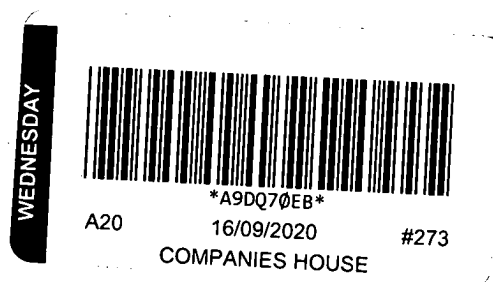


New Mountain Capital (U.K.) Ltd.

**Annual Report and Financial Statements
for the Year Ended 31 December 2019**

Registered number

10783891



New Mountain Capital (U.K.) Ltd.

**Annual Report and Financial Statements
for the Year Ended 31 December 2019**

Registered Office

Suite 1:14-1:15 48 Dover Street
London
United Kingdom W1S 4FF

Independent Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London, United Kingdom, E14 5EY

Directors

Ignacio Sarria
Adam B. Weinstein
David C. Coquillette

New Mountain Capital (U.K.) Ltd.

Strategic Report for the Year Ended 31 December 2019

The directors present their Strategic Report and the audited financial statements of New Mountain Capital (U.K.) Ltd. ("NMCUK" or the "Company") for the year ended 31 December 2019.

Principal activities and business review

New Mountain Capital (U.K.) Ltd. was incorporated under the laws of England and Wales as a private company limited by shares on 23 May 2017. The Company is a wholly owned subsidiary of New Mountain Capital L.L.C. ("NMC"), a limited liability company incorporated in the state of Delaware, United States of America. NMCUK is primarily engaged in the business of providing business development and investor relation services to NMC. The Company is authorised by the Financial Conduct Authority to advise on investments (except on pension transfers and pension opt outs) and arrange (bringing about) deals in investments. Turnover increased by 8.4% to \$3,258,414 (2018: \$3,005,135) during the year and total operating profit increased by 172.1% during the year to \$429,414 (2018: \$157,788).

Going concern

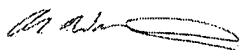
As of December 2019, the first coronavirus (COVID-19) outbreak was reported and on January 30th, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. The nature of the event has resulted in immediate global economic impacts on a micro and macro level. The Company is part of a wider affiliation of New Mountain Capital entities that has considerable financial resources.

The directors believe the Company is well placed to manage its business risks successfully. The directors have assessed that there are no material impacts on the Company's revenues and liquidity in the short to medium term. Impacts in the long term are less certain and dependent on local and global reactions and recovery times related to COVID-19 issues, which are not yet known. In performing their assessment, it was determined that the Company is sufficiently capitalised (regulatory capital requirements continue to be met) and has sufficient liquidity and financial resources (cash reserves) to support and sustain operations for at least the next 12 months from the date of issue of these financial statements and that the preparation of the financial statements on a going concern basis remains appropriate as the Company expects to be able to meet its obligations as and when they fall due for the foreseeable future.

Principal risks and uncertainties

The directors regularly review the risks and uncertainties facing the Company. The Company effectively relies upon NMC as its sole customer and is consequently exposed to the willingness and capacity for NMC to provide the financial resources used by the Company. These risks are managed through regular dialogue with NMC. The Company is exposed to legal and regulatory risks, as a firm authorised and regulated by the Financial Conduct Authority. These risks are controlled by the members regularly reviewing their compliance requirements. The Company is also exposed to risks from fluctuations in currency exchange rates as some transactions are denominated in British Pound Sterling, which fluctuate against the US Dollar, the presentational currency. The Company manages this risk through the use of a foreign currency collar to reduce exposure to foreign exchange rates on certain employment contracts.

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



Adam B. Weinstein
Director
21 April 2020

New Mountain Capital (U.K.) Ltd.

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the audited financial statements of New Mountain Capital (U.K.) Ltd. for the year ended 31 December 2019.

Dividends

There was no payment of a dividend for the year ended 31 December 2018 and the directors do not recommend the payment of a dividend for the year ended 31 December 2019.

Future development of the Company

The directors do not foresee any forthcoming significant changes to the activities of the Company.

On 23 June 2016 the United Kingdom voted to leave the European Union ("Brexit"). The directors are of the opinion that this decision will not adversely impact the activities of the entity. The Company will continue to assess any relevant considerations arising from the terms for withdrawal, as they are established, in the context of its risk management framework.

