>
Equity attributable to the owners of the parent	(482.4)	(459.1)
<b>Capitalization</b>	<b>(1,614.0)</b>	<b>(1,568.1)</b>

The net third party debt excludes transaction costs, long-term supply arrangements, advance client payments and deferred consideration. The liabilities for the financial leases and lease accounting are also excluded as they are offset with their assets.



## 5. REVENUE

TMF Group provides services in 4 types of categories:

- **Accounting and tax** - Financial administrative services for clients which includes: statutory bookkeeping and international management reporting services, consolidated reporting services, assistance in preparing accounting report, accounting reconciliation, operating bank accounts, preparation of payment instructions, cash management and all tax compliance services;
- **Global entity management** - All legal administrative services for clients with respect to representation (i.e. providing directors) and to ensure local entity is in compliance with local legislation. This includes: incorporation and registration, reviewing and preparation of corporate legal documents, maintaining the company (shareholders) register, organising of board and shareholder's meetings, reporting to appropriate authorities and all other on demand services;
- **Payroll and HR** - Human resources and payroll services for clients which includes: contracts, employee relations, leave management, benefits, mobility and general HR administration and processing in-country- payroll;
- **Other, including consultancy solutions** - A wide range of consultancy offerings and implementation services.

The following table sets out TMF Group's revenue earned during 2022 and 2021.

Service line information

In millions of Euro	2022	2021
Global entity management	277.4	248.6
Accounting and tax	276.7	247.2
Payroll and HR	175.6	141.7
Other	14.2	12.7
<b>Revenue</b>	<b>743.9</b>	<b>650.2</b>

Revenue is recognised to the extent that it is probable that the economic benefits will flow to TMF Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates and sales taxes or duty. Revenue is recognised in profit and loss to the part of the services rendered to the client during the reporting date.

The following revenue recognition methods are used:

- **Fixed fee revenue – non-time based** is generally realised over the period the services are delivered;
- **Fixed fee revenue – time based** is realised based on the finalisation of a performance obligation. This means that at the start of such a contract it is budgeted how many hours of the total hours will be spent per performance obligation;
- **Hourly based revenue** – is recognized at the contractual rates as time is spent. Only chargeable and recoverable hours are recorded as revenue;
- **Item based revenue** – is recognised based on the number of 'items' in the month and the fee per item.

For disclosure of deferred income including impact for over time recognized revenue, reference is made to [note 30](#): Trade and other payable.

## 6. EMPLOYEE BENEFIT EXPENSES

### Pension obligations

TMF Group operates a number of pension schemes around the world. The schemes are generally funded through payments to insurance companies. TMF Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which TMF Group pays fixed contributions into a separate entity.

TMF Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in Euro (or most appropriate foreign currency in case of an obligation in a non-Euro country) and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement gains or losses arising from actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the income statement.

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

### Other long-term employee benefits

Some TMF Group companies provide jubilee or anniversary payments to their employees. The expected costs of these benefits are accrued over the period until the benefit is earned using the same accounting methodology as used for defined benefit pension plans, except that remeasurements are recorded in the income statement. These obligations are valued annually.

Paid holidays are regarded as an employee benefit and as such are charged to the income statement as the benefits are earned. An accrual is made at each balance sheet date to reflect the present value of expected payments of holidays earned but not yet taken.

Employee benefit expense is summarised as follows:

In millions of Euro	2022	2021
Wages and salaries	(352.7)	(295.5)
Social security costs	(46.5)	(39.7)
Pension costs – defined contribution plans	(13.0)	(12.4)
Pension costs – defined benefit plans	(0.9)	(0.7)
Other personnel costs	(25.6)	(32.6)
<b>Employee benefit expenses</b>	<b>(438.7)</b>	<b>(380.9)</b>

Other personnel costs relate to education expenses, commuting allowances, recruitment costs, placement agency fees, temporary employee costs, severance payments and management fees.

The average number of full-time equivalent employees (in continued operations) can be specified as follows:

	2022	2021
Client servicing staff (average number of FTE)	7,012	6,473
Support staff (average number of FTE)	2,345	2,100
<b>Average number of FTE</b>	<b>9,358</b>	<b>8,573</b>
Of which working in the Netherlands	346	395
Of which working abroad	9,012	8,178

## 7. OFFICE EXPENSES

The office expenses can be specified as follows:

In millions of Euro	2022	2021
Technology expenses	(16.9)	(17.2)
Office maintenance	(12.7)	(11.1)
Telecom expenses	(4.6)	(6.1)
Office lease	–	(0.3)
<b>Office expenses</b>	<b>(34.2)</b>	<b>(34.7)</b>

## 8. PROFESSIONAL FEES

The professional fees can be specified as follows:

In millions of Euro	2022	2021
Subcontractor fees	(10.1)	(9.7)
Audit and tax fees	(5.0)	(4.8)
Legal fees	(6.4)	(1.8)
Other professional fees	(11.3)	(12.1)
<b>Professional fees</b>	<b>(32.8)</b>	<b>(28.4)</b>

## 9. OTHER EXPENSES

The other expenses can be specified as follows:

In millions of Euro	2022	2021
Insurance	(9.6)	(8.6)
Travel expenses	(4.1)	(1.6)
Marketing and sales expenses	(3.3)	(2.8)
Bank charges	(1.6)	(1.7)
Other	(10.2)	(10.2)
<b>Other expenses</b>	<b>(28.8)</b>	<b>(24.9)</b>

The other amount in 2022 and 2021 is related to integration cost and other selling, general and administrative expenses.

## 10. NET FINANCE COSTS

Finance income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets, finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

The net finance cost can be specified as follows:

In millions of Euro	31 December 2022	31 December 2021
Interest income on short-term bank deposits	1.0	0.8
<b>Finance income</b>	<b>1.0</b>	<b>0.8</b>
Interest secured senior bank loan	(51.5)	(49.9)
Interest secured bank overdrafts	(2.8)	(1.9)
Interest leases	(4.1)	(2.6)
Interest rate swap	(6.1)	(4.4)
Other	(3.2)	(2.6)
<b>Finance expenses</b>	<b>(67.7)</b>	<b>(61.4)</b>
<b>Net foreign exchange gain/(loss)</b>	<b>6.1</b>	<b>(6.7)</b>
<b>Net finance costs</b>	<b>(60.6)</b>	<b>(67.3)</b>

The secured senior bank loan includes amortized transaction costs 2022: €4.6 million (2021: €4.6 million). The other finance cost includes other bank cost such as bank guarantees and other related finance expenses.



## 11. OTHER GAINS/(LOSS)

In millions of Euro	2022	2021
Other losses	(1.0)	(2.9)
Gain/(loss) on disposal of subsidiaries	-	(0.1)
<b>Other gains/(loss)</b>	<b>(1.0)</b>	<b>(3.0)</b>

## 12. INCOME TAX (EXPENSE)/BENEFIT

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where TMF Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except if it relates to items recognized directly in equity. In this case it is recognized in equity, or if it relates to items recognized directly in OCI, in which case it is recognized in OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

In millions of Euro	2022	2021
Current tax on result for the year	(32.2)	(25.7)
Adjustments for current tax of prior periods	(2.2)	0.2
<b>Current tax expense</b>	<b>(34.4)</b>	<b>(25.5)</b>
Deferred income tax	3.7	35.2
<b>Income tax expense</b>	<b>(30.7)</b>	<b>9.7</b>

The tax on TMF Group's result before tax differs from the theoretical amount that would arise using the tax rates applicable in the Netherlands (25.8%) on the results of the consolidated entities as shown below:

In millions of Euro	2022	2021
Result for the year	6.7	21.5
Income tax expense	(30.7)	9.7
<b>Result before income tax</b>	<b>37.4</b>	<b>11.8</b>
Tax calculated at the Company's domestic tax rate	(9.6)	(3.0)
Effect of tax rates in foreign jurisdictions	4.7	2.9
Change in tax rates	0.3	(0.2)
Income not subject to tax	6.3	6.7
Expenses not deductible *	(17.9)	(31.4)
(De)recognition of previously (un)recognized tax losses **	(7.5)	27.5
Re-assessment of corporate tax previous years	0.6	0.9
Utilization of previously unrecognized carry forward losses ***	3.2	14.9
Withholding tax related to taxable profit	(5.5)	(5.1)
Tax losses for which no deferred income tax asset was recognised	(5.3)	(3.5)
<b>Income tax (expense)/benefit **</b>	<b>(30.7)</b>	<b>9.7</b>
<b>Weighted average effective tax rate</b>	<b>82.2%</b>	<b>(82.0%)</b>

\* The non-deductible expenses mainly relate to financing costs

\*\* TMF Group is a Dutch company with subsidiaries spread over the world and subject to income tax in the Netherlands and in the countries where TMF Group conduct operations. As part of the normal course of business the Group has uncertain tax positions and exposures resulting from interpretation of applicable tax laws applied in our tax returns. If any uncertain tax positions have been assessed they are provided for under current income tax liabilities as required under the newly adopted accounting guidance in IFRIC. The adoption did not impact the financial position. TMF Group's transfer pricing model is consistent with the arm's length principle and in accordance to the OECD transfer pricing guidelines.

\*\*\* The Council of the EU unanimously adopted Pillar Two Global anti-Base Erosion rules (GloBE Model Rules) On 15 December 2022, which applies to MNEs with revenue in excess of EUR 750 million per their consolidated financial statements. The Directive introduces minimum effective taxation, through which an additional amount of tax called a "top-up tax" should be collected each time that the effective tax rate (ETR) due on the income of an MNE group in a given jurisdiction is below 15%. TMF Group does not meet the revenue threshold of EUR 750 million in FY22, but expects to exceed the revenue threshold from FY 2023 and onwards. Further, according to the IASB's tentative decision it is not required to disclose any financial information relating to the (potential) Pillar Two impact until the first year that the Pillar Two model rules are effectively in force. TMF Group started preparing for the application of the GLoBE Model Rules and is considering the potential impact.

### 13. DEFERRED TAX ASSETS AND LIABILITIES

Deferred 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, the deferred tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by TMF Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset to extent that an entity has a legally enforceable right to set off current tax assets against current tax liabilities and are levied by same taxation authority.

In millions of Euro	31 December 2022	31 December 2021
<b>Deferred tax assets</b>		
To be recovered after more than 12 months	66.3	69.1
To be recovered within 12 months	-	1.7
Netting DTA/DTL	(59.0)	(61.8)
<b>Deferred tax assets</b>	<b>7.3</b>	<b>9.0</b>
<b>Deferred tax liabilities</b>		
To be recovered after more than 12 months	(148.2)	(148.1)
To be recovered within 12 months	-	(7.2)
Netting DTA/DTL	59.0	61.8
<b>Deferred tax liabilities</b>	<b>(89.2)</b>	<b>(93.5)</b>
<b>Deferred tax liabilities (net)</b>	<b>(81.9)</b>	<b>(84.5)</b>

The gross movement in the deferred tax account is as follows:

In millions of Euro	2022	2021
<b>Beginning of the year</b>	<b>(84.5)</b>	<b>(117.7)</b>
Acquired through business combination	(0.9)	(2.1)
Exchange differences	(0.2)	0.1
Recorded in profit or loss	3.7	35.2
<b>End of the year</b>	<b>(81.9)</b>	<b>(84.5)</b>

The movement in deferred tax assets and liabilities during the year is as follows:

#### Deferred tax assets

In millions of Euro	Provisions	Tax losses	Property, plant & equipment	Other	Netting DTA/DTL	Total
<b>At 31 December 2020</b>	<b>1.4</b>	<b>35.8</b>	<b>1.3</b>	<b>2.2</b>	<b>(40.2)</b>	<b>0.5</b>
(Charge)/credited to the income statement	(1.0)	27.8	(0.7)	4.0	-	30.1
Netting DTA/DTL	-	-	-	-	(21.6)	(21.6)
<b>At 31 December 2021</b>	<b>0.4</b>	<b>63.6</b>	<b>0.6</b>	<b>6.2</b>	<b>(61.8)</b>	<b>9.0</b>
(Charge)/credited to the income statement	1.7	(6.5)	1.1	(0.8)	-	(4.5)
Netting DTA/DTL	-	-	-	-	2.8	2.8
<b>At 31 December 2022</b>	<b>2.1</b>	<b>57.1</b>	<b>1.7</b>	<b>5.4</b>	<b>(59.0)</b>	<b>7.3</b>

The deferred tax asset for tax losses is to a great extent dependent on future taxable profits. The category Other deferred tax asset consists of a €1.1 million deferred tax asset recognized for contracts that are, or contain, a lease as per requirements set out in IFRS 16 Leases (2021: €1.2 million).

