We make a complex world simple

Annual report 2023

TMF GROUP

Global reach
Local knowledge

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Highlights of 2023

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The financial information, including comparative figures for 2022, as included in the management report relates to the TMF Group operational entities (TMF Sapphire Midco B.V.). The explanation, including reconciliation of this financial information to the financial statements of TMF Group Holding B.V. is described further in detail in the Financial review section.

Revenue growth
+15% total
+13% organic

EBITDA growth
+14% total
+12% organic

Cash conversion
+5%pt
to 64%

Technology investment
up 78%
to €57m

Client NPS
up 7%
to record 47

Launch of TMF Labs

Launch of TMF Foundation

7 acquisitions adding **1.5%** to growth

New ownership and board

Colleague retention
+4%pt
to record 86%

Letter from the Chair

In my first year as chair of the TMF Group Supervisory Board, I'm delighted to be able to report strong results, with double digit revenue and EBITDA growth over prior year. My own career in global financial and professional services has taught me the importance of managing the complexity of operating in disparate locations around the world with complex local rules. Having a global partner you can rely on with strong service and quality controls is what attracted me to chair TMF Group. Our ambition is simple - to be the best way for clients to invest and operate safely around the world.

We are a people business and I'm pleased we measure how well TMF Group is working for its colleagues as the basis by which it works for its clients. We stay close to how colleagues and clients are doing, and the board sees the same dashboards from each individual office on the action, engagement and retention that underpin our success.

Ann Cairns

Chair of the Supervisory Board

Over time, I want to see TMF Group add as much value as it can for its clients, whether through product innovation or through data insights that help clients manage the risks and opportunities of how they operate. ESG reporting, for example, is now a significant administrative burden on clients, particularly for those subject to the EU CSRD requirements. Having TMF Group put together a simple way of creating the necessary reporting is intended to be a helpful response to an acute need that our clients now face.

Finally, we are in the business of keeping our clients safe and on the right side of the many rules that they need to comply with. Regrettably some of the most attractive countries for our clients to invest are also the most complex to do business in. Our own governance is a critical test of that ability. We aspire to being a brand that gives our clients and regulators utmost confidence in proper standards of care for administrative support. As such, I and my fellow supervisory board members are committed to ensuring the highest quality of governance within TMF Group to make sure that the way we operate, whom we work for and what we do for them are all aligned with that ambition.

Ann Cairns | Chair of Supervisory Board

“Having a global partner you can rely on with strong service and quality controls is what attracted me to chair TMF Group. Our ambition is simple - to be the best way for clients to invest and operate safely around the world.”

Letter from the CEO

TMF Group exists to be a trusted, global partner to our clients as they invest and operate around the world. That is the mission that I and my team set for ourselves several years ago and everything we do aims to strengthen our ability to play that role.

With that in mind, 2023 marked further steps on our journey. We set the goal of providing flawless service, reflecting how critically our clients rely on what we do for them. We launched the service excellence programme to encourage proactive client engagement and have colleagues around the world being trained on how to serve our clients better. We finished 2023 with a record level of client revenue retention at 92% and existing clients are now the large majority of our growth. We also launched a number of new, complementary services including ESG reporting, account collections and HR administration. Through the acquisition of high quality teams, we strengthened our capability in various areas such as US fund administration and Saudi Arabia[1] corporate services. Finally, we continued to improve our digital delivery with the majority of colleagues now working through a single instance of our workflow management tool to help clients with global consistency and quality control.

Our management agenda starts with our people, if TMF Group is working for our people then, it will work for our clients. Our people agenda is focused on creating exciting career paths and rapid promotion. As a result, we finished 2023 at record levels of promotion, engagement and staff retention.

1 *Acquisition of Proven (Kingdom of Saudi Arabia) was signed in June 2023 and finalised in January 2024 after obtaining all required regulatory approvals*

Mark Weil

CEO

Our clients need us to be a stable, reliable, long-term partner. In 2023 we delivered 15% revenue growth and 14% EBITDA growth over 2022 at constant currency. The large majority of that growth is organic, 13% revenue and 12% EBITDA, that in turn is largely now from existing clients entrusting more of their administrative burden around the world to us. Those figures mean that we reduced leverage while increasing our capital investment to record levels, helping make us a stronger future partner for our clients. I'm pleased to say that in 2023 we've also completed our ownership transition within CVC Capital Partners and adding the Abu Dhabi Investment Authority. We also successfully refinanced to 2028 at favourable terms reflecting several years of strong performance and meeting our promises.

Finally, I want to acknowledge the particular stresses faced by our colleagues in conflict zones. We believe that the best way to ensure a peaceful and prosperous world is to encourage trade and investment between countries, in which we play our small part. We take our duty of care to our colleagues seriously. When they are put in harms way we look after them. In 2023 we continued to take that stance for our colleagues in Ukraine and Israel and were able to back that support up with the first disbursements from the TMF Foundation, formed in 2023 by management with proceeds from our change in ownership.

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 continued hard work in achieving so much in 2023 and laying the foundations for continued progress in 2024.

Mark Weil | CEO

> "Flawless service is our obsession. What we do for clients really matters and when even something small goes wrong they feel it acutely. They need to know that from top to bottom of our firm, we get it, we care, we act and when there is a problem we deal with it quickly and effectively"

About TMF Group

Our strategy

TMF Group Holding B.V. ("TMF Group") exists to help our clients invest and operate safely around the world. We provide compliance and administrative services in 87 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 three global service lines:

- accounting and tax
- payroll and HR
- global entity management

Our clients include the majority of the Fortune Global 500, FTSE 100 and top 300 private equity firms. For reporting purposes, we group them as follows:

- operators (corporates); about 71% of 2023 total revenue (2022: 71%)
- investors (funds and capital market participants); 29% of 2023 total revenue (2022: 29%)

The way to invest & operate safely around the world

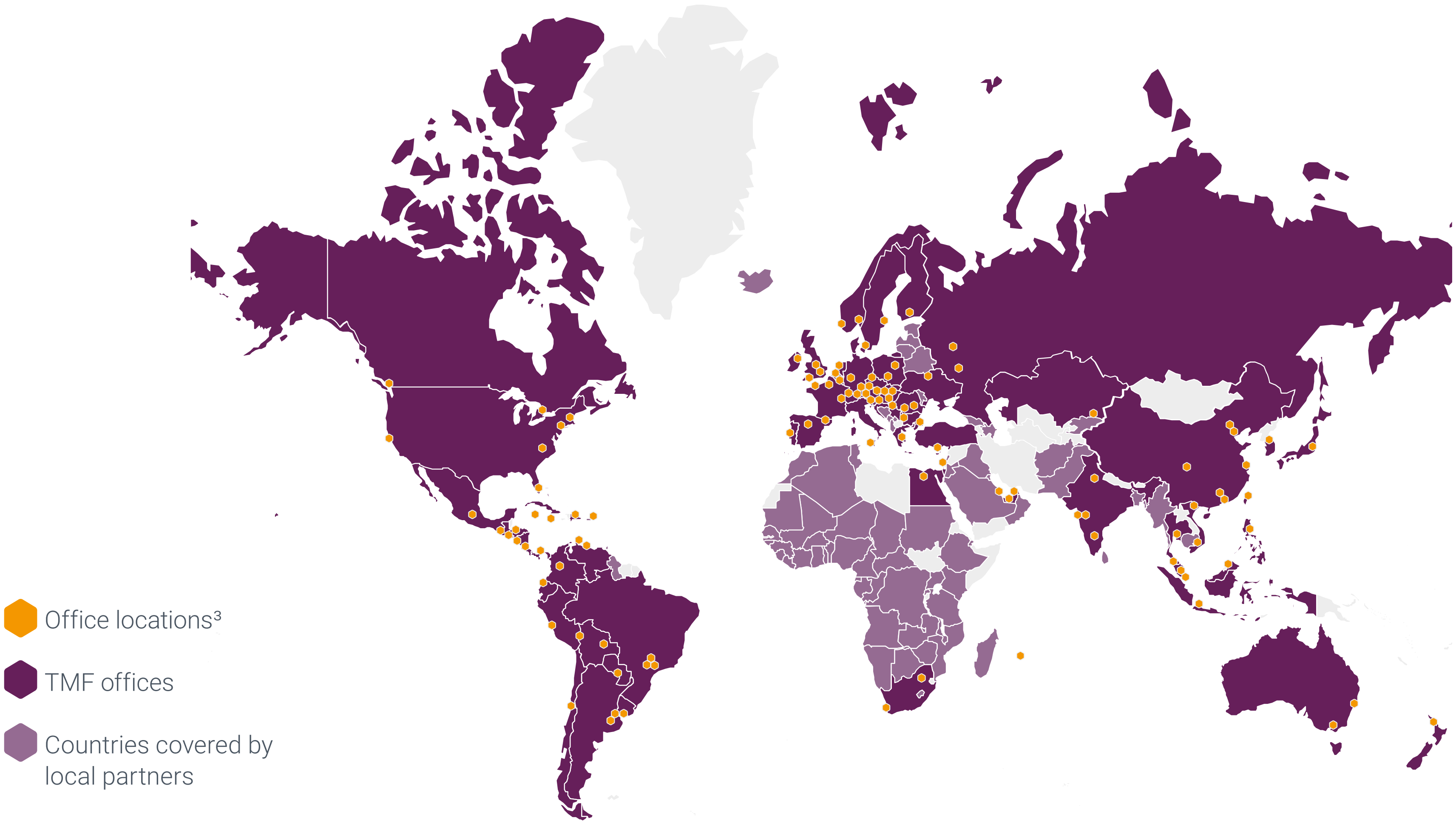
Our proposition

Critical administration in critical locations

Critical administration	Legal, Compliance, Accounting, Tax, Payroll
Global portfolio	All types of entities in all locations
Control & oversight	Global platform and quality processes

Our platform

Over 11,000[2] people in 87 countries



2 *11,079 headcount as at 31 December 2023, corresponds to 10,864 Full-time equivalent ("FTE") as at 31 December 2023 (average of 10,513 FTEs for 2023).*

3 *TMF Group continues to operate in two offices in Russia for clients who are multinationals and rely on our support. Many have chosen to withdraw and TMF Group is enabling that to happen in an orderly fashion.*

TMF Group organises its 87 jurisdictions into 17 markets which are 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 Group 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 €20bn 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 over 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 2.3% 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.** Management Board is supported by centralised Group functions operating in a 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.

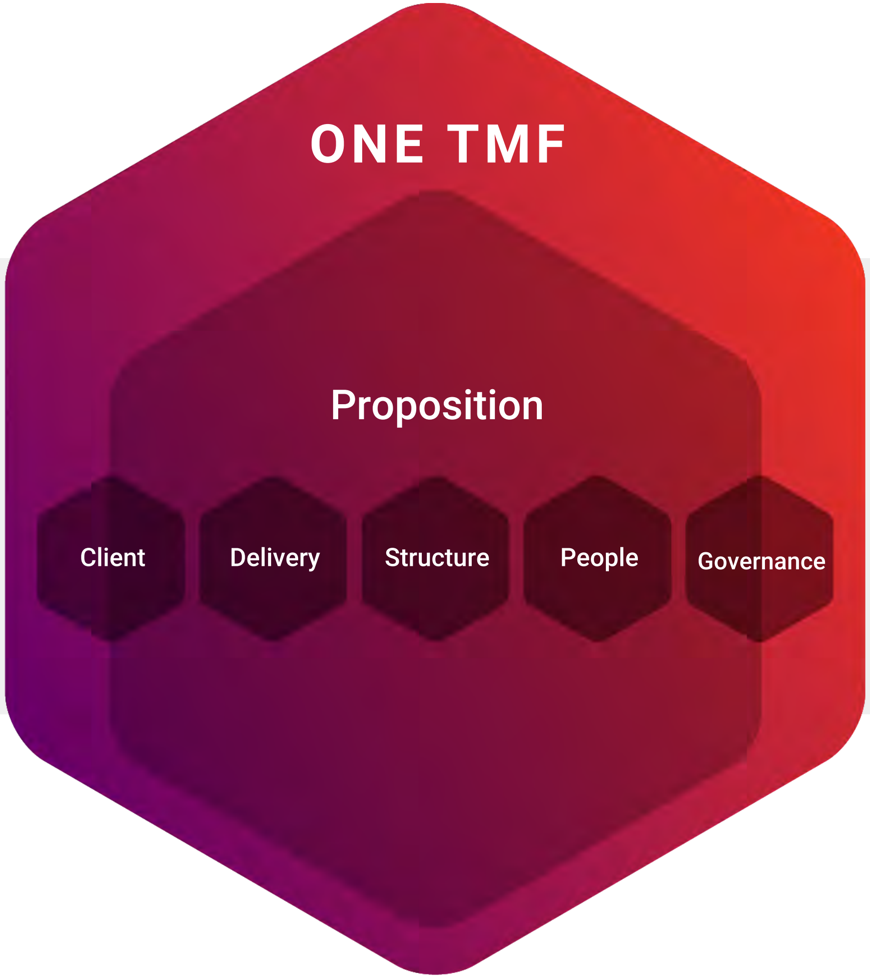
Within the broad space of administrative services, our strategy is to become the best solution for firms with multinational entities to look after. Our unique footprint in 87 of the world's most attractive investment hubs and economies, as well as our blend of services mean that we can manage operating and investment vehicles in various locations.

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

We created one TMF

Global foundations

- Global footprint
- Engaged colleagues
- Global client base
- Strong controls



Global proposition

- Critical solutions
- Flawless service
- One TMF wiring
- Data insights

Our purpose and vision

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 Group has been built over more than 30 years into the leading global player in its field, offering a complete range of administrative support with over 11,000 people in 87 jurisdictions.

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 helped 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.

We work as a team

We offer a global service to clients operating in multiple countries. We work as a team to make clients' experience of TMF Group seamless, joining the dots across different services and countries to act as One TMF.

We create insight

We seek to do more than just complete required tasks. We use our data, market insight and experts on the ground to stay on top of changing rules and regulations and get ahead of the opportunities and threats to our clients.

We care for our clients

We aim to give the best of ourselves in everything we do. We partner with our clients to understand their needs, make it easy for them to work with us, and respond quickly and effectively to their requests.

We invest in talent

We are a people business. We seek to hire and develop diverse, talented people and to give them great careers. We invest in their technical, management and leadership skills to create a high quality.

We act with integrity

We recognise the trust that our clients place in us. We act with integrity in how we handle that position of trust. We make sure that we control the risks we manage on our clients' behalf.

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 consistent Net Promoter Score (NPS), resulting in NPS of 47 (2022: 44) which is 47% above our industry benchmark. The result has seen improved client attrition rate and overall new inflow of sales for 2022 and 2023 onward. 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.

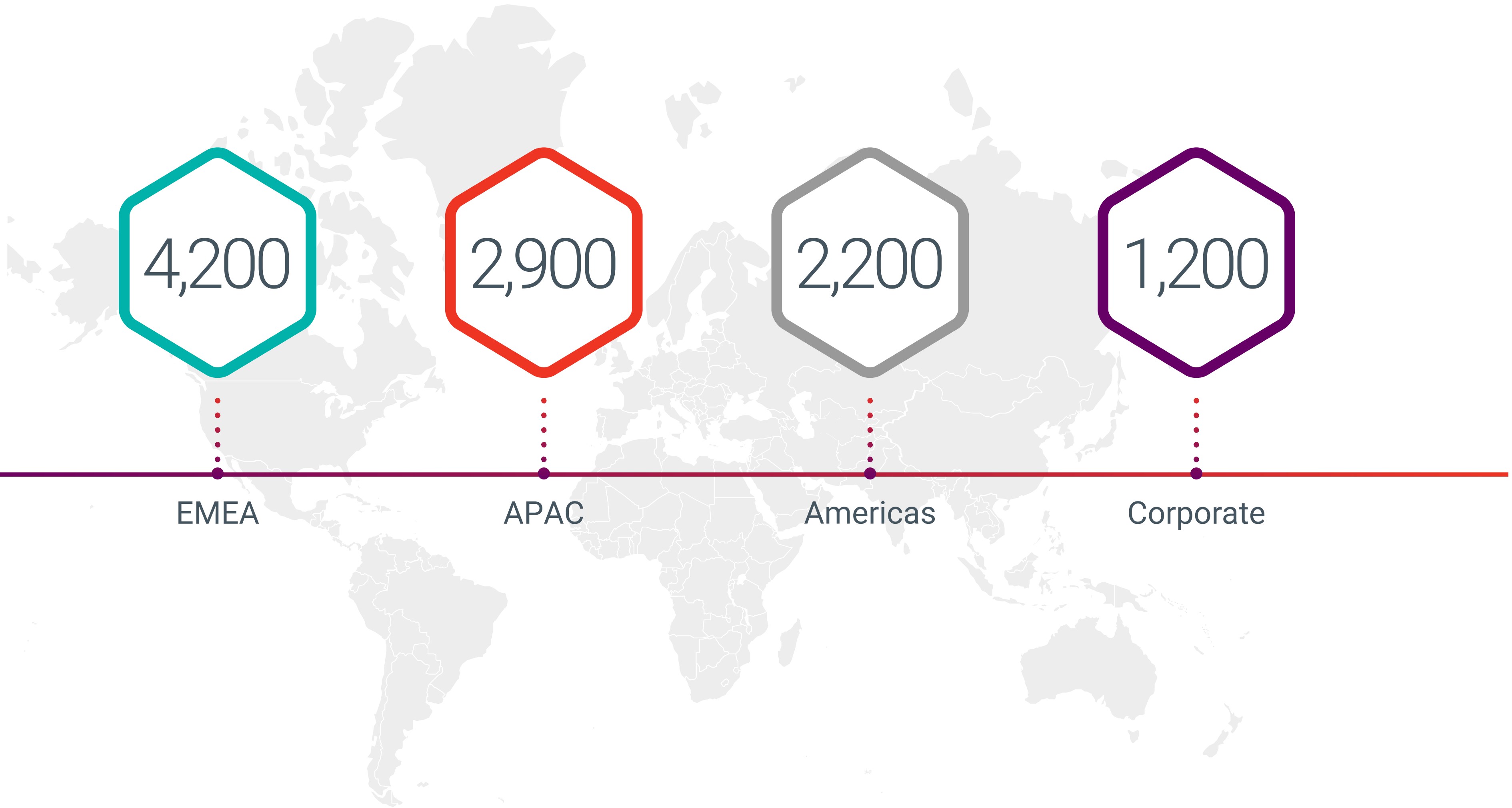
We serve an exceptional set of clients

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 2023, record number of current employees, 90% of them, have engaged in TMF Business Academy courses and a total of 140,700 hours of learning have been offered across all markets (mandatory e-leaning courses not included). Voluntary attrition improved from 18% to 14% despite a globally challenging market. The colleague engagement improved to 71% (2022: 69%). In addition, we have re-certified 34 countries as 'Great Place to Work' in 2023.

