

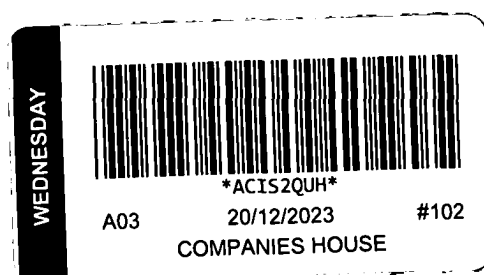


Company Registration No. 13935998

SANTA FE HOLDINGS LIMITED

ANNUAL REPORT

2022





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MANAGEMENT REPORT



Company Information

Directors:	Yann Blandy Runar Nilsen
Registered office:	Santa Fe Holdings Limited Unit 1 Abbey Road Industrial Park Commercial Way London NW10 7XF
Company number:	13935998
Independent auditor:	Grant Thornton UK LLP 199 Avebury Boulevard Milton Keynes MK9 1AU



Strategic Report

Business review

The directors present their strategic report of the group and the company for the financial year ended 31 December 2022. The principal activity of the group is the international corporate moving and relocation business.

Results and financial position

Parent

The Parent company did not trade during the year but acted as the principal holding company for the whole of the Santa Fe Group. The Parent profit and loss account is set out on page 56 and shows the result for the year. The operating profit was €1.7m compared to €4.5m loss in 2021.

Consolidated Group

Revenue of €198.3m (2021: €148.4m) was equivalent to an increase of 33.6%. The Groups revenues increased significantly following the emergence of the global economy out of the pandemic with a strong return of revenues in many parts of the world.

The loss on ordinary activities before taxation was €4.4m compared to €13.1m loss in 2021. €3m of this loss relates to a liability in relation to a covenant waiver fee due to PCP which was contractually agreed at the end of the year. PCP have agreed to defer these payments until such time as the group is able to pay these.

In February 2022 a new holding company was created (Santa Fe Holdings Limited) with the sole intention of separating the Consumer division (Sanelo) from the rest of the business to drive future growth and profitability. This holding company became the new topco. for the Group via a share for share exchange with the shareholders of Santa Fe Group Limited in September 2022. The Group has accounted for this change using the merger accounting method. The prior year balance sheet and income statement have been presented as if the acquired group had been part of Santa Fe Holdings Limited consolidation in line with the merger accounting principles permitted by the Companies Act 2006.

KPI

The financial key performance indicators of the Group are listed below:

- Revenue growth of 33.6% in 2022 (2021: positive 9%)
- Operating profit before amortisation, depreciation, impairment and special items of €12.9m (2021: €2.9m)

Future prospects

It is the directors' intention for the Parent company to continue to act as an intermediate holding company and not to trade. The Group will continue to be engaged in the international corporate moving and relocation business with an increased focus on the consumer moving market.

The Group experienced a return of activity during the course of 2022 as the worst impacts of the pandemic receded. Given all the work done during 2020 and 2021 to reduce the fixed cost base, including exiting some large properties, over-all operating profit before amortisation, depreciation and impairment increased with a number of key locations contributing significantly to the end result. The Group also saw a sustained growth in its higher margin Relocation Services business as Corporate customers relocated more employees after the end of the pandemic.



Future prospects (continued)

The Group focussed extensively on improving its financial strength and remaining liquid throughout the pandemic and this continued throughout 2022 with continued emphasis on improving payment terms with customers and managing working capital more effectively which has been extremely successful. This has been enhanced by the Groups securing of an invoice finance facility from La Banque Postale France which has been increased from its initial limit of €10m to €13m (see Post Balance Sheet Events).

The Group continues to ensure that resourcing levels are properly aligned with activity levels and to ensure that it operates with a flexible and agile cost structure, meaning the Group is insulated from any declines in activity but is able to capitalise on growth in the topline.

The Group continues to focus on growing the Consumer business (Sanelo) and has continued to invest in resource, branding and technology to ensure a profitable, viable Consumer business. The Sanelo business operates independently with its own Board of Directors and governance structures ensuring that it is able to grow market share and profitability independently of the Santa Fe Corporate business.

The Group continues to focus on building partnerships with other companies in the Industry in order to grow its reciprocal business and to offer services to partners in the industry who need the Groups presence and expertise in different parts of the globe. This market continues to grow with a 33% increase year on year.

Significant Events

Financing

In May 2022 the Group secured a €10m invoice finance line which it has used to invest in growing the business and enhancing its service offering, notably in the Consumer business. The number of markets set up to utilise this invoice finance line has further increased in 2023 and these additions have seen the financing facility increase from its initial limit of €10m to €13m.

PCP have committed to additional funding of €7m to be spread across November 2023 to January 2024. €3m of this was received in November 2023.

Section 172 (1) Statement and Statements on engagement with employees, suppliers, customers and others

Employees

The Owners and Management actively keep the employees updated and engaged in the business by providing weekly updates, online townhalls etc. in order to share information effectively to all employees of the company.

The Group seeks to embrace diversity and have formed a working group to discuss and maintain the appropriate level of diversity throughout the Group.

Engagement with suppliers

We work closely with the supply chain and have a very close relationship with suppliers with the widespread geographical footprint in more than 40 countries around the globe. The Group has taken measures to prevent modern slavery and human trafficking in its business and supply chains.

Customers

The Customer Research team collects data through online surveys and other customer feedback. Regular customer satisfaction reports are produced for management and are regularly shared with Directors.

Financial stakeholders

The Company has a good relationship with the main lender PCP (formerly known as Proventus Capital Partners) and openly and transparently make financial information available as soon as possible. PCP also have an observer seat on Board meetings.

Business conduct

The Company aims to conduct all its business relationships with integrity and courtesy. All employees are obligated to read, understand and confirm compliance with the business code of conduct. Management does not under any circumstances tolerate non-compliance behaviour.

Financial risks

For a detailed review of the Group's financial risk please refer to section 4.4 of the Annual Report. Given the international scope of the Santa Fe Group's business activities, the Group is exposed to financial market risk, i.e., the risk of losses as a result of adverse movements in exchange rates and interest rates. The Group is also exposed to financial counterparty credit risk, liquidity and funding risk.

The Santa Fe Group's financial risk management activities are centralised and co-ordinated within a policy framework approved by the Board of Directors. It is the Group's policy not to engage in any active speculation in financial risks.

The Board of Directors reviews the Group's capital structure on an ongoing basis to ensure that the capital structure is appropriate, relative to the Group's commitments, strategy and future prospects.

Liquidity risk is the risk of Santa Fe Holdings Limited being unable to meet its obligations as they fall due because of inability to realise assets or obtain adequate funding. Santa Fe Holdings Limited aim at maintaining a liquidity position which is sufficient to service financial obligations as they fall due.

The Group continued to explore financial growth in the business and subsequent to the year-end was able to increase its invoice financing facility from its initial limit of €10m to €13m with the inclusion of additional countries (The Netherlands and Italy).

Risk Environment

The Board and management team are also vigilant with respect to other risks which have become apparent in 2022. Although the Group experienced significant increases in sea-freight rates at the end of 2020 and throughout 2021, cost inflation pressures linked to the ongoing war in Ukraine have become more widespread throughout 2022 and the Group engages extensively with suppliers and customers to mitigate these.

By order of the board

Runar Nilsen

Runar Nilsen

Director

27th November 2023

Santa Fe Holdings Limited
Unit 1 Abbey Road Industrial Park
Commercial Way
London
NW10 7XF



Directors' Report

The directors present their annual report and the financial statements for the year ended 31 December 2022.

Section 172 (1)

In accordance with Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Company's statements on engagement with, and having due regard to, the interests of employees and key stakeholders within Section 172 (1) report is in the Strategic report (page 6).

Principal activity

The Parent company is a direct holding company for a consolidated group of companies engaged in the international corporate and consumer moving and relocation business. During the year the Parent company operated as an intermediary holding company.

The Group represents a consolidated group of companies which are engaged in the international corporate and consumer moving and relocation business.

Reporting currency

The company presents its accounts in Euros, for consistency with most other companies in the group of which it is a part.

Directors

The directors who held office during the year were as follows:

R Nilsen
Y Blandy

Diversity and equal opportunity

Our people are the heart of our business. We value diversity, respect each other and recognise the unique contributions and perspectives that each of us bring.

Santa Fe has a zero-tolerance approach to discrimination. Santa Fe does not discriminate against people on the basis of race, gender, sexual orientation, age, disability, religion, political or other opinion, or cultural background. It is committed to providing equal opportunities to all current and prospective employees regardless of age, disability, sex, sexual orientation, pregnancy and maternity, race or ethnicity, religion or belief, gender identity, or marriage and civil partnership.

Santa Fe gives proper consideration to applications for employment when these are received from disabled persons and will employ them in posts whenever suitable vacancies arise. Employees who become disabled are retained whenever possible through retraining, use of appropriate technology and making available suitable alternative employment.

We believe that a more inclusive workplace, where people of different backgrounds work together, ensures better outcomes for all staff. We aspire to have a diverse workforce because, in our view, diversity enables better business outcomes.

We will take positive steps to ensure that our employees, stakeholders, contractors and clients can enjoy an experience that is fair, equitable and free from discrimination in their dealings with us.

We want to attract and retain the best and brightest people from the broadest pool possible. We do not engage in cronyism or nepotism by favouring our family or friends for jobs. We must only select and promote our employees based on their skills, qualifications and experience.

Equal opportunities in employment, pay and development, and a workplace free from discrimination and harassment, are basic rights. We are committed to providing an inclusive and positive workplace for our people where opportunities are equal and differences are valued.

We believe in having open and constructive conversations with our people, listening and involving them in improving team performance.

We treat people fairly and comply with all applicable labour and employment laws and regulations regarding working hours, wages and benefits. We do not employ children under the age of 15 or use forced or compulsory labour.



Political contributions

The Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business have been included in the Strategic Report on page 5.

Energy and carbon reporting

Santa Fe supports a precautionary approach to environmental and climate challenges, undertake initiatives to promote greater responsibility and climate friendly technologies in accordance with principles 7, 8 and 9 of the Global Compact, and goal 7 (affordable and clean energy) and goal 12 (responsible production and consumption) of the United Nations Sustainable Development Goals.

We systematically and proactively protect, respect and safeguard the environment and climate in daily business activities by development of production methods and products, training of employees and influencing suppliers and stakeholders.

Santa Fe's environmental policy is intended to be sustainable and is being integrated into our day-to-day business practices. As such, this policy is communicated to all staff members and is also available to the public. Santa Fe applies recognised environmental management systems such as ISO 14001 (or its local equivalent) based on the principle of continuous performance improvement. These systems are the basis for the deployment of key elements which include risk analysis, monitoring of environmental performance and compliance to regulations and permits, follow-up of the corresponding corrective actions, review of performance and improvement plans by the management.

Our objectives are to reduce our impact on the environment year-on-year by minimising our waste by applying a reduce-reuse-recycle philosophy and by becoming more energy efficient, thereby reducing our greenhouse gas emissions.

Santa Fe's Move services continue to be heavily reliant on natural resources, in particular materials such as paper, cardboard, and plastic, and therefore continue its efforts in reducing waste by the application of the reduce-reuse-recycle philosophy.

This involves reducing the amount of packing material being used. Santa Fe has a variety of packing training for employees which also educates them on the amount of material needed to be used to ensure that goods are properly protected. Santa Fe has looked at a number of opportunities for reusing packing material, ranging from charitable donations and aiding with local relief work, to ensuring such materials are re-used on household goods moves. We have continued our efforts to recycle as much waste as possible and have built relationships with waste management companies looking at innovative ways to recycle different types of waste. This financial year has seen a positive shift in our environmental commitments globally, with an increased focus on recycling across our offices, and the implementation of multiple office-specific initiatives, resulting in staff across our offices recycling far more than previously. We have also continued our paperless office initiative which has also resulted in the reduction in the amount of office paper that is used.