## Deferred tax liabilities

In millions of Euro	Intangible assets	Other	Netting DTA/DTL	Total
<b>At 31 December 2020</b>	<b>154.3</b>	<b>4.1</b>	<b>(40.2)</b>	<b>118.2</b>
Charge/(credited) to the income statement	(7.8)	2.7	-	(5.1)
Exchange differences	-	(0.1)	-	(0.1)
Acquired through business combination	2.1	-	-	2.1
Netting DTA/DTL			(21.6)	(21.6)
<b>At 31 December 2021</b>	<b>148.6</b>	<b>6.7</b>	<b>(61.8)</b>	<b>93.5</b>
Charge/(credited) to the income statement	(8.7)	0.5	-	(8.2)
Exchange differences	0.2	-	-	0.2
Acquired through business combination	0.9	-	-	0.9
Netting DTA/DTL	-	-	2.8	2.8
<b>At 31 December 2022</b>	<b>141.0</b>	<b>7.2</b>	<b>(59.0)</b>	<b>89.2</b>

The category other includes outside base difference of €2.3 million (2021: €1.8 million).

An overview of the non-capitalised losses and carry forward interest expenses is depicted below:

In millions of Euro	Carry-forward losses	Carry-forward interest	Total
Netherlands	75.8	68.0	143.8
Brazil	31.9	-	31.9
Jersey	28.4	-	28.4
Curacao	21.2	-	21.2
Other	26.6	5.3	31.9
<b>Total at 31 December 2022</b>	<b>183.8</b>	<b>73.3</b>	<b>257.1</b>

The tax losses and non-deductible interest expenses available in the Netherlands can be carried forward indefinitely, but the losses are limited to 50% of the taxable income. The losses in Jersey can be carried forward indefinitely. The losses in Brazil can be carried forward indefinitely but are limited to 30% of the taxable income. The losses in Curacao can be carried forward for 10 years.

## 14. NON-CONTROLLING INTEREST

### Non-controlling interest

The total non-controlling interest for the year is €15.1 million (2021: €15.1 million). Since the non-controlling interest is considered not significant for TMF Group no further summarised financial information is disclosed. The Freeway Entertainment Group and TMF Brasil Assessoria Contabil e Empresarial Ltda are the non-controlling interest.

### Subsidiaries

For the list of the subsidiaries of TMF Group at 31 December 2022, reference is made to the section 'TMF Group entities' which is included in the financial statements. All subsidiary undertakings are included in the consolidation.

All of the subsidiaries have either operating activities in line with TMF Group's core business or are intermediate holding and/or finance structures.

## 15. BUSINESS COMBINATIONS

### General

Alongside TMF Group's strategies for organic growth, it is TMF Group's intention, where appropriate, to continue to make acquisitions that provide additional scale to the business, enhance a specific service offering, assist in consolidating fragmented markets or address relevant geographical gaps. TMF Group applies a disciplined and rigorous approach to all acquisition evaluations.

TMF Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

### Acquisitions 2022

**Brazil** – On 10 January 2022, TMF Group acquired 100% shares of Paraty Capital ("Paraty"), a Sao Paulo based provider of private equity and venture capital fund services. Consideration at completion amounted to €14.8 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualized revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

**Bulgaria** – On 9 March 2022, TMF Group acquired 100% shares of Novacon Bulgaria OOD ("Novacon"), a Sofia based company offering payroll and accounting services to regional and international clients operating in a wide range of industries. Consideration at completion amounted to €2.9 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualized revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

**Abu Dhabi** – On 1 July 2022, TMF Group acquired 100% shares of Etive Consulting Limited LLC (“Etive”), an Abu Dhabi based company offering governance, risk and compliance services to regional and international clients operating in a wide range of industries. Consideration at completion amounted to €4.6 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualized revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

**Hong Kong** - On 30 November 2022, TMF Group acquired 100% shares of Focus Secretarial Services Limited and Focus Corporate Consultancy Limited (“Focus”), two Hong Kong based companies offering corporate secretarial, payroll and accounting services. Consideration at completion amounted to €2.5 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualized revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

TMF Group’s consolidated revenue for 2022 includes €8.7 million related to acquisitions completed in 2022 as from the effective date. The full year impact calculated as where these acquired per 1 January 2022 would have been €11.7 million. The acquisitions contributed for €4.7 million to the operating result of 2022 and with a full year impact of €5.9 million.

Upon acquisition of the business during 2022, TMF Group recognized aggregated Goodwill of €32.4 million and Other intangible assets such as client list and software of €21.5 million.

## Acquisitions 2021

**Netherlands** - On 15 January 2021, TMF Group has acquired 100% shares of IQ-Nexus B.V. ("IQ Nexus"), Rotterdam based firm specialised in providing company management service. Consideration at completion amounted to €3.2 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualized revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

**Luxembourg** - On 10 February 2021, TMF Group acquired 100% shares of Selectra Management Company S.A., LLC ("Selectra"), a Luxembourg based regulated management company servicing both alternative investment funds (AIFs) and Undertakings for the Collective Investment in Transferable Securities (UCITS). In September 2021, by a shareholder resolution name was changed to TMF Fund Management S.A. Consideration at completion amounted to €9.2 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualized revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

**North America** - On 7 April 2021, TMF Group acquired 100% shares of Venture Back Office, LLC ("VBO, LLC"), a North Carolina based fund administrator to private equity and venture capital funds. In September 2021, by a shareholder resolution name was changed to TMF Fund Services North America LLC. The acquisition expands the Group's existing footprint in North America and provides access to a complementary portfolio of corporate clients. Consideration at completion amounted to €21.2 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualized revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

**Singapore** – On 30 December 2021, TMF Group has acquired business of Unit4 Asia Pacific PTE. LTD. ("Unit4"), Singapore based payroll processing firm. Consideration at completion amounted to €4.6 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualized revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

TMF Group's consolidated revenue for 2021 includes €12.4 million related to acquisitions completed in 2021 as from the effective date. The full year impact calculated as where these acquired per 1 January 2021 would have been €15.1 million. The acquisitions contributed for €2.3 million to the operating result of 2021 and with a full year impact of €2.5 million.

Upon acquisition of the business during 2021, TMF Group recognized aggregated Goodwill of €18.5 million and Other intangible assets such as client list and software of €19.7 million.



## 16. INTANGIBLE ASSETS

### Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

Gains and losses on the disposal of an entity or business include the carrying amount of goodwill relating to the entity or business sold. Goodwill is not amortised.

### Client lists

Client lists, including client relationships, acquired by TMF Group have finite useful lives. Client lists are acquired as part of business combinations, recognized at their fair value at the date of the acquisition and subsequently amortised on a straight-line basis on the timing of projected cash flows of the contracts over their estimated life time (15 years). The useful lives and the amortisation methods are reviewed periodically and adjusted if appropriate.

### Brands

The intangible asset relates to the 'TMF brand' which is acquired as part of business combinations of TMF Orange Holding B.V. This brand is recognized at the fair value at the date of the acquisition and not amortised. TMF Group believes that there is currently no foreseeable limit to the period over which this brand is expected to generate net cash inflows, and therefore assessed to have an indefinite useful life.

In millions of Euro	Goodwill	Client list	Brands	Software	Total
<b>Cost</b>					
<b>Balance at 1 January 2021</b>	<b>975.6</b>	<b>586.9</b>	<b>214.1</b>	<b>88.5</b>	<b>1,865.1</b>
Acquired through business combinations	18.5	15.5	-	4.2	38.2
Additions	-	-	-	28.9	28.9
Additions – internally developed	-	-	-	4.3	4.3
Disposals	-	-	-	(0.4)	(0.4)
Exchange differences	0.6	1.7	0.1	1.3	3.7
<b>Balance at 31 December 2021</b>	<b>994.7</b>	<b>604.1</b>	<b>214.2</b>	<b>126.8</b>	<b>1,939.8</b>
<b>Balance at 1 January 2022</b>	<b>994.7</b>	<b>604.1</b>	<b>214.2</b>	<b>126.8</b>	<b>1939.8</b>
Acquired through business combinations	32.4	21.5	-	-	53.9
Additions	-	-	-	27.9	27.9
Additions – internally developed	-	-	-	4.0	4.0
Disposals	-	-	-	(2.8)	(2.8)
Exchange differences	(0.2)	0.4	-	1.0	1.2
<b>Balance at 31 December 2022</b>	<b>1,026.9</b>	<b>626.0</b>	<b>214.2</b>	<b>156.9</b>	<b>2,024.0</b>
<b>Amortisation and impairment</b>					
<b>Balance at 1 January 2021</b>	<b>95.2</b>	<b>90.7</b>	<b>(0.5)</b>	<b>45.2</b>	<b>230.6</b>
Amortisation for the year	-	35.4	-	17.7	53.1
Disposals	-	-	-	(0.3)	(0.3)
Exchange differences	-	1.4	0.1	0.2	1.7
<b>Balance at 31 December 2021</b>	<b>95.2</b>	<b>127.5</b>	<b>(0.4)</b>	<b>62.8</b>	<b>285.1</b>
<b>Balance at 1 January 2022</b>	<b>95.2</b>	<b>127.5</b>	<b>(0.4)</b>	<b>62.8</b>	<b>285.1</b>
Amortisation for the year	-	37.5	-	24.5	62.0
Disposals	-	-	-	(2.8)	(2.8)
Exchange differences	-	0.5	-	0.5	1.0
<b>Balance at 31 December 2022</b>	<b>95.2</b>	<b>165.5</b>	<b>(0.4)</b>	<b>85.0</b>	<b>345.3</b>
<b>As at 31 December 2021</b>	<b>899.5</b>	<b>476.7</b>	<b>214.6</b>	<b>64.0</b>	<b>1,654.7</b>
<b>As at 31 December 2022</b>	<b>931.7</b>	<b>460.6</b>	<b>214.6</b>	<b>71.9</b>	<b>1,678.7</b>

#### Software

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

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs are amortised over their estimated useful lives of 3 - 7 years on a straight- line basis. The residual values, the useful lives and the amortisation methods are reviewed periodically and adjusted if appropriate.

#### Impairment of intangible assets

For intangible assets, TMF Group evaluates if there is an impairment indicator at the end of the reporting period. If there is an impairment indicator, an impairment assessment is performed.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is tested for impairment at the CGU level, as monitored for internal management purposes, and does not take place at a lower level.

As at 31 December 2022, intangible assets acquired through acquisitions relate to business combinations as outlined in Note 15.

	Goodwill	Client list	Brands	Software
Estimated useful life remaining				
<b>At 31 December 2022</b>	n/a	15 years	n/a	7 years

The goodwill allocation per Cash Generating Unit is presented below for 2022:

In millions of Euro	31 December 2022	31 December 2021
International	416.1	416.7
APAC	206.8	203.7
EMEA	178.0	172.8
Iberia and LatAm	97.1	71.8
North America	33.7	34.5
<b>Goodwill</b>	<b>931.7</b>	<b>899.5</b>

#### Goodwill impairment analysis

TMF Group tests annually whether goodwill has suffered any impairment. The recoverable amount of the cash generating units (CGUs) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and five-year forecasts approved by management. The annual EBITDA (operating result before interest, taxes, depreciation and amortisation) growth for the first 5 years majorly impacts the cash flow projections and is based on past performance, management's expectations and independent market research. Cashflows beyond the five-year period are extrapolated using an estimated perpetual growth rate. Calculating the cash flows requires the use of judgements and estimates that have been included in our strategic plans and long-range forecasts. In addition, judgement is required to estimate the appropriate interest rate to be used to discount the future cash flows.

### Impairment tests for goodwill

Goodwill is monitored by management per Cash Generating Units for goodwill impairment testing purposes.

The recoverable amount of a Cash Generating Unit is determined based on value in use calculations. This value in use is based on 5 years cash flows projections and perpetual growth rates.

The key assumptions used are summarised in the table and notes to this table below for 2021:

2021	International	EMEA	North America	APAC	Iberia/LatAm
Discount rate (a)	6.0%	7.4%	6.9%	6.9%	9.8%
EBITDA growth (b)	4.9%	10.0%	15.6%	11.0%	7.4%
Perpetual growth (c)	0.4%	1.9%	1.1%	0.7%	4.0%

Key assumptions used are summarised in the table and notes to this table below for 2022:

2022	International	EMEA	North America	APAC	Iberia/LatAm
Discount rate (a)	9.4%	11.6%	11.1%	10.2%	22.1%
EBITDA growth (b)	6.3%	11.8%	21.1%	10.7%	8.2%
Perpetual growth (c)	2.7%	3.1%	4.3%	2.6%	5.0%

- a) Post-tax local currency discount rates have been determined by country and applied to the respective cash flow projections.
- b) Year-on-year budgeted annual EBITDA growth for the first 5 years has been based on the forecast prepared by local and group management.
- c) Long-term growth rates (perpetual growth) have been estimated based on a base rate of 2.5%, increased or decreased if applicable by the inflation differential between the country and the Eurozone inflation (which is also included in the discount rate calculations by country).