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ("FRS 102").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors

Ernst and Young LLP has indicated its willingness to continue in office and will be proposed for re-appointment in accordance with Section 487 of CA 2006 at the next directors' meeting.

New Mountain Capital (U.K.) Ltd.

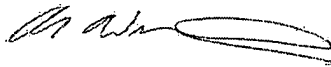
Directors' Report for the Year Ended 31 December 2019 (*continued*)

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board



Adam B. Weinstein
Director

21 April 2020

New Mountain Capital (U.K.) Ltd.

Independent Auditors' Report to the Members of New Mountain Capital (U.K.) Ltd.

Opinion

We have audited the financial statements of New Mountain Capital (U.K.) Ltd. (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of matter - effects of Covid-19

We draw attention to Note 3b and Note 18 of the financial statements, which describes the economic disruption the company is facing as a result of COVID-19, which is impacting financial markets. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

New Mountain Capital (U.K.) Ltd.

Independent Auditors' Report to the Members of New Mountain Capital (U.K.) Ltd. (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

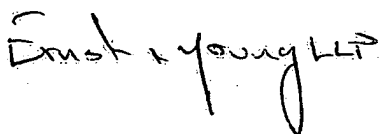
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ahmer Huda (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
22 April 2020

New Mountain Capital (U.K.) Ltd.

**Statement of Comprehensive Income
for the Year Ended 31 December 2019**

		Year Ended 31 December 2019	Year Ended 31 December 2018
	<i>Notes</i>	\$	\$
Turnover	5	3,258,414	3,005,135
Interest income		104	106
Administrative expenses		(2,829,104)	(2,847,453)
Operating profit/(loss)	6	429,414	157,788
Unrealized gain/(loss) on financial instrument	15	-	2,143
		-	2,143
Profit/(loss) on ordinary activities before taxation		429,414	159,931
Tax charge on profit/(loss) on ordinary activities	9	(86,645)	(33,492)
Profit/(loss) for the financial year		342,769	126,439
Other comprehensive income		-	-
Total comprehensive income for the year		342,769	126,439

All activities relate to continuing operations.

The notes on pages 11 to 16 form an integral part of the financial statements.

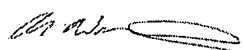
New Mountain Capital (U.K.) Ltd.

**Statement of Financial Position
at 31 December 2019
Company Number 10783891**

	<i>Notes</i>	31 December 2019 \$	31 December 2018 \$
Current assets			
Debtors: amounts falling due within one year	10	774,326	346,012
Cash at bank and in hand		416,895	335,693
		<u>1,191,221</u>	<u>681,705</u>
 Creditors: amounts falling due within one year	 11	 (349,220)	 (182,473)
		<u>(349,220)</u>	<u>(182,473)</u>
 Total current assets less current liabilities		 842,001	 499,232
 Net assets		 <u>842,001</u>	 <u>499,232</u>
 Capital and reserves			
Called up share capital	12	500,000	500,000
Profit and loss account	13	342,001	(768)
Total shareholder's funds	14	<u>842,001</u>	<u>499,232</u>

The Annual Report and Financial Statements were approved and authorised on 21 April 2020 for issue on behalf of the directors.

The financial statements on pages 7 to 16 were approved by the Board of Directors on 21 April 2020 and were signed on its behalf:



Adam B. Weinstein
Director

The notes on pages 11 to 16 form an integral part of the financial statements.

New Mountain Capital (U.K.) Ltd.

**Statement of Changes in Equity
for the Year Ended 31 December 2019**

	Called up share capital \$	Profit and loss account \$	Total \$
Balance at 1 January 2018	500,000	(127,207)	372,793
Gain/(loss) for the year	-	126,439	126,439
Balance at 31 December 2018	500,000	(768)	499,232

	Called up share capital \$	Profit and loss account \$	Total \$
Balance at 1 January 2019	500,000	(768)	499,232
Gain/(loss) for the year	-	342,769	342,769
Balance at 31 December 2019	500,000	342,001	842,001

The notes on pages 11 to 16 form an integral part of the financial statements.

New Mountain Capital (U.K.) Ltd.

**Statement of Cash Flows
for the Year Ended 31 December 2019**

	31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities		
Profit for the financial year	342,769	126,439
Adjustments for:		
Tax charge on operating profit	86,645	33,492
Income taxes paid	6,422	-
Interest received	(104)	(106)
Increase in debtors	(428,314)	(31,589)
Increase/(decrease) in creditors	73,680	(84,615)
Change in unrealised gain on financial instruments	-	(2,143)
Net cash generated from operating activities	81,098	41,478
Cash flows from investing activities		
Interest received	104	106
Net cash from investing activities	104	106
Net increase in cash and cash equivalents	81,202	41,584
Cash and cash equivalents at the beginning of year	335,693	294,109
Cash and cash equivalents at the end of year	416,895	335,693

The notes on pages 11 to 16 form an integral part of the financial statements.