As we move forward, we continue to look for ways to increase efficiency of our business operations, in particular delivery, so as to reduce emissions levels of our fleet. Many of these initiatives have required no additional investment; by promoting the choice of lower-emission models for our fleets, we have continuously improved the way in which they are maintained and how their routes and volumes are scheduled. This has produced a number of notable successes, including a reduction in emissions, in comparison to the number of jobs fulfilled, from our fleet at our head office in the United Kingdom, in line with increasingly stringent emissions policies implemented by those governing the city of London.

Furthermore, the Group has embraced flexible working policies to reduce employee commuting, business travel, and energy consumption through the use of video-conferencing technology.



Santa Fe measures and monitors the following:

- Waste distribution
- Fleet fuel consumption per tonnage
- kWh electricity consumption per employee
- GHG impacts by scope

Santa Fe produces a Corporate Social Responsibility report which is required as part of our membership of the UN Global Compact (UNGC), such report illustrates our continued efforts and commitment to embed sustainability within the wider organisation, as well as how we meet and exceed stakeholders' expectations on Corporate Social responsibilities practices. The last version of such report was published for this year ending 31 December 2021, and it is available on the group's website www.santaferelo.com.

The Group has recently secured a partnership with Watershed, a world-class climate platform which will help our ESG (Environmental, Social, Governance) team fully measure our full scope 1, 2 and 3 emissions and develop longer-term reduction targets.

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting (SECR) regulations require Santa Fe to report on their energy consumption and Greenhouse Gas emissions in the UK. The table below summarises the Group's UK energy use and associated greenhouse gas (GHG) emissions from electricity and fuel from January to December 2021 and 2022 to allow for comparison with previously reported figures.

SECR Reporting Area	Year Ended 31 December 2022	Year Ended 31 December 2022	Year Ended 31 December 2021	Year Ended 31 December 2021
Emissions from purchase of electricity for own use (Scope 2) / tCO ₂ e	67,594 kWh used	19 Tonnes of CO ₂	191,681 kWh used	45 Tonnes of CO ₂
Emissions from purchase of gas for own use (Scope 2) / tCO ₂ e	25,926 kWh used	4.73 Tonnes of CO ₂	135,328 kWh used	25 Tonnes of CO ₂
Emissions from combustion of vehicle fuel for transport purposes (Scope 1) / tCO ₂ e	50,729 ltr diesel	127.45 Tonnes of CO ₂	29,130 ltr diesel	76 Tonnes of CO ₂
Total gross emissions (Scope 1 and 2) / tCO ₂ e		151 Tonnes of CO ₂		146 Tonnes of CO ₂
Intensity ratio tCO ₂ e based on €m of Revenue (UK only)		9.6		10.2

The report is based on the Group's UK energy, and the associated GHG emissions related to its activities for which is directly responsible such as the consumption of fuel for the purposes of transport alongside the purchase of gas and electricity for its own use. The methodology for calculating the UK GHG annual emissions has been based in accordance with the GHG Protocol Corporate Standard and the government conversion factors for greenhouse gas reporting.

Going concern

In making their assessment in respect of going concern, the directors have prepared cash flow forecasts including events or conditions that may cast significant doubt upon the group's ability to continue as a going concern. The going concern period which is reflected in these forecasts is the period to 31 December 2024.

Notwithstanding a loss for the period of €6.6m (2021: €16m) and that the current liabilities as at 31 December 2022 exceeded the current assets by €14.6m, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The group's day to day working capital was funded during 2022 through a debt factoring agreement in France, Spain, Belgium and the UK. The loan balance totalled €6.4m at the 31 December 2022. Since the yearend, this agreement has been extended to incorporate additional balances held in the Dutch and Italian subsidiaries with further countries looking to be incorporated. This enables the group to draw down cash reflecting up to €13 million of its trade receivables, limited to the trade receivable balances held.

In addition to the debt factoring agreement, there is a legacy loan balance of €2m included in long-term liabilities. This is part of a wider group facility ('The Group Facility') provided by PCP. €43.3m of The Group Facility is a liability of Santa Fe Intressenter AB, the immediate parent of Santa Fe Holdings Limited. The Group Facility comprises the €2m included within these consolidated financial statements and the €43.3m included in the financial statements of Santa Fe Intressenter AB. Santa Fe Group Limited, a direct subsidiary of Santa Fe Holdings Limited, acts as guarantor for The Group Facility.



The Group Facility agreement includes certain covenant requirements. These covenants were breached during 2022 and were waived by PCP in December 2022 on condition of €6m being paid. €3m of this was paid in December 2022 by Santa Fe Group Limited, the remaining €3m was due to be paid in three equal instalments in August, September and October 2023. PCP have agreed to defer these payments until such time as the group is able to pay these.

Subsequent to the yearend, there has been a further breach of covenants in relation to The Group Facility. The Group Facility is due for repayment in June 2024 and the directors expect to be able to refinance this facility in full. PCP have confirmed they will not recall The Group Facility despite the covenant breach ahead of the refinance date in June 2024.

The directors have prepared base case and low case cashflow forecasts over the going concern period up to 31 December 2024. The directors have seen a deterioration of trading conditions during 2023 and, in preparing this forecast, they have considered the most likely impact of current market conditions and have considered downside scenarios. In addition to this, they have identified certain cost mitigation actions which are within the Group's control. Furthermore, an additional €4.5m loan has been committed by PCP of which €3m has been drawn since the yearend €0.5m has also been committed by Lazarus. This loan is due for repayment in December 2024 which falls within the going concern period.

The forecasts prepared by the directors assume that the group is able to successfully refinance the loan facilities due for refinance in June 2024 and that these facilities are not recalled due to the covenant breach in advance of this refinance. Based on certain downside scenarios, additional cash would be required in October 2024 to enable the group to continue as a going concern.

The requirement to refinance The Group Facility in June 2024 together with the additional liquidity required in October 2024 in certain downside trading scenarios has resulted in a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The directors do have a strong relationship with PCP which is demonstrated by the covenant waivers, additional funding received during COVID and the extensions afforded in relation to payment terms. Furthermore, the directors believe that the group is well placed to manage business risks successfully and has mitigations in place. On this basis, the directors have prepared the financial statements on a going concern basis.

Subsequent events

Liquidity

Capital investment continues to be tightly controlled. All discretionary spend such as marketing and travel activities is kept to the absolute minimum. The Group continues to closely monitor its debt collection activities and to negotiate with key suppliers to secure discounts where possible or more favourable payment terms.

The Group continued to explore financial growth in the business and subsequent to the year-end was able to increase its invoice financing facility to include The Netherlands and Italy and increase the overall facility amount from the initial limit of €10m to €13m.

PCP have committed to additional funding of €7m to be spread across November 2023 to January 2024. €3m of this was received in November 2023.

No other material events have taken place after 31 December 2022.

By order of the board

Runar Nilsen
Runar Nilsen
 Director
 27th November 2023

Santa Fe Holdings Limited
 Unit 1 Abbey Road Industrial Park
 Commercial Way
 London
 NW10 7XF



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with international accounting standards in conformity with the requirements of the UK adopted International accounting standards and applicable law and have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable, relevant, reliable and prudent.
- for the group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the UK adopted International accounting standards.
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANTA FE HOLDINGS LIMITED

Qualified opinion

We have audited the financial statements of Santa Fe Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 23 February 2022 to 31 December 2022, which comprise the Consolidated Income statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, notes to the Consolidated financial statements, including a summary of significant accounting policies, the Parent Income Statement, the Parent Balance Sheet and the Parent Statement of Changes in Equity and notes to the Parent financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the:

- financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss and the parent company's result for the period then ended;
- group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The parent company was added into the group structure during the year through a share for share exchange. On 29 September 2022, the parent company issued 144,641,593 ordinary shares with nominal value of €1.19 each to Santa Fe Intressenter AB and received 100% of the share capital of Santa Fe Group Limited. This transaction resulted in a total share capital of €172.1 million held within the parent balance sheet and parent statement of changes in equity with an equal and opposite entry made to 'Investment in subsidiaries' in the parent balance sheet. We were unable to obtain sufficient appropriate audit evidence concerning the valuation of Santa Fe Group Limited of €172.1 million.

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. We are independent of the group and the parent 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 qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 1.6 in the financial statements, which indicates the requirement for the group to refinance The Group Facility in June 2024 together with the additional liquidity required in October 2024 in certain downside trading scenarios. As stated in Note 1.6, these events or conditions, along with other matters as set



forth in Note 1.6, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent 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 report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report 2022, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report 2022. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the investment in subsidiaries balance at 31 December 2022. We have concluded that where the other information refers to the investment in subsidiaries balance or related balances such as share capital, merger reserve and retained earnings, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

Matter on which we are required to report under the Companies Act 2006

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.



Matters on which we are required to report by exception

Arising solely from the limitation on the scope of our work relating to investment in subsidiaries, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements set out on page 12, 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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant legal and regulatory frameworks are those that are related to financial reporting legislation including related Companies Act 2006 legislation and taxation legislation. The group is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Anti-bribery, Employment and Social Security Legislations, Data Protection, Environmental Protection Legislation, Money Laundering, Foreign Corrupt Practices Act, PCI Compliance, export control, Consumer Rights Act 2015 and Sale of Goods Act and Contract legislation;
- We obtained an understanding of the applicable legal and regulatory frameworks and how the group and parent company is complying with those frameworks by making enquiries of management and those



charged with governance. We corroborated our enquiries through inspection of Board meeting minutes. We considered the results from our other tests to identify instances of non-compliance;

- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - o Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
 - o Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - o Identifying and testing journal entries, in particular manual journal entries to revenue.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the company operates; and
 - Understanding of the legal and regulatory requirements specific to the company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members (including overseas components) and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

C. Anderson

Charlotte Anderson
 Senior Statutory Auditor
 for and on behalf of Grant Thornton UK LLP
 Statutory Auditor, Chartered Accountants
 Milton Keynes

27th November 2023



FINANCIAL STATEMENTS



GROUP CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Income Statement

EURm	Note	2022	2021
External revenue	2.1, 2.2	198.3	148.4
Direct costs	2.3	-113.8	-83.3
Other external expenses	2.4	-15.5	-11.8
Staff costs	2.5	-57.3	-50.3
Other operating income	2.6	1.2	0.1
Other operating expenses		0.0	-0.2
Operating profit/(loss) before amortisation, depreciation, impairment and special items		12.9	2.9
Special items, net	2.7	-1.6	2.7
Operating profit/(loss) before amortisation, depreciation and impairment		11.3	5.6
Amortisation and depreciation of intangibles, property, plant and equipment	3.1, 3.2, 3.3	-9.6	-10.1
Operating profit/(loss)		1.7	-4.5
Financial income	4.1	0.7	0.2
Financial expenses	4.1	-6.8	-8.8
Profit/(loss) before income tax expense		-4.4	-13.1
Income tax expense	5.1	-2.2	-2.9
Net profit/(loss) for the year		-6.6	-16.0
Attributable to:			
Equity holders of the parent Santa Fe Holdings Limited		-6.6	-16.0
Non-controlling interests		0.0	0.0

The accompanying notes on page 25 to 54 form part of these financial statements.



Consolidated Statement of Comprehensive Income

EURm	2022	2021
Net profit/(loss) for the year	-6.6	-16.0
Other comprehensive income for the year:		
Items reclassifiable to the income statement		
Foreign currency translation adjustments, foreign entities	-1.0	1.2
Other comprehensive income, net of tax	-1.0	1.2
Total comprehensive loss	-7.6	-14.8
Total comprehensive income attributable to:		
Equity holders of the parent Santa Fe Holdings Limited	-7.6	-14.8
Non-controlling interests	0.0	0.0

The accompanying notes on page 25 to 54 form part of these financial statements.



Consolidated Balance Sheet – Assets

EURm	Note	Jan-Dec 2022	Jan-Dec 2021
Non-current assets			
Intangible assets	3.1	15.0	15.9
Property, plant and equipment	3.2	1.7	2.2
Right of use asset	3.3	9.9	12.1
Investment in associates		0.0	0.0
Deferred tax asset	5.2	0.8	1.0
Other financial assets	5.5	0.8	0.9
Total non-current assets		28.2	32.1
Current assets			
Inventories	3.4	1.5	1.3
Trade receivables	4.4	43.0	44.1
Contract assets	2.2	9.5	8.4
Other receivables	3.5	14.2	10.4
Current tax receivable		0.0	0.2
Cash and cash equivalents	4.5	18.1	16
Total current assets		86.3	80.4
Total assets		114.5	112.5

The accompanying notes on page 25 to 54 form part of these financial statements.