Goodwill was tested for impairment as at 31 December 2022 and no goodwill impairment (2021: no impairment) was identified.

### Sensitivity analysis

Other than as disclosed below, management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amount of any cash-generating unit to materially exceed their carrying values. The changes in the following table to assumptions used in the impairment review would, in isolation, lead to an impairment loss being recognized for the year ended 31 December 2022.

The following change or end values required for carrying value to equal recoverable amount for 2021:

2021	Change required for carrying value to equal recoverable amount				
	International	EMEA	North America	APAC	Iberia/LatAm
Initial Headroom (in millions of Euro)	292.6	350.6	97.2	433.1	201.4
	%	%	%	%	%
Discount rate	2.3	6.5	7.3	8.8	6.5
EBITDA growth – change	(17.7)	(32.9)	(36.2)	(33.5)	(35.2)
Perpetual growth – end value	(2.9)	(9.6)	(9.4)	(9.5)	(14.5)

The following change or end values required for carrying value to equal recoverable amount for 2022:

2022	International	EMEA	North America	APAC	Iberia/LatAm
Initial Headroom (in millions of Euro)	187.1	393.9	162.1	375.6	165.3
	%	%	%	%	%
Discount rate	1.8	8.6	11.0	6.9	7.1
EBITDA growth – change	(5.8)	(17.7)	(21.0)	(15.1)	(14.6)
Perpetual growth – end value	(2.4)	(15.5)	(20.0)	(11.4)	(12.6)

## 17. PROPERTY, PLANT AND EQUIPMENT

### Recognition and measurement

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

### Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- **Buildings:** 30 years
- **Leasehold improvements:** term of the lease unless the useful life is shorter
- **Furniture and fittings:** 10 years
- **Office and computer equipment:** 5 years
- **Motor vehicles:** 5 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### Disposal

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are recognized within 'Other expenses' in the income statement.

## Property, plant and equipment movement schedule

In millions of Euro	Buildings	Leasehold improvements	Furniture & fittings	Office & computer equipment	Motor vehicles	Total
<b>Cost</b>						
<b>Balance at 1 January 2021</b>	<b>4.0</b>	<b>17.9</b>	<b>4.6</b>	<b>19.5</b>	<b>0.4</b>	<b>46.4</b>
Additions	-	-	0.2	0.2	-	0.4
Disposals	-	1.2	0.4	4.5	0.1	6.2
Exchange differences	-	(6.0)	(1.1)	(3.6)	-	(10.7)
Reclassification	0.4	0.7	0.5	0.2	-	1.8
<b>Balance at 31 December 2021</b>	<b>4.4</b>	<b>13.8</b>	<b>4.6</b>	<b>20.8</b>	<b>0.5</b>	<b>44.1</b>
Acquired through business combinations	-	-	-	0.1	-	0.1
Additions	-	3.8	0.9	5.0	0.1	9.8
Disposals	-	(0.4)	(0.8)	(2.2)	(0.1)	(3.5)
Exchange differences	0.2	0.1	(0.1)	(0.3)	-	(0.1)
<b>Balance at 31 December 2022</b>	<b>4.6</b>	<b>17.3</b>	<b>4.6</b>	<b>23.4</b>	<b>0.5</b>	<b>50.4</b>
<b>Depreciation</b>						
<b>Balance at 1 January 2021</b>	<b>2.5</b>	<b>8.9</b>	<b>1.3</b>	<b>6.3</b>	<b>0.3</b>	<b>19.3</b>
Depreciation for the year	-	-	0.2	0.2	-	0.4
Disposals	0.1	3.9	1.1	4.9	0.1	10.1
Exchange differences	-	(6.0)	(1.1)	(3.4)	-	(10.5)
Reclassification	0.1	0.4	0.4	0.8	-	1.7
<b>Balance at 31 December 2021</b>	<b>2.7</b>	<b>7.2</b>	<b>1.9</b>	<b>8.8</b>	<b>0.4</b>	<b>21.0</b>
Acquired through business combinations	-	-	-	-	-	-
Depreciation for the year	0.1	3.8	1.1	5.6	0.1	10.7
Disposals	-	(0.4)	(0.8)	(2.1)	-	(3.3)
Exchange differences	0.1	0.1	(0.1)	(0.2)	(0.1)	(0.2)
<b>Balance at 31 December 2022</b>	<b>2.9</b>	<b>10.7</b>	<b>2.1</b>	<b>12.1</b>	<b>0.4</b>	<b>28.2</b>
<b>Carrying amounts</b>						
<b>At 31 December 2021</b>	<b>1.7</b>	<b>6.6</b>	<b>2.7</b>	<b>12.0</b>	<b>0.1</b>	<b>23.1</b>
<b>At 31 December 2022</b>	<b>1.7</b>	<b>6.6</b>	<b>2.5</b>	<b>11.3</b>	<b>0.1</b>	<b>22.2</b>



## 18. RIGHT-OF-USE OF ASSETS AND LEASE LIABILITY

### Policy applicable from 1 January 2019

At inception of a contract, TMF Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, TMF Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

#### As a lessee

At commencement or on modification of a contract that contains a lease component, TMF Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

TMF Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use-asset is included in the financial statement line item; Right of use asset as a Non-Current asset. The lease liability is included in the financial statements line item; Lease Liability short term and long term. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to TMF Group by the end of the lease term or the cost of the right-of-use asset reflects that TMF Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, TMF Group's incremental borrowing rate. The TMF Group uses its incremental borrowing rate as the discount rate.

TMF Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that TMF Group is reasonably certain to exercise, lease payments in an optional renewal period if TMF Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless TMF Group is reasonably certain not to terminate early.

The lease liability is measured at the present value of the future lease payments. The key inputs to this calculation are the lease term, the lease payments to be included and the discount rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in TMF Group's estimate of the amount expected to be payable under a residual value guarantee, if TMF Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

As a practical expedient, TMF Group elects, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Non-lease component that is fixed or varies depending on an index or rate can be included in the lease liability calculation, such as common area maintenance or fixed building management fees. Non-lease component that is variable payment that depend on usage can't be included in the lease liability calculation, such as water usage.

#### Non-IFRS 16 leases – office lease

TMF Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment contracts that does not contain a lease. TMF Group recognizes the lease payments associated with these leases contracts as an expense on a straight-line basis over the lease term. The amount of low value leases is recorded in rental and office expenses.

### As a lessor

At inception or on modification of a contract that contains a lease component, TMF Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When TMF Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, TMF Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, TMF Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When TMF Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which TMF Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then TMF Group applies IFRS 15 to allocate the consideration in the contract.

TMF Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. TMF Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

TMF Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to TMF Group as a lessor in the comparative period were not different from IFRS 16.

### Nature of TMF Group's leasing activities

TMF Group leases buildings, vehicles and other leases, which are necessary for the Company to operate. With regards to the assets leased by TMF Group, there are no restrictions or covenants imposed in any of the lease contracts.

## Right-of-use assets

Breakdown of the movements of the Right-of-use assets is as follows.

In millions of Euro	Lease buildings	Lease vehicles	Other leases	Total
<b>Cost</b>				
<b>Balance at 1 January 2021</b>	<b>135.6</b>	<b>4.2</b>	<b>18.4</b>	<b>158.2</b>
Acquired through business combinations	1.1	-	-	1.1
Additions	37.7	1.1	4.3	43.1
Disposals	(31.2)	(0.6)	(14.2)	(46.0)
Other movements	(19.5)	(0.7)	(0.3)	(20.5)
Exchange differences	1.8	-	(0.1)	1.7
<b>Balance as 31 December 2021</b>	<b>125.5</b>	<b>4.0</b>	<b>8.1</b>	<b>137.6</b>
Acquired through business combinations	0.1	-	-	0.1
Additions	33.0	0.8	34.2	68.0
Disposals	(20.5)	(1.2)	(2.5)	(24.2)
Other movements	(0.7)	-	-	(0.7)
Exchange differences	(0.5)	-	(0.4)	(0.9)
<b>Balance as 31 December 2022</b>	<b>136.9</b>	<b>3.6</b>	<b>39.4</b>	<b>179.9</b>
<b>Depreciation</b>				
<b>Balance at 1 January 2021</b>	<b>68.0</b>	<b>1.8</b>	<b>15.0</b>	<b>84.8</b>
Depreciation for the year	28.7	1.2	3.3	33.2
Disposals	(23.9)	(0.5)	(14.2)	(38.6)
Other movements	(20.3)	(0.7)	(0.5)	(21.5)
Exchange differences	1.9	-	-	1.9
<b>Balance at 31 December 2021</b>	<b>54.4</b>	<b>1.8</b>	<b>3.6</b>	<b>59.8</b>
Depreciation for the year	29.4	1.1	7.7	38.2
Disposals	(17.2)	(0.9)	(2.5)	(20.6)
Exchange differences	(0.1)	-	-	(0.1)
<b>Balance as 31 December 2022</b>	<b>66.5</b>	<b>2.0</b>	<b>8.8</b>	<b>77.3</b>
<b>At 31 December 2021</b>	<b>71.1</b>	<b>2.2</b>	<b>4.5</b>	<b>77.8</b>
<b>At 31 December 2022</b>	<b>70.4</b>	<b>1.6</b>	<b>30.6</b>	<b>102.6</b>

## Lease liability

Breakdown of movements in the lease liability is as follows:

In millions of Euro	2022	2021
<b>Opening balance</b>	<b>83.4</b>	<b>76.2</b>
Finance charge	3.8	2.2
Acquired through business combinations	0.1	1.1
Additions	67.6	44.0
Disposal	(4.4)	(8.2)
Lease payments	(41.3)	(36.4)
Other movements	(0.1)	4.6
FX, Revaluation and rent concession	(1.4)	(0.1)
<b>Closing balance</b>	<b>107.7</b>	<b>83.4</b>

The lease liability is recorded in the loans and borrowings.

## 19. FINANCIAL ASSETS AND DERIVATIVE FINANCIAL LIABILITIES

### Financial assets

TMF Group classifies its financial assets in the following categories: financial assets at amortised cost (loans and receivables) and fair value through income statement (equity instruments). The classification is determined based on TMF Group's business model for managing financial assets and contractual cash flow characteristics of the financial assets. Management determines the classification of its financial assets at initial recognition.

#### Financial assets at amortised cost

Loans and receivables are financial assets measured at amortised cost. Financial assets measured at amortised cost are initially measured at their fair value with transaction costs that are deducted from the fair value. These financial assets are subsequently measured at amortised cost using effective interest method.

Credit risk is managed by each business unit subject to TMF Group's established policy, procedures and control relating to credit risk management. Credit quality of a counterparty is assessed based on a credit rating scorecard.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed further in this note.

#### Financial assets at fair value through income statement

Financial assets at fair value through income statement (equity instruments) include investments in non-listed equity shares. TMF Group holds non-controlling interest (between 2% and 10%) in these companies. Financial assets carried at fair value through income statement are initially recognised at fair value and transaction costs are expensed in the income statement. These assets are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through income statement' category are presented in the income statement in the period in which they arise.

These assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and TMF Group has transferred substantially all risks and rewards of ownership.

### Financial assets at amortised cost

The classification of financial assets is as follows:

In millions of Euro	31 December 2022	31 December 2021
Long term deposits	3.8	3.6
Loans to and receivables from related parties	9.3	3.3
Long term sublease	1.5	1.5
Other financial assets	0.1	0.2
<b>Non-current financial assets</b>	<b>14.7</b>	<b>8.6</b>
Loans to and receivables from related parties	0.1	0.1
Shelf companies	0.5	0.6
<b>Current financial assets</b>	<b>0.6</b>	<b>0.7</b>

Loans to and receivables from related parties relate to TMF Sapphire Topco B.V. in amount of €6.8 million (2021: €1.1 million) and management of TMF Sao Paulo Adm. E Part Ltda in amount of €2.3 million (2021: €2.2 million).