Average FTE by region



Financial review

2023 Financial performance

TMF Group Holding B.V. was incorporated on 13 June 2022 as part of the acquisition of TMF Sapphire Topco B.V. ("Topco") by a shareholder group led by CVC Capital Partners and a wholly owned subsidiary of the Abu Dhabi Investment Authority; and had limited operations during 2022 (nil FTE), incurring cost of €0.7 million in relation to set up of the new structure. From 1 January until 31 March 2023, TMF Group Holding B.V. had sole operations in direct connection with the acquisition of Topco and had only incurred transaction costs of €11.3 million, funded by the shareholders. On 31 March 2023, TMF Group Holding B.V. acquired 100% of the shares of Topco, indirectly acquiring 100% shares of TMF Sapphire Midco B.V. ("TMF Group"), which consolidates TMF operational entities. Refer to Governance section of the management report for further details on organisation structure.

The operating activities of TMF Group are fully consolidated in the financial statements of TMF Group Holding B.V. from the date when control is transferred. As a result, the results and cash flow of TMF Group included in the consolidated financial statements of TMF Group Holding B.V. cover the period of 1 April 2023 until 31 December 2023; therefore 2023 financial information (results and cash flow) of TMF Group Holding B.V. includes nine months of consolidated results of TMF Group in addition to transaction costs incurred in the first three months of 2023.

Due to limited operating activities of TMF Group Holding B.V. during the period from 13 June until 31 December 2022 and 1 January until 31 March 2023, the financial information presented has been augmented by adding the full twelve months financial performance of the operational entities of the TMF Group for the years 2023 and 2022. This financial information has been adjusted to allow for a like for like comparison and reconciliations are included in the tables presented in the Financial review section. The primary operations are a result of the TMF operating entities, therefore Q1 2023 financial information of the TMF operational entities and prior year audited 2022 financial information (translated at 2023 average rates) of TMF Sapphire Midco B.V. is added and financial information of TMF Group Holding B.V. and intermediate holding companies is deducted. Refer to KPI table for explanations and definitions.

In 2023, TMF Group grew both organically and through acquisitions in line with its stated strategy. TMF Group acquired seven companies in 2023, two of which completed prior to 31 March 2023.

TMF Group’s reported revenue increased by 14.5% to 825.8 million (2022: €721.1 million). When adjusted for acquisitions and currency effect, organic revenue grew by 12.8% (2022: 9.3%). All regions and service lines contributed to organic growth during 2023.

Results from operating activities before depreciation, amortisation, impairment charges and non-underlying and separately disclosed items ("EBITDA") increased by 13.6% to €256.7 million (2022: €226.0 million) driven by organic growth, margin initiatives as well as contribution from acquisitions. Adjusted for acquisitions and currency effect, organic EBITDA grew by 12.0% (2022: 12.0%). Adjusted cash generated from operations excluding cash flow from non-underlying and separately disclosed items ("Adjusted cash generated from operations") increased by €31.1 million to €165.2 (2022: €134.1 million) due to improved EBITDA partly offset by strategic investments in digitalisation. The Senior Secured Net Leverage ratio to EBITDA for covenant calculation was 4.8 on 31 December 2023.

Revenue

15%

Year over Year

- All regions contributing
- Organic growth 13%
- Strong growth in Funds and Americas
- Strong contracted business and improved client retention

EBITDA

14%

Year over Year

- All regions contributing
- Organic growth 12%
- Improved margins as net effect mix and margin initiatives
- Strict cost control
- Investments in Funds and Capital Markets

Cash conversion

64%

- Reduced leverage
- Improved profitability
- Improved lock-up with substantial benefit
- Further savings on office leases
- Step up of investment in digitalisation
- RCF not used as per the end of the year
- Refinancing with net inflow of €110 million

KPIs

	TMF Sapphire Midco B.V.				Like for like adjustments		TMF Group Holding B.V.	
In millions of Euro	**2023 (unaudited)**	**2022[4]**	**Growth 22-23**	**% Growth 22-23**	**Q1 2023[5]**	**2022[6]**	**2023[7]**	**2022**
Revenue	**825.8**	**721.1**	**104.7**	**14.5%**	**(198.8)**	**(721.1)**	**627.0**	**-**
Gross Profit	510.3	441.5	68.8	15.6%	(122.3)	(441.5)	388.0[8]	-
Gross Margin	61.8%	61.2%			n.a.	n.a.	61.9%	-
EBITDA	**256.7**	**226.0**	**30.7**	**13.6%**	**(70.8)**	**(226.7)**	**185.9[8]**	**(0.7)**
EBITDA margin	31.1%	31.3%			n.a.	n.a.	29.7%	-
Average number of FTEs	10,513	9,713	800	8.2%	122	(9,713)	10,635	-
Revenue per direct FTE	105.7	100.2	5.5	5.5%	0.2	(100.2)	105.9	-
Employee benefit expenses per FTE	45.0	42.7	2.3	5.4%	n.a.	(42.7)	45.1	-
Ratio of direct to indirect FTEs	2.9:1	2.9:1			n.a.	n.a.	2.9:1	-
Adjusted cash flow from operating activities	**165.2**	**134.1**			**(79.0)**	**(134.6)**	**86.2**	**(0.5)**
Cash flow conversion	64.4%	59.3%			(18.0%)	n.a.	46.4%	n.a.
First lien net debt ratio	**n.a.**	**4.5x**			**n.a.**	**n.a.**	**n.a.**	**n.a.**
Senior Secured Net Leverage Ratio	**4.8x**	**n.a.**			**n.a.**	**n.a.**	**4.8x**	**n.a.**

4 *Management basis shows 2022 comparatives remeasured at constant currency (2023 average rate)*

5 *Financial figures of the following intermediate holding entities are excluded in the comparison of TMF Group: TMF Sapphire Holdco B.V., TMF Sapphire Topco B.V., Tucano Holdco B.V., Tucano Midco B.V. and Tucano Bidco B.V.. To ensure a like for like comparison, the unaudited Q1 financial figures of TMF Group are added back to the 9 months consolidated figures; and audited €11.3 million transaction costs incurred by TMF Group Holding B.V. in Q1 2023 is deducted*

6 *2022 consolidated figures (translated at 2023 average rates) of TMF Sapphire Midco B.V. are added and 2022 consolidated figures of TMF Group Holding B.V. and intermediate holding entities are deducted*

7 *2023 figures presented in the Financial review are not restated for hyperinflation impact. In the financial statements of TMF Group Holding B.V., figures are restated for the impact of hyperinflation in Argentina and Turkey. Hyperinflation had the following impact on 2023 figures in the financial statements as compared to the figures in the financial review: €3.5 million lower revenues, €1.7 million lower employee benefit expenses, €0.1 million lower office expenses, €0.1 million lower professional fees, €0.5 million lower other expenses and €4.1 million higher net finance costs.*

8 *EBITDA and gross profit of TMF Group Holding B.V. are excluding impact of non-underlying and separately disclosed items in amount of €16.8 million, reclassified to positions of consolidated statement of profit or loss: €10.4 million to employee benefit expenses, €4.8 million to professional fees and €1.6 million to other expenses.*

Definitions

EBITDA - excluding the impact of hyperinflation and the non-underlying and separately disclosed items.

First lien - net debt minus cash divided by EBITDA minus lease expenses and including full year impact of acquisitions.

Senior Secured Net Leverage Ratio - consolidated Senior Secured Net Debt divided by LTM EBITDA.

Lock up - changes in trade receivables, unbilled services and deferred income.

Income statement

	TMF Sapphire Midco B.V.				Like for like adjustments		TMF Group Holding B.V.	
In millions of Euro	**2023 (unaudited)**	**2022[4]**	**Growth 22-23**	**% Growth 22-23**	**Q1 2023[5]**	**2022[6]**	**2023[7]**	**2022**
Revenue	**825.8**	**721.1**	**104.7**	**14.5%**	**(198.8)**	**(721.1)**	**627.0**	**-**
Employee benefit expense	(473.4)	(414.9)	(58.5)	14.1%	114.0	414.9	(359.4)	-
Office expenses	(38.5)	(31.3)	(7.1)	22.8%	9.3	31.3	(29.1)	-
Professional fees	(25.2)	(22.0)	(3.2)	14.6%	(4.8)	21.3	(30.1)	(0.7)
Other expenses	(32.0)	(26.8)	(5.2)	19.4%	9.5	26.8	(22.5)	-
EBITDA	**256.7**	**226.0**	**30.7**	**13.6%**	**(70.8)**	**(226.7)**	**185.9[8]**	**(0.7)**
Non-underlying and separately disclosed items	(14.9)	(24.7)	9.7	(39.4%)	(1.9)	24.7	(16.8)	-
Depreciation, amortisation and impairment charges	(119.2)	(109.4)	(9.9)	9.0%	19.3	109.4	(99.9)	
Operating result	**122.5**	**92.0**	**30.5**	**33.2%**	**(53.4)**	**(92.7)**	**69.2**	**(0.7)**
Other gain/(loss)	(0.3)	(1.0)	0.7	(71.6%)	(0.3)	1.0	(0.5)	
Net finance costs	(116.4)	(60.8)	(55.6)	91.6%	15.2	60.8	(101.2)	
Income tax expense	(32.7)	(29.9)	(2.7)	9.2%	14.6	29.9	(18.1)	
Result for the year	**(26.8)**	**0.3**	**(27.1)**	**n.a.**	**(23.8)**	**(1.0)**	**(50.7)**	**(0.7)**

Overall revenue growth of 14.5% (2022: 10.7%) includes the in-year impact of 2023 acquisitions of Goodbody Fund Management - Ireland, Avanzia Taxand - Malta, Premier - Greece, Contexpert - Romania, KPK - India, Sino Corporate Services Group - Hong Kong and China and Partners Admin - United States of America. Adjusted for the acquisitions and currency effect, revenue growth in the year 2023 is 12.8% (2022: 9.3%).

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 2022 audited revenue of €743.9 million, restated using 2023 rates, results in an decrease of the revenue of €22.9 million.

Employee benefit expense is driven by a 8.2% growth in FTEs, resulting from growth including acquisitions and by 5.4% increase in average employee expense.

EBITDA improved by €30.7 million from €226 million in 2022 to €256.7 million in 2023. This EBITDA gain stems from revenue growth, margin initiatives, stable cost control and contribution from acquisitions.

For historical performance of TMF Sapphire Midco B.V., refer to audited financial statements of 2018 until 2022.

Revenue by service line

Revenue amounted to €825.8 million in 2023, an increase of 14.5% compared to €721.1 million in 2022. The following table sets out TMF Group's revenue split by service line for the year 2023 compared to 2022.

	TMF Sapphire Midco B.V.				Like for like adjustments		TMF Group Holding B.V.	
In millions of Euro	**2023 (unaudited)**	**2022[4]**	**Growth 22-23**	**% Growth 22-23**	**Q1 2023[5]**	**2022[6]**	**2023[7]**	**2022**
Accounting and tax	315.2	265.6	49.6	18.7%	(73.4)	(265.6)	241.8	-
Global Entity management	297.4	271.5	25.9	9.5%	(72.5)	(271.5)	224.9	-
Payroll and HR	197.6	169.9	27.7	16.3%	(49.0)	(169.9)	148.6	-
Other	15.6	14.1	1.5	10.6%	(3.9)	(14.1)	11.7	-
Revenue	**825.8**	**721.1**	**104.7**	**14.5%**	**(198.8)**	**(721.1)**	**627.0**	**-**

All service lines contributed to growth in 2023.

2023 figures presented in the Financial review are not restated for hyperinflation impact. In the financial statements of TMF Group Holding B.V., figures are restated for the impact of hyperinflation in Argentina and Turkey. Hyperinflation had the following impact on 2023 figures in the financial statements as compared to the figures in the financial review: €3.5 million lower total revenues, of which €2.4 million lower revenues for Accounting and tax service line, €1.0 million lower revenue for Payroll and HR service line and €0.1 million lower revenue for Global entity management service line.

Revenue by geographic segment

	TMF Sapphire Midco B.V.				Like for like adjustments		TMF Group Holding B.V.	
In millions of Euro	2023 (unaudited)	2022[4]	Growth 22-23	% Growth 22-23	Q1 2023[5]	2022[6]	2023[7]	2022
EMEA	461.6	409.1	52.5	12.8%	(112.2)	(409.1)	349.4	-
APAC	190.7	166.8	23.9	14.3%	(46.2)	(166.8)	144.5	-
Americas	155.7	128.5	27.2	21.2%	(35.9)	(128.5)	119.8	-
Corporate	17.8	16.7	1.1	6.6%	(4.5)	(16.7)	13.3	-
Revenue	**825.8**	**721.1**	**104.7**	**14.5%**	**(198.8)**	**(721.1)**	**627.0**	**-**

EMEA

EMEA include markets Netherlands, Belgium, Curacao (NBC), Luxembourg, Germany, Switzerland (LGS), British Isles and Ireland (BII), Nordics, South West Europe, South East Europe, Central Eastern Europe and Middle East and Africa. Revenue in EMEA increased by €52.5 million, or 12.8% to €461.6 million in 2023 from €409.1 million in 2022. This growth is driven by double-digit growth in LGS, BII, Nordics, South West Europe, South East Europe, Middle East and Africa as well as single digit growth in other markets. The revenue includes the full year effect of the 2023 acquisition of the business of Goodbody Fund Management - Ireland (closed October 2023), Avanzia Taxand - Malta (closed November 2023), Premier - Greece (closed November 2023), Contexpert - Romania (closed December 2023). Excluding the impact from acquisitions, the year-over-year growth amounts €50.9 million, or 12.4%.

APAC

APAC include markets South East Asia, Hong Kong, Korea & Japan, China & Taiwan and Singapore, Malaysia and Australasia (SMA). Revenue in APAC increased by €23.9 million, or 14.3% to €190.7 million in 2023 from €166.8 million in 2022. Growth is mostly driven by South East Asia, Korea & Japan, Hong Kong and China & Taiwan (double digit).The revenue includes the 2023 acquisition of the business of Sino Corporate Services Group - Hong Kong and China (closed March 2023) and KPK - India (closed July 2023). Excluding the impact from acquisitions, the year-over-year growth amounts €21 million, or 12.6%.

Americas

Americas includes markets North America, Brazil, South Spanish Latam and North Spanish Latam. Revenue in Americas increased by €27.2 million, or 21.2% to €155.7 million in 2023 from €128.5 million in 2022, mainly driven by double digit growth in South and North Spanish Latam and North America. The revenue includes the full year effect of the 2023 acquisition of the business of Partners Admin – United States of America, (closed February 2023). Excluding the impact from acquisitions, the year-over-year growth amounts €19.2 million, or 14.9%.

Cash flow

	TMF Sapphire Midco B.V.		Like for like adjustments		TMF Group Holding B.V.	
In millions of Euro	2023 (unaudited)	2022[4]	Q1 2023[5]	2022[6]	2023	2022
EBITDA	**256.7**	**226.0**	**(70.8)**	**(226.7)**	**185.9[8]**	**(0.7)**
FX	-	8.6	-	(8.6)	-	-
Working Capital	(3.6)	(21.6)	(28.2)	21.8	(31.8)	0.2
IFRS 16 Office leases	(32.4)	(33.7)	8.9	33.7	(23.5)	-
Capex (including licenses)	(55.5)	(45.2)	11.1	45.2	(44.4)	-
Adjusted cash flow from operating activities	**165.2**	**134.1**	**(79.0)**	**(134.6)**	**86.2**	**(0.5)**
Cash flow conversion	**64.4%**	**59.3%**	**n.a.**	**n.a.**	**46.4%**	**n.a.**

Adjusted cash flow from operating activities is calculated as: EBITDA adjusted for impact of foreign exchange rates, cash inflow/(outflow) from working capital, cash outflow from lease payments and capital investments. TMF Group Holding B.V. presents IFRS 16 Office lease including payments for buildings and vehicles in amount of €23.5 million; €8.8 million of lease payments related to IFRS 16 software is reclassified to Capex (including licenses) line of the cash flow.

The primary KPI of management for cash generation is the percentage of EBITDA converted into cash. Cash flow conversion is calculated as EBITDA plus or minus working capital movement minus capital expenditure minus lease expenses (IFRS 16) divided by EBITDA. In 2023 the cash flow conversion rate of 64.4% was achieved, compared to 59.3% in 2022.

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.

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 Management Board. 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 Management Board. TMF Group's treasury function identifies, evaluates and hedges (where considered necessary) financial risks in close cooperation with TMF Group's operating units. The Management Board 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 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.

On 17 July 2023, amendment and extension of the existing senior loan agreement was executed resulting in principal loans Facility B1 of €955 million, Facility B2 of $400 million; both senior loans with maturity of May 2028 and Revolving Credit Facility of €181 million with maturity February 2028. The interest for Facility B1 is 4.5% plus 3 month EURIBOR (floored at 0%). Interest for Facility B2 is 5.0% plus 3-month USD TERM SOFR CME.

This resulted in extinguishment of existing senior loans, Lien 1 with principal of €950 million and Lien 2 with principal of €200 million and a loss on extinguishment of €15.4 million. The loss is reported as part of net finance costs in the Income statement.

The revolving facility from our primary bank consists of a €152 million (2022: €122 million) facility for cash needs of which €152 million (2022: €109 million) is undrawn and a €29 million (2022: €28 million) facility for bank guarantees of which €10 million (2022: €6.4 million) is not used at 31 December 2023. As at 31 December 2023, the total undrawn borrowing facilities amounted to €162 million (2022: €115.4 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.

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 optimise 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, standardised processes which will result in a decrease of lock-up days.

Outlook 2024

We expect TMF Group to continue to grow both organically and through acquisitions. Growth is expected to continue to come mostly from existing clients by geographic expansion. We also expect new services, like those resulting from ESG, as well as acquisitions to contribute to growth.

To support this growth, the number of FTEs is also expected to increase. Our employees are continuing to work partially remotely and hence we have significantly reduced our office space and will continue to do so. We expect remote working to continue and be a permanent feature of the professional services industry.