Consolidated Balance Sheet – Equity and Liabilities

EURm	Note	Jan-Dec 2022	Jan-Dec 2021
Equity			
Share capital		172.1	172.1
Share premium		0.0	49.8
Translation reserve		-1.3	-0.3
Other reserve		49.8	0
Retained earnings		-216.9	-210.3
SFH share of equity		3.7	11.3
Non-controlling interests		0.0	0.0
Total equity		3.7	11.3
Liabilities			
Non-current liabilities			
Borrowings	4.3	1.0	3.1
Lease liabilities	4.3	6.5	7.9
Shareholder loan	4.3	0.0	0.0
Deferred tax	5.2	0.1	-0.2
Provisions for other liabilities and charges	3.8	1.3	1.6
Defined benefit obligations	3.6	1.0	1.0
Total non-current liabilities		9.9	13.4
Current liabilities			
BorrowingsST	4.3	9.5	1.2
Lease liabilities ST	4.3	3.9	5.5
Trade payables	4.2	55.1	52.3
Contract liabilities	2.2	5.9	10.9
Other liabilities	3.7	24.0	15.1
Current tax payable		1.1	1.9
Provisions for other liabilities and charges current		1.4	0.9
Total current liabilities		100.9	87.8
Total liabilities		110.8	101.2
Total equity and liabilities		114.5	112.5

These financial statements were approved by the board of directors on 27th November 2023 and were signed on its behalf by:

Runar Nilsen
Runar Nilsen
 Director
 Company registered number: 13935998

The notes on pages 25 to 54 form an integral part of these financial statements.



Consolidated Statement of Changes Equity

EURm	Share capital	Share premium	Translation reserves	Other reserve	Retained earnings	SFHL's share of equity	NCI	Total equity
Equity at 1 January 2022	172.1	49.8	-0.3	0.0	-210.3	11.3	0.0	11.3
Comprehensive income for the period								
Loss for the period	0.0	0.0	0.0	0.0	-6.6	-6.6	0.0	-6.6
Other comprehensive income								
Foreign currency translation adjustments			-1.0			-1.0		-1.0
Total other comprehensive income for the period	0.0	0.0	-1.0	0.0	-6.6	-7.6	0.0	-7.6
Transactions with the equity holders								
Merger Reserve		-49.8		49.8		0.0		0.0
Total transactions with the equity holders	0.0	-49.8	0.0	49.8	0.0	0.0	0.0	0.0
Equity at 31 December 2022	172.1	0.0	-1.3	49.8	-216.9	3.7	0.0	3.7

No ordinary dividends are proposed for 2022

Other reserves results from merger accounting applied in the period to add a new parent company (Santa Fe Holdings Limited) to the Group. See also note 1.2.

Equity at 1 January 2021	172.1	24.7	-1.5	0.0	-194.3	1.0	0.0	1.0
Comprehensive income for the period								
Loss for the period	0.0	0.0	0.0	0.0	-16.0	-16.0	0.0	-16.0
Other comprehensive income								
Foreign currency translation adjustments			1.2			1.2		1.2
Total other comprehensive income for the period	0.0	0.0	1.2	0.0	-16.0	-14.8	0.0	-14.8
Transactions with the equity holders								
Debt for Equity Swap		25.1				25.1		25.1
Total transactions with the equity holders	0.0	25.1	0.0	0.0	0.0	25.1	0.0	25.1
Equity at 31 December 2021	172.1	49.8	-0.3	0.0	-210.3	11.3	0.0	11.3

The accompanying notes on page 25 to 54 form part of these financial statements.

Consolidated Cash Flow Statement

EURm	Note	2022	2021
Cash flows from operating activities			
Loss for the year		-6.6	-16.0
Adjustment for:			
Depreciation and amortisation and impairment losses		9.6	10.1
Financial income		-0.7	-0.2
Financial expense		6.0	8.8
Income tax expense		-2.2	-2.9
Other non-cash items	4.7	-2.0	2.5
Fair value of investment property		0.0	0.0
Change in working capital	4.8	-2.7	5.1
Interest paid		0.8	-2.8
Net interest in retirement benefit obligation net of actuarial changes		0.1	0.1
Corporate tax paid		-2.1	-3.6
Net cash flow from operating activities		0.2	1.1
Cash flows from investing activities			
Investments in intangible assets and property, plant and equipment		-1.4	-2.3
Disposal of assets held for sale		0.0	8.4
Net cash flow from investing activities		-1.4	6.1
Net cash flow from operating and investing activities		-1.2	7.2
Cash flows from financing activities			
Share capital issued		0.0	0.1
Proceeds from borrowings		6.2	0.0
Interest received		0.1	-0.1
Repayment of lease liabilities		-2.9	-7.4
Net cash flow from financing activities		3.3	-7.4
Changes in cash and cash equivalents		2.1	-0.2
Cash and cash equivalents at beginning of year, continuing operations		16.0	15.3
Translation adjustments of cash and cash equivalents		0.0	0.9
Cash and cash equivalents at end of year	4.5	18.1	16.0

The accompanying notes on page 25 to 54 form part of these financial statements.



Consolidated Notes

The consolidated financial statements of the Santa Fe Holdings Limited for 2022 have been prepared and in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006.

1. Basis of preparation of the consolidated financial statement

1.1 General information

Santa Fe Holdings Limited (the Company) and all of its subsidiaries together are the Santa Fe Group or the Group.

The Company is a Private limited liability company incorporated and domiciled in UK. The address of its registered office is Unit 1 Abbey Road Industrial Park, Commercial Way, London, NW10 7XF, United Kingdom.

The annual report comprises both consolidated financial statements and separate Parent Company financial statements.

Santa Fe Holdings Ltd. has provided a guarantee for the purposes of exemption from audit of the individual company account under section 479 (2)(a) of the Companies Act 2006 for the following companies: Santa Fe Europe Limited (Company Registration No. 03788202).

The Group financial statements have been prepared and approved by the directors in accordance with UK Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"). The Company has elected to prepare its parent company financial statements in accordance with FRS 102

The financial statements are presented in EUR million unless otherwise stated.

The Group's subsidiaries of the Parent company are listed in separate section in the Parent Financial Statements. Please refer to page 63.

1.2 Consolidated financial statements

Subsidiaries

Subsidiaries are entities over which the Santa Fe Holdings Limited has control.

Santa Fe Holdings Limited has control over an entity, when the Group is exposed to or has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity. Only potential voting rights that are considered to be substantive at the balance sheet date are included in the control assessment. Subsidiaries are fully consolidated from the date on which control is transferred to the Santa Fe Group. They are deconsolidated from the date on which control ceases. Intercompany transactions, balances and unrealised gains on transactions between consolidated companies are eliminated.

On 23 February 2022, Santa Fe Holdings Limited was incorporated. On 29 September 2022, Santa Fe Holdings Limited issued share capital to Santa Fe Intressenter AB in exchange for 100% of the share capital of Santa Fe Group Limited. On 30 September 2022, Santa Fe Group Limited transferred 100% of the share capital of Sanelo Group Limited to Santa Fe Holdings Limited which resulted in an intercompany payable. The purpose of this transaction was to separate the Consumer division (Sanelo) from the rest of the business to drive future growth and profitability. This holding company became the new topco. for the Group as a result of these transactions. Since there were no changes in the shareholders of the group as a result of this transaction, the Group has opted to account for this change using the merger accounting method. The prior year balance sheet and income statement have been presented as if the acquired group had been part of Santa Fe Holdings Limited consolidation in line with the merger accounting principles permitted by the Companies Act 2006.



1.3 Foreign currency translation

Items included in the financial statements of each of the Santa Fe Holdings Limited's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The Santa Fe Group is a privately owned Group, and the consolidated financial statements are presented in EUR ('presentation currency') representing the predominant functional currency within Santa Fe Group.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Santa Fe Holdings Limited companies

The items of the income statements and balance sheets of foreign subsidiaries with a functional currency other than EUR are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing rate at the date of the balance sheet;
- (ii) income and expenses are translated at the rate of the transaction date or at an approximate average rate; and
- (iii) all resulting foreign currency translation adjustments are recognised as a separate component of equity.

Foreign currency translation adjustments of a loan or payable to subsidiaries which are neither planned nor likely to be settled in the foreseeable future and which are therefore considered to form part of the net investment in the subsidiary are recognised directly in other comprehensive income.

When a foreign operation is disposed or a significant capital reduction in a foreign operation is affected, the Santa Fe Holding Limited's share of accumulated foreign exchange adjustments are recycled from other comprehensive income and recognised in the income statement as part of the gain or loss on the sale.

Goodwill arising on the acquisition of a foreign entity is treated as an asset of the foreign entity and translated at the foreign exchange rate at the balance sheet date.

1.4 New Accounting Regulation

The following Adopted IFRSs have been issued but have not been applied by the Group in these consolidated financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current (effective date not earlier than 1 January 2024).
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition for accounting estimates (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality Judgements (effective date 1 January 2023).
- Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective date 1 January 2023).



1.5 Significant Accounting Estimates and Judgements

In connection with the preparation of the consolidated financial statements, Management has made accounting estimates and judgements affecting the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period. Management continuously reassesses these estimates and judgements based on a number of factors in the given circumstances.

Significant accounting estimates and judgements considered material in the preparation and understanding of the consolidated financial statements are listed below and described in more detail in the relevant notes: Revenue (note 2.2); Special items (note 2.7); Impairment testing (note 3.1); Right of use assets (note 3.3)

1.6 Going Concern

In making their assessment in respect of going concern, the directors have prepared cash flow forecasts including events or conditions that may cast significant doubt upon the group's ability to continue as a going concern. The going concern period which is reflected in these forecasts is the period to 31 December 2024.

Notwithstanding a loss for the period of €6.6m (2021: €16m) and that the current liabilities as at 31 December 2022 exceeded the current assets by €14.6m, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The group's day to day working capital was funded during 2022 through a debt factoring agreement in France, Spain, Belgium and the UK. The loan balance totalled €6.4m at the 31 December 2022. Since the yearend, this agreement has been extended to incorporate additional balances held in the Dutch and Italian subsidiaries with further countries looking to be incorporated. This enables the group to draw down cash reflecting up to €13 million of its trade receivables, limited to the trade receivable balances held.

In addition to the debt factoring agreement, there is a legacy loan balance of €2m included in long-term liabilities. This is part of a wider group facility ('The Group Facility') provided by PCP. €43.3m of The Group Facility is a liability of Santa Fe Intressenter AB, the immediate parent of Santa Fe Holdings Limited. The Group Facility comprises the €2m included within these consolidated financial statements and the €43.3m included in the financial statements of Santa Fe Intressenter AB. Santa Fe Group Limited, a direct subsidiary of Santa Fe Holdings Limited, acts as guarantor for The Group Facility.

The Group Facility agreement includes certain covenant requirements. These covenants were breached during 2022 and were waived by PCP in December 2022 on condition of €6m being paid. €3m of this was paid in December 2022 by Santa Fe Group Limited, the remaining €3m was due to be paid in three equal instalments in August, September and October 2023. PCP have agreed to defer these payments until such time as the group is able to pay these.

Subsequent to the yearend, there has been a further breach of covenants in relation to The Group Facility. The Group Facility is due for repayment in June 2024 and the directors expect to be able to refinance this facility in full. PCP have confirmed they will not recall The Group Facility despite the covenant breach ahead of the refinance date in June 2024.

The directors have prepared base case and low case cashflow forecasts over the going concern period up to 31 December 2024. The directors have seen a deterioration of trading conditions during 2023 and, in preparing this forecast, they have considered the most likely impact of current market conditions and have considered downside scenarios. In addition to this, they have identified certain cost mitigation actions which are within the Group's control. Furthermore, an additional €4.5m loan has been committed by PCP of which €3m has been drawn since the yearend €0.5m has also been committed by Lazarus. This loan is due for repayment in December 2024 which falls within the going concern period.