New Mountain Capital (U.K.) Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2019

1. Formation and business

New Mountain Capital (U.K.) Ltd. was incorporated under the laws of England and Wales as a private company limited by shares on 23 May 2017. The Company is a wholly owned subsidiary of New Mountain Capital L.L.C., a limited liability company incorporated in the state of Delaware, United States of America. NMCUK is primarily engaged in the business of providing business development and investor relation services to NMC. The address of the registered office is Suite 1:14-1:15, 48 Dover Street, London, W1S 4FF, United Kingdom.

2. Statement of compliance

The individual financial statements of New Mountain Capital (U.K.) Ltd. have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention as updated for financial instruments held at fair value and in accordance with the Companies Act 2006 and FRS 102.

The accounting practices have been applied consistently by the Company. The books and records of the Company are maintained in U.S. dollars, which is the Company's functional and presentational currency owing to the fact that the share capital is denominated in U.S. dollars and the majority of revenue and expenses are incurred in U.S. dollars.

b. Going concern

As of December 2019, the first coronavirus outbreak was reported and on January 30th, 2020, the World Health Organization declared the outbreak of coronavirus to be a public health emergency of international concern. The nature of the event has resulted in immediate global economic impacts on a micro and macro level.

The directors have assessed that there are no material impacts on the Company's revenues and liquidity in the short to medium term. Impacts in the long term are less certain and dependent on local and global reactions and recovery times related to COVID-19 issues, which are not yet known. In performing their assessment, it was determined that the Company is sufficiently capitalised (regulatory capital requirements continue to be met) and has sufficient liquidity and financial resources (cash reserves) to support and sustain operations for at least the next 12 months from the date of issue of these financial statements. In addition, the Parent has provided a signed letter of support to the Company in which it confirms that it is committed to providing additional funding in the event that it is required to fund the Company's continuing operations for a period of at least 12 months from the date of the approval of the financial statements. Therefore, the preparation of the financial statements on a

New Mountain Capital (U.K.) Ltd.

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

going concern basis remains appropriate as the Company expects to be able to meet its obligations as and when they fall due for the next 12 months from the date of the approval of the financial statements.

c. Turnover

Turnover relates to business development and investor relation services ("Service Fee Income") provided to NMC in accordance with the service agreement effective 1 November 2017. Turnover is recorded on an accruals basis and excludes VAT.

d. Expenses

Expenses are recognised on an accruals basis.

e. Current taxation

Provision is made for all current tax liabilities in the year in which the liability arises at the current rate of UK Corporation Tax.

f. Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date 31 December 2019, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on an undiscounted basis.

g. Foreign currency

The Company's functional and presentation currency is U.S. dollar.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

h. Derivatives instruments

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives

New Mountain Capital (U.K.) Ltd.

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The Company does not undertake any hedge accounting transactions.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Company considers that the judgements made for derivative instruments (refer to note 15) have had the most significant effect on amounts recognised in the financial statements.

5. Turnover

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Service Fee Income	3,258,414	3,005,135

6. Operating profit/(loss)

The operating profit/(loss) for the year has been stated after charging the following:

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Auditors' remuneration – audit services	27,755	25,846
Auditors' remuneration – taxation services	21,549	28,963

7. Directors' emoluments

A sole director received emoluments in respect of services to the Company in the amount of \$1,721,080 during the year ended 31 December 2019 and \$1,762,239 during the year ended 31 December 2018.

8. Staff costs and employee information

The Company had an average of two employees (2018: two) who received emoluments in respect of services to the Company in the amount of \$1,891,658 during the year ended 31 December 2019 and \$1,917,855 during the year ended 31 December 2018.

New Mountain Capital (U.K.) Ltd.