Furthermore we have planned a further investments in capital expenditure both to support client delivery as well as investment in TMF Group backbone systems. Those future investments can be funded within the existing (renewed) borrowing facilities. In case of potential larger-scaled acquisitions TMF Group will assess if additional borrowing facilities are required.

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 been terminated in 2022 already. The few that remain are either prohibited to exit following sanctions or have resolved their Russian ownership. 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.

TMF Group signed agreement with Proven - Kingdom of Saudi Arabia to acquire 100% of the shares, which became effective in January 2024. 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.

In January 2024, the repricing of senior loans consisting of Facility B1 of €955 million and Facility B2 of $400 million was finalised. Facility B1 of €955 million became Total Facility B1 consisting of Facility B1 of €850.9 million and New Facility B1 of €104.1 million, and Facility B2 of $400 million became Total Facility B2 consisting of Facility B2 of $370.6 million and New Facility B2 of $29.4 million. The interest of Facility B1 is unchanged in comparison to 2023. The interest of New Facility B1 is 3.75% plus 3 or 6 month EURIBOR (floored at 0%). Interest for Facility B2 is 5.0% plus 3-month USD TERM SOFR CME and for New Facility B2 is 4.0% plus 3-month USD TERM SOFR CME. This repricing resulted in substantial modification and extinguishment accounting is applied in January 2024. Any difference between the carrying amount of the original liability and fair value of new modified financial liability is recognised in profit or loss. As a result of extinguishment accounting, modification loss of €24.3 million is recognised in statement of profit or loss in January 2024.

Conclusion

In 2023, TMF Group delivered revenue growth of 14.5% (2022: 10.7%) and EBITDA improved by €30.7 million to €256.7 million (2022: €226 million). With that, we have again delivered a solid set of results and 2023 has evidenced yet again that our strategy is paying off. Despite the challenging geopolitical and economic environment we are confident that in 2024 we will further accelerate our growth and profitability.

Patrick de Graaf | Chief Financial Officer

Governance

Governance

Ultimate holding company

TMF Group Holding B.V. (“TMF Group”) is the parent company of our operational entities. The majority of the shares in TMF Group Holding B.V. are held by CVC Strategic Opportunities Fund II ("CVC") and a wholly owned subsidiary of the Abu Dhabi Investment Authority ("ADIA") and the remainder of the shares are held by Stichting Administratiekantoor Management Sapphire.

Corporate governance compliance

TMF Group closely follows the developments in the area of corporate governance and the applicability of the relevant corporate governance rules for TMF Group. Any substantial changes to TMF Group's corporate governance structure or application of the corporate governance code will be discussed by the Management Board and Supervisory Board.

Governance structure

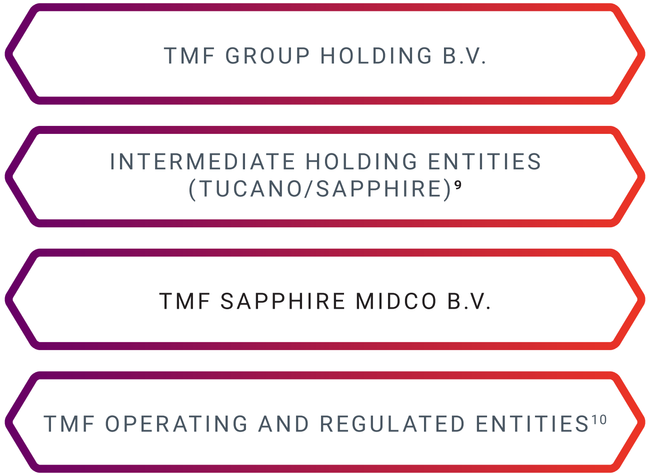
TMF Group Holding B.V. has a two-tier governance structure, with a Supervisory Board, comprising of eight Supervisory Directors, responsible for supervising, monitoring and advising the Management Board. CVC and ADIA can appoint three Supervisory Board members, and three independent members are appointed through the General Meeting.

The Management Board comprises of two Managing Directors, a Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"). The Management Board aims to have a minimum 50% of Dutch resident directors. The Management Board is responsible for achieving the TMF Group's objectives, strategy (including any long term, medium term and short term business plans with operational and financial objectives and parameters to be applied) and the accompanying risk profile (ensuring that effective internal risk management and control systems are in place and reported on), the performance trend and results and for the corporate social responsibility issues relevant to the business.

The Supervisory Board of TMF Group Holding B.V. has further established several committees, each with a distinct purpose. These committees are: Audit Committee, Risk Committee, Sustainability Committee, Nomination Committee and Remuneration Committee. These Committees advise and support the Supervisory Board in their task and responsibilities.

The Supervisory Board of TMF Group consists of eight members and two seats are taken by women. The Management Board of the Company consisted of two members, seats are taken by men. The Executive Committee consists of nine members, four of whom are women. TMF Group recognises the benefits of diversity, including gender balance. However, TMF Group understands that gender is only one part of diversity. The company is proud of the team diversity with a balanced mix of people regarding gender and cultural background. The Management Board aims to improve gender diversity on the boards and among senior management personnel and has set target ratios that one third of seats for Supervisory Board, Management Board and the Executive

Committee are held by women by 2027. Both TMF Group's majority shareholders and the Supervisory Board endeavour to support any appointments in order to achieve the set target ratios, provided TMF Group is an equal opportunities employer and is committed to hiring the most qualified employees irrespective of race and gender.



9 *TMF Sapphire Holdco B.V., TMF Sapphire Topco B.V., Tucano Bidco B.V., Tucano Midco B.V. and Tucano Holdco B.V.*

10 *TMF Group Operating entities include indirect and direct subsidiaries of TMF Sapphire Midco B.V., TMF Sapphire Bidco B.V. is the direct subsidiary of TMF Sapphire Midco B.V. and the entity carrying external financing.*

Audit Committee

The purpose of the Audit Committee is to assist the Supervisory Board in its general oversight of the Company's accounting and financial reporting processes, audits of the financial statements and the internal audit function. The Audit Committee meets no less than four times each financial year.

The overview below provides a number of topics discussed during the Audit Committee meetings in 2023, which included:

1. the relationship and effectiveness of the external auditors;
2. the effectiveness and performance of the internal audit function;
3. the internal control systems and associated financial and fraud risk management;
4. the annual and interim financial statements.

Risk Committee

The purpose of the Risk Committee is to assist the Supervisory Board in its general oversight of the Company's risk management and compliance programs. As such, the Risk Committee ensures that the Governance, Risk and Control Framework (the "GRC Framework") is effective and aligned to strategy and risk appetite. The Risk Committee will be responsible for assessing the adequacy, effectiveness and design of the GRC Framework in relation to the Company's objectives and strategy, AML, CFT and regulatory compliance, legal, information security and other risk types, with the exception of financial risks which are covered by the Audit Committee of the Supervisory Board.

The Risk Committee will also be responsible for reporting and making recommendations to the Supervisory Board concerning governance matters and performing a review in case of a conflict of interest. The Risk Committee meets no less than four times per financial year.

The overview below provides a number of topics discussed during the Risk Committee meetings in 2023, which included:

- TMF Group's risk management policies and procedures;
- TMF Group's regulatory compliance;
- TMF Group's information security programs and initiatives;
- TMF Group's internal audit initiative and findings;
- pending claims and litigations against TMF Group subsidiaries.

Sustainability Committee

The purpose of the Sustainability Committee is to assist the Supervisory Board in its oversight of the Company's actions to run the Company as an environmentally and socially sustainable business, capable of generating long term value for its stakeholders. The Sustainability Committee meets no less than twice per financial year.

The overview below provides a number of topics discussed during the Sustainability Committee meetings in 2023, which included:

1. the effectiveness of the TMF Group's sustainability strategy;
2. TMF Group's sustainability performance and execution;
3. appropriate objectives for sustainability activities;
4. appropriateness of sustainability related policies;
5. current and emerging sustainability trends.

Nomination Committee

The purpose of the Nomination Committee is to assist the Supervisory Board to ensure that the Company has the leadership it requires, both now and in the future. In particular, the Nomination Committee shall assist the Supervisory Board in the appointment of Managing Directors of the Company or Supervisory Directors of the Company’s Supervisory Board. The Nomination Committee meets no less than two times each financial year.

The overview below provides a number of topics discussed during the Nomination Committee meetings in 2023, which included:

1. the structure, size and composition of the Management Board; and
2. succession of Managing Board Directors and Supervisory Board Directors.

Remuneration Committee

The purpose of the Remuneration Committee is to assist the Supervisory Board in determining the remuneration of directors and senior management of TMF Group, on the basis of their merit, qualifications, and competence, and having regard to TMF Group's operating results, individual performance and comparable market statistics. The Remuneration Committee meets no less than four times each financial year.

The overview below provides a number of topics discussed during the Remuneration Committee meetings in 2023, which included:

1. remuneration of Management Board members and senior management;
2. bonus arrangements for Management Board members and senior management;
3. participation of senior managers in TMF Group's management investment plan.

Executive Committee ("ExCo")

The Management Board of TMF Group Holding B.V. has established the Executive Committee ("ExCo").

The purpose of the ExCo is to assist the Management Board in the overall direction and the (day to day) management and operations of the Company. The individual members of the ExCo support the Management Board in their respective area of expertise. The ExCo members only have an advisory role. Decision-making in respect to the Company’s overall direction and (day to day) management and operations sits with the Management Board.

Supervisory Board

Ann Cairns

Chair of the Supervisory Board and Nomination Committee

Ann started as a research scientist before moving into investment banking. She rose up the ranks in Citibank, then became CEO of Transaction Banking at ABN before joining Alvarez and Marsal. In 2011 Ann joined Mastercard as a C-suite executive leading all customer-facing business outside the US and concluded her career as Executive Vice Chair. Passionate that women should hold equal positions in the corporate world to men, Ann chaired the 30% Club and is an advocate for women in science, technology, engineering and mathematics (STEM). Ann was a senior sponsor of the Mastercard girls4tech programme, designed to encourage millions of girls worldwide to continue studying science.

Karen Green

Independent Supervisory Board Director and Chair of Audit Committee

Karen started her career as an investment banker with Baring Brothers and then Schroders. She subsequently held various senior positions at GE Capital, Stonepoint Capital and Aspen Insurance Holdings, where she was a member of the Executive Committee and CEO of Aspen UK. She was a Council Member of Lloyd's of London. She is currently the Senior Independent Director of Phoenix Group Holdings PLC, and a non-executive Director of Admiral Insurance Group PLC, Asta Managing Agency Ltd and Miller Insurance Services LLP and non-executive Director of Great Portland Estates PLC.

Krishnan Rajagopalan

Independent Supervisory Board Director

Krishnan is President and CEO of Heidrick & Struggles, a global leadership advisory firm providing executive search, leadership assessment and development, organisation and team effectiveness, and culture shaping services. He is a strong advocate for diversity and inclusion and gender parity. Before joining Heidrick & Struggles, he served as a Vice President and partner with a global management consulting firm, where he focused on strategy, operations, and transformation across a wide range of industries.

Peter Rutland

Managing Partner, CVC

Chair of Remuneration Committee

Joined CVC in 2007. Peter is head of CVC's private equity activities in the financial services industry and is based in London. From 2002 to 2007 he worked for Advent International 2002. Peter holds an MA degree from the University of Cambridge and an MBA from INSEAD.

Lorne Somerville

Managing Partner, CVC

Chair of Sustainability Committee

Joined CVC in 2008. Lorne is co-chair and co-head of the CVC Strategic Opportunities advisory activities and is based in London. Prior to joining CVC he worked for UBS, where he was joint Global Head of Telecommunications and Head of the European communications group. Lorne holds an MA in Computer Sciences from the University of Cambridge and an MBA from IMD, Lausanne.

Faris Cassim

Senior Portfolio Manager, ADIA

Chair of Risk Committee

Faris is a Senior Portfolio Manager in ADIA’s Private Equities Department. Since joining in 2014, Faris has led a number of ADIA investments in the financial and business services sectors. Prior to joining ADIA, Faris worked in the corporate development and investment banking groups at UBS. Faris holds a Master in Finance from ETH Zurich and a Bachelor of Science in Mathematics from Ecole Polytechnique Federale de Lausanne (EPFL).

Osama Nahhat

Managing Director, CVC

Osama is a member of the CVC Strategic Opportunities investment platform and is based in London. Previously, he worked in the European investment team of Bain Capital and as a Strategy Consultant at Bain & Co. in the Middle East. Osama has a MSc in Financial Economics from Oxford University and a BEng from McGill University.

Stefan Janke

Investment Manager, ADIA

Stefan is an Investment Manager in ADIA’s Private Equities Department. Prior to joining ADIA in 2018, he worked in Morgan Stanley’s Investment Banking Division in Frankfurt and London. Stefan holds a Bachelor’s Degree in General Management from EBS Universität für Wirtschaft und Recht.

Supervisory Board - meetings and attendance

The Supervisory Board meets at least four times per year in accordance with its annual schedule and whenever the Chairman, one or more of its members, or the Management Board requests a meeting. In 2023, the Supervisory Board held 4 meetings. All these meetings were held in person. Supervisory Board meetings and Supervisory Board committee meetings are held over several days, ensuring there is time for review and discussion. At each meeting, the Supervisory Board members discuss among themselves the goals and outcome of the meeting, as well as topics such as the functioning and composition of the Supervisory Board and the Management Board. Also discussed during each meeting are the reports from the different committees of the Supervisory Board. The Supervisory Board meetings and the meetings of the five Supervisory Board committees were well attended, as is shown in the table below. In addition to the Supervisory Board members, the members of the Management Board are invited to the Supervisory Board meetings. All Management Board members were present at the Supervisory Board meetings in 2023. Members of ExCo are regularly invited to provide updates on topics within their area of expertise.

Name	Supervisory board	Audit Committee	Risk Committee	Sustainability Committee	Nomination Committee	Remuneration Committee
Ann Cairns	3/3	2/3	3/3	3/3	1/1	1/3
Karen Green	3/3	3/3	3/3	n.a.	n.a.	n.a.
Krishnan Rajagopalan	3/3	n.a.	n.a.	n.a.	n.a.	3/3
Faris Cassim	4/4	n.a.	3/3	n.a.	n.a.	3/3
Stefan Janke	4/4	3/3	n.a.	n.a.	n.a.	n.a.
Lorne Somerville	4/4	n.a.	n.a.	3/3	0/1	n.a.
Osama Nahhat	3/3	3/3	3/3	n.a.	n.a.	n.a.
Peter Rutland	4/4	n.a.	n.a.	n.a.	1/1	3/3

Management Board

Mark Weil

Chief Executive Officer

Mark joined TMF Group as CEO in 2018. He is responsible for setting and executing the strategic direction for the company, building and overseeing the Executive Committee, and supporting TMF Group's 10,000 colleagues to work in alignment with the company's values. He is passionate about colleague engagement and wellbeing, flawless service for clients and innovating TMF Group's products and processes. As CEO, Mark chairs the management board. Prior to joining TMF Group, Mark was with the Marsh McLennan Group for 25 years, holding senior leadership positions at Marsh and Oliver Wyman. Mark graduated from Cambridge University with a degree in Engineering.

Patrick De Graaf

Chief Financial Officer

Patrick joined the board of TMF Group in April 2019 as Chief Financial Officer and, with the CEO, is a member of the Management Board. Before joining TMF Group he worked at KPMG for around 20 years in their M&A practice and held a number of senior positions, 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. He attended INSEAD (the Institut Européen d'Administration des Affaires business school) and the International Institute for Management Development.

Management Board - meetings and attendance

The Management Board meets when convened, and in any event, at least six times in each financial year. During 2023 – from a governance point of view starting as from 31 March 2023 as the two-tier structure was put in place as from this date - the Management Board held four meetings. All these meetings were held in person at TMF Group's address in Amsterdam, the Netherlands in the physical presence of the entire Management Board.

Executive committee

Angelica Thijssen

Chief HR Officer

Angelica came to TMF Group after six years as Chief HR Officer at Intertrust Group. This followed eight years as Global Head of Talent Management, Merchant Banking at Fortis Bank. Before specialising in HR, she held senior positions in the finance industry, working for MeesPierson and ING Bank. She supports the Management Board, the ExCo and the wider organisation in focusing on attracting, developing and engaging our talent, building the corporate culture and in driving corporate social responsibility. Angelica holds a Master's in Law from Maastricht University, an MSc (Economics) from the London School of Economics and a Certification in Corporate Governance from INSEAD.

Daniel Max

Head of Global Solutions

Daniel is responsible for the services that TMF Group offers to its corporate, financial services and private clients. He leads the development of services, ensuring that TMF Group remains at the cutting edge when it comes to delivering compliance services to clients. He is widely involved with the numerous processes that optimise performance on our largest global accounts. Previously, Daniel 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.

Jan Willem van Drimmelen

Chief Commercial Officer

In his current role, which he has held since June 2021, Jan Willem is responsible for global functions that include sales, marketing, sales operations, commercial transformation and strategic partnerships. Before joining TMF Group, Jan Willem held numerous leadership roles during 12 years at Intertrust Group. He went on to establish Create Capital Partners, a private equity firm in Amsterdam, with Intertrust's former CEO. Prior to 2007 he worked in structured products at merchant bank Kempen & Co and as an international tax attorney with Freshfields Bruckhaus Deringer. He has a Tax Law master's degree from the University of Leiden and is on the board of the Netherlands-America Foundation.

Severine Canova

Head of Risk & Compliance

Severine joined the TMF Group Luxembourg management team in December 2018. 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. In her current role Severine is responsible for ensuring we know our clients to protect them and TMF Group, managing risk to ensure the permanence of our business, and managing relationships with authorities and regulators. Prior to joining TMF Group, Severine spent 18 years with Citco Group in Luxembourg and France, where she rose to become Managing Director of the Luxembourg Corporate and Trust business. Severine holds a Master of Business Law from Strasbourg University Robert Schuman.

Russell Sheldon

Chief Operations & Technology Officer

Russell leads TMF Group's delivery globally, including day-to-day client service, along with the operational and digital transformation of all services. His wider remit encompasses executive responsibility for strategy, architecture and management of all technology and platforms globally, as well as cyber security. Prior to TMF Group, Russell 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.

Frank Welman

Head of EMEA

Frank began heading up the newly created International Region after a period with Intertrust where he was Managing Director, Luxembourg and a member of the Executive Committee. His extensive experience includes roles at BDO and MeesPierson Trust. He was TMF Group's Head of Benelux from 2011 to 2015. Frank’s career in the trust sector has focused on efficiency improvement, revenue growth and EBITDA margins.