### Exposure to credit risk

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:

In millions of Euro	31 December 2022	31 December 2021
Non-current financial assets	14.7	8.6
Trade and other receivables (excluding prepayments and tax-related receivables)	177.2	156.0
Current financial assets	0.6	0.7
Cash and cash equivalents	360.1	346.6
<b>Total</b>	<b>552.6</b>	<b>511.9</b>

Refer to [note 4.4](#) Credit risk and [note 21](#) Trade receivables and Unbilled services where all material credit risks and flows are described.

## Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Derivative financial asset and derivative financial liability

TMF Group has applied IFRS 9 for hedge accounting.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivatives are measured at fair value and the accounting for the changes therein depend on whether the derivative is designated as a hedging instrument or not. TMF Group designates certain derivatives as cash flow hedges of particular risks associated with a recognized asset or liability or a highly probable forecast transaction.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

## Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income ("OCI") and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in income statement.

For a modification of contractual cash flows of the hedging instrument due directly from interest rate benchmark reform, the changes to the hedge documentation (such as redefining the hedged risk or the description of the hedging instrument/hedged item to make reference to the benchmark rate) does not result in discontinuation of hedge accounting.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition. For other cash flow hedges, it is reclassified to income statement in the same period or periods as the hedged expected future cash flows affect income statement.



If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to income statement.

In millions of Euro	31 December 2022	31 December 2021
Interest rate derivative - cap	1.5	-
Interest rate derivative - interest rate swap	6.5	(13.6)
<b>Balance at 31 December</b>	<b>8.0</b>	<b>(13.6)</b>
Non-current	1.3	(5.4)
Current	6.7	(8.2)
<b>Total</b>	<b>8.0</b>	<b>(13.6)</b>

The fair value is based on a Level 2 fair value calculation.

#### Interest rate hedges

TMF Group has an interest rate swap and cap. For the period July 2021 until July 2023 TMF Group has entered into an interest rate swap, with a notional of €805 million. Effectively, Euribor on the senior loan notes is partially hedged at 1.034%. For the period July 2023 until April 2025 TMF Group had purchased an interest rate cap, with a notional of €805 million. Effectively Euribor on the senior loan notes is partially capped at 3.0%. The premium for the interest rate cap will be paid over the lifetime of the instrument.

Assessment of hedge effectiveness is performed at inception of the hedge, at each reporting date and upon a significant change in the circumstances affecting the hedge effectiveness requirements, whichever comes first.

The following potential sources of ineffectiveness are identified:

- Reduction or modification in the hedged item (i.e. debt repayment)
- A change in the credit risk of TMF Group or the counterparty to the purchased cap or cash flow hedge.

The hedge ineffectiveness for the year 2022 amounted nil. The hedge ratio is 1:1.

The following table details the contracts at the end of the reporting period, as well as information regarding their related hedged items.

In millions of Euro	Changes in value used for calculating hedge ineffectiveness	Balance in cash flow hedge reserve for continuing hedges
<b>Cash flow hedges</b>		
Interest rate derivative – cap	(6.9)	1.5
Interest rate derivative – interest rate swap	(5.3)	6.5
<b>Total</b>	<b>(12.2)</b>	<b>11.6</b>

Balance in cash flow hedge reserve for continuing hedges represents clean value, excluding accrued interest of €0.3 million (2021: €2.1 million). The following table details the effectiveness of the hedging relationship and the amounts reclassified from hedging reserve to income statement:

In millions of Euro	Change in the fair value of hedging instruments recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included
<b>Cash flow hedges</b>			
Interest rate derivative - cap	1.5	-	Not applicable
Interest rate derivative – interest rate swap	6.5	-	Not applicable
<b>Total</b>	<b>8.0</b>	<b>-</b>	<b>-</b>

Refer to note 24 Equity in the consolidated financial statements.

## 20. CONTRACT ASSETS

The contract assets relate to costs incurred to obtain and/or fulfil a contract. As at 31 December 2022 and 2021, the non-current assets amount to €8.3 million and €8.8 million respectively and the current contract assets amounts to €7.1 million and €6.9 million respectively. There was no impairment loss in relation to the costs capitalized.

The maximum exposure of credit risk at the reporting date is the carrying value of the contract assets. TMF Group does not hold any collateral as security. TMF Group has no significant concentrations of credit risk.

## 21. TRADE RECEIVABLES AND UNBILLED SERVICES

Trade receivables are initially recognised at fair value, and subsequently measured at amortised cost (if the time value is material), using the effective interest method, less allowance for expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected credit losses on trade receivables are estimated collectively using a provision matrix based on TMF Group's historical credit loss experience and includes an assessment of the forecast direction of macroeconomic conditions at reporting date.

Provision rates are segregated according to geographical location and status of the client (active/inactive) and credit risk category (local/global). 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 income statement within 'Impairment financial assets'. When a receivable is uncollectable, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against 'Impairment financial assets' in the income statement. Unbilled services relate to services performed but not yet billed.

The breakdown of total Trade receivables and Unbilled services is:

In millions of Euro	31 December 2022	31 December 2021
Trade receivables	117.8	103.5
Less: Allowance for Expected Credit Loss	(6.7)	(8.5)
Trade receivables – net	111.1	95.0
Unbilled services	52.6	46.6
<b>Trade receivables and Unbilled services</b>	<b>163.7</b>	<b>141.6</b>

The maximum exposure of credit risk at the reporting date is the carrying value of the receivables. TMF Group does not hold any collateral as security. TMF Group has no significant concentrations of credit risk.

The ageing analysis of trade receivables net of the allowance for credit losses is as follows as per 31 December 2022:

In millions of Euro	Gross receivables	Allowance	Net receivables
Less than 30 days	69.2	(0.9)	68.3
30 to 90 days	21.1	(0.6)	20.5
91 to 180 days	11.4	(0.8)	10.6
181 to 360 days	10.1	(1.5)	8.6
More than 360 days	6.0	(2.9)	3.1
<b>Trade receivables</b>	<b>117.8</b>	<b>(6.7)</b>	<b>111.1</b>

The ageing analysis of trade receivables net of the allowance for credit losses is as follows as per

31 December 2021:

In millions of Euro	Gross receivables	Allowance	Net receivables
Less than 30 days	58.0	(0.8)	57.2
30 to 90 days	18.4	(0.8)	17.6
91 to 180 days	10.5	(0.9)	9.6
181 to 360 days	8.9	(1.7)	7.2
More than 360 days	7.7	(4.3)	3.4
<b>Trade receivables</b>	<b>103.5</b>	<b>(8.5)</b>	<b>95.0</b>

Trade receivables are non-interest bearing and are generally on terms of 14 to 45 days.

Breakdown of movements in the allowance, based on expected credit losses, are as follows:

In millions of Euro	2022	2021
Opening balance	8.5	10.4
Increase in the allowance	2.0	3.4
Reversed allowance	(2.8)	(1.0)
Receivables written off during the period as uncollectible	(1.0)	(4.3)
<b>Closing balance</b>	<b>6.7</b>	<b>8.5</b>

TMF Group evaluates the concentration of risk with respect to trade receivables as very low due to international landscape, scale, and scope of subsidiaries, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The carrying amounts of TMF Group's total Trade receivables and Unbilled services are denominated in the following currencies:

In millions of Euro	31 December 2022	31 December 2021
Euro	59.2	55.3
US Dollar	51.1	43.3
GBP	13.3	6.7
CNY	-	4.0
BRL	2.6	2.2
SGD	3.9	2.0
Other	40.3	36.6
<b>Trade receivables and Unbilled services</b>	<b>170.4</b>	<b>150.1</b>

Currencies categorized as "Other" are individually below €2 million.

## 2.2. OTHER RECEIVABLES

The maximum exposure of credit risk at the reporting date is the carrying value of the other receivables. TMF Group does not hold any collateral as security. TMF Group has no significant concentrations of credit risk.

In millions of Euro	31 December 2022	31 December 2021
Prepayments	13.6	13.2
Rental and other deposits	3.9	3.7
Unbilled disbursements	2.7	2.5
Other tax and social security receivables	7.8	5.2
Other receivables	6.9	8.2
<b>Other receivables</b>	<b>34.9</b>	<b>32.8</b>

## 23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet bank overdrafts are shown within borrowings in current liabilities.

In millions of Euro	Note	31 December 2022	31 December 2021
Cash at bank and on hand		351.8	341.4
Short-term bank deposits		8.3	5.2
<b>Cash and cash equivalents</b>		<b>360.1</b>	<b>346.6</b>
Bank overdrafts used for cash management purposes - not offset with cash at bank	27	(324.9)	(296.2)
<b>Cash and cash equivalents and bank overdrafts</b>		<b>35.2</b>	<b>50.4</b>

The carrying value of the cash and cash equivalents approximate the fair value.

TMF Group manages cash pool at HSBC which contains many currencies. The majority of these currencies are denominated in Euro, US Dollar, GBP, HKD and SGD. In this cash pool, the account balances are notionally offset for interest purposes without the central movement of funds. Interest is earned on the net balance of the pool. The total net balances in the cash pool as at 31 December 2022 was €4.5 million (2021: €15.3 million).

### Significant restrictions

Exchange control restrictions or other restrictions regarding the repatriation of funds from certain countries in which TMF Group operates (including regulatory capital restrictions) could hinder our ability to make foreign investments and procure foreign denominated financing.

TMF Group regularly repatriates cash to avoid high cash balances accumulating in local offices. TMF currently does not face any restrictions to repatriate cash from local offices, albeit that certain countries only permit a delayed repatriation via dividends. The Group is required to maintain a specified level of local liquidity in certain of the jurisdictions in which it is regulated, which amounted to €1.9 million across all jurisdictions as at 31 December 2022 (2021: €4.3 million).

## 24. EQUITY

### Share capital and share premium

Ordinary shares are classified as equity. At 31 December 2022, the authorized share capital comprised 323,126,314 shares. The issued share capital amounts to €3,231,263. There are no changes applicable for 2022. All shares are fully paid and have similar rights in meetings of the shareholders.

## 25. SHARE-BASED PAYMENT

### Senior management share-based payment plan

The share-based payment plan is classified as an equity-settled plan since TMF Group does not have an obligation to repurchase the shares or otherwise settle in cash. A participant leaving TMF Group is obliged to offer the shares for sale to a party designated by CVC, where the price a voluntary leaver is entitled to for the shares is determined as the lower of the fair market value on the repurchase date and the purchase price paid. In general, a participant will therefore have to stay employed until an exit event occurs in order to be entitled to the fair market value for the shares. An exit means sale, Initial Public Offering or a winding up.

Movements in the number of ordinary shares ("Depository receipts") outstanding and their related weighted average exercise prices are as follows:

	Shares (in 1,000)
<b>1 January 2021</b>	<b>1,314.3</b>
Granted	240.3
Forfeited	(28.8)
<b>31 December 2021</b>	<b>1,525.8</b>
<b>1 January 2022</b>	<b>1,525.8</b>
Granted	8.0
Forfeited	(68.3)
<b>31 December 2022</b>	<b>1,465.5</b>

The share capital of TMF Sapphire Topco B.V. comprises of 19,840,100 ordinary shares and 717,139,974 preference shares. Management of TMF Group indirectly owns 10% of the ordinary shares with voting rights ("Depository receipts") and 2.6% of the preference shares with no voting rights. The grant date fair value is determined as the difference between the estimated total fair value of the purchased shares and the total price paid by the participants. For this purpose, the fair value of the different types of underlying shares has been estimated based on the total price paid for the shares when TMF Orange Holding B.V. was acquired in 2018. The fair value of the ordinary shares has been based on the transaction price in the agreement with Abu Dhabi Investment Authority. All regulatory approvals have been obtained and the transaction is expected to complete in March of 2023.

### Share Appreciation Right

As from 2019 senior staff were granted Share Appreciation Rights ("SARs") ("Depository receipts") that entitle them to a cash payment upon an exit event. A participant will have to stay employed until an exit event occurs in order to be entitled to the cash payment. The amount of cash payment is determined based on the increase in the share price of TMF Sapphire Topco B.V. between 30 April 2018 and the time of the exit. The SARs were granted and will be settled in cash by TMF Sapphire Topco B.V.

Movements in the number of SARs outstanding are as follows:

	Shares (in 1,000)
<b>1 January 2021</b>	<b>97.5</b>
Granted	61.5
Forfeited	(30.0)
<b>31 December 2021</b>	<b>129.0</b>
<b>1 January 2022</b>	<b>129.0</b>
Granted	8.0
Forfeited	(13.5)
<b>31 December 2022</b>	<b>123.5</b>

The total number of SARs is 160,000 and as per 31 December 2022: 123,500 (2021: 129,000) are granted to employees. The grant date fair value is determined as the difference between the estimated total fair value of the purchased shares and the issue price.