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

9. Tax on gain/(loss) on ordinary activities

a. Tax charge included in Statement of Comprehensive Income

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Current tax		
UK Corporation tax on profits for the year	86,645	6,909
Total current tax	86,645	6,909
Deferred tax		
Origination and reversal of timing differences	-	27,026
Adjustment in respect of previous periods	-	(443)
Total deferred tax	-	26,583
Total tax reported in the Statement of Comprehensive Income	86,645	33,492

b. Reconciliation of tax charge:

The tax assessed for the year differs from the effective standard rate in the United Kingdom corporation tax of 19.00% (2018: 19.00%). The differences are explained below:

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Operating profit before tax	429,414	159,931
Tax on profit at standard UK tax rate of 19.00% (2018: 19.00%)	81,589	30,387
Effects of:		
Expenses not deductible	5,055	3,955
Income not taxable	-	(407)
Adjustment from previous periods	-	(443)
Tax rate changes	1	-
Tax charge for the year	86,645	33,492

c. Deferred tax (asset)/liability

The provision for deferred tax consists of the following deferred tax charges:

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Provision at start of year	-	(26,583)
Adjustment in respect of prior years	-	(443)
Deferred tax charge to income statement for the year	-	27,026
Total provision at end of year	-	-

New Mountain Capital (U.K.) Ltd.

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

d. Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed to 19% with effect from 1 April 2017.

10. Debtors: amounts falling due within one year

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Amounts due from NMC	553,159	311,604
Prepaid expenses	208,586	21,936
VAT reclaim	12,581	12,472
Deferred tax asset (refer to Note 9c)	-	-
	<u>774,326</u>	<u>346,012</u>

11. Creditors: amounts falling due within one year

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Amounts owed to NMC	179,668	83,757
Accruals	82,907	91,807
Corporation tax payable	86,645	6,909
	<u>349,220</u>	<u>182,473</u>

12. Called up share capital

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Authorised, issued and fully paid ordinary shares of \$1.34 each	3	3
Share premium	499,997	499,997
	<u>500,000</u>	<u>500,000</u>

13. Profit and loss account

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Profit and loss account at start of year	(768)	(127,207)
Gain/(loss) for the financial year	342,769	126,439
Profit and loss account at end of year	<u>342,001</u>	<u>(768)</u>

14. Reconciliation of movements in Shareholder's funds

	Year Ended 31 December 2019 \$	Year Ended 31 December 2018 \$
Shareholder's funds at start of year	499,232	372,793
Authorised, issued and fully paid ordinary shares of \$1.34 each	-	-
Share premium	-	-
Gain/(loss) for the financial year	342,769	126,439
Shareholder's funds at end of year	<u>842,001</u>	<u>499,232</u>

New Mountain Capital (U.K.) Ltd.

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

15. Derivative instruments

The Company uses a foreign currency collar to reduce its exposure to foreign exchange rates on certain employment contracts. The fair value of the foreign currency collar is determined by reference to the current GBP/USD exchange rate. There was no exposure to the Company as of 31 December 2019 as the GBP/USD rate was within the collar range during the period subsequent to year-end and as at the date these accounts were approved and signed. There was also no exposure to the Company as of 31 December 2018 as the GBP/USD rate was within the collar range during the period subsequent to year-end and the date the 31 December 2018 accounts were approved and signed.

The Company follows the provisions of FRS 102, which establishes a framework for measuring fair value in accordance with generally accepted accounting principles and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. In accordance with FRS 102, the derivative contract has level 2 inputs, which are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Derivative instruments held by the Company for the purposes of managing its exposure to foreign change rates on certain employment contracts are classified as a level 2 instrument.

16. Related party transactions

Service Fee Income results from business development and investor relation services provided to NMCUK's immediate parent NMC in accordance with the service agreement effective 1 November 2017. Service Fees for the year ended 31 December 2019 amounted to \$3,258,414 of which \$553,159 is included in debtors. Service Fees for the year ended 31 December 2018 amounted to \$3,005,135 of which \$311,604 is included in debtors.

As at 31 December 2019, the Company has creditors of \$349,220 of which \$179,668 represents amounts owed to NMC for expenses paid on its behalf. As at 31 December 2018, the Company has creditors of \$182,473 of which \$83,757 represents amounts owed to NMC for expenses paid on its behalf.

17. Parent undertaking and controlling party

The immediate parent undertaking is NMC, a limited liability company incorporated in the United States.

The ultimate parent undertaking and controlling party is New Mountain Capital Group, L.P., a limited partnership organised in the United States and located at 787 Seventh Avenue, 49th Floor, New York, NY 10019. New Mountain Capital Group, L.P. was converted from a limited liability company, New Mountain Capital Group, L.L.C., to a limited partnership effective October 5th, 2018.

18. Subsequent events

COVID-19 is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2019. For further discussion concerning the management assessment of COVID 19 impact on the Company refer to Note 3b.