The forecasts prepared by the directors assume that the group is able to successfully refinance the loan facilities due for refinance in June 2024 and that these facilities are not recalled due to the covenant breach in advance of this refinance. Based on certain downside scenarios, additional cash would be required in October 2024 to enable the group to continue as a going concern.

The requirement to refinance The Group Facility in June 2024 together with the additional liquidity required in October 2024 in certain downside trading scenarios has resulted in a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The directors do have a strong relationship with PCP which is demonstrated by the covenant waivers, additional funding received during COVID and the extensions afforded in relation to payment terms. Furthermore, the directors believe that the group is well placed to manage business risks successfully and has mitigations in place. On this basis, the directors have prepared the financial statements on a going concern basis.

The section provides a description of consolidated operating profit including special items.

2. Result for the year

2.1 Operating Segments

Accounting policies

The presentation of operating segments for the Santa Fe Group reflects the Group's regional management structure (Europe, Asia and Americas) in line with the internal management reporting.

Information about operating segments is provided in accordance with the Group's accounting policies.

Segment revenue and cost and segment assets and liabilities comprise items which are directly attributable to the individual segment and certain allocated items. Corporate and unallocated activities primarily comprise corporate and administrative Group functions in the Parent company, non-core and dormant entities or other investments expected to be divested or entities awaiting liquidation. Reconciliation items in "Parent and unallocated activities" are primarily related to corporate costs and corporate assets including cash and cash equivalents held by the Santa Fe Holdings Parent company.

	Europe		Asia		Americas		Santa Fe Group (Reportable segment)		Parent and unallocated activities and other eliminations		Santa Fe Group	
EURm	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Income statement												
Total revenue	117.2	94.3	109.2	86.7	12.3	10.7	238.7	191.7	8.2	0.2	246.9	191.5
Internal revenue	17.3	16.8	28.3	22.2	3.0	4.1	48.6	43.1	-	-	48.6	43.1
External revenue	100.0	77.5	80.9	64.5	9.3	6.6	190.1	148.6	8.2	0.2	198.3	148.4
Operating profit before amortisation, depreciation and special items (EBITDA)	3.0	2.0	10.7	6.9	0.8	1.5	14.5	10.4	1.6	7.5	12.9	2.9
Special items, net	- 1.5	- 1.0	- 0.7	4.5	- 0.0	- 0.1	- 2.2	3.4	0.6	- 0.7	- 1.6	2.7
Amortisation and depreciation	- 3.2	- 3.4	- 3.1	- 3.3	- 0.1	-	- 6.4	- 6.7	- 3.2	- 3.4	- 9.6	- 10.1
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Reportable segment operating profit/loss (EBIT)	- 1.7	- 2.4	6.9	8.1	0.7	1.4	5.9	7.1	- 4.2	- 11.6	1.7	- 4.5
Financials, net	- 6.5	- 1.9	1.8	- 3.3	0.2	0.2	- 4.5	- 5.0	- 1.6	- 3.6	- 6.1	- 8.6
Share of profit from associates	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss before tax	- 8.2	- 4.3	8.7	4.8	0.9	1.6	1.4	2.1	- 5.8	- 15.2	- 4.4	- 13.1
Income tax expense	- 0.7	- 0.6	- 1.3	- 2.2	- 0.2	- 0.1	- 2.2	- 2.9	-	-	- 2.2	- 2.9
Reportable segment profit/loss	- 8.9	- 4.9	7.4	2.6	0.7	1.5	0.8	- 0.8	- 5.8	- 15.2	- 6.6	- 16.0
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for the year	- 8.9	- 4.9	7.4	2.6	0.7	1.5	- 0.8	- 0.8	- 5.8	- 15.2	- 6.6	- 16.0
Balance sheet												
Segment assets, continuing operations	55.0	57.3	39.8	41.7	7.4	3.3	102.2	102.3	8.5	8.0	110.7	110.3
Addition to intangible assets and PPE	-	-	-	-	-	-	-	-	0.8	2.2	0.8	2.2
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-
Segment liabilities, continuing operations	63.1	62.4	30.9	29.6	4.1	2.2	98.1	94.2	7.8	7.0	105.9	101.2

EURm	External revenue		Non-current assets ¹	
	2022	2021	2022	2021
United Kingdom	21.0	15.5	1.9	1.7
Germany	9.0	7.7	0.1	2.1
Hong Kong	27.0	17.5	11.0	11.1
France	32.9	26.4	3.1	4.0
China	8.8	9.1	0.4	0.3
Singapore	16.6	13.7	0.5	0.9
Other countries and unallocated non-current assets	83.0	58.5	10.0	11.0
Total operating segments	198.3	148.4	27.0	31.1

¹ Excluding deferred tax.

2.2 Revenue recognition

Accounting policies

Revenue

Revenue from services delivered is recognised at a point in time following the satisfaction of various milestones as the performance obligation is fulfilled towards the customer. The main services comprise Moving, Relocation Management and Storage services as described in the following.

Moving

The components of the service typically comprise packing at origin (including arranging the move with the customer in detail, etc.), freight and delivery at destination as well as shipment protection. Moving services are characterised by longer delivery times depending on destination typically spanning over several weeks and sometimes even months.

Relocation Management

Relocation Management services includes services for home finding, obtaining visas, orientation, settling in, school search, tenancy management, language and cultural training etc. Relocation Management services are characterised by shorter delivery times.

Storage

This service includes storage of assignees belongings in warehouses either related to goods in transit or long-term storage. Revenue from services delivered are recognised based on the price specified in the contract with the customer or in terms of moving services dependent on the volume, value etc. of goods moved. As a practical expedient, management has elected to recognise revenue based on the amount invoiced to the customer since this amount corresponds directly with the value to the customer of the entity's performance completed to date. Revenue is measured excluding VAT and other tax collected on behalf of third parties, and any discounts are offset against the revenue. Incremental costs of obtaining a contract with a customer are recognised as an expense when incurred due to the short delivery times.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

EURm	2022	2021
Receivables which are included in trade receivables	43.0	44.1
Contract assets	9.5	8.4
Contract liabilities	5.9	10.9

Contract assets includes accrued revenue and other related services in progress at 31 December 2022. Contract assets are recognised when a sales transaction fulfils the criteria for revenue recognition, but no final invoice has yet been issued to the customer for the services delivered. Contract liabilities relates to advance consideration received from customers where the customer has been invoiced in advance for the move. The amount of €10.9m recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 December 2022.



Significant accounting estimates

The Group operates globally with revenue and associated cost consisting of a large number of contracts with both companies and individuals.

The Group's revenue streams are divided into the following business lines, Moving Services, Relocation Management Services and Storage.

The Group recognises revenue at various points in time following the satisfaction of milestones as the performance obligation is fulfilled towards the customer. Significant accounting estimates are made regarding services in progress at the close of the accounting period where cut-off criteria have been established to ensure revenue and costs are matched and recorded in the correct period. For open jobs, revenue and cost are based on accruals supported by system-generated reports and contain an element of estimation. Subsequent follow-up against actual invoicing is continuously performed.

2.3 Direct costs

Accounting policies

Direct costs of €113.8m (2021: €83.3m) comprise costs incurred to generate the revenue for the year, including subcontracted services, packaging materials, transportation and freight as well as expenses related to operation of warehouses and vehicles including maintenance.

2.4 Other External Expenses

Accounting policies

Other external expenses comprise of expenses for advertising and marketing expenses, IT, travelling and communications, as well as operation of motor vehicles, office expenses and other selling costs and administrative expenses.

2.5 Staff Costs

Accounting policies

Staff costs include wages and salaries, pensions, social security cost and other staff cost. Staff costs are recognised in the financial year in which the employee renders the related service.

EURm	2022	2021
Salaries and wages to employees	47.2	43.2
Salaries to the Directors of the Parent Company	0.0	0.0
Pension, defined contribution schemes	1.3	1.3
Pension, defined benefit schemes	0.1	0.1
Social security costs	6.6	6.0
Other staff expenses	3.4	2.2
Total staff costs including special items	58.6	52.8
of which special items	-1.3	-2.5
Total staff costs	57.3	50.3
Of which compensation to Directors of the Parent Company		
Salaries and other short-term employee benefits	0.0	0.0
Directors' salary within special items	0.0	0.0
Amounts paid to third parties in respect of directors' services	0.0	0.0
Total	0.0	0.0
Number of employees	2022	2021
Santa Fe Holdings Limited Group average	1,220	1,262
Santa Fe Holdings Limited Group, end period	1,242	1,199

During the year the Director's did not receive any remuneration from the Parent Company. However, the Parent Company paid fees to Lazarus Equity Partners and Santa Fe Intressenter AB for the services of Rick Schwartz, the details of which are disclosed in the Related Parties note 5.6 on page 53.

2.6 Other Operating Income

Accounting policies

Other operating income comprise items of a secondary nature to the Santa Fe Holdings Limited Group's main activity, including rental income, management service fee and gains on the sale of intangible assets and property, plant and equipment.

Government grants are recognised when there is a reasonable assurance that the grant conditions will be met and the grants will be received. Grants related to income are required to be presented as a part of profit or loss, either separately or under a general heading such as 'Other income'.

EURm	2022	2021
Profit on sale of fixed assets	0.0	-1.3
Rental income	0.1	0.3
Grant income	0.0	0.0
Other	1.1	1.1
Total	1.2	0.1



2.7 Special Items

Accounting policies

Special items include significant income and expenses that cannot be attributed directly to the Group's ordinary operating activities.

Special items include restructuring costs associated with major organisational changes within the Santa Fe Holdings Limited Group including fundamental structural, procedural and managerial reorganisations, restructuring cost relating to acquisition and divestment of enterprises and major gains or losses arising from disposals of assets that have a material effect in the reporting period and other significant non-recurring items.

Significant accounting estimates

In the classification of special items, a high level of Management attention is applied to ensure that only exceptional items not associated with the ordinary operations of the Group are included.

EURm	2022	2021
Restructuring related costs	2.1	1.5
Impairment of subsidiary (Alfa)	0.0	0.2
Warehouse related restructuring costs	0.1	1.6
Divestment related income	-0.5	-6.4
Divestment related costs	-0.1	0.4
Total	1.6	-2.7



This section covers the operating assets and related liabilities that form the basis for Santa Fe Holding Limited's activities.

3. Operating Assets and Liabilities

3.1 Intangible Assets

Accounting policies

Amortisation for the year is recognised in the Income Statement based on the amortisation profiles determined for the intangible assets and detailed by category below.

Goodwill

In connection with the acquisition of subsidiaries, goodwill is determined in accordance with the acquisition method. Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the investment of the business segments in each region of operation.

Goodwill and assets with indefinite useful lives are subject to annual impairment tests. Other non-current assets are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Brands, trademarks and licences

Brands, trademarks and licences with a definite useful life are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the estimated useful lives of the assets.

Trademarks with an indefinite useful life are not amortised but tested annually for impairment.

Software

The cost of acquired software licences comprises of the cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives on a straight-line basis.

Costs that are directly associated with the production of identifiable and unique software products controlled by Santa Fe Holdings Limited, and that will probably generate economic benefits are recognised as intangible assets. Such software development cost are amortised over their estimated useful lives.

Trademarks with finite useful life	Max. 20 years depending on the strength of the trademark and expected use
Software etc.	3-5 years
None-compete agreements	Max. 5 years depending on contractual terms
Supplier contracts	Max. 5 years depending on contractual terms
Customer relationships	3-15 years depending on customer loyalty track record

Significant accounting estimates

The Santa Fe Group carries out impairment tests of goodwill and trademarks with an indefinite useful life once a year and of non-current assets in general when events or other circumstances indicate impairment. In recent years, the Group has recognised significant impairment losses related to goodwill and trademarks. In connection with the impairment testing, Management makes significant estimates when determining various assumptions, including expectations for future cash flows, discount factors and future growth rates. The sensitivity to changes in the above assumptions may in the aggregate and individually be considerable.