The grant date fair value is recognised at grant date. The total expenses recognised in the profit or loss statement in respect of the SARs amount to €0.4 million (2021: 0.6 million). The expenses are recognised as Employee benefit expenses in the profit or loss statement. The plan is equity settled and the share-based payment reserve is recognized in the balance sheet as Share-based payment reserve. Refer to [note 26](#) for further details.



## 26 . RESERVES

The reconciliation of the movements in reserves is as follows:

In millions of Euro	Other reserves	Hedging reserve	Total reserves
<b>Balance at 1 January 2021</b>	<b>(2.2)</b>	<b>(16.5)</b>	<b>(18.7)</b>
Translation movements	6.8	-	6.8
Hedging reserve	-	5.0	5.0
<b>Balance at 31 December 2021</b>	<b>4.6</b>	<b>(11.5)</b>	<b>(6.9)</b>
<b>Balance at 1 January 2022</b>	<b>4.6</b>	<b>(11.5)</b>	<b>(6.9)</b>
Translation movements	(4.6)	-	(4.6)
Hedging reserve	-	19.5	19.5
Share based payment	0.9	-	0.9
<b>Balance at 31 December 2022</b>	<b>0.9</b>	<b>8.0</b>	<b>8.9</b>

The reserves are not available for distribution to shareholders.

### Other reserves

Other reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and share base payment reserve.

### Hedging reserve

Hedging reserves are comprise effective portion of cumulative net change in the fair value of hedging instruments used in cash flow hedges, pending subsequent recognition in profit or loss.

## 27. LOANS AND BORROWINGS

Loans and borrowings are recognized initially at fair value, net of transaction costs incurred. Loan and borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Transaction costs incurred during the (re)financing of loans and borrowings are capitalized and amortised over the estimated useful lives of the loans and borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan if it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs. If it is not probable that some or all of the facility will be drawn down, the fee for the facility is capitalised and amortised over the period of the facility to which it relates. Loans and borrowings are presented net of transaction costs.

Loans and borrowings are classified as current liabilities unless TMF Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

TMF Group derecognises financial liabilities when, and only when, TMF Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the income statement.

In millions of Euro	31 December 2022	31 December 2021
<b>Non-current</b>		
Secured bank borrowings	1,139.0	1,134.4
Related party loan	0.3	-
Deferred consideration payable	10.5	2.6
Lease liability	74.3	53.4
Other non-current loans and borrowings	15.7	22.7
<b>Non-current loans and borrowings</b>	<b>1,239.8</b>	<b>1,213.1</b>
<b>Current</b>		
Secured bank overdrafts	324.9	296.2
Due to associates/related parties	1.1	-
Deferred consideration payable	11.3	6.3
Lease liability	33.4	30.0
Interest payable	13.5	11.1
Other current loans and borrowings	19.2	10.0
<b>Current loans and borrowings</b>	<b>403.4</b>	<b>353.6</b>
<b>Loans and borrowings</b>	<b>1,643.2</b>	<b>1,566.7</b>

TMF Group's primary source of finance is secured bank borrowings provided by a syndicate of banks and related party loans. The secured bank borrowings were drawn on 3 May 2018. At 31 December 2022, the secured bank borrowings and Revolving Credit Facility ("RCF"), including unpaid interest, amount to €1,176.5 million (2021: €1,161 million). The intercompany receivables are pledged up to this amount. The deferred consideration payable relates to deferred payments and earn-out agreements with the former shareholders of acquired companies and sellers of acquired assets.

The Interest payable is, for a significant part, the 2-month accrued interest for the senior bank borrowing. The senior bank borrowing is valued at amortized cost and this accrued interest is directly related to that amount.

#### Terms and repayment schedules

The terms and conditions of outstanding loans, excluding deferred consideration payables and transaction costs on loan notes, are as follows:

In millions of Euro	Nominal interest rate	Year of maturity	Fair value	Carrying amount	Fair value	Carrying amount
			31 December 2022		31 December 2021	
Senior bank borrowings – Facility B	Euribor (minimum 0.00%) + 3.00%	2025	904.4	950.0	941.0	950.0
Senior bank borrowings – Second Lien Facility	Euribor (minimum 0.00%) + 6.625%)	2026	189.5	200.0	200.9	200.0
Secured bank overdraft	-	-	324.9	324.9	296.2	296.2
Revolving Credit Facility	Euribor + 2.75%	2025	13.0	13.0	-	-
Lease liability	-	-	107.7	107.7	83.4	83.4
Secured bank loan - Brazil	8.1701%	2022	-	-	1.3	1.3
	CDI + 1.6333%	2022	-	-	4.0	4.0
Other loans and borrowings	-	-	59.1	59.1	47.4	47.4
<b>Total</b>			<b>1,598.6</b>	<b>1,654.7</b>	<b>1,574.1</b>	<b>1,582.3</b>

The transaction costs amounted to €11.0 million at 31 December 2022 and €15.6 million at 31 December 2021 and fully relate to transaction costs on the senior bank borrowings. The carrying value of the non-current deferred consideration approximates to the fair value.

The financial covenants are tested each quarter as from 31 March 2019 and only if cash utilisations of the RCF are above 40 per cent of total RCF commitments. Refer to note 4.5 for additional information. The First Lien Net Leverage must not exceed 9.50X EBITDA and is calculated by applying the net debt and divide by the EBITDA. TMF Group has met the requirements in the facility agreement for the years subject in this Annual report.

Each of the lenders within the syndicate of banks can require TMF Group to repay the secured bank

borrowings in case of a change of ownership in TMF Group. TMF Group can voluntarily prepay secured bank borrowings, but with break-up costs. The secured bank borrowings and revolving credit facility, including unpaid interest, are pledged over certain shares, bank accounts and intercompany receivables of several entities within TMF Group. The shares are pledged up to €3.2 million (2021: €3.2 million) which comprises the shareholder's equity of TMF Sapphire Bidco B.V., the only direct subsidiary of TMF Sapphire Midco B.V. Bank accounts are pledged up to €0.1 million (2021: €0.1 million).

The effective interest rate is equal then the variable coupon rate. The effective interest rate of the secured bank borrowings is 0.46% (2021: 0.46%) higher than the nominal interest rate due to capitalised finance costs.

For the maturity of TMF Group's borrowings and further details on the RCF:

In millions of Euro	Financial liabilities at amortised cost	Financial liabilities at fair value through income statement
<b>31 December 2021</b>		
Non-current loans and borrowings	1,134.7	-
Current loans and borrowings	353.6	-
Derivative financial instruments	-	11.6
Trade and other payables*	89.2	-
<b>Total</b>	<b>1,577.5</b>	<b>11.6</b>
<b>31 December 2022</b>		
Non-current loans and borrowings	1,201.1	-
Current loans and borrowings	403.4	-
Trade and other payables*	97.7	-
<b>Total</b>	<b>1,702.2</b>	<b>-</b>

\* Excluding deferred income, cash advances on rent contracts and rent-free periods, social security and other taxes.

### Reconciliation of liabilities arising from financing activities

The table below details changes in the liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated cash flow statement as cash flows from financing activities.

In millions of Euro	31 December 2020	Financing cash flows	New leases	Other changes	Acquisition of subsidiary	31 December 2021
Secured bank borrowings	1,129.8	-	-	4.6	-	1,134.4
Secured bank overdraft	220.7	-	-	75.5	-	296.2
Deferred consideration payable	0.1	-	-	8.8	-	8.9
Due to associates/related parties	0.6	-	-	(0.6)	-	-
Interest payable	11.1	-	-	-	-	11.1
Other current loans and borrowings	5.5	-	-	2.8	-	8.3
Other non-current loans and borrowings	86.5	(22.4)	45.1	(2.3)	0.9	107.8
<b>Total</b>	<b>1,454.3</b>	<b>(22.4)</b>	<b>45.1</b>	<b>88.8</b>	<b>0.9</b>	<b>1,566.7</b>

In millions of Euro	31 December 2021	Financing cash flows	New leases	Other changes	Acquisition of subsidiary	31 December 2022
Secured bank borrowings	1,134.4	-	-	4.6	-	1,139.0
Secured bank overdraft	296.2	-	-	28.7	-	324.9
Deferred consideration payable	8.9	(5.4)	-	18.3	-	21.8
Due to associates/related parties	-	(1.5)	-	2.9	-	1.4
Interest payable	11.1	-	-	2.4	-	13.5
Other current loans and borrowings	8.3	13.0	-	(2.1)	-	19.2
Other non-current loans and borrowings	107.8	(39.7)	67.7	(12.7)	-	123.4
<b>Total</b>	<b>1,566.7</b>	<b>(33.6)</b>	<b>67.7</b>	<b>42.4</b>	<b>-</b>	<b>1,643.2</b>

## 28. PROVISIONS

Provisions are recognized when TMF Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

In millions of Euro	Legal	Restructuring	Employee benefits	Dilapidation	Other	Total
<b>Balance at 31 December 2020</b>	<b>3.2</b>	<b>1.7</b>	<b>4.6</b>	<b>2.3</b>	<b>1.2</b>	<b>13.0</b>
Charged to the income statement:						
- Additions	0.3	-	1.2	0.7	1.1	3.3
- Exchange differences	-	-	(0.1)	-	0.1	-
Released/Used during the year	(1.4)	(0.7)	(1.9)	(0.4)	(0.9)	(5.3)
<b>Balance at 31 December 2021</b>	<b>2.1</b>	<b>1.0</b>	<b>3.8</b>	<b>2.6</b>	<b>1.5</b>	<b>11.0</b>

<b>Balance at 31 December 2021</b>	<b>2.1</b>	<b>1.0</b>	<b>3.8</b>	<b>2.6</b>	<b>1.5</b>	<b>11.0</b>
Charged to the income statement:						
- Additions	0.1	-	1.2	0.2	0.4	1.9
- Exchange differences	0.2	0.1	(0.1)	-	(0.1)	0.1
Released/Used during the year	(0.4)	-	(1.4)	-	(0.5)	(2.3)
<b>Balance at 31 December 2022</b>	<b>2.0</b>	<b>1.1</b>	<b>3.5</b>	<b>2.8</b>	<b>1.3</b>	<b>10.7</b>

In millions of Euro	31 December 2022	31 December 2021
Non-current	7.1	6.7
Current	3.6	4.3
<b>Provisions</b>	<b>10.7</b>	<b>11.0</b>

## Legal

The legal provisions relate to legal cases involving subsidiaries of TMF Group. The amount provided for relates to costs and damages expected to be incurred for these legal cases.

## Restructuring

At 31 December 2022, the restructuring provisions mainly include a short-term provision for costs of TMF Group-wide (tax) transformation programs. A provision for restructuring is recognized when there is an approved, detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. A provision for restructuring is based on the Group's best estimate of costs to be incurred. If actual costs are different than originally estimated, this could affect operating result and net result.

## Employee benefits

The provision for employee benefits mainly relates to long-term jubilee and anniversary benefit schemes.

## Dilapidation

The dilapidation provision relates to expected dilapidation expenses with respect to the lease of office buildings. The usage of the provision is dependent on the lease term of the office buildings.

# 29. RETIREMENT BENEFIT OBLIGATIONS

## Introduction

TMF Group has defined retirement benefit obligations of minor importance in Switzerland. Minor retirement benefit obligations are present some other countries.

## Switzerland

A minor retirement benefit obligation is present in Switzerland. The benefits in the scheme results from the conversion of a savings account into a retirement pension. The conversion factor of the savings account into a retirement pension is further defined in the rules of the pension plan. The benefits are financed by both TMF Group and the employees. TMF Group contributes approximately two third of the total costs. Considering

the net liability, the results on remeasurement and expenses recognized in income statement, this retirement benefit obligation is considered not significant to TMF Group. As such, only limited IAS 19 disclosures have been included in these financial statements.

## Other countries

Some minor retirement benefit obligations are present in other countries. As the individual retirement benefit obligations have negligible impact on TMF Group's financials, no further disclosures have been included in these financial statements.

### Liability in the balance sheet

The amounts in the balance sheet were determined as follows and are based on external actuarial reports.

In millions of Euro	31 December 2022	31 December 2021
Present value of funded obligations	6.7	8.0
Fair value of plan assets	(5.1)	(5.5)
<b>Liability in the balance sheet</b>	<b>1.6</b>	<b>2.5</b>
Switzerland	0.4	1.4
Other countries	1.2	1.1
<b>Liability in the balance sheet</b>	<b>1.6</b>	<b>2.5</b>

### Movement in the liability for defined benefit obligations

In millions of Euro	2022	2021
<b>Beginning of year</b>	<b>8.0</b>	<b>6.7</b>
Current service cost	0.6	(0.7)
Remeasurement (gains)/losses	(1.0)	0.3
Net benefits paid	(1.2)	0.8
Plan change/curtailment	0.5	0.9
<b>End of the year</b>	<b>6.9</b>	<b>8.0</b>
Switzerland	5.5	6.1
Other countries	1.4	1.9
<b>End of the year</b>	<b>6.9</b>	<b>8.0</b>

The remeasurement gain almost fully related to a gain from actuarial assumptions.