Lisa Wilcox

Head of North America

Lisa is responsible for the strategic growth of the North America region. She is passionate about clients and people, and the diversity of solutions and opportunities within this growing market. Before joining TMF Group in 2017, Lisa had a long-standing career at Scotiabank, both within Canada and internationally. She joined TMF Group as Country Leader for Canada, before becoming Global Head of Entity Management and then Market Head for North America. Lisa has a Bachelor's degree in International Relations from the University of British Columbia, a LL.B. from Osgoode Hall Law School and is a holder of the Trust and Estate Practitioner designation from STEP.

Monica Vera

Head of Latin America

Monica has dedicated her career to business transformation in several industries across Canada and Latin America. Before joining TMF Group in 2019, she held roles at PwC, Deloitte and IBM, latterly as Vice President and partner for IBM Mexico. She joined TMF Group to head its Mexico business, before becoming Market Head for North Latam, then Head of Latin America. Monica holds a public accounting Licentiate degree from Universidad Católica Andres Bello, a Bachelor of Science degree from Syracuse University and a humanistic studies Master's degree from Universidad Virtual Tecnológico de Monterrey.

Shagun Kumar

Head of APAC

Shagun joined TMF Group as India Managing Director before leading the Southeast Asia region. Unlocking APAC's rapid growth potential across all service areas, with particularly strong opportunities in funds, capital markets and private wealth, is a target in his role. He manages strategic client relationships and his people focus is demonstrated by external positive working culture recognition across the jurisdictions. Prior to joining TMF Group, Shagun's career spanned consulting and functional finance, including positions at Arthur Andersen, General Electric, Microsoft and Grant Thornton. He sits on multiple multinational boards as an independent director. He is a Six Sigma black belt, a qualified chartered account and has degrees in commerce and bartending.

Sustainability

Sustainability

SUSTAINABILITY REPORTING

Significant sustainability topics

TMF Group is committed to making a positive impact to the communities where it operates, and aims to integrate comprehensive sustainability reporting with full assurance into its annual report by end of financial year 2025. In 2023 TMF Group made significant steps forward on this journey, undertaking its first assessment of sustainability topics to identify what should be considered significant to the business.

This was done by assessing a full range of topics against the following criteria:

- **Positive Impact** - Topics where TMF Group's operations can make a positive difference to communities or the environment where TMF Group operates.
- **Negative Impact** - Topics where there are potential negative consequences of TMF Group's operations on communities and the environment.
- **Financial Risks** - Topics where communities and the environment pose a potential risk to TMF Group's financial performance.
- **Financial Opportunities** - Topics where communities and the environment present opportunities to improve TMF Group's financial performance.

Based on the assessment TMF Group considers nine topics significant to its operations. TMF Group plans to incorporate those topics in TMF Group's sustainability reporting framework, with ambitions and achievements covered in the group's impact reports. Further work in 2024 aims to validate this assessment with stakeholders from across our value chain, to ensure our reporting framework aligns to upcoming regulatory requirements.

The topics are combined in three separate categories, as outlined below.

Governance Topics

- **Corruption and bribery** - As part of its operations, TMF Group frequently has access to client accounts, makes payments and holds positions of fiduciary responsibility on behalf of clients. Effective controls to prevent bribery and corruption are critical in preventing negative outcomes for clients. Providing easier client access to best practice controls has a positive impact on efforts to tackle corruption and bribery globally. Failure to maintain these controls would pose a risk to TMF's reputation and revenue.
- **Information management** - In the provision of services TMF Group handles significant volumes of company sensitive and personal data on behalf of clients. Effective controls over the management of such information provides clients with a safe and secure way of completing business tasks whilst minimising data risks. Failure to maintain these controls could create risks to clients and to TMF Group's financial performance. There is also risk of escalating cost of maintaining these controls as information security threats increase their sophistication.

- **Transparency** - Through the administration of entities used for structuring of investments and corporate groups, TMF Group is often responsible for making or supporting client disclosures in line with international and local requirements, often designed to promote sustainability and expose illicit/unethical activities. Such disclosures are facilitated by the knowledge of TMF Group's network of local experts and their relationships with regulators. Capitalising on this capability is a major driver of commercial expansion for the business, but comes with material risk of sanctions and reputational damage if responsibilities are not fulfilled.
- **Corporate culture** - Research shows that an effective corporate culture built on strong values is a key enabler of strong performance, both from a financial and social impact perspective. This is also true for TMF Group, were establishment of positive culture across the firm accelerates efforts to mitigate risks and unlock opportunities across the business.

Social Topics

- **Working conditions of employees** - TMF Group employs over 11,000 people, with the expertise held by colleagues in 87 jurisdictions key to our service proposition to clients. How the group treats these colleagues has the potential to bring both positive and negative consequences to the communities where they are based. Failing to protect employee working conditions also poses a risk to the stability of business operations.
- **Equal treatment and opportunities for all** - The growth of the business and employee turnover means that the business fills about 2,500 positions every year through a combination of external recruitment and managing career opportunities for existing employees. Managing a fair and inclusive approach to talent selection helps the business to build a diverse and effective team, with positive social consequences across our communities.
- **Community involvement** - The geographic diversity and expertise of the TMF Group employee base provides a capability to support cross border collaboration, establish effective governance controls, and mobilise extensive networks of support. When applied to social projects this capability has the potential to make a positive contribution to communities where we operate.

Environmental Topics

- **Climate change mitigation** - TMF Group is part of the supply chain of a significant international client base including many of the world's largest corporate groups and investment firms. Such clients are increasingly making climate commitments, which require similar commitments to be made across their supply chain. Working towards such a plan would make a positive difference to global efforts to mitigate climate change, and also mitigate risks to future growth if TMF Group is unable to keep pace with the ambition of its clients.
- **Energy** - Within corporate environmental commitments, Scope 1 and 2 emissions are often seen as the most actionable, as require control over the resources directly consumed by the company. Energy consumption in offices is the largest component of Scope 1/2 emissions for TMF Group, and therefore is a key area where the business can make a direct difference to global GHG emissions.

Sustainability Impact Report – Living our Values

To manage impact on significant Social and Governance topics we have organised a sustainability programme around five themes aligned to our group values. This helps reinforce the culture we aim to promote within our employee group, by showing how as a company we can live our values to the benefit of clients, colleagues, and the environment.

Our sustainability ambition:

1. *Insight* - Fulfil our purpose of facilitating global investment and trade.
2. *Service* - Deliver high integrity service to our clients.
3. *Integrity* - Ensure a high standard of governance.
4. *Talent* - Create great careers for all.
5. *Teamwork* - Use our resources to help communities where we operate.

Delivering this ambition is a responsibility of our group functions, who continue efforts to evolve and improve the business. In 2023, TMF Group also established formal governance to steer CSRD compliance and sustainability efforts. This included launching a subcommittee of the Supervisory Board, establishing a steering group consisting of company executives, and assigning dedicated resources to relevant reporting and monitoring.

The maturity of our sustainability programme is assessed annually by Ecovadis and has shown improving performance for each of the last 4 years, placing TMF Group in the top 13% of companies within our industry group with Silver Medal recognition since 2021. We are also signatories of the Principles for Responsible Investment since 2021, and UN Global Compact since 2023.

Insight

TMF Group's purpose sets out an ambition to the business to support multinational businesses in operating safely and securely across a large geographic footprint. Delivering on this has a positive impact in building better governance practices for multinational organisations and supporting international trade and investment flows between nations.

The success of these efforts can be seen in the ability of the business to grow the number of jurisdictions and services it provides to its clients, demonstrating increased coverage and need for the support we provide.

2023 sales records shows that expansion of existing multinational accounts is the most important driver of our growth, and growing in significance each year. This shift has been supported by the additional insight we bring to clients regarding managing complexity of doing business across borders – for example in the publication of the group's 2023 Global Business Complexity Index (GBCI), a 10th anniversary edition.

TMF Group is also investing in improving the breadth of support it provides, launching a number of new solutions to enhance the way clients navigate multinational complexity. This includes the launch of ESG Administration Services in 2023, which provides a capability to support clients with the increasing administrative processes of ESG compliance.

In 2024 we aim to build on this work with the introduction of the 'OneWorld' expansion programme, which provides a greater focus on growing as a 'Performance Partner' for our global accounts.

Service

TMF Group provides critical administration services to clients, where protecting the accuracy and integrity of information we process is crucial to avoid negative repercussions.

Recognising this, in 2023 the group launched it's 'Flawless Service' campaign, to promote service excellence standards across the business. This included the launch of the three service excellence behaviours – Accountable, Proactive, and Thoughtful, through a global internal communication campaign to engage colleagues.

These commitments are supported by a range of delivery controls to help protect client information and service quality. This includes assurance across an ISAE 3402 control framework for Payroll, IT, and Fund Services, and ISO 27001 compliance across our locations. We also maintain dedicated information security and data protection teams who oversee policies, controls, and compliance to make sure we fulfil our responsibilities to protect client personal and sensitive information.

Continuing to improve our standards of service also relies on the feedback we receive directly from clients. In 2023 we have been working to create additional ways for clients to share concerns, such as creating a Speak Up Channel on our website. All client escalations are monitored centrally to ensure these are properly addressed. Our client engagement survey is also sent annually to gather comments from our clients.

Our client engagement results shows steady improvement in the NPS of local TMF Group Services over the past 3 years (from +43 in 2021 to +44 in 2022 and +47 in 2023). We aim to continue this trajectory as we invest further in quality of service in 2024.

Integrity

Maintaining credibility with our clients, employees, and investors requires TMF Group to adhere to a high standard of corporate governance.

This includes maintaining a mature and comprehensive set of policies with mandatory training for all employees on critical topics (such as bribery and corruption). Training completion rates are centrally monitored, with any instances of non-compliance addressed. We also set careful controls on client acceptance (by the client acceptance committee), have central initiatives to enhance controls over key business risks, and maintain a transparent dialogue with regulators across our 26 regulated jurisdictions.

We invest in a number of ways to hold ourselves to the standards we set. Our process adherence is regularly reviewed through our internal audit function with findings regularly discussed in key management forums. Colleagues and clients also have the opportunity to highlight any concerns anonymously and confidentially through our Speak Up Channel, in line with our whistleblowing policy.

Overall, our business controls are well regarded in the industry with our Ecovadis ratings consistently positioning us within the top 4% of companies in our industry group for ethics.

Talent

People are at the heart of the TMF Group proposition, and so supporting colleagues in their ambitions as a fair employer is key to the commercial success of the business. This is why we aspire to be the home of great careers for our team, and the employer of choice in our industry.

This ambition is supported by a mature HR platform which maintains a comprehensive set of policies and talent programmes at a group level, which are then localised with the support of region, market, and country level HR support. A consistent HR technology backbone makes this possible, including HRIS, Talent Acquisition, and Performance Management tools.

Employees are regularly consulted on their views on the business, with employee satisfaction surveys conducted three times in 2023. Feedback is then shared with management, who are responsible for acting on changes to continuously improve our colleague value proposition. TMF Group also cooperates with formal employee representation in relevant locations (e.g. Works Council).

A key focus has been improving the proportion of experienced vacancies being filled by internal promotion. This has been measured since 2022 and has been a particular focus of management in 2023, resulting in a positive step forward in promotion rates (increased from 31% in 2022 to 45% in 2023). We are targeting further improvement in this measure in 2024, with the support of a new talent platform which has been approved for implementation this year.

The overall success of this programme is monitored through our colleague engagement score (increased from 65% in 2021 to 69% in 2022 and finally 71% in 2023) as well as voluntary employee turnover rates (from 24% in 2021 to 23% in 2022 and 17% in 2023, dropping to 14% in Q4 2023). Both have been trending positively for the last three years, which we aim to continuously improve in the years ahead.

Teamwork

TMF Group started 2023 with the completion of its Diversity, Equity, and Inclusion discovery journey, facilitated by Ashoka. This involved representatives from the group leadership positions engaging with a number of external speakers to reflect on the way the group supports its diverse talent base. This resulted in a series of new initiatives supported through the global network of DEI ambassadors, with a key focus being improving the representation of women in senior business roles. Women represent 67% of TMF Group employees, but are a smaller percentage of senior positions. This gap has been closing in recent years (increased from 39% in 2021 to 42% in 2022 and 44% in 2023), but the group is aiming to close this gap further in the years ahead by removing barriers preventing women advancing in the organisation.

TMF Group also significantly increased engagement in CSR initiatives in 2023. A new partnership was launched with Bridge for Billions, which will utilise the expertise of several hundred employees in mentor relationships with social entrepreneurs. The initiative will help the entrepreneurs learn from TMF Group experience in business while developing mentoring skills for our employees.

The CSR committee also increased the availability of funding to support locally led initiatives, managed through the established network of local CSR ambassadors. Since launching the updated approach in August over 350 colleagues have been engaged in 11 group sponsored local initiatives, with €55 thousand of group investment deployed alongside €12.5 thousand of colleague fundraising. We aim to build on this momentum in 2024 to further step up CSR engagement.

Finally, 2023 saw the formalisation of the TMF Foundation. The group have a history of using our international reach to support colleagues and their families in times of need (e.g. warfare, natural disasters, pandemics). TMF Foundation formalises this support mechanism with clear governance and ring-fenced funding. The first claims on this fund were approved in the second half of 2023.

Climate Impact Report

TMF Group is committed to limiting the carbon impact of its services, by taking responsible steps to mitigate the risk of climate change.

Employee led initiatives have been running for several years in this area, including office led initiatives to control waste, educate colleagues, and promote 'Tree per Client' programmes across the business. In 2023 the group also took steps towards formalising its GHG reporting and climate commitments by completing a carbon inventory exercise with the support of external advisors.

This work estimates that four key areas represent over 80% of the group's emissions footprint:

i. **Remote working** - A high share of TMF Group employees work remotely for some of their time. This reduces the impact of commuting and office-based emissions, but introduces emissions related to home working environments into the TMF Group GHG reporting scope.
ii. **Procurement** - Suppliers to TMF Group for both purchased and capital goods have GHG emissions associated with their services, which form part of the group's scope 3 emissions. Much of this is technology related procurement, linked to the supply of hardware and software needed to complete and support client work.
iii. **Employee commuting** - TMF Group has many employees who commute to city-based offices for most of their working days. Typical commuting methods vary by location but collectively make a significant contribution to scope 3 emissions.
iv. **Purchased energy** - Of the emissions the group directly controls (Scope 1 and 2), energy purchased for heating, cooling, and supply of electricity to offices is the most material. Control over energy provision varies across the business based on local availability and the nature of office leases.

In 2024 the business aims to introduce a series of initiatives to reduce the carbon impact of TMF Group services from these activities. The group is also actively working on implementing a robust carbon reporting system to ensure full GHG disclosures can be provided in future sustainability reports and is exploring the commitments it can make to formalise its decarbonisation journey.

Risk management

TMF Group 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. So we see risk management as an integral part of our governance and 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, but to prevent and control risk by taking informed decisions. We manage risk following the standard three lines of our defence model; Business, which consists out of the business owners who are owning the risk, Group Functions, which oversee and specialise in risk management and Internal Audit Function, providing independent assessment. 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 flawless 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, as well as management and board review sessions.

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 recognises and is acting on are listed below, along with our actions to mitigate them. They are categorised 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.

Controls and mitigations

TMF Group has made colleague engagement a KPI for its One TMF programme. That has ensured that we offer a competitive employee value proposition, but also that we invest in colleagues from their onboarding into TMF Group on to their performance management and personal development with us. We operate with the support of regional delivery centres (RDCs) to provide scaled, 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.

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 2023, TMF Group integrated the 7 acquisitions closed in 2023, two of which have been finalised before 31 March 2023. That included the acquisitions in EMEA (Goodbody Fund Management Ireland, Avanzia Taxand Malta, Premier Greece and Contexpert Romania), APAC (Sino Corporate Services Group Hong Kong and China and KPK India) and Americas (Partners Admin United States of America).

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 business. More fundamentally, TMF Group provides a number of services that are regulated in particular jurisdictions and require licences to operate. A regulatory sanction or loss of licence could have a significant financial and reputational impact.

Controls and mitigations

TMF Group has dedicated specialised teams that closely monitor, track and analyse developments of the regulatory and competitive landscape to identify new threats and ensure pro-active development of opportunities. These changes matter to our own compliance with relevant regulation, but also to our ability to help 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 starting with practices and markets to do things in the right way and where necessary lead 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.

Onboarding and monitoring of our portfolio of clients *(strategic)*

Risk description

TMF Group's ability to service clients is dependent on its compliance with local laws, regulations, international recommendation and sanctions. A breach of this regulatory framework could expose TMF Group to a significant financial loss, regulatory or legal sanctions (including potential loss of license to operate) and reputation damage.

Controls and mitigations

TMF Group has a robust regulatory compliance framework composed of Policies and Procedures including KYC and AML/FT requirements which are enhanced on a regular basis to adapt with the regulatory environment changes. When specific local laws in location where TMF Group operates imposed specific requirements those requirements are integrated in the policies and procedures for that specific location. TMF Group maintains ongoing screening of its portfolio of clients and reassessment of the clients mandates on a Risk Based Approach. 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 regulatory compliance framework. Global communication and mandatory training programs are in place to increase compliance awareness.

Compliance with laws and regulations *(operational)*

Risk description

TMF Group operates a 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.

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

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.

Controls and mitigations

TMF Group has a diversified client base, with limited revenue concentration (our largest client represents just 2.3% 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 may arise. 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 flawless 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. As a broad rule, TMF Group performance is typically not affected by macro-economic or geopolitical factors given the critical, recurring nature of services we provide. Also most of our clients are already established in the countries where they seek our help and are aware of protectionism and geopolitical risk. 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 client 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.

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 it as a platform to encourage governments to take action to improve their ranking.

The impact of geopolitical factors on TMF Group's operations in 2023 was limited.

Technology innovation risk *(operational)*

Risk description

The technological environment in which TMF Group services are delivered continues to change rapidly. That ranges from new platforms with enhanced functionality, new tools for digitising and automating previously manual processes and more radical innovation using artificial intelligence (AI) technology. TMF Group continues to adopt this technology, because we recognise the risk that we do not adopt it fast enough or that modern technologies reduce the value in our historic business model of expert-driven presence on the ground, making us a simple transaction processor with equal impact on our margins.

Controls and mitigations

TMF Group's digital strategy brings 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.

We continue to focus on developing and investing in the best technologies to serve our clients, including evolving our use of technology to help clients with data insights that add value beyond the core service of managing their processes compliantly. In 2023, the total amount from investments that went live during the year about investment in software, licenses and equipment was €57 million (2022: €32 million).