	Goodwill ¹	Trademarks ¹	Software	Other	Total
2022					
Cost:					
01.01.2022	10.0	0.0	20.4	0.0	30.4
Translation adjustments	0.3	0.0	0.4	0.0	0.7
Additions	0.0	0.0	2.0	0.0	2.0
Reclassification	0.0	0.0	-0.8	0.0	-0.8
31.12.2022	10.3	0.0	21.7	0.0	32.3
Amortisation/impairment:					
01.01.2022	0.0	0.0	14.5	0.0	14.5
Translation adjustments	0.0	0.0	-0.1	0.0	-0.1
Amortisation for the year, continuing operations	0.0	0.0	2.9	0.0	2.9
Reclassifications	0.0	0.0	0.0	0.0	0.0
31.12.2022	-	0.0	17.3	0.0	17.3
Carrying amount 31.12.2022	10.3	0.0	4.4	-	15.0
	Goodwill ¹	Trademarks ¹	Software	Other	Total
2021					
Cost:					
01.01.2021	9.3	0.0	18.5	0.5	28.3
Translation adjustments	0.7	0.0	0.5	-0.5	0.7
Additions	0.0	0.0	2.1	0.0	2.1
Disposals	0.0	0.0	-0.7	0.0	-0.7
31.12.2021	10.0	-	20.4	-	30.4
Amortisation/impairment:					
01.01.2021	0.0	0.0	11.5	0.5	12.0
Translation adjustments	0.0	0.0	0.0	-0.5	-0.5
Disposals	0.0	0.0	3.3	0.0	3.3
Amortisation for the year, continuing operations	0.0	0.0	-0.3	0.0	-0.3
31.12.2021	-	0.0	14.5	0.0	14.5
Carrying amount 31.12.2021	10.0	-	5.9	-	15.9

Impairment assessment of cash-generating unit.

At 31 December 2022 Management completed the annual impairment testing of its cash generating unit to which goodwill is allocated. The impairment testing was based on the budgets and business plans approved by the Board of Directors as well as other assumptions adjusted as required to comply with IAS 36.

The carrying amount of goodwill in the Group is attributable to the following cash-generating units.

	Goodwill	
	2022	2021
Acquisition:		
Santa Fe Asia ¹	10.3	10.0
Total	10.3	10.0

¹ 16 countries across Asia



When performing impairment tests of cash-generating units, the recoverable amount calculated as the discounted value of expected future cash flows (value in use) is compared to the carrying amount of each of the cash-generating units.

For all cash-generating units, the key parameters are revenue, margins, working capital requirements, capital expenditures as well as assumptions of growth. The cash flows are based on budgets and business plans and cover the next five years. Projections for subsequent years (terminal value) are based on general market expectations and risks including general expectations of growth for the cash-generating units. The discount rates used to calculate the recoverable amount is the Group's internal WACC rate computed before and after tax and reflects specific risks relating to the businesses and underlying cash flows.

Impairment of trademarks and other intangibles

The value in use calculation carried out 31 December 2022 did not result in any further impairment of the remaining goodwill in the Group.

For Asia the revenue increased by 16% during 2022 as business began to return to normal, however, a slower than expected 2023 has resulted in an expectation that the revenue growth (CARG) in the forecast period will decrease to 3.9%.

EBITDA before special item margin increased in 2022 but due to the slowdown has decreased in 2023. We expect a return to business as normal towards the 2nd half of 2024 and growth over the remaining forecast period of 2.8% primarily driven by a change of mix towards a higher share of relocation services (higher margin) combined with efficiency and cost saving initiatives.

Working capital is assumed to slightly decrease in 2023 but increase again in subsequent years linked to the continued increase in receivables following improved sales.

Capital expenditure (maintenance) is assumed to be lower than the annual depreciation due to a cautious Capex budget and the ambition to pursue a more asset light business model. However, the different technology improvements will result in additional capital expenditures during the forecast period, which have been anticipated in the forecast through increased management charges into the Cash Generating Unit (CGU).

Growth in the terminal period is unchanged from 2021.

Discount rates are based on the Group's internal WACC rate (determined using the Capital Asset Pricing Model) at year-end adjusted by a region-specific risk premium to reflect uncertainty related to projected revenue and earnings growth in light of recent years' track record for the cash-generating units.

Key Assumptions	Revenue (CAGR)		EBITDA Margin in the		Growth in the		Discount rates		Discount rates after	
	2022-2027 (%)		terminal period (%)		terminal period (%)		before tax (%)		tax (%)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Santa Fe Asia	3.9	6.7	7.3	8.9	1.0	1.0	10.8	13.1	6.9	8.4

¹ 16 countries across Asia

The key assumptions applied in the impairment tests are used for accounting purposes and should not be considered as forward-looking statement.

Sensitivity test

In 2022, revenue in Asia increased by 16 per cent in local currencies, however EBITDA margins reduced as a result of increased freight costs. At 31 December 2022, the recoverable amount of the cash-generating unit exceeds its carrying amount (including goodwill) by €30m (2021: €39m). Sensitivity tests show that the allowed decline for the EBITDA margin is 2.0 percentage points in each year of the forecast (2023-2027) and terminal period, before the recoverable amount of the cash-generating unit equals its carrying amount (including goodwill) all other things being equal.

A reasonably possible change in the other key assumptions applied for Asia will not result in an impairment.



3.2 Property, Plant and Equipment

Accounting policies

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

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the item will flow to Santa Fe Holdings Limited, and the cost of the item can be measured reliably.

Depreciation for the year is recognised in the Income Statement based on the depreciation profiles determined for the assets. Land is not depreciated. Depreciation on other assets is provided on a straight-line basis over their estimated useful lives, as follows:

Buildings	20-30 years
Plant/Trucks, etc.	20-30 years
Other installations	3-15 years
IT equipment	5 years

The cost of an asset is divided into separate components which are depreciated separately if their useful lives differ. The assets' residual values and useful lives are reviewed and adjusted annually if appropriate.

EURm	Land and buildings etc.	Other assets, installations, IT equipment etc.	Plant/Trucks	Total
2022				
Cost:				
01.01.2022	1.0	10.1	4.2	15.3
Translation adjustment	0.2	0.8	-0.1	0.9
Additions for the year	0.1	2.2	0.0	2.3
Disposals for the year	0.0	0.0	-0.3	-0.3
Reclassified	0.3	-0.1	0.6	0.8
31.12.2022	1.5	13.0	4.5	19.0
Depreciation/Impairment:				
01.01.2022	-0.9	-8.3	-3.9	-13.1
Translation adjustment	0.0	-0.1	0.3	0.2
Depreciation for the year	-0.4	-0.1	-0.7	-1.2
Disposals	-0.1	-3.4	0.0	-3.5
Reclassified	0.0	0.3	0.0	0.3
31.12.2022	-1.2	-11.6	-4.3	-17.3
Carrying amount 31.12.2022	0.3	1.4	0.1	1.7

The Santa Fe Group was at 31 December 2022 not contractually committed to any future investments related to property, plant and equipment.



EURm	Land and buildings etc.	Other assets, installations, IT equipment etc.	Trucks,	Total
2021				
Cost:				
01.01.2021	1.4	9.5	4.9	15.8
Translation adjustment	-0.3	0.3	0.1	0.1
Additions for the year	0.0	0.2	0.0	0.2
Disposals for the year	1.2	0.7	-1	0.9
Reclassified as held for sale	-1.3	-0.6	0.2	-1.7
31.12.2021	1.0	10.1	4.2	15.3
Depreciation/Impairment:				
01.01.2021	-1.3	-7.7	-4.5	-13.5
Translation adjustment	0.1	-0.2	-0.1	-0.2
Depreciation for the year	-0.5	-0.5	-0.2	-1.2
Disposals	0.9	-0.4	1.1	1.6
Reclassified as held for sale	-0.1	0.5	-0.2	0.2
31.12.2021	-0.9	-8.3	-3.9	-13.1
Carrying amount 31.12.2021	0.1	1.8	0.3	2.2

3.3 Right-of-Use Asset (Leases)

Accounting policies

The Santa Fe Group leases various assets, primarily warehouses and office buildings but also vehicles etc. The leases have varying terms, clauses and rights under normal industry practice. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or incentives received. The lease terms may include options to extend or terminate the lease. Such options are only included in the lease term when it is reasonably certain that the lease will be extended.

The lease payments include fixed payments and index based variable payments. The lease liability is measured at the present value of lease payments during the leasing period, discounted using the incremental borrowing rate. The incremental borrowing rate is determined per country and asset class. At subsequent measurement, the right-of-use asset is measured less accumulated depreciations and impairment losses and adjusted for any remeasurements of the lease liability.

Depreciations follow the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest. The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Right-of-use assets classified as rental of premises mainly relate to leases of warehouses and office buildings and other assets mainly relate to leases of trucks, company cars, IT and other office equipment.

The Santa Fe Group has taken the exemption not to apply the requirements of IFRS16 and to exclude low value leases and those of a duration of less than 12 months.

Management Judgements and estimates

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities. Judgements include assessment of lease periods, utilisation of extension options and applicable discount rates.

Right-of-Use Asset (Leases)

EURm	Rental premises	Other assets	Total
2022			
Cost:			
01.01.2022	24.2	0.0	24.2
Translation adjustment	0.4	0.0	0.4
Additions and remeasurements	5.1	0.0	5.1
Disposals	-6.9	0.0	-6.9
31.12.2022	22.8	0.0	22.8
Depreciation/Impairment:			
01.01.2022	12.2	0.0	12.2
Translation adjustment	0.2	0.0	0.2
Depreciation for the year	5.5	0.0	5.5
Disposals	-5.0	0.0	-5.0
31.12.2022	12.9	0.0	12.9
Carrying amount 31.12.2022	9.9	0.0	9.9

EURm	Rental premises	Other assets	Total
2021			
Cost:			
01.01.2021	22.2	1.9	24.1
Translation adjustment	2.0	-1.9	0.1
Additions and remeasurements	8.1	0.0	8.1
Disposals	-8.0	0.0	-8.0
31.12.2021	24.3	0.0	24.3
Depreciation/Impairment:			
01.01.2021	10.8	1.0	11.8
Translation adjustment	0.9	-1.0	-0.1
Depreciation for the year	4.9	0.0	4.9
Disposals	-4.4	0.0	-4.4
31.12.2021	12.2	0.0	12.2
Carrying amount 31.12.2021	12.1	0.0	12.1

Analysis of lease liabilities showing the remaining contractual maturities is provided in note 4.3 Borrowings and 4.4 Financial risks.

Lease effects recognised in the income and cash flow statement:

EURm	2022	2021
Depreciations	5.5	4.9
Interest expenses	0.7	0.8
Total cash outflow s for leases	3.6	8.1

3.4 Inventories

Inventories

EURm	2022	2021
Inventories	1.5	1.3
Total	1.5	1.3

*no inventories have been pledged as security for liabilities

3.5 Other Receivables

EURm	2022	2021
Prepayments	2.9	1.8
Deposits	1.2	1.0
Other receivables	10.1	7.6
Total	14.2	10.4

3.6 Employee benefits

Accounting policies

Pension obligations

For defined benefit plans, the actuarial present value (projected unit credit method) of future benefits under the defined benefit plan less the fair value of any plan assets is recognised in the balance sheet as defined benefit obligations. Pension cost for the year are recognised in the income statement based on actuarial estimates at the beginning of the year. Actuarial gains or losses are recognised in other comprehensive income.

Defined benefit obligations

Santa Fe Holdings Limited has no pension plans as of 31 December 2022. The divested Santa Fe Relocations business participates as employer in pension plans depending on local regulations. Usually, these pension plans are defined contribution plans, however following the acquisition of Interdean in 2011 also some defined benefit plans in Switzerland, where the pension plan is classified as a defined benefit pension plan because the Company's obligation towards the plan participants under Swiss legislation are not fully discharged when the annual contribution to the plan has been made.

Defined contribution pension plans

The Group operates a number of defined contribution pension plans for its employees. A defined contribution pension plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due.

Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

The plan assets consist primarily of insurance contracts, but also equity securities and cash.

The last actuarial valuation was completed for the year 31 December 2022. The next valuation will be for year December 2023. The net liability is on actuarial calculations applying assumptions regarding primarily discount rate, expected return on plan assets, future salary increases and future pension increases.