### Movement in plan assets

In millions of Euro	2022	2021
<b>Beginning of year</b>	<b>5.5</b>	<b>3.9</b>
Employer contributions	0.3	0.6
Employee contributions	0.7	0.2
Net benefits paid	(1.2)	0.8
<b>End of the year</b>	<b>5.3</b>	<b>5.5</b>
Switzerland	5.1	4.7
Other countries	0.2	0.8
<b>End of the year</b>	<b>5.3</b>	<b>5.5</b>

The remeasurement gain/loss is due to differences between the interest income and actual return on assets.

### Expense recognized in the income statement

In millions of Euro	2022	2021
Current service cost	(0.7)	0.7
<b>Included in employee benefit expense</b>		<b>0.7</b>
Switzerland	(0.6)	(0.2)
Other countries	(0.1)	0.9
<b>Included in employee benefit expense</b>	<b>(0.7)</b>	<b>0.7</b>

### Principal actuarial assumptions – Switzerland

In millions of Euro	2022	2021
Discount rate	2.30%	0.45%
Future salary increases/inflation	2.00%	2.00%
Indexation	0.00%	0.00%
Turnover rate	18% on average	11% on average
Mortality	LPP2020_G	LPP2020_G

### 30. TRADE AND OTHER PAYABLES

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities unless TMF Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

In millions of Euro	31 December 2022	31 December 2021
<b>Non-current</b>		
Deferred income	6.0	7.9
<b>Trade and other payables</b>	<b>6.0</b>	<b>7.9</b>

In millions of Euro	31 December 2022	31 December 2021
<b>Current</b>		
Trade payables	24.9	26.1
Deferred income	29.7	27.3
Other tax and social security payables	26.0	21.8
Employee benefit expense payable	32.1	29.2
Accrued expenses	24.9	23.4
Other payables	15.8	11.2
<b>Trade and other payables</b>	<b>153.4</b>	<b>139.0</b>

#### Deferred income

Fixed fees received in advance across all the service lines and up-front fees in respect of services due under the contract period which is primarily in line with the calendar year are time-apportioned to respective accounting periods, and those billed but not yet earned are included in deferred income in the balance sheet. There is limited judgement applicable for longer term contracts. All transaction prices are included in the client contracts and therefore agreed upfront. The allocation is based on timing of the performance obligations.

The expected reversal of the deferred income is shown in the following table:

In millions of Euro	31 December 2022	31 December 2021
12 months or less	29.7	27.3
1-5 years	6.0	7.9
Over 5 years	-	-
<b>Deferred income</b>	<b>35.7</b>	<b>35.2</b>

#### Employee benefits

This includes the bonus payable, holiday allowance, vacation days payable, pension premiums and other employee benefit payables.

#### Accrued expenses

The accrued expenses include invoices to be received from suppliers related to marketing expenses, office expenses, professional fees and other.

### 31. COMMITMENTS

#### Capital commitments

As at 31 December 2022, capital expenditure for the acquisition of property, plant and equipment contracted for at balance sheet date but not yet incurred amounted to €0 million (2021: €0 million).

#### Operating lease commitments

TMF Group leases various offices under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. In addition, TMF Group leases various motor vehicles, office and computer equipment under non-cancellable operating lease agreements. As a result of implementation of IFRS 16 only the short-term lease commitment is included in the operating lease commitment overview:

In millions of Euro	31 December 2022	31 December 2021
Less than 1 year	0.2	0.3
<b>Operating lease commitments</b>	<b>0.2</b>	<b>0.3</b>

#### Guarantees

As at 31 December 2022, TMF Group has issued guarantees back up by the ancillary facility and office lease agreements amounting to €20.7 million (2021: €21.3 million).

### 32. CONTINGENCIES

TMF Group has claims & litigation arising from the normal course of business. The material outflow of resources in respect of these claims & litigation is not probable and therefore no provision has been recorded other than set out in [note 29](#).

#### Fiscal unity

The majority of the Dutch entities within TMF Group are part of a fiscal unity with TMF Sapphire Midco B.V. Consequently, those entities are jointly and severally liable for corporate income and value added tax of such a fiscal unity. In some other countries, (some of the) entities form part of a fiscal unity and as a consequence those entities are jointly and severally liable for corporate income and sales tax of such a fiscal unity.

### 33. RELATED PARTIES

#### Ultimate controlling party

TMF Sapphire Midco B.V. is 100% owned by TMF Sapphire Holdco B.V. which is 100% owned by TMF Sapphire Topco B.V. Ordinary shares and preference shares in TMF Sapphire Topco B.V. are indirectly held by CVC Capital Partners and by current and previous management and senior employees of TMF Group. In 2022, no significant services to CVC Capital Partners and its associated companies have been provided by TMF Sapphire Midco B.V. and its subsidiaries outside the normal course of business.

TMF Group has given loans to its shareholders, which can be specified as follows:

In millions of Euro	31 December 2022	31 December 2021
TMF Sapphire Topco B.V.	6.8	1.1
<b>Loans received</b>	<b>6.8</b>	<b>1.1</b>

#### Transactions with key management and Board of Directors

Key management personnel include the Board of Directors and (former) members of the executive committee.

The compensation of (former) key management of TMF Group (including Board of Directors of TMF Sapphire Midco B.V.) comprised:

In millions of Euro	2022	2021
Short term benefits	6.6	5.1
Post-employment benefits	0.5	0.4
Termination benefits	0.5	-
<b>Remuneration of (former) key management</b>	<b>7.6</b>	<b>5.5</b>

Key management of TMF Group is participating in equity-settled share-based payment plan. Please refer to [note 25](#) Share-based payment for further detail.

The compensation of the Board of Directors of TMF Sapphire Midco B.V. comprised:

In millions of Euro	2022	2021
Short term benefits	2.9	1.5
Post-employment benefits	0.2	0.1
<b>Remuneration of Board of Directors</b>	<b>3.1</b>	<b>1.6</b>

### 34. INDEPENDENT AUDITOR'S FEE

The remuneration of the auditor Ernst & Young Accountants LLP ("EY NL") and remuneration of other EY network firms can be specified as follows:

	EY NL	Other EY network	Total EY network	EY NL	Other EY network	Total EY network
	31 December 2022 In millions of Euro			31 December 2021 In millions of Euro		
Audit of these financial statements	1.1	1.2	2.3	0.9	1.0	1.9
Other audit services	-	0.9	0.9	-	0.5	0.5
<b>Audit services</b>	<b>1.1</b>	<b>2.1</b>	<b>3.2</b>	<b>0.9</b>	<b>1.5</b>	<b>2.4</b>
Other services	-	0.9	0.9	0.7	-	0.7
<b>Total</b>	<b>1.1</b>	<b>3.0</b>	<b>4.1</b>	<b>1.6</b>	<b>1.5</b>	<b>3.1</b>

### 35. SUBSEQUENT EVENTS

In June 2022, Zafiro Holdings S.à r.l., an entity owned by CVC Fund VII and the majority shareholder of the TMF Group, entered into an agreement to transfer the TMF Group to an entity owned by CVC Strategic Opportunities Fund II and a wholly owned subsidiary of the Abu Dhabi Investment Authority. All regulatory approvals have been obtained and the transaction is expected to complete in March of 2023. This new ownership structure will provide TMF Group with powerful sponsorship, stable ownership and secure financing for several years ahead.

TMF Group signed agreement with Sino CSL - Hong Kong to acquire 100% of the shares which will become effective in March 2023. The acquisitions are driving our strategic and operational performance. Due to the recent closing date, additional IFRS disclosures cannot be made until the initial accounting for the business combination, including contingent consideration, has been completed.

### 36. TMF GROUP ENTITIES

The entities of TMF Group by country of incorporation as at 31 December 2022, as consolidated in these financial statements are included below. All entities have a balance sheet date of 31 December.

Country	Entity	Ownership
Argentina	TMF Argentina S.R.L.	100%
	TMF Outsourcing S.R.L.	100%
	TMF Trust Company (Argentina) S.A.	100%
	Almagesto S.R.L.	100%
Australia	TMF Australia RET Services Pty Limited	100%
	TMF Corporate Services (AUST) Pty Limited	100%
	TMF Nominees (AUST) Pty Limited	100%
Austria	TMF Austria GmbH	100%
	APS Buchführungs- & Steuerberatungs GmbH	100%
	TMF Bilanzbuchhaltungs- und Personalservices GmbH	100%
	TMF Steuerberatungs- & Wirtschaftsprüfung GmbH	100%
	TMF Accounting & Payroll Steuerberatungsgesellschaft GmbH	100%
Barbados	TMF Barbados Inc	100%
Belgium	TMF Belgium N.V.	100%
	TMF Accounting Services BVBA	100%
Bermuda	TMF (Bermuda) Limited	100%
Bolivia	TMF Bolivia S.R.L.	100%
Brazil	TMF Brasil Assessoria Contabil e Empresarial Ltda.	80%
	TMF Brasil Servicos Administrativos e Processamento de Dados Ltda.	100%
	TMF Brasil Administracao e Participacoes Ltda	100%
	TMF Brasil Administracao e Gestao de Ativos Ltda	100%
	TMF Brasil Atividades Administrativas Ltda	100%
	TMF Brasil Serviços de Administração de Fundos Ltda	100%
British Virgin Islands	CMS Limited	100%
	Fort Company (BVI) Limited	100%
	Opti Resources Limited	100%
	TMF Authorised Representative (BVI) Ltd.	100%
	Wickhams Cay Trust Company Limited	100%
	Vision Tower Purpose Trust	100%
	TMF Management Services Limited	100%
	TMF (B.V.I.) Ltd.	100%
	TMF Group International Limited	100%
	Equity International Holdings Limited	100%
	TMF Group (BVI) Limited	100%
	TMF Transactions Limited	100%
	TMF Capital (BVI) Limited	100%
	Vision Tower Limited	100%
	Anshun Services Ltd.	100%
	Commonwealth Local Limited	100%
	Fides Management Services Ltd.	100%
	TMF Corporation (BVI) Limited	100%
	Vencourt Limited	100%

Country	Entity	Ownership
	Abraxas International Limited	100%
	Folly Fort Limited	100%
	Kelday International Limited	100%
	S.B.Vanwall Ltd.	100%
	KCS Limited	100%
	KCS China Limited	100%
	LDC Financial Services Ltd	100%
	Guarantee Management Limited	100%
	TMF Administration Services Limited	100%
	Receivable Global Services Limited	100%
	Apexchamp Limited	100%
	Beamsbury Limited	100%
	Derard Limited	100%
	Carringbay Limited	100%
	KCS Asia Holdings Limited	100%
	Lucasjet Limited	100%
	Moonchamps Limited	100%
	Southfield Management Limited	100%
	Homestead Management Inc	100%
	F.M.C. Limited	100%
	Axiss International Management Limited	100%
	JAI Services Ltd	100%
	TMF Holding (BVI) Limited	100%
Bulgaria	TMF Services EOOD	100%
	Novacon Bulgaria EOOD	100%
Canada	TMF Canada Inc.	100%
Cayman Islands	TMF Nominees Ltd.	100%
	Fides Limited	100%
	TMF (Cayman) Limited	100%
	Churchill Directors Ltd.	100%
	Nominee Services Limited	100%
Chile	TMF Chile Asesorias Empresariales Ltda.	100%
	TMF Empresa de Servicios Transitorios Ltda.	100%
	TMF Administradora S.A.	100%
	TMF Servicios Integrales Ltda.	100%
China	Freeway Financial Consulting (Shanghai) Ltd.	60%
	TMF Services Limited	100%
	TMF (BEIJING) Limited	100%
	TMF Services (China) Co., Ltd	100%
Colombia	TMF Colombia Ltda.	100%
	TMF RDC America SAS	100%
Costa Rica	TMF Costa Rica (TMFCR) Limitada.	100%
	TMF Trust and Corporate Services Costa Rica Limitada	100%
	TMF Group Services Costa Rica Limitada	100%
Croatia	TMF Croatia d.o.o.	100%
Curaçao	Curab N.V.	100%