As we continue to digitise our delivery model, a core aim of our Market Delivery teams is to create more ability for colleagues to focus on quality and flawless service to clients. In support of this and as of the end of 2023, we now have 1,800 processes (or sub-processes) automated totalling over 48,000 of hours of reduction of manual work.

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. As well as this, 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 unauthorised 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 unauthorised use of sensitive and confidential information. Cyber attacks in general have been increasing over the last years, further accelerated over the past years of disruption and homeworking. At the same time, regulations such as GDPR are clear about the sanctions attached to data breach and misuse.

Controls and mitigations

TMF Group has a continually improving IT security and data protection framework in place to mitigate the evolving threats in information and cyber security, safeguard our critical assets, and maintain the trust of our stakeholders. We remain committed to continually enhancing our security posture to address emerging threats and ensure the resilience of our operations. At the end of 2023, a total of 111 TMF Group offices had successfully achieved ISO/IEC 27001:2013 accreditation, demonstrating its adherence to the highest international standards of data security and information security management. All staff in TMF Group are required to complete annual awareness training programmes. TMF Group implemented a strong communication within the organisation about Information Security and Data Protection. 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, data privacy and legal experts, to help the organisation stay ahead in that race. We also follow strict procedures around payments to minimise the chance of a successful fraud.

Reliance on 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.

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.

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.

Controls and mitigations

TMF Group regularly repatriates cash to avoid high cash balances accumulating in local offices. With the exception of Russia and in respect of international sanctions, TMF Group 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 €2.8 million (2022: €1.9 million) across all jurisdictions as at 31 December 2023.

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.

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 2023, if Euro had strengthened by 5% against the US Dollar with all variables held constant, net result would have been €4.7 million (2022: €4.4 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.

Controls and mitigations

It is part of TMF Group policy to mitigate the effects of interest rate volatility on its results, cash flows and balance sheet within certain boundaries. TMF Group interest rate risk mainly arises from long-term borrowings. At 31 December 2023, the interest on the external borrowings in EUR is hedged for 84% (2022: 70%) and on external borrowings in USD for 70% (2022: no USD borrowings). The remainder of the interest is variable and linked to Euribor and USD TERM SOFR CME.

At 31 December 2023, if market interest rates had been 100 basis points higher with all other variables held constant, then the net result would have been €4.0 million lower (2022: €2.1 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 €5.1 million higher (2022: €0.9 million).

Accounting estimate risk *(financial)*

Risk description

TMF Group makes estimates and assumptions for 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:

- valuation of intangible assets in relation to acquisition of TMF Sapphire Topco B.V. (purchase price allocation),
- impairment of goodwill,
- recognition of and measurements of provisions and contingencies.

Controls and mitigations

TMF Group has an experienced group finance team reporting to the Chief Financial Officer. This team is primarily responsible for proposing material accounting estimates approved by the audit committee. TMF Group uses input from other departments where required. TMF Group has summarised accounting policies as part of a 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.

Data privacy (*legal and compliance*)

Risk description

The non respect of Data Privacy regulations, 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.

Controls and mitigations

TMF Group has a robust data protection compliance framework, with overarching Binding Corporate Rules. 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 Binding Corporate Rules under the 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 Global Head of Risk and Compliance 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.

Compliance (*legal and compliance*)

Risk description

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

Controls and mitigations

TMF Group has a robust regulatory and operational control 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 Management Board, 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 respectively TMF Group Supplier Code of Conduct. Global communication and mandatory training programs are in place to increase compliance awareness.

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

Legal claims (*legal and compliance*)

Risk description

Current, potential and pending legal or administrative proceedings may adversely affect TMF Group. Such proceedings may be initiated or are to be initiated against TMF Group and any resulting judgement, settlements and orders are rendered by competent authorities and may increase during periods of economic downturn.

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 statements

Financial statements

TMF Group Holding B.V.

Consolidated statement of profit or loss

In millions of Euro	Note	2023	2022
Total revenue	**5**	**623.5**	**-**
Employee benefit expenses	6	(368.1)	-
Office expenses	7	(29.0)	-
Professional fees	8	(34.9)	(0.7)
Other expenses	9	(23.5)	-
Depreciation, amortisation and impairment charges	16/17/18	(99.9)	-
Operating result		**68.1**	**(0.7)**
Finance income		1.9	-
Finance expenses		(105.8)	-
Net foreign exchange gain/(loss)		(1.4)	-
Net finance costs	10	(105.3)	-
Other gains / losses	11	(0.5)	-
Result before income tax		**(37.7)**	**(0.7)**
Income tax expense	12	(18.1)	-
Result for the period		**(55.8)**	**(0.7)**
Attributable to:			
Owners of the parents		(56.3)	(0.7)
Non-controlling interests	14	0.5	-
Result for the period		**(55.8)**	**(0.7)**

Consolidated statement of comprehensive income

In millions of Euro	Note	2023	2022
Result for the year		(55.8)	-
Acquired in business combination		2.0	-
Remeasurements of post-employment benefit obligations	29	(0.2)	-
Total items that will not be reclassified to income statement		(0.2)	-
Foreign currency translation differences for foreign operations		(28.1)	-
Cash flow hedge - Costs of hedging reserve		1.1	-
Total items that may be reclassified subsequently to income statement		(27.0)	-
Other comprehensive result for the year, net of tax		(27.2)	-
Comprehensive result for the year		**(81.0)**	**-**
Attributable to:			-
Owners of the parent		(81.5)	-
Non-controlling interest	14	0.5	-
Total comprehensive result for the year		**(81.0)**	**-**

Consolidated statement of financial position

In millions of Euro	Note	31 December 2023	31 December 2022
Assets			
Intangible assets	16	3,115.5	-
Property, plant and equipment	17	20.3	-
Right-of-use of assets	18	115.2	-
Financial assets	19	13.6	-
Derivative financial instruments	19	2.0	-
Contract assets	20	9.2	-
Deferred tax assets	13	-	-
Total non-current assets		**3,275.8**	**-**
Trade receivables and Unbilled services	21	165.4	-
Other receivables	22	43.7	-
Contract assets	20	7.9	-
Financial assets	19	5.4	-
Derivative financial instruments	19	2.1	-
Income tax receivable		5.9	-
Cash and cash equivalents	23	356.0	-
Total current assets		**586.4**	**-**
TOTAL ASSETS		**3,862.2**	**-**

In millions of Euro	Note	31 December 2023	31 December 2022
Equity			
Share capital	24	45.8	-
Share premium		1,702.0	-
Other reserves	26	(27.0)	-
Retained earnings		(55.2)	(0.7)
Total equity attributable to owners of the parent		**1,665.6**	**(0.7)**
Non-controlling interest	**14**	**13.8**	**-**
Total equity		**1,679.4**	**(0.7)**
Liabilities			
Loans and borrowings	27	1,394.1	-
Derivative financial instruments	19	2.5	-
Provisions	28	7.5	-
Retirement benefit obligations	29	0.6	-
Trade and other payables	30	4.7	-
Deferred tax liabilities	13	238.2	-
Total non-current liabilities		**1,647.7**	**-**
Loans and borrowings	27	352.7	0.5
Provisions	28	6.0	-
Trade and other payables	30	164.3	0.2
Income tax liabilities		12.1	-
Total current liabilities		**535.1**	**0.7**
Total liabilities		**2,182.8**	**0.7**
TOTAL EQUITY AND LIABILITIES		**3,862.2**	**-**

Consolidated statement of changes in equity

In millions of Euro	Share capital	Share premium	Other reserves	Accumulated losses	Total	Non-controlling interest	Total equity
	Attributable to owners of the parent						
Balance at 13 June 2022	**0**	**-**	**-**	**-**	**-**	**-**	**-**
Result for the year	-	-	-	(0.7)	(0.7)	-	(0.7)
Other comprehensive income							
Total other comprehensive income	0	-	-	-	-	-	-
Total comprehensive income	-	-	-	(0.7)	(0.7)	-	(0.7)
Transactions with owners							
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**
					-		-
Balance at 31 December 2022	**0**	**-**	**-**	**(0.7)**	**(0.7)**	**-**	**(0.7)**

In millions of Euro	Share capital	Attributable to owners of the parent Share premium	Other reserves	Accumulated losses	Total	Non-controlling interest	Total equity
Balance at 1 January 2023	**0**	**-**	**-**	**(0.7)**	**(0.7)**	**-**	**(0.7)**
Acquired in business combination	**-**	**-**	**-**	**2.0**	**2.0**	**14.4**	**16.4**
Result for the year	-	-	-	(56.3)	(56.3)	0.5	(55.8)
Other comprehensive income							
Remeasurement IAS19	-	-		(0.2)	(0.2)	-	(0.2)
Cash flow hedge - Costs of hedging reserve	-	-	1.1	-	1.1	-	1.1
Translation movements	-	-	(28.1)	-	(28.1)	-	(28.1)
Total other comprehensive income	**-**	**-**	**(27.0)**	**(0.2)**	**(27.2)**	**-**	**(27.2)**
Total comprehensive income	**-**	**-**	**(27.0)**	**(54.5)**	**(81.5)**	**14.9**	**(66.6)**
Transactions with owners							
Shares issued	45.8	1,703.0	-	-	1,748.8	-	1,748.8
Share based payments	-	(1.0)	-	-	(1.0)	-	(1.0)
Transfer to/(from) accumulated losses	-	-	-	-	-	-	-
Dividend non-controlling interest	-	-	-	-	-	(1.1)	(1.1)
Total transactions with owners, recognised directly in equity	45.8	1,702.0	-	-	1,747.8	(1.1)	1,746.7
Balance at 31 December 2023	**45.8**	**1,702.0**	**(27.0)**	**(55.2)**	**1,665.6**	**13.8**	**1,679.4**

Consolidated statement of cash flow

	Note	2023	2022
Operating activities			
Result before income tax		(37.7)	(0.7)
Adjustments to reconcile profit before tax to net cash flows			
Amortisation/impairment	16	64.4	-
Depreciation/impairment	17/18	35.5	-
Other losses	11	0.5	-
Provisions and employee benefit expenses	6/28	2.6	-
Finance income and expenses	10	103.9	-
Changes in foreign currency (excluding movement in currency translation reserve)	10	1.4	-
Working capital adjustments			
Financial assets	19	0.5	-
Trade receivables and Unbilled services	21	43.5	-
Other receivables	22	(6.7)	-
Trade and other payables	30	(69.0)	0.7
Cash generated from operations, before income tax paid		**138.9**	**0.0**
Income tax paid		(27.0)	-
Interest paid		(69.4)	-
Interest received		2.3	-
Net cash flows from operating activities		**44.8**	**-**

	Note	2023	2022
Investing activities			
Acquisition of subsidiary, net of cash acquired	15	(1,715.4)	-
Investment in intangible assets	16	(29.3)	-
Investment in property, plant and equipment	17	(5.9)	-
Net cash flows used in investing activities		**(1,750.6)**	**-**
Financing activities			
Proceeds from issuance of shares	15	1,748.0	
Proceeds from borrowings	27	161.0	
Repayments of borrowings (incl. lease liability)	27/18	(69.9)	
Transaction costs in relation to refinancing	27	(42.0)	
Dividends paid to non-controlling interest		(1.1)	
Net cash flows from/ (used in) financing activities		**1,796.0**	**-**
Net movement in cash and cash equivalents		**90.2**	**-**
Cash, cash equivalents and bank overdrafts at beginning of the year	**23**	**0.0**	**-**
Exchange gains/(losses) on cash and cash equivalents from operations			
Cash and cash equivalents at 31 December	**23**	**90.2**	**0.0**

TMF Group Holding B.V. ("TMF Group") presents its cash flows from operating activities using the indirect method. TMF Group has reconciled profit before tax to net cash flows from operating activities by making adjustments for amortisation expenses, depreciation expenses, impairment expenses, provisions and employee benefits expenses, finance income and expenses, changes in foreign currency excluding movement in currency translation reserves and other losses. Working capital adjustments included in the statement of cash flows relate to financial assets, trade receivables, unbilled services, other receivables, trade payables and other payables.

TMF Group has elected to classify interest received and interest paid (including interest on lease liabilities and interest arising from revenue contracts, if there is any) as cash flows from operating activities.

TMF Group has classified cash flows arising from costs incurred to obtain a contract as cash flow from operating activities. Costs incurred to fulfil a contract that meet the criteria for capitalisation in as per IFRS 15 or are expensed as incurred are presented as cash flows from operating activities.

TMF Group includes in the cash flow from investing activities net of cash acquired for acquisition of subsidiary, investment in intangible assets, investment in property, plant and equipment and disposal of intangible assets and property, plant and equipment.

Cash related to business combinations is included in cash flow from operating activities if related to transaction costs or cash flow from investing activities if this relates to net cash acquired with the subsidiary.

Following cash flows are included in the cash flow from financing activities of TMF Group: proceeds from issuance of shares, cash payments to owners to acquire or redeem the entity’s shares, proceeds from borrowings, repayments of borrowings (including lease liability), transaction costs in relation to refinancing of loans and dividends paid to non-controlling interest.

In the statement of cash flows, TMF Group classifies cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as cash flows from operating activities and short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.

Notes to the consolidated financial statements

1. General information

TMF Group Holding B.V. was incorporated in the Netherlands on 13 June 2022. The address of the registered office is at Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands. The Chamber of Commerce number of TMF is 86647385.

TMF Group Holding B.V. is the parent company of our operational entities. The majority of the shares in TMF Group Holding B.V. are held by CVC Strategic Opportunities Fund II ("CVC") and a wholly owned subsidiary of the Abu Dhabi Investment Authority ("ADIA") and the remainder of the shares are held by Stichting Administratiekantoor Management Sapphire ("STAK").

The consolidated financial statements for the year ended 31 December 2023 of TMF Group Holding B.V. were authorised for issue by the Board of Directors on 7 March 2024.

2. Summary of material accounting policies

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

2.1 Basis of preparation

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

We have prepared the consolidated financial statements on the historical cost basis, except for the revaluation of certain financial assets and liabilities (including derivative financial instruments) measured at fair value 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 material to the historical financial information, are disclosed in Note 3 Material accounting judgements, estimates and assumptions.

The consolidated financial statements are prepared on a going concern basis.

The consolidated financial statements are presented in euros and all values are rounded to the nearest hundred thousand (€000,000), except when otherwise indicated.

2.1.1 First-time adoption of IFRS

These consolidated financial statements are the first consolidated financial statements prepared by TMF Group in accordance with IFRS. Hence TMF Group is a first-time adopter of IFRS and applied IFRS 1 First-time Adoption of International Financial Reporting Standards.

The Group has prepared these consolidated financial statements that comply with IFRS applicable as at 31 December 2023, together with the comparative period data for the year ended 31 December 2022, as described in the summary of material accounting policies. In preparing the financial statements, TMF Group's opening statement of financial position was prepared as at 13 June 2022, that is deemed to be TMF Group's date of transition to IFRS.

Previously, TMF Group did not prepare any consolidated financial statements, as permitted by Article 407, paragraph 1 Sub b, Book 2 of the Dutch Civil Code. Therefore, there is no reconciliation to previous GAAP consolidated financial information to be disclosed.

2.1.2 Changes in accounting policies and disclosures

We have applied the accounting policies set out below consistently to all periods presented in these consolidated financial statements. These policies have been applied consistently by all TMF Group entities. There have been no material changes compared to the prior year, which has ended 31 December 2022.

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 2024 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 material impact on TMF Group's consolidated statements:

- IFRS 17 Insurance Contracts

New standards and interpretations issued and effective from 1 January 2023

From 1 January 2023 and to the extent relevant, TMF Group has adopted all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2023.

- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — Application of the exception and disclosure of that fact

2.2 Consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which TMF Group Holding B.V. (further "TMF Group") 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 in exchange for control of the acquiree. For each business combination, TMF Group elects to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred and included in the statement of comprehensive income as financial statement caption. 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. When TMF Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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 and liabilities assumed are 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.

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 and all values are rounded to the nearest hundred thousand (€000,000), unless otherwise indicated.

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 recognised 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).
- All resulting exchange differences shall be recognised in other comprehensive income.

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 recognised in the income statement as part of the gain or loss on sale.

TMF Group has assessed and accounted for the impact of hyperinflation in hyper-inflationary economies where it operates. Reference is made to Note 4.3 of these Financial statements.

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. Material 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.

We have made critical accounting estimates in respect of the following items:

- Valuation of intangible assets in acquisition of TMF Sapphire Topco B.V.: key assumptions in purchase price allocation - remaining useful life ("RUL"), royalty rate and contributory asset charges ("CACs") (note 15);
- Impairment of goodwill: key assumptions underlying recoverable amounts of cash generation units - discount rate, EBITDA growth and perpetual growth (note 16);
- 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.

TMF Group's central treasury department (“TMF Group Treasury”) carries out financial risk management under policies approved by the Management Board. 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 following Caps:

Nomura 1 – €805 million – July 2023 – April 2025
Goldman Sachs Bank Europe SE – $280 million – October 2023 – January 2027
Nomura 2 – €665 million– April 2025 until January 2027

The cap with Nomura 1 has a strike price of 3.0% meaning that Nomura will pay any EURIBOR 3 months interest rate in excess of 3.0%. The cap with Nomura 2 has a strike price of 4.25% meaning that Nomura will pay any EURIBOR 3 months interest rate in excess of 4.25%. The cap with Goldman Sachs has a strike price of 4.75% meaning that Goldman Sachs will pay any USD TERM SOFR CME 3 months interest rate in excess of 4.75%.

For the applicable interest rates on loans and borrowings reference is made to note 27. For the year ended 31 December 2023 and 31 December 2022, 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 2023 -/-1% / +1%	31 December 2022 -/-1% / +1%
Result for the year	5.1/(4.0)	-
Other comprehensive income	(7.8)/8.9	-
Statement of changes in equity	(2.7)/4.9	-
Fair value of derivative financial instruments	(7.8)/8.9	-

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 2023	31 December 2022
Trade receivables and Unbilled services	44.8	-
Cash and cash equivalents	17.4	-
Loans and borrowings	(35.5)	-
Trade and other payables	3.5	-
Result for the period	**(4.7)**	**-**

Other currencies on which TMF Group is exposed are GBP, CNY, BRL and SGD however the currency risk for these currencies are not material. Reference is made to note 10.