The discount rate applied for 2022 is 1.0% (1.0%) and determined on basis of corporate bonds with a high credit rating (AA or AAA). A change in the discount rate of +/- 0.25 basis points would decrease/increase the liability 31 December 2022 by €0.1m (€0.1m). The future salary at the end of 2023 is assumed to increase by 2.0% (2.0%) p.a. If the future salary increases by an additional 0.25% p.a., it will increase the liability by less than €0.1m (€0.1m).



EURm	2022	2021
Fair value of plan assets	-2.1	-2.1
Present value of obligations	3.1	3.1
Net liability recognised (funded plans) 31.12	1.0	1.0
Movements in the present value of the defined benefit obligation		
01.01	3.1	3.1
Benefits paid by the plan	0.0	0.0
Employee contributions paid	0.0	0.0
Current service cost and interest	0.0	0.0
Insurance premiums	0.0	0.0
Gain/Loss on settlements	0.0	0.0
Actuarial losses/(gains) in other comprehensive income	0.0	0.0
Translation adjustments	0.0	0.0
31.12	3.1	3.1
Movements in the fair value of plan assets		
01.01	2.1	2.1
Contributions paid into the plan	0.0	0.0
Employee contributions paid	0.0	0.0
Benefits paid by the plan	0.0	0.0
Insurance premiums	0.0	0.0
Actuarial (losses)/gains in other comprehensive income	0.0	0.0
Translation adjustments	0.0	0.0
31.12	2.1	2.1
Current service cost	0.0	0.0
Interest on obligation	0.0	0.0
Expected return on plan assets	0.0	0.0
Gain/Loss on settlements	0.0	0.0
Expense recognised in the income statement	0.0	0.0
Which have been recognised under the following captions:		
Direct costs	0.0	0.0
Other external expenses	0.0	0.1
Total	0.0	0.1

3.7 Other Liabilities

EURm	2022	2021
Other liabilities by origin:		
Staff payables	4.4	5.0
Duties to public authorities	3.0	2.6
Prepayment from customers	0.6	0.6
Covenant waiver fee	3.1	0.0
Other accrued expenses	12.9	6.9
Total	24.0	15.1

The covenant waiver fee amount arises because Santa Fe Group Limited is guarantor for the loans included within Santa Fe Intressenter.



3.8 Provisions

Accounting policies

Provisions are recognised when the Santa Fe Group has a legal or constructive obligation as a result of past events, and it is more probable than not that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is Management's best estimate of the present value of the amount at which the liability is expected to be settled.

Other provisions primarily consist of provisions linked to tax cases and potential warranty claims related to the transportation of household goods.

Provisions						
EURm	Other provisions	Employee benefits	2022	Other provisions	Employee benefits	2021
01.01.2022	1.8	0.7	2.5	1.9	0.7	2.6
Translation adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Utilised	0.0	0.0	0.0	-1.1	0.0	-1.1
Reversed	0.0	0.0	0.0	0.0	0.0	0.0
Additions	0.2	0.0	0.2	1.0	0.0	1.0
31.12.2022	2.0	0.7	2.7	1.8	0.7	2.5
Non-current	0.6	0.7	1.3	0.9	0.7	1.6
Current	1.4	0.0	1.4	0.9	0.0	0.9
	2.0	0.7	2.7	1.8	0.7	2.5

This section describes how Santa Fe Holdings Limited manages its capital structure, cash position and related risks and items. The Group's financial risks, including its credit and liquidity risks are described in more detail in note 4.4.

4. Capital Structure and Financing Items

4.1 Financial Income and Expenses

Accounting policies

Financial income and expenses comprise interest income and expenses, exchange gains and losses on debt and transactions in foreign currencies, interest expenses on leases, as well as amortisation of financial assets and liabilities, etc.

Included within interest expenses is a €6m covenant waiver fee related to the group breaching their covenants in 2022. €3m was paid in December 2022 and €3m is accrued at the year end. This €3m was due for payment in 2023 but payment has since been deferred.

EURm	2022	2021
Foreign exchange gains	0.4	-0.7
Dividends	0.0	0.9
Other interest income	0.3	0
Fair Value Movement in Investment Property	0.0	0
Total financial income	0.7	0.2
Interest expenses and fees on financial liabilities measured at amortised cost	7.0	2.8
Interest expenses related to lease liabilities	0.7	0.8
Foreign exchange losses	-0.9	5.2
Total financial expenses	6.8	8.8
Total, net	-6.1	-8.6

4.2 Financial Instruments by Category

EURm	2022	2021
Financial assets measured at amortised cost		
Trade receivables	43.0	44.1
Other receivables ¹ , non-current and current	14.2	10.4
Bank and cash balances	18.1	16.0
Total	75.3	70.5
Financial liabilities measured at amortised cost		
Non-current borrowings and lease liabilities	7.5	11.0
Current borrowings and lease liabilities	7.0	6.7
Invoice factoring	6.4	0.0
Trade payables	55.1	52.3
Other liabilities ² , current	5.9	10.9
Covenant waiver fee	3.0	0.0
Total	84.9	80.9

1 Excluding non-financial instruments such as work in progress €8.4m (€4.7m).

2 Excluding non-financial instruments such as public debt, staff payables etc. of €15.1m (€12.7m).

3 €2m of borrowings due to PCP due to be repaid in June 2024

The fair value of the financial assets is approximately equal to the carrying amount.

For trade receivables and payables as well as other receivables and payables this is due to the short-term nature of these balances. For non-current borrowings and bank loans this is based on floating interest rate-based balances and assumed minimal changes in credit risk.

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, Santa Fe Holdings Limited has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, Santa Fe Holdings Limited has retained late payment and credit risk. The group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

4.3 Financial Liabilities

Accounting policies

Financial liabilities are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Financial liabilities are classified as current liabilities unless Santa Fe Holdings Limited has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings are recognised initially at fair value. Borrowings are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.



Leases

As a lessee

The Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. 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.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the 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, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand alone prices.

When the 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, the 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, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. When the 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.



The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see the financial instruments note). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

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

EURm	2022	2021
Non-current borrowings:		
Borrowings	1.0	3.1
Lease liabilities	6.5	7.9
Shareholder Loan	0.0	0.0
Total	7.5	11.0
Current borrowings:		
Borrowings	3.1	1.2
Invoice Factoring	6.4	0.0
Lease liabilities	3.9	5.5
Total	13.4	6.7
Total borrowings	20.9	17.7

At 31 December 2022 all non-current and current borrowings are floating interest based.

Borrowings are exposed to interest rate and currency risk, refer to note 4.4.

The carrying amount of leased assets is disclosed in note 3.3.

4.4 Financial Risks

Group policy for managing risk and capital

Given the international scope of the Santa Fe Group's business activities, the Group is exposed to financial market risk, i.e., the risk of losses as a result of adverse movements in exchange rates and interest rates. The Group is also exposed to financial counterparty credit risk, liquidity and funding risk.

The Santa Fe Group's financial risk management activities are centralised and co-ordinated within a policy framework approved by the Board of Directors. It is the Group's policy not to engage in any active speculation in financial risks. Therefore, the Group's financial management is focused on managing or reducing financial risks relating to operations and funding, in particular on reducing the volatility of the Santa Fe Group's cash flows in local currencies. The Group currently does not apply any financial derivatives for hedging.

The Board of Directors reviews the Group's capital structure on an ongoing basis to ensure that the capital structure is appropriate, relative to the Group's commitments, strategy and future prospects. In December 2019 Santa Fe Group concluded a new 4-year facility agreement with PCP. In September 2021, PCP agreed to remove from the loan agreement the standard financial maintenance covenants with respect to EBITDA and cash.

Santa Fe will aim to maintain a financial gearing (NIBD/EBITDA before special items) below 2. Free Cash Flow will be allocated to reduce debt if the financial gearing exceeds target. Whenever the financial gearing is within range, Free Cash Flow will be held for investments, value creating acquisitions or allocated to shareholders.

Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from trade and other receivables and cash and cash equivalents. The credit risk lies in the potential insolvency of a counterpart and is thus equal to the sum of the positive net market values in respect of the corresponding business partners. At the balance sheet date, the total credit risk amounts to €61.1m (2021: €80.4m) corresponding to the amounts of trade and other receivables in addition to cash and cash equivalents recognised in the balance sheet. The available funds (cash and cash equivalents) of the Group are placed as demand or time deposits at relatively short terms. The Group is exposed to the risk that financial counterparties may default on their obligations towards the Santa Fe Group. This risk is managed by having maximum exposure limits on each financial counterparty.

Accounting policies

Trade receivables are recognised at the trade date, initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. Loss allowances for impaired trade receivables are provided following an expected credit-loss model. The loss ratio is determined on the basis of historical data for losses realised.

Impairment of trade receivables

EURm	2022	2021
Balance at the beginning of the year	1.5	1.5
Additions during the year	0.3	0.4
Realised losses during the year and reversals	- 0.2	-0.4
Balance at the end of year	1.6	1.5

No significant losses were incurred in respect of individual trade receivables in 2022 and 2021.

The Santa Fe Group has no significant concentration of credit risk. The Group has policies in place that ensure sales of services are made to customers with an appropriate credit history. The customer mix within the Group contains a large proportion of financially strong corporate clients, who are requesting longer payment terms. Private customers, which is a very small but growing part of the business, generally pay in advance and do not pose a significant credit risk. Generally, no security is required from customers regarding sales on credit. The credit quality of receivables that are neither past due nor impaired is assessed as high. Historically losses related to trade receivables have been limited, which is reflected by an allowance for doubtful trade receivables of only 3.6% (2021: 3.3%) of gross trade receivables. Initiatives taken over the past years in order to reduce the balance of overdue receivables includes new procedures for invoicing, stricter internal credit control and follow up procedures as well as a tighter credit policy. The overdue receivables as a percentage of gross trade receivables by the end of 2022 increased to 40% (2021: 33%). The Group maintains a policy to write off all debts which are over 6 months old and a gradually decreasing % of debts below 6 months old.



Trade receivables past due compound as follows:

EURm	not due	month (due)					2022
		0 - 1	1 - 2	2 - 3	3 - 6	> 6	
Receivables, not due	25.8						25.8
Receivables past due but not impaired		3.4	2.4	2.1	3.3	6.0	17.2
In % of receivables not due and due but not impaired	60%	8%	6%	5%	8%	14%	
Expected loss ratio	0.0%	0.0%	1.0%	2.0%	2.5%	25.0%	
Impaired receivables past due			0.0	0.0	0.2	1.4	1.6
							44.6
Allowances for doubtful trade receivables							-1.6
Total trade receivables (net)							43.0

EURm	not due	month (due)					2021
		0 - 1	1 - 2	2 - 3	3 - 6	> 6	
Receivables, not due	29.5						29.5
Receivables past due but not impaired		3.3	2.1	1.8	2.6	4.8	14.6
In % of receivables not due and due but not impaired	67%	7%	5%	4%	6%	11%	
Expected loss ratio	0.0%	0.0%	1.0%	2.0%	2.5%	25.0%	
Impaired receivables past due			0.0	0.1	0.1	1.3	1.5
							45.6
Allowances for doubtful trade receivables							-1.5
Total trade receivables (net)							44.1

Liquidity risk

Liquidity risk is the risk of Santa Fe Holdings Limited being unable to meet its obligations as they fall due because of inability to realise assets or obtain adequate funding. Santa Fe Holdings Limited aim at maintaining a liquidity position which is sufficient to service financial obligations as they fall due.

Santa Fe Holdings Limited had liquid funds at the end of 2022 of €12.9m (2021: €10.2m).

The directors have prepared cash flow forecasts for the period of 13 months from the date of the signing of these financial statements. In preparing those forecasts they have considered the most likely impacts of a recession and specifically, they have considered a downside scenario in which the revenue levels drop through to the end of 2024. The forecast also takes into account the cost mitigation actions taken which are in the Group's control.

The Group's results for 2023 are currently lower than the base case scenario, however, the Group is continuing to work on further cost reductions and additional working capital initiatives which should enhance the Group's liquidity throughout the rest of 2023.