Country	Entity	Ownership
	N.V. Fides	100%
	Pietermaai Building Association N.V.	100%
	BfT (Curacao) N.V.	100%
	EQ Trust Caribbean Holding N.V.	100%
	TMF Curacao N.V.	100%
	TMF Curacao Holding B.V.	100%
Cyprus	TMF Company Secretary (CY) Limited	100%
	TMF Administrative Services Cyprus Ltd	100%
	Stozelia Holdings Limited	100%
	TMF Management Limited	100%
Czech Republic	TMF Management Services s.r.o.	100%
	TMF Czech a.s.	100%
Denmark	TMF Denmark A/S	100%
	TMF Denmark Payment Services ApS	100%
Dominican Republic	TMF Republica Dominicana S.R.L	100%
Ecuador	TMF Ecuador S.A.	100%
Egypt	TMF Egypt L.L.C.	100%
El Salvador	TMF El Salvador Ltda de C.V.	100%
Estonia	TMF Services Estonia OU	100%
Finland	TMF Finland OY	100%
France	TMF France S.A.S.	100%
	TMF France Management Sarl	100%
	TMF VAT Services France S.A.S.	100%
	TMF Accounting France S.A.S.	100%
Germany	TMF Deutschland AG	100%
	TMF Trustee Services GmbH	100%
	Una Management GmbH	100%
	TMF Steuerberatung GmbH wirtschaftsprüfungsgesellschaft	100%
	TMF Management Holding Deutschland GmbH	100%
Greece	TMF Group Administrative Services (Hellas) EPE - TMF Group (Hellas) EPE	100%
Guatemala	TMF Guatemala Ltda.	100%
Guernsey	Gentoo Holdings Limited	100%
	TMF Group Trustees Limited	100%
	TMF Group Fund Services (Guernsey) Limited	100%
	TMF Group Depository Services Limited	100%
	Adelie DS Limited	100%
	Emperor DS Limited	100%
	GNS One Limited	100%
	GNS Two Limited	100%
	Equity (Guernsey) Holdings Limited	100%
	TMF Group Nominees I (Guernsey) Limited	100%
Honduras	TMF Services Honduras S. de R.L.	100%
Hong Kong	TMF Signatories Limited	100%
	TMF Secretaries (HK) Limited	100%
	Secnomcon Limited	100%
	Abraxas Limited	100%

Country	Entity	Ownership
	Comondale Limited	100%
	EQ Sig Limited	100%
	Fanlaw Limited	100%
	FK Administration Limited	100%
	Kelday Enterprises Limited	100%
	Panbridge Nominee Limited	100%
	Swinside Investments Limited	100%
	Byrneco Management Services Limited	100%
	KCS China Holdings Limited	100%
	Veritatem & Co.	100%
	Cobyne Limited	100%
	Secreco Limited	100%
	TMF Global Services (Hong Kong) Limited	100%
	Veritatem Hong Kong Limited	100%
	TMF Accounting Services Limited	100%
	TMF Fiduciaries Limited	100%
	TMF Secretarial Services Limited	100%
	EQ Holdings (HK) Limited	100%
	TMF Hong Kong Limited	100%
	Pacific Taxation Services Limited	100%
	TMF Trust (HK) Ltd.	100%
	TMF Corporate Management Limited	100%
	Focus Secretarial Services Limited	100%
	Focus Corporate Consultancy Limited	100%
Hungary	TMF Hungary Accounting and Services Limited Liability Company	100%
	Independent CAM Kft (Freeway Group)	60%
	Freeway Payments Solutions Kft	60%
India	TMF Services India Private Ltd.	100%
	Nyaasa Services Private Limited	100%
Indonesia	PT TMF Indonesia	100%
	PT K C Services Indonesia	100%
Ireland	TMF Management (Ireland) Limited	100%
	TMF Administration Services Limited	100%
	TMF Management Holding (Ireland) Limited	100%
	TMF (Ireland) Professional Trustee Services Limited	100%
	TMF Group Fund Operations (Ireland) Limited	100%
Israel	TMF Management and Accounting Services (Israel) Ltd.	100%
Italy	TMF Italy S.r.l.	100%
	TMF Compliance (Italy) S.r.l.	100%
	TMF Filing Services Italy S.r.l.	100%
	TMF Invest Italy S.r.l.	100%
Jamaica	TMF Jamaica Limited	100%
Japan	TMF Group Limited (Japan)	100%
Jersey	Leadenhall Nominees Limited	100%
	TMF Group Services (Jersey) Limited	100%
	TMFI LIMITED	100%

Country	Entity	Ownership
	TMF2 Limited	100%
	TMF Charitable Trustee Limited	100%
	TMF Channel Islands Limited	100%
	TMF Property Services Ltd.	100%
	Equity Trust Guernsey Limited	100%
	EQ Holdings (Jersey) Limited	100%
	EQ Trust Holdings (Jersey) Limited	100%
	Equity Trust (Jersey) Limited	100%
	Equity Trust Services Limited	100%
	TMF Group Fund Services (Jersey) Limited	100%
	Lively Limited;	100%
	TMF Group Secretaries (Jersey) Limited	100%
	Manacor Nominees (Jersey) Limited	100%
	Manacor (Jersey) Limited	100%
	EQ Directors One Limited	100%
	Juris Limited	100%
	EQ Directors Two Limited	100%
	EQ Council Member Limited	100%
	C.N. Limited	100%
	Leadenhall Trust Company Limited	100%
	Amarado Limited	100%
	TMF Group Nominees I (Guernsey) Limited	100%
	TMF Group Trustees (Jersey) Limited	100%
Kazakhstan	TMF Kazakhstan LLP.	100%
Kenya	TMF Kenya Ltd.	100%
Labuan	Britannia Limited	100%
	Guarantee Management Purpose Trust	100%
	Tiara Ltd.	100%
	Marriott Investments Ltd.	100%
	TMF Trust Labuan Limited	100%
	TMF Fund Services Asia Limited	100%
	TMF Management Limited	100%
	TMF Secretaries Limited	100%
	TMF International Pensions Limited	100%
	TMF Holdings Asia Limited	100%
	TMF Treasury Limited	100%
Latvia	TMF Latvia SIA	100%
Luxembourg	Immobiliere Vauban S.A.	100%
	TMF (Luxembourg) S.A.	100%
	Manacor (Luxembourg) S.à r.l.	100%
	Mutua (Luxembourg) S.à r.l.	100%
	Fides (Luxembourg) S.à r.l.	100%
	TMF Supervisory Audit Services S.à r.l.	100%
	Equity Trust Holdings S.à r.l.	100%
	Belgale Holdings S.à r.l.	100%
	TMF Fund Management S.A.	100%

Country	Entity	Ownership
	TMF Participations S.à r.l.	100%
Malaysia	TMF Administrative Services Malaysia Sdn. Bhd.	100%
	TMF Regional Delivery Centre Sdn. Bhd.	100%
	TMF Trustees (Malaysia) Berhad	100%
	TMF Global Services (Malaysia) Sdn. Bhd.	100%
Malta	Equity Trust Malta Limited	100%
	TMF Management and Administrative Services (Malta) Limited	100%
	TMF International Pension Limited	100%
	TMF Fiduciary Services Malta Limited	100%
Mauritius	Chardon Limited	100%
	TMF Mauritius Limited	100%
	TMF Group Africa Management Services	100%
Mexico	TMF Mexico Business Process, S. de R.L. de C.V.	100%
	TMF BPO Services S. de R.L. de C.V.	100%
	Servicios De Personal Y Control Plus S. De R.L. De C.V.	100%
New Zealand	TMF Fiduciaries New Zealand Limited in liquidation	100%
	TMF General Partner Limited	100%
	TMF Corporate Services New Zealand Limited	100%
	TMF Trustees New Zealand Ltd.	100%
Nicaragua	TMF Nicaragua y Compania Ltda.	100%
Nigeria	TMF Administrative Services Nigeria Limited	100%
Norway	TMF Norway A.S.	100%
Panama	TMF Panama S. de R.L.	100%
	TMF Mid-America Corp.	100%
Paraguay	TMF Paraguay Ltda.	100%
Peru	TMF Peru S.R.L.	100%
	FiduPeru S.A. Sociedad Fiduciaria;	100%
Philippines	TMF Philippines Inc.	100%
Poland	TMF RDC Europe Sp. z.o.o.	100%
	TMF VAT Services Poland Sp. z.o.o.	100%
	TMF Poland Sp. z.o.o.	100%
Portugal	TMFPT Servicos de Gestao e Administracao de Sociedades, Lda.	100%
Qatar	TMF Group LLC	100%
	TMF Group Business Services LLC	100%
Republic of Korea	TMF Korea Co., Ltd.	100%
Romania	TMF Romania S.R.L.	100%
	TMF Management S.R.L.	100%
Russia	TMF RUS, Ltd.	100%
	RMA Services, LLC. RMA Services o.o.o.	100%
	Corporate Management Rus L.L.C. - CMR, LLC	100%
Serbia	TMF Services d.o.o. Beograd	100%
Singapore	TMF Singapore H Pte. Ltd.	100%
	TMF Trustees Singapore Limited	100%
	Virtual HR Pte Limited now named TMF (VHR) Payroll Services Pte Limited	100%
Slovakia	TMF Services Slovakia s.r.o.	100%
	FMTA s.r.o.	100%

Country	Entity	Ownership
	TMF AUX, s.r.o.	100%
Slovenia	TMF Racunovodstvo in Administrativne Storitve D.O.O.	100%
South Africa	TMF Corporate Services (South Africa) (Pty) Ltd	100%
	TMF SA BEE NPC	100%
	TMF Funds Services (South Africa) (Pty) Ltd	100%
	Montserrat (Pty) Ltd.	100%
Spain	TMF Management Spain, S.L.	100%
	TMF Sociedad de Participación, S.L.	100%
	TMF Sociedad de Dirección, S.L.	100%
	TMF Participations Holdings (Spain) S.L.	100%
	TMF Spain S.A.	100%
	TMF VAT & Fiscal Representation Services Spain, S.L.	100%
	TMF Management Holding Spain S.L.U.	100%
	TMF Latin America Holding Spain One S.L.U.	100%
	TMF Latin America Holding Spain Two S.L.U.	100%
Sweden	TMF Sweden AB	100%
	TMF Group Agency Services AB	100%
Switzerland	TMF Services S.A.	100%
	TMF Investments S.A.	100%
	TMF Payroll Services A.G.	100%
	TMF Brunnen A.G.	100%
	Villereuse Investments Limited	100%
Taiwan	TMF Taiwan Ltd.	100%
Tanzania	TMF Services Tanzania Limited	100%
Thailand	TMF (Thailand) Ltd.	100%
	TMF Group Holding (Thailand) Limited	100%
The Netherlands	TMF Outsourcing Services B.V.	100%
	TMF Group Global Services B.V.	100%
	TMF Slovakia B.V.	100%
	IQ Nexus Services Cooperatie U.A.	100%
	TMF Holding International B.V.	100%
	TMF Holding B.V.	100%
	TMF Management B.V.	100%
	TMF InterLease Aviation B.V.	100%
	TMF InterLease Aviation II B.V.	100%
	TMF InterLease Aviation III B.V.	100%
	TMF Services B.V.	100%
	TMF Netherlands B.V.	100%
	Clear Management Company B.V.	100%
	Nationale Trust Maatschappij N.V.	100%
	Manacor (Nederland) B.V.	100%
	TMF Depositary N.V.	100%
	IQ-Nexus Management B.V.	100%
	Jeewa B.V.	100%
	TMF Leasing B.V.	100%
	Parnassus Trust Amsterdam B.V.	100%