TMF Group has assessed the impact of hyperinflation in hyper-inflationary economies where it operates. The economies which are subject are Argentina, Turkey and Venezuela. The impact of hyperinflation in Venezuela is not material due to low volume of operations. The impact of hyperinflation in Argentina and Turkey is material and the financial statements are restated for the hyper-inflationary impact for Argentina and Turkey operations. The financial statements are restated for the impact of hyperinflation by applying current cost approach, calculated by applying general price index for Argentina of 255.72 and Turkey of 146.44.

4.4 Credit risk

Credit risk is the risk that counter-parties 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 Management Board. The preferred bank for external funding and the cash pool is HSBC Bank which has credit rating of ‘A1’ (Moody’s) and ‘A+’ (Standard & 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 the global credit control team. Approval from the 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 while 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.

TMF Group's primary sources of finance are secured bank borrowings provided by a syndicate of banks. The senior secured bank borrowings were refinanced on 17 May 2023. As part of the secured bank borrowings, TMF Group has a revolving credit facility totalling €181 million as at 31 December 2023. As at 31 December 2023, the total undrawn revolving credit facilities amounted to €181 million.

In millions of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 December 2023					
Loans and borrowings (note 27)	352.7	19.2	1,374.9	-	1,746.8
Trade and other payables, excluding deferred income (note 30)	133.4	-	-	-	133.4
Derivative financial instruments (note 19)	2.1	-	(0.5)	-	1.6
Total	**488.2**	**19.2**	**1,374.4**	**-**	**1,881.8**

In millions of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 December 2022					
Loans and borrowings (note 27)	0.5	-	-	-	0.5
Trade and other payables, excluding deferred income (note 30)	0.2	-	-	-	0.2
Derivative financial instruments (note 19)	-	-	-	-	-
Total	**0.7**	**-**	**-**	**-**	**0.7**

On 17 July 2023, amendment and extension of the existing senior loan agreement was executed resulting in principal loans Facility B1 of €955 million, Facility B2 of $400 million; both senior loans with maturity of May 2028 and Revolving Credit Facility of €181 million with maturity February 2028. The interest for Facility B1 is 4.5% plus 3 month EURIBOR (floored at 0%). Interest for Facility B2 is 5.0% plus 3-month USD TERM SOFR CME.
The revolving credit facility from our primary bank consists of a €152 million facility for cash needs of which €152 million is undrawn and a €29 million facility for bank guarantees of which €10 million is not used at 31 December 2023. As at 31 December 2023, the total undrawn borrowing facilities amounted to €162 million.

Refer to disclosure note 27 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. 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).

TMF Group treasury monitors cash balances on a daily basis. Appropriate action is taken to optimise 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 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 2023 and 2022.

Service line information

In millions of Euro	2023	2022
Accounting and tax	239.6	-
Entity Management	224.7	-
HR and Payroll	147.6	-
Other	11.6	-
Total revenue	**623.5**	**-**

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. We measure revenue at the fair value of the consideration received or receivable excluding discounts and sales taxes or duty. The amount of consideration may be less than the price stated in the contract if the consideration is variable because TMF Group may offer the customer a price concession. There are no rights of return or other variable considerations that require significant judgement in determining a transaction price. 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 recognised 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 recognised revenue, reference is made to note 30: Trade and other payables.

6. Employee benefit expenses

TMF Group has elected to analyse the expenses recognised in profit and loss based on nature within the Group. Expenses incurred are recognised in the profit or loss on a systematic basis in periods to which the benefits received relate to. Each material class of expenses is separately disclosed in the consolidated financial statements. Income and expenses are not offset unless required or permitted by an IFRS.

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 recognised 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 recognised as an employee benefit expense when they fall due. Prepaid contributions are recognised 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	2023	2022
Wages and salaries	(297.9)	-
Social security costs	(37.9)	-
Pension costs – defined contribution plans	(12.3)	-
Other personnel costs	(20.0)	-
Total employee benefit expense	**(368.1)**	**-**

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:

	2023	2022
Client servicing staff (average number of FTE)	7,895	-
Support staff (average number of FTE)	2,740	-
Average number of FTE (in continued operations)	**10,635**	**-**
Of which working in the Netherlands	361	-
Of which working abroad	10,274	-

7. Office expenses

The office expenses can be specified as follows:

In millions of Euro	2023	2022
Technology expenses	(15.7)	-
Office maintenance	(9.4)	-
Telecom expenses	(3.3)	-
Other rental and office expenses	(0.6)	-
Total rental and office expenses	**(29.0)**	**-**

8. Professional fees

The professional fees can be specified as follows:

In millions of Euro	2023	2022
Acquisition-related transaction costs	(17.0)	-
Subcontractor fees	(8.9)	-
Audit and tax fees	(4.2)	-
Legal fees	(1.0)	-
Other professional fees	(3.8)	(0.7)
Total professional fees	**(34.9)**	**(0.7)**

9. Other expenses

The other expenses can be specified as follows:

In millions of Euro	2023	2022
Insurance	(6.1)	-
Travel expenses	(4.4)	-
Marketing and sales expenses	(5.4)	-
Bank charges	(1.1)	-
Expected credit losses of trade receivables	(0.8)	-
Other	(5.7)	-
Total other expenses	**(23.5)**	**-**

The other amount in 2023 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.

In regards to any refinancing agreements, the assessment is made to determine whether the original loans are being modified or exchanged or whether the refinancing should be considered as original loans being repaid and replaced by a new loan on market terms. The terms of exchanged or modified debt are considered 'substantially different' if the net present value of the cash flows under the new terms (including any fees paid net of any fees received) discounted at the original effective interest rate is at least 10% different from the discounted present value of the remaining cash flows of the original debt instrument. if an exchange of debt instruments or modification of terms is substantial, it is accounted for as an extinguishment of the original debt and the recognition of new debt, IFRS 9 requires any costs or fees incurred to be recognised as part of the gain or loss on the extinguishment. Where the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The net finance cost can be specified as follows:

In millions of Euro	2023	2022
Interest income on short-term bank deposits	1.9	-
Finance income	**1.9**	**-**
Interest secured senior bank loan	(77.0)	-
Amortisation finance fees	(20.0)	-
Interest leases	(6.2)	-
Interest rate hedge	7.1	-
Interest secured bank overdrafts	(4.2)	-
Loss on net monetary position (IAS 29)	(4.1)	-
Other	(1.4)	-
Finance expenses	**(105.8)**	**-**
Net foreign exchange gain/(loss)	**(1.4)**	**-**
Net finance costs	**(105.3)**	**-**

The amortisation finance fees include modification loss on loan extinguishment of €15.4 million and amortisation of capitalised finance fees of €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	2023	2022
Other losses	(0.5)	-
Gain/(loss) on disposal of subsidiaries	-	-
Total other gains/(loss)	**(0.5)**	**-**

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 recognised in the income statement except if it relates to items recognised directly in equity. In this case it is recognised in equity, or if it relates to items recognised directly in OCI, in which case it is recognised 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	2023	2022
Current tax on result for the year	(28.9)	-
Adjustments for current tax of prior periods	0.8	-
Total current tax expense	(28.1)	-
Deferred income tax (note 13)	10.0	-
Total income tax expense	**(18.1)**	**-**

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	2023	2022
Result for the year	(55.8)	(0.7)
Income tax expense	(18.1)	-
Result before income tax	**(37.7)**	**(0.7)**
Tax calculated at the Company's domestic tax rate	9.7	-
Effect of tax rates in foreign jurisdictions	4.6	-
Change in tax rates	(0.3)	-
Income not subject to tax	3.9	-
Expenses not deductible *	(35.7)	-
(De)recognition of previously (un)recognised tax losses	0.7	-
Re-assessment of corporate tax previous years	(0.8)	-
Utilisation of previously unrecognised carry forward losses	0.2	-
Withholding tax related to taxable profit	(4.2)	-
Tax losses for which no deferred income tax asset was recognised	3.8	-
Tax charge	**(18.1)**	**-**
Weighted average effective tax rate	**48.0%**	**n.a.**

* 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 conducts operations. As part of the normal course of business TMF 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.

TMF Group has its Ultimate Parent Entity in the Netherlands, which has enacted the Global Minimum Tax Rules for fiscal years starting on or after 1 January 2024. TMF Group operates in 87 jurisdictions, including a number of jurisdictions that during the year ended 31 December 2023 did not have a corporate income tax system, or had a corporate income tax system with a statutory tax rate lower than 15% during the year ended 31 December 2023. Since the newly enacted legislation in the Netherlands is only applicable as of 1 January 2024, there is no current tax impact for the year ended 31 December 2023.

Furthermore, TMF Group has applied the mandatory temporary relief from deferred tax accounting for the impacts of the Global Minimum Tax, and accounts for it as a current tax when it is incurred.

TMF Group carried out an analysis on the impact of the Global Minimum Tax Rules, and if they had applied during the year ended 31 December 2023, then the profits relating to the Group's operations in the following jurisdictions would have been subject to Global Minimum Tax: Argentina (ETR 1%; top-up tax 545 thousand), Ireland (ETR 11%; top-up tax 108 thousand) and United Arab Emirates (ETR 0%; top-up tax 417 thousand)

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. But 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 recognised 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 2023	31 December 2022
Deferred tax assets	**80.2**	**-**
Netting DTA/DTL	(80.2)	-
Deferred tax asset	**-**	**-**
Deferred tax liabilities	**(318.4)**	**-**
Netting DTA/DTL	80.2	-
Deferred tax liability (net)	**(238.2)**	**-**

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

In millions of Euro	31 December 2023	31 December 2022
Beginning of the year	**-**	**-**
Acquired through business combinations (note 15)	(247.3)	-
Exchange differences	(0.9)	-
Recorded in profit or loss	10.0	-
End of the year	**(238.2)**	**-**

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

Deferred tax assets

In millions of Euro	Intangible assets	Tax losses	Provisions	Property, plant and equipment	Right of use asset	Other	Netting	Total
At 1 January 2023								
Acquired through business combinations	47.7	26.3	2.4	0.8	-	5.3	(59.0)	23.5
Charge / credited to the income statement	-	(3.8)	(1.8)	2.4	1.1	(0.2)	-	(2.3)
Exchange differences	-	-	-	-	-	-	-	-
Netting DTA/DTL	-	-	-	-	-	-	(21.2)	(21.2)
At 31 December 2023	**47.7**	**22.5**	**0.6**	**3.2**	**1.1**	**5.1**	**(80.2)**	**-**

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 million deferred tax asset recognised for contracts that are, or contain, a lease as per requirements set out in IFRS 16 Leases.

Deferred tax liabilities

In millions of Euro	Intangible assets	Provisions	Property, plant and equipment	Right of use asset	Other	DTA/ DTL	Netting	Total
At 1 January 2023	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Acquired through business combinations	320.0	1.7	0.4	-	4.7	-	(59.0)	267.8
Charge / credited to the income statement	(9.2)	(1.2)		0.1	2.8	-	-	(7.5)
Exchange differences	-	-	-	-	(0.9)	-	-	(0.9)
Netting DTA/DTL	-	-	-	-	-	-	(21.2)	(21.2)
At 31 December 2023	**310.8**	**0.5**	**0.4**	**0.1**	**6.6**	**-**	**(80.2)**	**238.2**

The category other includes outside base difference of €2.3 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	77.7	145.7	223.4
Brazil	32.5	-	32.5
Curaçao	21.5	-	21.5
Switzerland	4.3	-	4.3
Singapore	3.8	-	3.8
Other	3.1	2.8	5.9
Total at 31 December 2023	**142.9**	**148.5**	**291.4**

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 Brazil can be carried forward indefinitely but are limited to 30% of the taxable income. The losses in Curaçao can be carried forward for 10 years. The losses in Switzerland can be carried forward for 7 years. The losses in Singapore can be carried forward indefinitely and are subject to a shareholding test.

14. Non-controlling interest

Non-controlling interest

The total non-controlling interest for the year is €13.8 million. Since non-controlling interest is considered not material for TMF Group no further summarised financial information is disclosed. The shares held by third parties in Freeway Entertainment Group and TMF Brasil Assessoria Contabil e Empresarial Ltda are non-controlling interest entities.

Subsidiaries

For the list of the subsidiaries of TMF Group at 31 December 2023, 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.

With an effective date of 31 March 2023, Tucano Bidco B.V. ("Tucano" or "Acquirer") acquired 100% of the shares and voting rights in TMF Sapphire Topco B.V. ("TMF Group" or "Company" or "Target"), therefore acquiring control. Total number of issued shares was 1,775,833,402. The fair value consideration of €1,732 million was determined based on the total net asset value €488.7 million adjusted for net debt position of €1,204.4 million and net non-operating assets of €38.9 million as at the valuation date. There is no deferred consideration and no contingent liabilities.

The assets and liabilities arising from the acquisitions are as follows:

In millions of Euro	Note	Fair value recognised on acquisition
Tangible fixed assets	17	21.5
Right-of-use asset	18	102.2
Intangible assets	16	3,122.9
Trade receivables	21	219.2
Allowance for expected credit losses	21	(7.6)
Other current receivables	22	47.5
Current income tax receivables		7.8
Cash and cash equivalents		54.9
Non operating assets		38.9
Assets		**3,607.3**
Current income tax liabilities		(17.4)
Trade and other payables	30	(253.4)
Lease liability	16	(102.2)
Deferred tax liability	13	(267.8)
Loans and borrowings	27	(1,234.5)
Liabilities		**(1,875.3)**
Total identifiable net assets at fair value		**488.7**
Goodwill arising on acquisition	16	715.7
Customer lists arising on acquisition	16	299.0
Brand name arising on acquisition	16	373.0
Fair value of software arising on acquisition	16	13.0
Deferred tax liability arising on acquisition	13	(177.3)
Deferred tax asset arising on acquisition		16.6
Fair value adjustment to leases (IFRS 16)	18	3.3
Purchase consideration transferred		**1,732.0**

Non-controlling interest

TMF Group has 60% controlling interest ("NCI") in Freeway Entertainment Group, the remaining 40% interest is held by the management and this is accounted for as NCI. The carrying value of NCI of €14.4 million acquired in business combination, approximates the fair value.

Leases

TMF Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

Intangible assets

Key separate intangibles, namely, Goodwill, Customer lists, Brand name and Software are recognised as a result of acquisition. The goodwill of €715.7 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated to the three CGUs, EMEA, Americas and APAC. The goodwill is not tax deductible. The fair value of customer lists of €299 million is calculated using multi-period excess earnings method ("MEEM"). MEEM method calculates the net cash flows based on a detailed forecast of cash inflows and cash outflows that in general are derived from projected financial information. Intangible assets are deemed to only generate cash flows in combination with other tangible or intangible assets, so-called contributory assets, notional payments for the contributory assets are taken into consideration for the determination of the relevant cash flows. Customer lists are recognised with a useful life of 15 years.

The charges for the economic returns are computed on the basis of the assets utilised by the intangible asset. The resulting net cash flows are also termed multi period excess earnings. The fair value of the brand name of €373 million is calculated using the Relief-from-Royalty ("RFR") method which reflects the savings realised by owning the brand or a royalty free license and was applied for the valuation. Industry relevant factors and bench-marking analysis indicated a royalty rate of 5% which was used for the valuation of the brand name. Brand name is recognised with indefinite useful life. The fair value adjustment of €13 million for software is determined using the RFR method. Acquisition related intangible assets and deferred tax are calculated as follows:

In millions of Euro	Total
Purchase consideration	
Consideration paid for shares	1,732.0
Total purchase consideration	**1,732.0**
Less: fair value of net assets acquired (excluding goodwill)	(488.7)
Goodwill arising on acquisition	715.7
Customer lists arising on acquisition	299.0
Brand name arising on acquisition	373.0
Fair value of software arising on acquisition	13.0
Deferred tax liability arising on acquisition	(177.3)
Deferred tax asset arising on acquisition	16.6
Fair value adjustment to leases (IFRS 16)	3.3

The impact on cash flows as a result of the acquisition is as follows:

In millions of Euro	Total
Shares issued at fair value	**1,748.0**
Transaction costs	(11.3)
Consideration transferred	(1,732.0)
Net cash flow on acquisitions	**4.7**

Acquisition of subsidiary, net of cash acquired is €1,677.1 million, determined based on total consideration transferred of €1,732 million excluding cash of €54.9 million.

Acquisition of TMF Sapphire Topco B.V. contributed to €623.5 million consolidated revenue and €68.1 million consolidated operating result.

Acquisitions 2023

For the financial statements disclosure, acquisitions below are not considered material for TMF Group, both individually and in the aggregate.

Ireland - On 1 October 2023, TMF Group acquired full interest 100% in Goodbody Fund Management Limited ("Goodbody"), an Ireland based real estate focused third party management company. Consideration at completion amounted €4.5 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualised revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

India - On 19 July 2023, TMF Group acquired full interest 100% in KPK faServ India Private Limited ("KPK"), an Indian provider of corporate services. Consideration at completion amounted €7.9 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualised revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

Malta - On 1 December 2023, TMF Group acquired full interest 100% in AVANZIA TAXAND LIMITED ("Avanzia"), a Maltese provider of tax administration, cosec, domiciliation, accounting and directorship services. Consideration at completion amounted €2.8 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualised revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

Greece - On 31 October 2023, TMF Group acquired full interest 100% in Premier Consulting Société Anonyme Provision of Advisory Services ("Premier"), a Greek provider of accounting, tax and payroll services. Consideration at completion amounted €2.8 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualised revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

Romania - On 4 December 2023, TMF Group acquired full interest 100% in CONTEXPERT CONSULTING SRL ("Contexpert"), a Romania-based provider of accounting, tax administration and payroll services. Consideration at completion amounted €6.0 million. No contingent liabilities were acquired in this business combination. The business is expected to contribute to annualised revenue and TMF Group expects synergies in terms of client portfolio and using one global platform.

TMF Group's consolidated revenue for 2023 includes €12.4 million related to acquisitions completed in 2023 as from the effective date. The full year impact calculated as where these acquired per 1 April 2023 would have been €27.1 million. The acquisitions contributed for €3.5 million to the operating result of 2023 and with a full year impact of €6.9 million.