Since the end of the year the Group has successfully increased its invoice financing facility from the initial limit of €10m to €13m with the inclusion of The Netherlands and Italy. Proceeds from this facility continue to be used to invest in the Consumer business and also to invest in additional service delivery capabilities in the markets where we are seeking growth. Group also continues to focus extremely hard in ensuring optimisation of working capital on the BS to allow sufficient liquidity for the business to operate effectively. Working capital initiatives implemented in early 2022 have seen accrued income decrease.

The Group forecasts are dependent on continued access to the loan provided by PCP. The loan has a maturity date of 30 June 2024.

At no point during the forecast period does the base case scenario anticipate that the Group will not have sufficient liquidity to continue to trade. If a low case scenario should arise, there are further options that management can take to secure additional liquidity as discussed above.

**Contractual maturities of financial liabilities:**

EURm	Carrying amount	Contractual maturity incl. interest (cash flow)			
		Total	< 1 years	1 - 5 years	> 5 years
2022					
Non-derivative financial instruments					
Borrowings (non-current and current)	10.5	10.5	9.5	1.0	-
Lease liabilities	10.4	10.4	4.9	4.4	1.1
Trade payables	55.5	55.5	55.5		
Other liabilities	24.0	24.0	24.0		
2021					
Non-derivative financial instruments					
Borrowings (non-current and current)	4.3	4.3	3.2	1.0	0.1
Lease liabilities	13.4	13.4	6.2	6.9	0.3
Trade payables	52.3	52.3	52.3		
Other liabilities	10.9	10.9	10.9		

The contractual maturity overview represents the contractual undiscounted cash flows including estimated interest payments. Interest payments are based on current market conditions. Contractual commitments regarding property, plant and equipment are not reflected in the overview but the Group has not entered into any contractual agreements by the end of 2022 or 2021.

Currency risk

The Group is exposed to foreign exchange risk on balance sheet items, partly in terms of translation of debt denominated in a currency other than the functional currency of the relevant Group entity, and partly in terms of translation of net investments in entities with a functional currency other than EUR. The former risk affects the net profit.

The Group is exposed to translation risks from currency translation into the Group reporting currency (EUR). The Santa Fe Group's business activities are conducted in different currencies: Asia Pacific currencies, US Dollars and European currencies. The Santa Fe Group's functional currency varies from country to country and outside Europe is typically different from the reporting currency of the Group (EUR). The objective of the Santa Fe Group's currency management strategies is to minimise currency risks relating to the functional currencies, i.e., to protect profit margins in local currency.

In a number of countries (particularly in Asia Pacific) where the Group has significant activities, the currency correlates partly with the USD. Other significant currencies which may impact the results are GBP and CHF. Developments in exchange rates between EUR and the functional currencies of subsidiaries impacted the Santa Fe Group full-year revenue and EBITDA before special items positively by €0.8m which primarily was linked to increasing exchange rate for USD the currency correlates partly with the USD.

Interest rate risk

The Santa Fe Group is directly exposed to interest rate fluctuations in connection with its funding and liquidity portfolio. The risk is managed by matching the duration of assets and liabilities and by ensuring a smooth rollover profile. Santa Fe is also indirectly exposed as a result of the impact of interest rates on the macro economies of the countries in which Santa Fe Group operates its businesses.

The Group is exposed to mainly floating interest rate risk on bank balances and borrowings. The floating interest rate risk is reduced after the refinancing which took place in Q4 2019 (cf. section 4.3 - Financial liabilities and section 4.4 - Liquidity risk). All interest-bearing assets, €18.1m (2021: €16.0m) and interest-bearing liabilities, €20.9m (2021: €17.7m) are re-priced within one year.

At the end of 2022, the combined interest rate risk was €-1.0m (2021: €-0.1m) in the case of a one-percentage point increase in the interest rates (impact on net profit and equity). The sensitivity analysis is based on a weighted average of the monthly net interest bearing debt during the year.

4.5 Cash and Cash Equivalents

Accounting policy

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments.

Cash and Cash equivalents

EURm	2022	2021
Cash held direct	12.9	10.2
Petty cash	0.1	0.1
Restricted cash *	5.1	5.7
Total	18.1	16.0

* Restricted cash refers to cash held on behalf of clients and cash held in countries where there are restrictions on movements of cash.

4.6 Statement of Cash Flow

Accounting policy

Cash flows from operating activities are presented using the indirect method and stated as the consolidated operating profit/loss (EBIT) adjusted for non-cash operating items, including depreciation, amortisation and impairment losses, provisions and changes in working capital, interest received and paid, and corporation taxes paid. Working capital comprises current assets less current liabilities excluding the items included in cash and cash equivalents, borrowings, tax payables and provisions.

Cash flows from investing activities comprise cash flows from business acquisitions and disposals and cash flows from the purchase and sale of intangible assets, property, plant and equipment and investments as well as dividends from associated companies. The cash flow effect of the acquisitions and disposals of companies is shown separately in cash flows from investing activities.

Cash flows from financing activities comprise changes in the amount or composition of the Group's share capital and related expenses as well as cash flows from draw down and repayment of borrowings as well as payment of dividends to shareholders including non-controlling interests.

Cash and cash equivalents comprise cash as well as short term securities with a term to maturity of less than 3 months, which are easily realisable and only subject to immaterial risk of change in value. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

4.7 Other Non-Cash Items

EURm	2022	2021
Changes in provisions	0.2	-0.1
Foreign currency and other adjustments	-2.2	1.2
Gain arising on decrease of scope	0.0	1.4
Total	-2.0	2.5



4.8 Change in Working Capital

EURm	2022	2021
Changes in inventories	0.2	0.0
Changes in trade receivables	-1.1	-8.6
Changes in contract assets	1.1	-3.7
Changes in trade payables	-2.8	12.4
Changes in contract liabilities	5.0	6.2
Changes in other receivables/payables	-5.1	-1.2
Total	-2.7	5.1

Contract assets and liabilities have been included within the 2022 working capital calculation in order to tie back to the cashflow workings.

This section describes how Santa Fe Holdings Limited manages its income tax, deferred tax, audit fees and other items.

5. Other Disclosures

5.1 Income Tax Expense

Accounting policies

The tax for the year consists of current tax and changes in deferred tax for the year and considering uncertainty over income tax treatments. The tax for the year is recognised in the Income Statement, other comprehensive income or equity.

INCOME TAX EXPENSE		
EURm	2022	2021
Current tax on profit for the year	1.9	3.6
Prior year adjustment	0.0	0.00
Change in deferred tax during the year	0.3	-0.7
Corporate income tax	2.2	2.9
Withholding tax	0.0	0.0
Income tax expense	2.2	2.9
Profit / (Loss) before income tax	-4.4	-13.1
Share of profit in associates	0.0	0.0
Loss before income tax, excluding share of profit in associates	-4.4	-13.1
UK corporate tax rate in per cent	19.0	19.0
Corporation tax rate explanation		
Calculated corporate income tax expense	-0.8	-2.5
The tax effect from:		
Differences from non-taxable income / non-deductible expenses	0.8	1.2
Difference in tax rate of non-UK companies	-0.1	0.0
Non-deductible impairment losses of intangibles assets	0.0	0.0
Tax losses for which no deferred tax asset was recognised	1.7	3.7
Utilisation of tax losses not previously recognised	0.0	0.0
Derecognition of deferred tax asset	0.0	0.0
Prior year tax adjustment	0.0	0
Other	0.6	0.5
Reported corporate income tax expense	2.2	2.9

For disclosure about uncertain tax positions refer to note 5.4.

At the Budget on 5 March 2021, it was announced that there would be an increase in the rate of corporation tax from 19% to 25% with effect from 1 April 2023. The increase in the rate of corporation tax to 25% is expected to increase the deferred tax asset by €0.3m.

5.2 Deferred Tax

Accounting policies

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled and considering uncertainty over income tax treatments.

Under UK tax legislation, the losses can be carried forward indefinitely. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used.

Adjustment is made for deferred tax concerning unrealised intercompany profits and losses eliminated. Changes in deferred tax due to changed tax rates are recognised in the income statement.

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 the Santa Fe Holdings Limited Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group did not recognise deferred tax assets of €18.8m (€15.9m) in respect of tax losses carried forward amounting to €86.9m (€74.0m) due to uncertainty with respect to utilisation within a foreseeable future.

The tax losses are primarily related to Santa Fe Group Limited and Germany and under UK and German tax legislation, the losses can be carried forward indefinitely. Deferred tax has not been calculated on temporary differences relating to investments in subsidiaries and associates as these investments are not expected to be sold within the foreseeable future. No significant tax liabilities have been identified in this respect.

Deferred tax	2022		2021	
	Assets	Liabilities	Assets	Liabilities
EURm				
Fixed assets	0.0	0.0	0.0	0.0
Current assets, net	0.8	0.1	1.0	-0.2
Non-current debt	0.0	0.0	0.0	0.0
Current debt	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	0.0
Losses carried forward	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0
Deferred tax assets / liabilities	0.8	0.1	1.0	-0.2
Set-off within legal tax unit	0.0	0.0	0	0
Deferred tax assets / liabilities	0.8	0.1	1.0	-0.2

5.3 Fees to auditor's appointed at the annual general meeting

Audit fees		
EURm	2022	2021
Statutory audit	0.7	0.5
Other non-audit services	0.0	0.3

Amounts paid to the company's auditor and its associates in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis. Prior year fees relate to those paid to KPMG.

5.4 Contingent Assets/Liabilities and uncertain tax positions

Contingent Assets and Liabilities

EURm	2022	2021
Other guarantees	43.3	27.0

Santa Fe Holdings Limited is jointly taxed with other UK companies in the Group. As the administration company, Santa Fe Holdings Limited, has several unlimited liabilities for UK corporate income taxes and interests within the joint taxation.

Included within borrowings is a loan balance of €2m. This is part of a wider group facility ('The Group Facility') provided by PCP. €43.3m of The Group Facility is a liability of Santa Fe Intressenter AB, the immediate parent of Santa Fe Holdings Limited. The Group Facility comprises the €2m included within these consolidated financial statements and the €43.3m included in the financial statements of Santa Fe Intressenter AB. Santa Fe Group Limited, a direct subsidiary of Santa Fe Holdings Limited, acts as guarantor for The Group Facility. Therefore, the liability of Santa Fe Intressenter AB, is a contingent liability of this group. It is this balance which is reflected in the table above.

Legal proceedings pending and disputes, etc.

Certain claims have been raised against the Group including tax related disputes. In the opinion of management, the outcome of these proceedings will not have any material effect on the financial position of the Santa Fe Holdings other than already provided for in the balance sheet.

5.5 Other Financial Assets

Other Financial Assets		
EURm	2022	2021
Other financial assets	0.8	0.9

5.6 Related parties

Ownership

The Santa Fe Holdings Limited Group has related parties with controlling interest. Related parties in the Group comprise the sole shareholder Santa Fe Intressenter AB as well as affiliated companies and associates, members of the Board of Directors and Lazarus Equity Partners. Remuneration to the Board of Directors is disclosed in note 2.5.

Transactions

Intercompany transactions are eliminated in the consolidated financial statements. The Group pays fees to Lazarus Equity Partners which employs the Directors. During the year the total fees and expenses paid to Lazarus Equity Partners was €1.1m (2021: €1.1m). At 31 December 2022 the outstanding balance payable by the parent Company to Lazarus Equity Partners was €0.1m (2021: €0.1m). An additional €40k was paid to Santa Fe Intressenter AB for the services of Rick Schwartz. €3m was paid to PCP on behalf of Santa Fe Intressenter AB in December 2022. This amount refers to the fact that Santa Fe Group Limited act as guarantor for the loan amounts within Santa Fe Intressenter AB. A further €3m was payable at the year-end.



5.7 Subsequent Events

Liquidity

Capital investment continues to be tightly controlled. All discretionary spend such as marketing and travel activities is kept to the absolute minimum. The Group continues to improve its debt collection activities, as evidenced by the reduction of overdues by 41%, and to negotiate with key suppliers to secure discounts where possible or more favourable payment terms.

The Group continued to explore financial growth in the business and subsequent to the year-end was able to increase its invoice financing facility to include The Netherlands and Italy and increase the overall facility amount from the initial limit of €10m to €13m.