Country	Entity	Ownership
	TMF Trustee B.V.	100%
	Stichting Cerulean	100%
	Freeway Entertainment Group B.V.	60%
	Freeway CAM B.V.	60%
	TMF Group Services II B.V.	100%
	Venture Support B.V.	100%
	TMF Bewaar B.V.	100%
	FCAM Holding B.V.	100%
	TMF Structured Products B.V.	100%
	Tradman FS Holding B.V.	100%
	Tradman Netherlands B.V.	100%
	BFT Nederland B.V.	100%
	TMF SFS Management B.V.	100%
	TMF Sapphire Midco B.V.	100%
	TMF Sapphire Bidco B.V.	100%
	TMF Group B.V.	100%
	TMF Structured Finance Services B.V.	100%
	TMF Asia B.V.	100%
	TMF Group EMEA B.V.	100%
	TMF Group Americas B.V.	100%
	Stichting TMF Foundation	100%
	TMF Administrative Services BV	100%
Turkey	TMF Yonetim Hizmetleri Limited Sirketi - TMF Administrative Services Limited	100%
	CPA Serbest Muhasebeci Mali Musavirlik A.S.	100%
Ukraine	TMF Ukraine L.L.C.	100%
United Arab Emirates	TMF Services HoldCo Ltd	100%
	Dubai Branch (TMF services B.V. 10200)	100%
	Abu Dhabi Branch (TMF services B.V. 10200)	100%
	Etive Consulting Limited	100%
	TMF Group Fiduciary Services Limited	100%
United Kingdom	TMF Global Services (UK) Limited	100%
	TMF Trustee Limited	100%
	Joint Secretarial Services Limited	100%
	Joint Corporate Services Limited	100%
	TMF VAT Services Limited	100%
	TMF Corporate Secretarial Services Limited	100%
	TMF Corporate Directors Limited	100%
	TMF Corporate Administration Services Limited	100%
	TMF Services (UK) Limited	100%
	Equity Trust Consultants (UK) Limited	100%
	TMF Holding UK Limited	100%
	TMF Management Holding UK Limited	100%
	VAT International Limited	100%

Country	Entity	Ownership
United States of America	Freeway CAM (UK) Limited	60%
	TMF Management (UK) Ltd.	100%
	Krisolta Film & TV (UK) Limited (Freeway Group)	60%
	TMF US Holding Inc.	100%
	TMF USA Inc.	100%
	Lord Securities Corporation	100%
	Lord Securities (Delaware) L.L.C.	100%
	TMF Group New York LLC	100%
	TMF Fund Services North America, LLC	100%
	Freeway Payroll Inc.	100%
Uruguay	TMF Uruguay S.R.L.	100%
	Parnassus S.R.L.	100%
	TMF International Services Uruguay S.A.	100%
	TMF Uruguay Administradora de Fondos de Inversión y Fideicomisos S.A. - TMF Uruguay AFISA	100%
	TMF Trust Company (Uruguay) S.A.	100%
Venezuela	TMF Venezuela C.A.	100%
	TMF Services Venezuela C.A.	100%
Vietnam	TMF Vietnam Company Limited	100%
	KCS Vietnam Company Limited	100%

### 38. REGULATORY TABLE

The services rendered by TMF Group local offices in various jurisdictions are regulated and subject to supervision (or self-regulation). This is the case in the following 25 jurisdictions:

Jurisdiction	Jurisdiction Supervisory authority
Argentina	Argentina Comision Nacional de Valores
British Virgin Islands	British Virgin Islands Financial Services Commission
Cayman Islands	Cayman Islands Monetary Authority
Costa Rica	Superintendencia General de Entidades Financieras
Curaçao	Centrale Bank van Curaçao en Sint Maarten
Cyprus	Cyprus Securities and Exchange Commission
Guernsey	Guernsey Financial Services Commission
Hong Kong	Hong Kong Companies Registry
Ireland	Ireland Department of Justice and Equality
Jersey	Jersey Financial Services Commission
Labuan	Labuan International Financial Exchange and Labuan Financial Services Authority
Luxembourg	Luxembourg Commission de Surveillance du Secteur Financier
Malaysia	Companies Commission of Malaysia, Securities Commission and Bank Negara Malaysia
Malta	Malta Financial Services Authority
Mauritius	Mauritius Financial Services Commission
Norway	The Financial Supervisory Authority of Norway
Peru	Superintendencia de Banca Seguros y AFP, Unidad de Inteligencia Financiera
Qatar	Qatar Financial Center Regulatory Authority
Romania	Corpul Experillor Contabil si Contabililor Authrizati din Romania, Camera Consultantilor Fiscali
Singapore	Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore
Switzerland	Member of the Association Romande des Intermédiaires Financiers
The Netherlands	Dutch Central Bank and Authority for the Financial Markets
United Arab Emirates	Abu Dhabi Global Market Financial Services Regulatory Authority
United Kingdom	HR Revenue and Customs, Chartered Institute of Taxation
Uruguay	Central Bank of Uruguay



## COMPANY INCOME STATEMENT

In millions of Euro	Note	2022	2021
<b>Result before tax and share in result of investments</b>		<b>0.1</b>	<b>-</b>
Income tax (expense)/benefit	2	(1.7)	(0.1)
Result in subsidiaries (net of tax)		7.6	20.9
<b>Result for the period</b>		<b>6.0</b>	<b>20.8</b>

## COMPANY BALANCE SHEET

In millions of Euro	Note	31 December 2022	31 December 2021
<b>Assets</b>			
Investment in subsidiaries	2	485.8	460.9
Financial assets		0.4	-
<b>Non-current assets</b>		<b>486.3</b>	<b>460.9</b>
Related party receivable		1.0	-
<b>Current assets</b>		<b>1.0</b>	<b>-</b>
<b>Assets</b>		<b>487.3</b>	<b>460.8</b>
<b>Equity</b>			
Share capital		3.2	3.2
Share premium		734.3	734.3
Legal reserves		31.7	15.9
Accumulated losses		(286.8)	(294.3)
<b>Equity attributable to owners of the parent</b>		<b>482.4</b>	<b>459.1</b>
<b>Liabilities</b>			
Loans and borrowings		-	0.2
<b>Non-current liabilities</b>			<b>0.2</b>
Current tax liability		1.7	-
Bank overdraft		3.1	1.6
<b>Current liabilities</b>		<b>4.9</b>	<b>1.6</b>
<b>Liabilities</b>		<b>4.9</b>	<b>1.8</b>
<b>Equity and liabilities</b>		<b>487.3</b>	<b>460.9</b>

The balance sheet is presented before appropriation of dividends.

## COMPANY STATEMENT OF CHANGES IN EQUITY

In millions of Euro	Issued capital	Share premium	Legal reserves	Accumulated losses	Total
<b>Balance at 1 January 2021</b>	<b>3.2</b>	<b>734.3</b>	<b>(0.2)</b>	<b>(310.5)</b>	<b>426.8</b>
Result for the year	-	-	-	20.8	20.8
<b>Other comprehensive income</b>					
Remeasurement IAS 19	-	-	-	(0.3)	(0.3)
Cash flow hedge - Change in fair value of hedging instruments	-	-	5.0	-	5.0
Translation movements	-	-	6.8	-	6.8
Total other comprehensive income	-	-	11.8	(0.3)	11.5
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>11.8</b>	<b>20.5</b>	<b>32.3</b>
Transfer to reserve (note 5)	-	-	4.3	(4.3)	-
<b>Balance at 31 December 2021</b>	<b>3.2</b>	<b>734.3</b>	<b>15.9</b>	<b>(294.3)</b>	<b>459.1</b>
<b>Balance at 1 January 2022</b>	<b>3.2</b>	<b>734.3</b>	<b>15.9</b>	<b>(294.3)</b>	<b>459.1</b>
Result for the year	-	-	-	6.0	6.0
<b>Other comprehensive income</b>					
Remeasurement IAS 19	-	-	-	1.5	1.5
Cash flow hedge - Change in fair value of hedging instruments	-	-	19.5	-	19.5
Translation movements	-	-	(4.6)	-	(4.6)
Total other comprehensive income	-	-	14.9	1.5	16.4
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>14.9</b>	<b>7.5</b>	<b>22.4</b>
Transfer to reserve (note 5)	-	-	4.0	(4.0)	-
Share based payment	-	-	0.9	-	0.9
<b>Balance at 31 December 2022</b>	<b>3.2</b>	<b>734.3</b>	<b>35.7</b>	<b>(290.8)</b>	<b>482.4</b>

# NOTES TO THE COMPANY FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company financial statements have been prepared in accordance with the Dutch GAAP and financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The Company uses the option of Article 362.8 and Article 402 of Part 9 of Book 2 of the Dutch Civil Code to prepare the Company financial statements, using the same accounting policies as in the consolidated financial statements. Valuation is based on recognition and measurement requirements of accounting standards adopted by the EU (i.e. only IFRS that is adopted for use in the EU at the date of authorisation), except for investments in subsidiaries which are carried at net asset value. Refer to the notes of the consolidated financial statements for further information on accounting policies, critical estimates and judgements and financial risk management.

## 2. INCOME TAX (EXPENSE)/BENEFIT

Together with its Dutch group companies, the company constitutes a fiscal unity regarding corporate income tax. Corporate income tax is settled as if all entities included in the fiscal unity are a single taxpayer.

The applicable domestic tax rate for the Company is 25.8%.

## 3. INVESTMENT IN SUBSIDIARIES

In millions of Euro	2022	2021
<b>Opening balance</b>	<b>460.9</b>	<b>428.5</b>
Result for the period	7.6	20.9
Remeasurement of post-employment benefit obligations	1.5	(0.3)
Foreign currency translation differences for foreign operations	(4.6)	6.8
Fair value gain/(loss) arising on hedging instruments	19.5	5.0
Share based payment	0.9	-
<b>Closing balance</b>	<b>485.8</b>	<b>460.9</b>

#### 4. FINANCIAL ASSETS

In millions of Euro	31 December 2022	31 December 2021
<b>Loans receivable from related parties</b>		
- TMF Group B.V.	1.0	-
<b>Loans receivable from subsidiaries</b>	<b>1.0</b>	<b>-</b>
<b>Current other financial assets</b>	<b>1.0</b>	<b>-</b>

At 31 December 2022, the fair value of loans receivable from subsidiaries amounts to nil. At 31 December 2022 and 2021, the fair value of the loans receivable from related parties approximates their carrying value. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of the financial assets are either past due or impaired. The credit risk is considered to be very limited based on the credit ratings of the related parties and subsidiaries.

#### 5. EQUITY

##### Share capital and share premium

At 31 December 2022, the authorized share capital comprised 323,126,314 shares. The issued share capital amounts to €3,231,263. There are no changes regarding authorized capital in 2022 applicable. All shares are fully paid and have similar rights in meetings of the shareholders. Transfer to reserve relates to capitalised internally generated software to other reserves for statutory purposes.

##### Accumulated losses

The Board of Directors propose to add the profit for the year of €6.0 million to the accumulated losses.

#### 6. LOANS AND BORROWINGS

In millions of Euro	31 December 2022	31 December 2021
<b>Non-current</b>		
Loans payable to related parties	-	0.2
<b>Non-current loans and borrowings</b>		<b>0.2</b>
<b>Current</b>		
Secured bank overdrafts	3.1	1.6
<b>Current loans and borrowings</b>	<b>3.1</b>	<b>1.6</b>
<b>Loans and borrowings</b>	<b>3.1</b>	<b>1.8</b>

Loans payable to related parties as at 31 December 2022 relate to TMF Group B.V. in full.

At 31 December 2022 and 2021, the fair value of the related party loans approximates their carrying value. The fair value of the secured bank overdrafts approximates their carrying value.

## 7. COMMITMENTS

### Operating lease commitments

The Company has no operating lease commitments at the balance sheet date. Refer to the [note 32](#) Commitments in the consolidated financial statements.

## 8. CONTINGENCIES

The Company has no commitments at the balance sheet date.

TMF Sapphire Midco B.V. is the head of the fiscal unity including the majority of the Dutch entities within TMF Group. As a consequence, those entities are jointly and severally liable for corporate income and value added tax of such a fiscal unity. Refer to [note 32](#) Contingencies in the consolidated financial statements.

## 9. RELATED PARTY TRANSACTIONS

Reference is made to the consolidated financial statements.

## 10. DIRECTORS EMOLUMENTS

Reference is made to the consolidated financial statements.

## 11. SUBSEQUENT EVENTS

Reference is made to [note 35](#) Subsequent events in the consolidated financial statements.

## OTHER INFORMATION

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### APPROPRIATION OF THE RESULT FOR THE YEAR

According to Article 20 of the Company's Articles of Association, the treatment of the net result for the year is at the discretion of the General Meeting of Shareholders.

### REPORT OF THE INDEPENDENT AUDITOR

For the report of the independent auditor, reference is made to page 37 to 40 of the consolidated financial statements.

### SIGNATURES TO THE COMPANY FINANCIAL STATEMENTS

The Board of Directors have today discussed and approved these company financial statements for 2022 of TMF Sapphire Midco B.V. (the 'Company'). These Financial Statements have been prepared in accordance with the Dutch GAAP and the financial reporting requirements included in Part 9 of Book 2 Dutch Civil Code.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations and the cash flows for the years ended 31 December 2022.

The Company's financial statements are presented for approval at the Annual General Meeting on 9 March 2023.

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*Signed by:*

**Mark Weil** | Chief Executive Officer

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*Signed by:*

**Patrick de Graaf** | Chief Financial Officer

**Amsterdam, 9 March 2023**