Upon acquisition of the business during 2023, TMF Group recognised aggregated goodwill of €13.3 million and other intangible assets such as client list and software of €15 million. Acquisition of subsidiaries, net of cash acquired is €38.3 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, recognised 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 Group Holding B.V. This brand is recognised 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 lists	Brands	Software	Total
Cost					
Balance at 1 January 2023	**-**	**-**	**-**	**-**	**-**
Acquired through business combinations	1,689.0	1,077.0	599.6	228.9	3,594.5
Additions	-	-	-	24.5	24.5
Additions - internally developed	-	-	-	4.8	4.8
Disposals	-	-	-	(65.1)	(65.1)
Exchange differences	(0.1)	(0.3)	-	-	(0.4)
Balance at 31 December 2023	**1,688.9**	**1,076.7**	**599.6**	**193.1**	**3,558.3**

In millions of Euro	Goodwill	Client lists	Brands	Software	Total
Amortisation and impairment					
Balance at 1 January 2023					
Acquired through business combinations	-	291.1	12.2	140.0	443.3
Amortisation for the year	-	38.5	-	25.2	63.8
Impairment	-	-	-	0.6	0.6
Disposals	-	-	-	(65.1)	(65.1)
Exchange differences	-	-	-	0.2	0.2
Balance at 31 December 2023	**-**	**329.6**	**12.2**	**101.0**	**442.8**

In millions of Euro	Goodwill	Client lists	Brands	Software	Total
Carrying amounts					
At 31 December 2022	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**1,688.9**	**747.1**	**587.4**	**92.1**	**3,115.5**

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;
- how the software product will generate probable future economic benefits can be demonstrated;
- 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 overhead costs. 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 2023, intangible assets acquired through acquisitions relate to business combinations as outlined in Note 15.

In millions of Euro	Goodwill	Client lists	Brands	Software
Estimated useful right remaining				
At 31 December 2023	**n/a**	**15 years**	**n/a**	**3-7 years**

The goodwill allocation per Cash Generating Unit is presented below for 2023:

In millions of Euro	31 December 2023	31 December 2022
EMEA	1,033.9	-
APAC	395.0	-
Americas	260.0	-
Goodwill	**1,688.9**	**-**

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. Cash flows 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 2023:

2023	EMEA	APAC	Americas
Discount rate (a)	9.7%	9.6%	11.7%
EBITDA growth (b)	10.1%	12.6%	15.7%
Perpetual growth (c)	2.6%	2.5%	6.4%

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 2.3%, 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 2023 and no goodwill 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 recognised for the year ended 31 December 2023.

The following change or end values required for carrying value to equal recoverable amount for 2023:

2023	EMEA	APAC	Americas
Initial headroom (in millions of Euro)	73.0	197.1	62.3
Discount rate (change)	0.3%	1.9%	1.1%
EBITDA growth (change)	(0.7%)	(4.4%)	(2.3%)
Perpetual growth - end value	(0.4%)	(2.5%)	(2.0%)

17. Property, plant and equipment

Recognition and measurement

We measure property, plant and equipment 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 recognised within 'Other expenses' in the income statement.

Property, plant and equipment movement schedule

In millions of Euro	Buildings	Leasehold improvements	Furniture and fittings	Office & computer equipment	Motor vehicles	Total
Cost						
Balance at 1 January 2023						
Acquired through business combinations	4.5	31.3	13.3	63.8	0.5	113.4
Additions	-	2.2	0.7	2.9	0.1	5.9
Disposals	-	(2.0)	(1.3)	(6.3)	(0.3)	(9.9)
Exchange differences	(0.1)	(0.2)	(0.1)	(0.4)	-	(0.8)
Balance at 31 December 2023	**4.4**	**31.3**	**12.6**	**60.0**	**0.3**	**108.6**
Depreciation						
Balance at 1 January 2023						
Acquired through business combinations	2.9	25.2	10.8	52.7	0.4	92.0
Depreciation for the year	-	1.6	0.6	3.8	-	6.0
Disposals	-	(1.9)	(1.3)	(6.5)	(0.2)	(9.9)
Exchange differences	(0.1)	0.1	-	0.2	-	0.2
Balance at 31 December 2023	2.8	25.0	10.1	50.2	0.2	88.3
Carrying amounts						
At 31 December 2022	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**1.6**	**6.3**	**2.5**	**9.8**	**0.1**	**20.3**

18. Right-of-use of assets and lease liability

Policy applicable as 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.

We apply this policy 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 recognises 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.

A 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. A non-lease component that is variable payment depending on usage can’t be included in the lease liability calculation, such as water usage.

TMF Group will account for the short-term leases for all classes of underlying assets with a lease term less than 12 months. The lease term is determined including considering the renewal or termination options if applicable. TMF Group will account for low value leases on a lease-by-lease basis.

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 recognises 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.

Lease liability

Breakdown of movements in the lease liability is as follows:

In millions of Euro	2023	2022
Opening balance		
Acquired through business combinations	113.3	-
Finance charge	6.8	-
Additions	30.4	-
Disposal	(1.0)	-
Lease payments	(32.3)	-
Other movements	4.3	-
FX, revaluation and rent concession	(1.5)	-
Closing balance	**120.0**	**-**

The lease liability is recorded in the loans and borrowings.

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
Cost				
Balance at 13 June 2022				
Balance at 1 January 2023				
Acquired through business combinations	73.3	1.4	37.5	112.2
Additions	28.7	0.3	1.8	30.8
Disposals	(3.9)	(0.1)	(0.1)	(4.1)
Other movements	3.4	0.1	0.8	4.3
Exchange differences	(1.4)	-	(0.1)	(1.5)
Balance at 31 December 2023	**100.1**	**1.7**	**39.9**	**141.7**
Depreciation				
Balance at 13 June 2022				
Balance at 1 January 2023				
Acquired through business combinations	-	-	-	-
Depreciation for the year	21.0	0.7	7.8	29.5
Disposals	(2.6)	(0.1)	(0.1)	(2.8)
Other movements	-	-	-	-
Exchange differences	(0.2)	-	-	(0.2)
Balance at 31 December 2023	**18.2**	**0.6**	**7.7**	**26.5**
Carrying amounts				
At 31 December 2022	**-**	**-**	**-**	**-**
At 31 December 2023	**81.9**	**1.1**	**32.2**	**115.2**

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.

We perform an impairment analysis 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 2023	31 December 2022
Prepaid premium (CAP)	5.9	-
Long term deposits	3.7	-
Loans and receivables from related parties	2.7	-
Long term sublease	1.1	-
Other financial assets	0.2	-
Non-current financial assets	**13.6**	**-**
Loans and receivables from related parties	1.4	-
Prepaid premium (CAP)	1.3	-
Shelf companies	1.2	-
Interest receivable	0.4	-
Other financial assets	1.1	-
Current financial assets	**5.4**	**-**

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 2023	31 December 2022
Non-current financial assets	13.6	-
Trade and other receivables (excluding prepayments and tax-related receivables)	191.1	-
Current financial assets	5.4	-
Cash and cash equivalents	356.0	-
Total	**566.1**	**-**

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 recognised 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 recognised 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 2023	31 December 2022
Interest rate derivative - cap	1.6	-
Interest rate derivative - interest rate swap	-	-
Balance at 31 December	**1.6**	**-**
Non-current	(0.5)	-
Current	2.1	-
Total	**1.6**	**-**

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

Interest rate hedges

On 17 July 2023, amendment and extension of the existing senior loan agreement was executed resulting in principal loans Facility B1 of €955 million and Facility B2 of $400 million. The interest for Facility B1 is 4.5% plus 3 month EURIBOR (floored at 0%). Interest for Facility B2 is 5.0% plus 3-month TERM SOFR CME. In order to mitigate exposure to the floating rate risk, TMF Group entered into derivative transactions:

- Nomura 1 – €805 million – July 2023 – April 2025
- Goldman Sachs Bank Europe SE – $280 million – October 2023 – January 2027
- Nomura 2 – €665 million – April 2025 until January 2027

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.

We have identified the following potential sources of ineffectiveness:

- reduction or modification in the hedged item (i.e. debt repayment)
- a change in the credit risk of TMF Group or the counter party to the purchased cap or cash flow hedge.

The hedge ineffectiveness for the year 2023 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
Cash flow hedges		
Interest rate derivative - cap	(1.4)	-
Interest rate derivative – interest rate swap	-	-
Total	**(1.4)**	**-**

Balance in cash flow hedge reserve for continuing hedges represents clean value. 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 recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included
Cash flow hedges			
Interest rate derivative - cap	1.1	-	Not applicable
Interest rate derivative – interest rate swap	-	-	Not applicable
Total	**1.1**	**-**	

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 2023, the non-current assets amount to €9.2 million and the current contract assets amounts to €7.9 million. There was no impairment loss in relation to the costs capitalised.

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 recognised 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 2023	31 December 2022
Trade receivables	118.1	-
Less: Allowance for Expected Credit Loss	(6.3)	-
Trade receivables – net	111.8	-
Unbilled services	53.6	-
Total trade receivables and unbilled services	**165.4**	**-**

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 2023:

In millions of Euro	Gross receivables	Allowance	Net receivables
Less than 30 days	74.9	(0.3)	74.6
30 to 90 days	19.4	(0.2)	19.2
91 to 180 days	10.7	(0.3)	10.4
181 to 360 days	7.8	(0.8)	6.9
More than 360 days	5.3	(4.6)	0.7
Trade receivables	**118.1**	**(6.3)**	**111.8**

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	2023	2022
Opening balance		
Acquired through business combinations	**7.6**	**-**
Increase in the allowance	1.5	-
Reversed allowance	(2.4)	-
Receivables written off during the period as uncollectable	(0.4)	-
Closing balance	**6.3**	**-**

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	31 December 2023	31 December 2022
Euro	66.3	-
US Dollar	45.6	-
GBP	10.5	-
CNY	4.4	-
BRL	2.2	-
SGD	3.1	-
HKD	2.3	-
Other	37.3	-
Total trade receivables and unbilled services	**171.7**	**-**

Currencies categorised as “Other” are individually below €2 million.

22. 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 2023	31 December 2022
Prepayments	15.7	-
Rental and other deposits	4.8	-
Unbilled disbursements	2.6	-
Other tax and social security receivables	10.2	-
Other receivables	10.4	-
Total other receivables	**43.7**	**-**

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	31 December 2023	31 December 2022
Cash at bank and on hand	327.8	-
Short-term bank deposits	28.2	-
Cash and cash equivalents	**356.0**	**-**
Bank overdrafts used for cash management purposes - not offset with cash at bank	**(265.8)**	**-**
Total cash and cash equivalents and bank overdrafts	**90.2**	**-**

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

TMF Group manages a 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 2023 was €7.8 million.

Short-term bank deposits contain short-term investment in money market fund with HSBC US Dollar Liquidity Fund, Low Volatility NAV Money Market Fund under the European Union Money Market Fund Regulations with primary exposure in USD. It is short-term, highly liquid investment readily convertible to known amount of cash and subject to an insignificant risk of changes in value, hence it is classified as cash equivalent with outstanding balance of €19.6 million as at 31 December 2023.

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 Group 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 €2.8 million across all jurisdictions as at 31 December 2023.

24. Equity

Share capital and share premium

Ordinary, ordinary voting and preference shares are classified as equity. On March 27 2023, 1,775,833,402 shares were issued and on 1 August 2023, additional 837,346 shares were issued. At 31 December 2023, the authorised share capital comprised 1,776,670,748 ordinary, ordinary voting and preference shares. The issued share capital amounts to €45.8 million.

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 and ADIA, where the sale conditions are determined based on Administration conditions of STAK. 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 Depositary receipts outstanding and their related weighted average exercise prices are as follows:

	Shares (in 1,000)
31-Dec-22	-
Purchased	44,096.8
Returned	(1,274.9)
31-Dec-23	**42,821.9**

The share capital of TMF Group Holding B.V. comprises of 27,830,754 voting shares, 29,528,233 ordinary shares and 1,719,311,761 preference shares. STAK directly and indirectly owns 7.6% of the shares with voting rights and 2.4% of the preference shares with no voting rights. Weighted average exercise price is €1 per share. Fair value is equal to the weighted average exercise price.

Share Appreciation Right

As from 2023 senior staff were granted Share Appreciation Rights ("SARs"), that entitle them to a cash payment if employed upon an exit event. The amount of cash payments is similar to the difference between the value of the ordinary shares of TMF Group Holding BV between 27 March 2023 and such exit. SARs will be settled in cash by TMF Group. An exit means sale, Initial Public Offering or a winding up.

Movements in the number of SARs outstanding are as follows:

	Shares (in 1,000)
31-Dec-22	-
Granted	160
Forfeited	-
31-Dec-23	**160**

The total number of SARs granted to employees as per 31 December 2023 is 160,000. 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 as at 31 December 2023 is deemed nil. Cost recognised in income statement for share-based payment plan is not material.

26. Reserves

The reconciliation of the movements in reserves is as follows:

In millions of Euro	Other reserves	Hedging reserve	Total reserves
Balance at 31 December 2022	**-**	**-**	**-**
Acquired through business combinations	**-**	**-**	**-**
Translation movements	(28.1)	-	(28.1)
Hedging reserve	-	1.1	1.1
Balance at 31 December 2023	**(28.1)**	**1.1**	**(27.0)**

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 recognised 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 recognised 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 capitalised 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 drawdown 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 derecognised and the consideration paid and payable is recognised in the income statement.

In millions of Euro	31 December 2023	31 December 2022
Non-current		
Secured bank borrowings	1,288.6	-
Deferred consideration payable	6.1	-
Lease liability	86.3	-
Other non-current loans and borrowings	13.1	-
Total non-current loans and borrowings	**1,394.1**	**-**
Current		-
Secured bank overdraft	265.8	-
Deferred consideration payable	20.0	-
Lease liability	33.7	-
Interest payable	29.0	-
Related party loan	1.1	0.5
Other current loans and borrowings	**3.1**	**-**
Total current loans and borrowings	**352.7**	**0.5**
		-
Total borrowings	**1,746.8**	**0.5**

TMF Group's primary source of finance is secured bank borrowings provided by a syndicate of banks. On 17 July 2023, amendment and extension of the existing senior loan agreement was executed resulting in principal loans Facility B1 of €955 million, Facility B2 of $400 million; both senior loans with maturity of May 2028 and Revolving Credit Facility of €181 million with maturity February 2028. Revolving Credit Facility is not used as per 31 December 2023. The interest for Facility B1 is 4.5% plus 3 month EURIBOR (floored at 0%). Interest for Facility B2 is 5.0% plus 3-month USD TERM SOFR CME. The refinancing is considered to be a substantial modification and as a result extinguishment accounting is applied, any difference in carrying amount of the original liability and the fair value of new modified liability is recognised in statement of profit or loss. This refinancing resulted in extinguishment of original loan liability, Lien 1 with principal of €950 million and Lien 2 with principal of €200 million and a loss on extinguishment of €15.4 million. The loss is reported as part of net finance costs in the Income statement.

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 3-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:

			31 December 2023		31 December 2022	
In millions of Euro	Nominal interest rate	Year of maturity	Fair value	Carrying amount	Fair value	Carrying amount
Senior Secured Bank loan - Facility B1 (EUR)	EURIBOR + 4.5%	2028	940.1	934.9	-	-
Senior Secured Bank loan - Facility B2 (USD)	Term SOFR CME USD + 5.0%	2028	353.4	350.7	-	-
Lease liability	n.a.	n.a.	120.0	120.0	-	-
Other loans and borrowings	n.a.	n.a.	17.3	17.3	-	-
Total			**1,430.8**	**1,422.9**	**-**	**-**

The transaction costs amounted to €31.8 million at 31 December 2023 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 30 September 2023. Refer to note 4.5 for additional information. The Senior Secured Net Leverage Ratio must not exceed 9.50X EBITDA and is calculated by applying the Consolidated Senior Secured 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. The secured bank borrowings and revolving credit facility, including unpaid interest, are secured by a pledge over certain shares of several entities within TMF Group. The shares are pledged up to €3.2 million which comprises the shareholder's equity of TMF Sapphire Bidco B.V..

The effective interest rate of the Senior Secured Bank Loan - Facility B1 (EUR) is 4.9% and for Senior Secured Bank Loan - Facility B2 (USD) is 8.9% and is higher than the nominal interest rate due to capitalised finance costs.

Measurement of TMF Group's liabilities is presented in the following table:

In millions of Euro	Financial liabilities at amortised cost	Financial liabilities at fair value through income statement
31 December 2023		
Non-current loans and borrowings	1,394.1	-
Current loans and borrowings	352.7	-
Derivative financial instruments	-	2.5
Trade and other payables*	106.0	-
Total	**1,852.8**	**2.5**
31 December 2022		
Non-current loans and borrowings	-	-
Current loans and borrowings	-	-
Derivative financial instruments	-	-
Trade and other payables*	-	-
Total	**-**	**-**

* Excluding deferred income, rent deposits, social security and other taxes.

Reconciliation of liabilities arising from financing activities

The following table 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 2022	Financing cash flows	New lease	Other changes	Acquisition of subsidiaries	31 December 2023
Secured bank borrowings	-	119.0	-	25.9	1,143.7	1,288.6
Revolving credit facility	-	(23.1)	-	-	23.1	-
Secured bank overdraft	-	-	-	(102.5)	368.3	265.8
Deferred consideration payable	-	(12.5)	-	(0.1)	38.7	26.1
Interest payable	-	-	-	13.1	15.9	29.0
Other current loans and borrowings	-	(0.6)	-	(11.1)	15.9	4.2
Other non-current loans and borrowings	-	(33.7)	30.4	13.5	122.9	133.1
Total	**-**	**49.1**	**30.4**	**(61.3)**	**1,728.6**	**1,746.8**

28. Provisions

Provisions are recognised when TMF Group has a present legal or constructive obligation as a result of past events, then 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 recognised as an interest expense.

In millions of Euro	Legal	Restructuring	Employee benefits	Dilapidation	Other	Total
Balance at 1 January 2023	**-**	**-**	**-**	**-**	**-**	**-**
Acquired through business combinations	1.0	1.1	4.9	2.9	1.3	11.2
Charged to the income statement:						
- Additions	2.9	-	1.0	0.3	0.4	4.6
- Exchange differences	-	-	-	(0.1)	-	(0.1)
Released/Used during the year	(0.5)	0.1	(0.8)	(0.1)	(0.9)	(2.2)
Balance at 31 December 2023	**3.4**	**1.2**	**5.1**	**3.0**	**0.8**	**13.5**

In millions of Euro	31 December 2023	31 December 2022
Non-current	7.5	-
Current	6.0	-
Total provisions	**13.5**	**-**

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 2023, the restructuring provisions mainly include a short-term provision for costs of TMF Group-wide (tax) transformation programs. A provision for restructuring is recognised 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 in 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.