PCP have committed to additional funding of €7m to be spread across November 2023 to January 2024. €3m of this was received in November 2023.

No other material events have taken place after 31 December 2022.



SANTA FE HOLDINGS LIMITED

PARENT COMPANY FINANCIAL STATEMENTS

2022

Parent Income Statement

EUR'000	Note	Period from 23-02-2022 to 31-12-2022
Other income from subsidiaries		-
Administrative costs		-
Staff costs		-
Bad debt provision on intercompany loans		-
Other operating income		-
Operating profit/(loss) before amortisation, impairments, depreciation and special items		-
Special items, net		-
Operating profit/(loss) before amortisation, impairments, depreciation		-
Amortisation and depreciation of intangibles, property, plant and equipment		-
Operating profit/(loss)		-
Impairment on investments in subsidiaries		-
Profit/Loss on sale of investment		-
Financial income		-
Financial expenses		-
Profit/loss before income tax expenses		-
Income tax expense		-
Net loss for the year		-
Proposed distribution of loss		-
Retained earnings		-
Total		-
STATEMENT OF COMPREHENSIVE INCOME		
Net loss for the year		-
Total net comprehensive loss for the year		-

The notes on pages 59 to 62 form a part of these financial statements.



Balance Sheet - Assets

EUR'000	Note	2022
Non-current assets		
Intangible assets		0
Tangible Assets		0
Investment in subsidiaries	3	172,554
Other receivablesLT		0
Total non-current assets		172,554
Current assets		
Other receivables		0
Receivables from subsidiaries		0
Cash and cash equivalents		0
Total current assets		0
Total assets		172,554

Balance Sheet - Liabilities

EUR'000	Note	2022
Equity		
Share capital	4	172,123
Share premium		0
Retained earnings		0
Total equity		172,123
Liabilities		
Non-current liabilities		
Borrow ings		0
Shareholder loan		0
Total non-current liabilities		0
Current liabilities		
Borrow ings		0
Payables to subsidiaries		431
Trade payables		0
Prepayments from clients		0
Other liabilities		0
Total current liabilities		431
Total liabilities		431
Total equity and liabilities		172,554

These financial statements were approved by the board of directors on 27th November 2023 and were signed on its behalf by:

Runar Nilsen

Runar Nilsen

Director

Company registered number: 13935998

The notes on pages 59 to 62 form an integral part of these financial statements.



Parent Statement of Changes in Equity

EUR'000	Share capital	Share premium	Retained Earnings	Total equity
Comprehensive income for 2022				
Net loss for the year	0	0	0	0
Issue of Share Capital	0	0	0	0
Total comprehensive income for the year	0	0	0	0
Transactions with shareholders	172,123	0	0	172,123
Total transactions with shareholders	172,123	0	0	172,123
Equity at 31 December 2022	172,123	0	0	172,123

No dividends are proposed for 2022



Parent Notes

01 Basis of preparation of the Parent financial statement

The financial statements of the Santa Fe Holdings Limited parent company for 2022 are prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

GENERAL INFORMATION

Santa Fe Holdings Ltd. is a private company limited by shares and incorporated and domiciled in the UK with registered office at Unit 1, Abbey Road Industrial Park, Commercial Way, London, NW10 7XF. The Parent Company's principal activities include investment activities and the holding of shares in subsidiaries.

The financial statements for the Parent Company were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

In the Parent financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;

As the consolidated financial statements of Santa Fe Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments;

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention. The functional currency of the Parent Company is Euro, and the presentation currency of these financial statements is likewise Euro. All amounts in the financial statements have been rounded to the nearest EUR 1,000.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

None of the changes in accounting policies under UK GAAP have impacted the Parent Company's accounting policies for recognition and measurement.

Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euros at the rates of exchange ruling at the dates of the transactions. Exchange gains or losses arising are taken to the profit and loss account.

Foreign currency translation adjustments of balances with subsidiaries, which are neither planned nor likely to be settled in the foreseeable future, and which are therefore considered to form part of the net investment in the subsidiary, are recognised in the Parent Company's income statement as financial items.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost in the Parent Company's financial statements. If an indication of impairment is identified, an impairment test is carried out. If the carrying amount of investments exceeds the recoverable amount, a corresponding impairment loss is recognised. Impairment losses are recognised in the Parent Company's income statement as financial items. An impairment loss is reversed only to the extent that the asset's carrying amount does



not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

If the Parent Company has a legal or constructive obligation to cover a negative net asset value of a subsidiary, this obligation is recognised by means of a provision.

Taxation

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Going Concern

Refer to section 1.6 in the Consolidated Financial Statements.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In connection with the preparation of the parent company financial statements, management has made accounting estimates and judgements that affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period.

Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

Management assesses that, in respect of the financial reporting for the Parent Company, no accounting estimates or judgements are made when applying the Parent Company's accounting policies which are significant to the financial reporting apart from those disclosed in note 1.6 in the Consolidated Financial Statements related to going concern.



1 Audit Fee

Please refer to note 5.3 of the Group Consolidated Financial Statements.

2 Staff Costs

There are no staff costs within Santa Fe Holdings Limited.

During the year the Director's did not receive any remuneration from the Parent Company.

3 Investment in Subsidiaries

EUR'000	2022
Additions	172,554
Cost 31.12.22	172,554
Impairment:	
Impairment for the year	0
Impairment 31.12.22	0
Carrying amount 31.12.22	172,554

The list of Investments in subsidiaries are disclosed on page 63.

In February 2022 a new holding company was created (Santa Fe Holdings Limited) with the sole intention of separating the Consumer division (Sanelo) from the rest of the business to drive future growth and profitability. This holding company became the new topco. for the Group via a share for share exchange with the shareholders of Santa Fe Group Limited in September 2022. €172.1m relates to this share for share transfer and the additional €0.4m relates to the investment in Sanelo which remains an intercompany payable.

4 Capital and Reserves

EUR'000	2022
Allotted, called up and fully paid	
144,641,593 Ordinary shares of EUR 1.19 each	172,123
Share premium account	0
Total	172,123

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. These shares were issued as a share for share transfer on 29th September 2022 for the purchase of Santa Fe Group Limited.



5 Ultimate Parent Company and Parent Company of a Larger Group

The ultimate parent company of Santa Fe Holdings Limited is Lazarus Equity Partners AB.

The immediate parent company of Santa Fe Holdings Limited is Santa Fe Intressenter AB.

The company has taken advantage of the exemption under FRS 102.33.1A not to disclose details of transactions with other wholly owned subsidiaries and the parent company of the same group.

6 Related Party Transactions

Please refer to note 5.6 in the consolidated financial statements.

7 Subsequent Events

No material events have taken place after 31 December 2022.



Subsidiaries and associates

Share Capital		Entities per Business	Share in %	
			Direct	Indirect
EUR	172,123	Santa Fe Group Limited	100.0	0.0
EUR	431,000	Sanelo Group Limited	100.0	0.0
EUR	213,334	Santa Fe Europe Limited, United Kingdom	0.0	100.0
HKD	28,000,000	Santa Fe Holdings Ltd., Hong Kong	0.0	100.0
USD	400,000	Santa Fe Group Americas, Inc., USA	0.0	100.0
USD	1	Santa Fe Consumer USA, LLC	0.0	100.0
BRL	154,701	Santa Fe Group Limited, Brazil	0.0	100.0
ZAR	4,100,000	Santa Fe Relocation Services (PTY), South Africa	0.0	100.0
THB	60,150,000	Santa Fe (Thailand) Ltd., Thailand	0.0	100.0
THB	19,000,000	Santa Fe Enterprises Ltd., Thailand	0.0	100.0
THB	9,700,000	Santa Fe Services Ltd., Thailand	0.0	100.0
MYR	500,000	Santa Fe Relocation Services Sdn. Bhd., Malaysia	0.0	100.0
GBP	650,000	Santa Fe Relocation Services Limited, United Kingdom	0.0	100.0
GBP	100	Santa Fe Consumer Limited, United Kingdom	0.0	100.0
EUR	915,000	Santa Fe International Relocation SAS, France	0.0	100.0
EUR	1,025,000	Santa Fe Relocation Services GmbH, Germany	0.0	100.0
EUR	750,066	Santa Fe Relocation Services SA, Spain	0.0	100.0
EUR	3,006	Record Storage S.L., Spain	0.0	100.0
EUR	483,300	Santa Fe Relocation Services SA, Portugal	0.0	100.0
EUR	1,377,250	Santa Fe Relocation Services NV, Belgium	0.0	100.0
EUR	820,000	Santa Fe Relocation Services SA, Luxembourg	0.0	100.0
EUR	74,551	Santa Fe B.V., Netherlands	0.0	100.0
EUR	1,000,000	Interdean Relocation Services S.R.L. Unipersonale, Italy	0.0	100.0
CHF	2,500,000	Santa FeRelocation Services Switzerland SA, Switzerland	0.0	100.0
EUR	35,000	Santa Fe Eastern Europe Ges.m.b.H, Austria	0.0	100.0
KZT	900,000	Interdean Central Asia LLC, Kazakhstan	0.0	100.0
BGN	10,000	Santa Fe Bulgaria EOOD, Bulgaria	0.0	100.0
RUR	12,333,478	OOO Santa Fe Relocation (RUS), Russia	0.0	100.0
RON	153,130	Santa Fe Relocation Services Romania Srl, Romania	0.0	100.0
EUR	72,673	Santa Fe Relocation Services Ges.m.b.H, Austria	0.0	100.0
CZK	1,877,000	Santa Fe Relocation spol s.r.o, Czech Republic	0.0	100.0
HUF	30,000,000	Santa Fe Relocation Services Kft., Hungary	0.0	100.0
PLN	650,000	Santa FeRelocation Services SpZoo, Poland	0.0	100.0
EUR	6,639	Santa Fe SRO, Slovakia	0.0	100.0
HKD	920,000	Santa Fe Transport International Limited, Hong Kong	0.0	100.0
HKD	10,000	Santa Fe Consumer Hong Kong Limited	0.0	100.0
CNY	11,046,000	Sino Santa Fe International Transportation Services Co. Ltd., China	0.0	100.0
SGD	3,000,000	Santa Fe Relocation Services (S) Pte. Ltd., Singapore	0.0	100.0
SGD	1	Santa Fe Consumer Singapore Pte. Ltd.	0.0	100.0
MOP	25,000	Santa Fe Macau Limited, Macau	0.0	100.0
CNY	1,000,000	Sino Santa Fe Real Estate (Beijing) Co. Ltd., China	0.0	100.0
CNY	100,000	Sino Santa Fe Real Estate (Shanghai) Co. Ltd., China	0.0	100.0
TWD	14,800,000	Santa Fe Relocation Services, Taiwan	0.0	100.0
WON	450,000,000	Santa Fe Relocation Services, Korea	0.0	100.0
JPY	80,000,000	Santa Fe Relocation Services Japan K.K., Japan	0.0	100.0
INR	2,400,000	Santa Fe Moving Services Private Limited, India	0.0	100.0
INR	100,000	Santa Fe India Private Limited, India	0.0	100.0
VND	3,900,000,000	Santa Fe Joint Stock Company, Vietnam	0.0	100.0
AED	300,000	Santa Fe Relocation Services LLC, United Arab Emirates	0.0	100.0
MNT	196,000,000	Santa Fe Relocation Services LLC., Mongolia	0.0	100.0
QAR	200,000	Santa Fe Relocation Services (LLC), Qatar	0.0	100.0
KES	3,000,000	Santa Fe Relocation Services Ltd, Kenya	0.0	100.0
ZAR	100	Santa Fe Mobility Services (PTY), South Africa	0.0	100.0
MMK	42,900,000	Santa Fe Mobility Services (Myanmar) Limited, Myanmar	0.0	100.0
PHP	16,000,000	Santa Fe Moving and Relocation Services Phils., Inc., Philippines	0.0	100.0
IDR	550,000,000	PT Relokasi Jaya, Indonesia	0.0	100.0
IDR	5,795,151,600	PT Relokasi Jaya, Indonesia	0.0	100.0

* Associated company

All Class of shares are ordinary.