The net liability, the results on remeasurement and expenses recognized in income statement, this retirement benefit obligation is considered not material 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 2023	31 December 2022
Present value of funded obligations	3.3	-
Fair value of plan assets	2.7	-
Liability in the balance sheet	**0.6**	**-**
Switzerland	0.6	-
Other countries	-	-
Liability in the balance sheet	**0.6**	**-**

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

Movement in the liability for defined benefit obligations

In millions of Euro	2023	2022
Beginning of year	**-**	**-**
Acquired through business combinations	5.4	-
Current service cost	0.5	-
Remeasurement (gains) / losses	0.1	-
Net benefits paid	(0.1)	-
Interest cost	0.1	-
Plan change/curtailment	(2.7)	-
End of year	**3.3**	**-**
Switzerland	3.3	-
Other countries	-	-
End of year	**3.3**	**-**

Movement in plan assets

In millions of Euro	2023	2022
Beginning of year		
Acquired through business combinations	5.1	-
Employer contributions	0.4	-
Employee contributions	0.1	-
Remeasurement gains/(losses)	(0.1)	
Net benefits paid (and net of pension transfers)	(0.1)	-
Interest income	0.1	-
Plan change/curtailment	(2.8)	-
End of year	**2.7**	**-**
Switzerland	2.7	-
Other countries	-	-
End of year	**2.7**	**-**

Expense recognised in the income statement

In millions of Euro	2023	2022
Current service cost (less employee contribution)	0.4	-
Total included in personnel expenses	**0.4**	**-**
Switzerland	0.4	-
Other countries	-	-
Total included in personnel expenses	**0.4**	**-**

Principal actuarial assumptions – Switzerland

Principal actuarial assumptions	2023	2022
Discount rate	1.5%	n.a.
Future salary increases/inflation	2.0%	n.a.
Indexation	0.0%	n.a.
Turnover rate	18%	n.a.
Mortality	LPP2020_G	n.a.

30. Trade and other payables

Trade and other payables are recognised 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 2023	31 December 2022
Non-current		
Deferred income	4.7	-
Total other payables	**4.7**	**-**

In millions of Euro	31 December 2023	31 December 2022
Current		
Trade payables	34.8	0.2
Deferred income	30.9	-
Social security and other taxes	27.4	-
Employee benefit expense payable	35.9	-
Accrued expenses	20.0	-
Other payables	15.3	-
Total trade and other payables	**164.3**	**0.2**

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 2023	31 December 2022
12 months or less	30.9	-
1-5 years	4.7	-
Over 5 years	-	-
Total deferred income	**35.6**	**-**

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 2023, capital expenditure for the acquisition of property, plant and equipment contracted for at balance sheet date but not yet incurred amounted to €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:

Guarantees

As at 31 December 2023, TMF Group has issued guarantees back up by the ancillary facility and office lease agreements amounting to €18.3 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 28.

Fiscal unity

The majority of the Dutch entities within TMF Group are part of a fiscal unity with TMF Group Holding 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 Group Holding B.V. ("TMF Group") is the parent company of our operational entities. The majority of the shares in TMF Group Holding B.V. are held by CVC Strategic Opportunities Fund II ("CVC") and Abu Dhabi Investment Authority ("ADIA") and the remainder of the shares are held by STAK.

Transactions with the Supervisory Board

In millions of Euro	31 December 2023	31 December 2022
Short-term employee benefits	0.4	-
Total compensation paid to the Supervisory Board	**0.4**	**-**

Total compensation of the Supervisory Board is paid to independent members of Supervisory board only.

Transactions with the Management Board

In millions of Euro	31 December 2023	31 December 2022
Short-term employee benefits	3.3	-
Post employment pension benefits	0.2	-
Total compensation paid to the Management Board	**3.5**	**-**

The Management Board and some members of the Supervisory Board are participating in the equity settled shared based payment plan. Please refer to note 25 Share-based payment for further detail.

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:

	2023		
	EY NL	**Other EY network**	**Total EY network**
Audit of these financial statements	1.1	1.2	2.3
Other audit services	0.3	0.1	0.4
Audit services	**1.4**	**1.3**	**2.7**
Other services	-	1.6	1.6
Total	**1.4**	**2.9**	**4.3**

35. Subsequent events

TMF Group signed agreement with Proven - Kingdom of Saudi Arabia to acquire 100% of the shares which became effective in January 2024. 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.

In January 2024, the repricing of senior loans consisting of Facility B1 of €955 million and Facility B2 of $400 million was finalised. Facility B1 of €955 million became Total Facility B1 consisting of Facility B1 of €850.9 million and New Facility B1 of €104.1 million, and Facility B2 of $400 million became Total Facility B2 consisting of Facility B2 of $370.6 million and New Facility B2 of $29.4 million. The interest of Facility B1 is unchanged in comparison to 2023. The interest of New Facility B1 is 3.75% plus 3 or 6 month EURIBOR (floored at 0%). Interest for Facility B2 is 5.0% plus 3-month USD TERM SOFR CME and for New Facility B2 is 4.0% plus 3-month USD TERM SOFR CME. This repricing resulted in substantial modification and extinguishment accounting is applied in January 2024. Any difference between the carrying amount of the original liability and fair value of new modified financial liability is recognised in profit or loss. As a result of extinguishment accounting, modification loss of €24.3 million is recognised in statement of profit or loss in January 2024.

36. TMF Group entities

The entities of TMF Group by country of incorporation as at 31 December 2023, 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 Corporate Services (AUST) Pty Limited	100%
	TMF Nominees (AUST) Pty Limited	100%
Austria	TMF Austria GmbH	100%
	APS Buchfuhrungs- & Steuerberatungs GmbH	100%
	TMF Bilanzbuchhaltungs- und Personalservices GmbH	100%
	TMF Steuerberatungs- & Wirtschaftprufung GmbH	100%
	TMF Capital Market Services Steuerberatungs 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 Securitizadora S.A.	100%
	TMF Brasil Atividades Administrativas 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%
	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%
	Anshun Services Ltd.	100%
	Fides Management Services Ltd.	100%
	TMF Corporation (BVI) Limited	100%
	Vencourt Limited	100%
	Abraxas International Limited	100%
	Folly Fort Limited	100%
	Kelday International Limited	100%
	S.B. Vanwall Ltd.	100%
	KCS Limited	100%

Country	Entity	Ownership
	KCS China Limited	100%
	Guarantee Management Limited	100%
	TMF Administration Services Limited	100%
	Receivable Global Services Limited	100%
	Apexchamp Limited	100%
	Beamsbury Limited	100%
	Derard Limited	100%
	KCS Asia Holdings Limited	100%
	Lucasjet Limited	100%
	Southfield Management Limited	100%
	Homestead Management Inc	100%
	F.M.C. Limited	100%
	Axiss International Management Limited	100%
	TMF Holding (BVI) Limited	100%
Bulgaria	Novacon Bulgaria EOOD	100%
	TMF Services 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%
	Sino Corporate Services (China) Limited	100%
	Talent Work Limited	100%
	Smart Oriental Limited	100%
	TMF (BEIJING) Limited	100%
	TMF Services (China) Co., Ltd	100%
Colombia	TMF Colombia Ltda.	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%
	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%
	UCMS (united Customer Management Services) Group EMEA Limited (Cyprus)	100%
Czech Republic	TMF Management Services s.r.o.	100%
	TMF Czech a.s.	100%
Denmark	TMF Denmark A/S	100%
Dominican Republic	TMF Republica Dominicana S.R.L	100%
Ecuador	TMF Ecuador S.A.	100%
Egypt	TMF Egypt L.L.C.	100%

Country	Entity	Ownership
El Salvador	TMF El Salvador Ltda de C.V.	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 wirtschaftsprufungsgesellschaft	100%
	TMF Management Holding Deutschland GmbH	100%
Greece	TMF Group Administrative Services (Hellas) EPE - TMF Group (Hellas) EPE	100%
	Premier Consulting SA	100%
Guatemala	TMF Guatemala Ltda.	100%
Guernsey	Gentoo Holdings Limited	100%
	Gentoo 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%
	TMF Group Nominees 1 (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
	Commondale Limited	100%
	Sino Corporate Services Limited	100%
	Unity Trust Limited	100%
	Sino CS China Holding 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%
	KCS China Holdings Limited	100%
	Veritatem & Co.	100%
	Cobyrne 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%
Hungary	TMF Hungary Accounting and Services Limited Liability Company	100%
	Independent CAM Kft	60%
	Freeway Payments Solutions Kft	60%
India	TMF Services India Private Ltd.	100%
	KPK faServ India Private Limited	100%

Country	Entity	Ownership
	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%
	Goodbody Fund Management Ltd.	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%
	TMF1 LIMITED	100%
	TMF2 Limited	100%
	TMF TRUSTEE NO.1 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 (Jersey) Limited	100%

Country	Entity	Ownership
	Lively Limited;	100%
	TMF Group Secretaries (Jersey) Limited	100%
	TMF TRUSTEE NO.2 LIMITED	100%
	TMF MANACOR SECRETARIES (JERSEY) LIMITED	100%
	EQ Directors One Limited	100%
	Juris Limited	100%
	EQ Directors Two Limited	100%
	TMF COUNCIL MEMBER LIMITED	100%
	C.N. Limited	100%
	Leadenhall Trust Company Limited	100%
	Amarado Limited	100%
	TMF Group Nominees 1 (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%
Luxembourg	Immobiliere Vauban S.A.	100%
	TMF (Luxembourg) S.A.	100%
	Manacor (Luxembourg) S.à r.l.	100%

Country	Entity	Ownership
	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%
	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	TMF Management and Administrative Services (Malta) Limited	100%
	Avanzia Taxand 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%
	VERTICE DEL BAJIO SAPI DE CV SOFOM ENR	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 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%

Country	Entity	Ownership
	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%
	Contexpert Advisory Services S.R.L.	100%
	Contexpert Consulting S.R.L.	100%
	Contexpert Inventariere S.R.L.	100%
	Contexpert Inventory Services S.R.L.	100%
	Contexpert Outsourcing S.R.L.	100%
	Contexpert Support Services S.R.L.	100%
	Expert Solution Audit & Accounting S.R.L.	100%
	HLB Contexpert 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%

Country	Entity	Ownership
	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%
	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%
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%
Taiwan	TMF Taiwan Ltd.	100%
Tanzania	TMF Services Tanzania Limited	100%
Thailand	TMF (Thailand) Ltd.	49%
	TMF Group Holding (Thailand) Limited	100%

Country	Entity	Ownership
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%
	IQ-Nexus Management B.V.	100%
	TMF Holding International B.V.	100%
	TMF Holding B.V.	100%
	TMF Management 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%
	Stichting TMF Foundation	100%
	Stichting Administratiekantoor Management Sapphire	100%
	TMF Sapphire Management BV	100%
	Tucano Topco B.V.	100%
	Tucano Holdco B.V.	100%
	Tucano Midco B.V.	100%
	Tucano Bidco B.V.	100%
	TMF Global Subcontracting B.V.	100%
	TMF Leasing B.V.	100%
	Parnassus Trust Amsterdam B.V.	100%
	TMF Trustee B.V.	100%
	Stichting Cerulean	100%
	Freeway Entertainment Group B.V.	60%
	Freeway CAM B.V.	60%

Country	Entity	Ownership
	TMF Group Services II B.V.	100%
	Venture Support B.V.	100%
	TMF Bewaar B.V.	100%
	FCAM Holding B.V.	100%
	Tradman FS Holding B.V.	100%
	Tradman Netherlands 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%
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 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%
	TMF Holding UK Limited	100%
	TMF Management Holding UK Limited	100%
	VAT International Limited	100%
	Freeway CAM (UK) Limited	60%
	TMF Management (UK) Ltd.	100%
	Krisolta Film & TV (UK) Limited	60%
United States of America	TMF US Holding Inc.	100%
	TMF USA Inc.	100%
	Lord Securities Corporation	100%
	Lord Securities (Delaware) L.L.C.	100%
	TMF San Diego LLC	100%
	TMF Group New York LLC	100%
	TMF Fund Services North America, LLC	100%
	Freeway Payroll Inc.	30%
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%

37. Regulatory table

The services rendered by TMF local offices in various jurisdictions are regulated and subject to supervision (or self-regulation). This is the case in the following 27 jurisdictions:

Jurisdiction	Jurisdiction Supervisory authority
Argentina	Argentina Comision Nacional de Valores
Brazil	Comissão de Valores Mobiliários
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
Malta	Malta Financial Services Authority
Mauritius	Mauritius Financial Services Commission
Mexico	Comisión Nacional Bancaria y de Valores and Condusef
Norway	The Financial Supervisory Authority of Norway
Peru	Superintendencia de Banca Seguros y AFP, Unidad de Inteligencia Financiera
Qatar	Qatar Financial Centre Regulatory Authority (Non Financial Services) - Monitory Department
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	2023	2022
Result before tax and share in result of subsidiaries		**(0.3)**	**-**
Corporate income tax and minority interest	2	(0.8)	-
Result in subsidiaries (net of tax)		(55.2)	(0.7)
Result for the period		**(56.3)**	**(0.7)**

Company balance sheet

In millions of Euro	Note	31 December 2023	31 December 2022
Assets			
Financial assets LT	3	1,666.7	(0.7)
Non-current assets		**1,666.7**	**(0.7)**
Trade receivables		1.0	-
Other current receivables		0.1	-
Cash and banks		1.1	0
Current assets		**2.2**	**-**
TOTAL ASSETS		**1,668.9**	**(0.7)**
Equity			
Share capital	4	45.8	0
Share premium	4	1,702.0	-
Reserves	4	(22.2)	-
Retained earnings	4	(60.0)	(0.7)
Total equity attributable to owners of the parent		**1,665.6**	**(0.7)**
Liabilities			
Non-current liabilities			
Trade and other payables ST		2.5	-
Corporate income tax payable		0.8	-
Current liabilities		**3.3**	**-**
TOTAL EQUITY AND LIABILITIES		**1,668.9**	**(0.7)**

Company statement of changes in equity

In millions of Euro	Share capital	Share premium	Other reserves	Accumulated losses	Total
Balance at 13 June 2022	0	-	-	-	-
Result for the year	-	-	-	(0.7)	(0.7)
Other comprehensive income					
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2022	**0**	**-**	**-**	**(0.7)**	**(0.7)**

In millions of Euro	Share capital	Share premium	Other reserves	Legal reserve	Accumulated losses	Total
Balance at 1 January 2023	**0**	**-**	**-**	**-**	**(0.7)**	**(0.7)**
Acquired in business combinations	-	-	-	-	2.0	2.0
Result for the year	-	-	-	-	(56.3)	(56.3)
Transfer to legal reserve (note 4)	-	-	-	4.8	(4.8)	-
Remeasurement IAS19	-	-	-	-	(0.2)	(0.2)
Cash flow hedge - Costs of hedging reserve	-	-	1.1	-	-	1.1
Translation movements	-	-	(28.1)	-	-	(28.1)
Other comprehensive income						
Total other comprehensive income	**-**	**-**	**(27.0)**	**4.8**	**(59.3)**	**(81.5)**
Transactions with owners						
Shares issued	45.8	1,703.0	-	-	-	1,748.8
Share based payments	-	(1.0)	-	-	-	(1.0)
Balance at 31 December 2023	**45.8**	**1,702.0**	**(27.0)**	**4.8**	**(60.0)**	**1,665.6**

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. Financial assets

In millions of Euro	2023	2022
Balance at 1 January	**(0.7)**	**-**
Acquired in business combinations	2.0	-
Shares issued	1,747.8	-
Result for the year	(55.2)	(0.7)
Foreign currency translation differences for foreign operations	(28.1)	-
Fair value gain/(loss) arising on hedging instruments	1.1	-
Remeasurement IAS 19	(0.2)	-
Balance at 31 December	**1,666.7**	**(0.7)**

Financial assets fully relate to investment in consolidated subsidiaries. Please refer to note 36 of the consolidated financial statements for TMF group entities.

4. Equity

Share capital and share premium

Ordinary, ordinary voting and preference shares are classified as equity. On March 27 2023, 1,775,833,402 shares were issued and on 1 August 2023, additional 837,346 shares were issued. At 31 December 2023, the authorised share capital comprised 1,776,670,748 ordinary, ordinary voting and preference shares. The issued share capital amounts to €45.8 million.

Accumulated losses

The Management Board propose to add the loss for the year of €56.3 million to the accumulated losses.

5. 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.

6. Contingencies

The Company has no commitments at the balance sheet date.

7. Related party transactions

Reference is made to the consolidated financial statements.

8. Directors emoluments

Reference is made to the consolidated financial statements note 33.

9. Subsequent events

Reference is made to note 35 Subsequent events in the consolidated financial statements.

Other information

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 133 to 139 of the annual report.

Signatures to the company financial statements

The Management Board have today discussed and approved these company financial statements for 2023 of TMF Group Holding 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 2023 and of the results of the Company's operations and the cash flows for the years ended 31 December 2023.

The Company's financial statements are presented for approval at the Annual General Meeting on 7 March 2024.

Signed by:

Ann Cairns | Supervisory Director

Signed by:

Karen Ann Green | Supervisory Director

Signed by:

Krishnan Rajagopalan | Supervisory Director

Signed by:

Peter William James Rutland | Supervisory Director

Signed by:

Lorne Somerville | Supervisory Director

Signed by:

Faris Cassim | Supervisory Director

Signed by:

Stefan Janke | Supervisory Director

Signed by:

Osama Nahhat | Supervisory Director

Signed by:

Mark Weil | Chief Executive Officer

Signed by:

Patrick de Graaf | Chief Financial Officer

Amsterdam, 7 March 2024

Independent auditor's report

To: the shareholders and supervisory board of TMF Group Holding B.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of TMF Group Holding B.V. based in Amsterdam.

The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of TMF Group Holding B.V. as at 31 December 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of TMF Group Holding B.V. as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2023
- The following statements for 2023: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2023
- The company income statement for 2023
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing.
Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of TMF Group Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement,
whether caused by fraud or error.

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.
We refer to Section Risk management of the management report for management's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 3 to the financial statements, including the intangible assets identified as part of the TMF Sapphire Topco B.V. purchase price allocation.

We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We considered among other things the company's revenue targets and their realization as well as the different revenue recognition methods as disclosed in Note 5 of the financial statements.
We identified a fraud risk related to the overstatement of time based revenue due to improper cut-off. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk. Specifically for the occurrence of revenue (time based fees), we verified among others that these were recorded in the correct period.

We considered available information and made enquiries of relevant executives, the management board, internal audit, legal, compliance, human resources, regional directors and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board and internal audit, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in Note 1. General information to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern.
Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Communication

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

Amsterdam, 7 March 2024

Ernst & Young Accountants LLP

signed by R.F. Liem

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