

Gator Intermediate Holdco (UK) Ltd
Annual report and financial statements
For the year ended 31 December 2022

Registration Number: 11899400

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Registration number: 11899400

For the year ended 31 December 2022

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Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

DIRECTORS, OFFICERS AND PROFESSIONAL SERVICE PROVIDERS

THE BOARD OF DIRECTORS

Hythem Talaat EL-NAZER

David Winslow BONNETTE (resigned 15 March 2023)

Eoin DUANE (appointed 15 March 2023)

Hiren MANKODI (appointed 15 March 2023)

REGISTERED OFFICE

Lincoln House
Wellington Crescent
Fradley Park
Lichfield
United Kingdom
WS13 8RZ

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
United Kingdom
LS1 2AL

BANKERS

Bank of America
2 King Edward Street
London
EC1A 1HQ

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

STRATEGIC REPORT (continued)

For the period ended 31 December 2022

The Directors present their strategic report on the affairs of Gator Intermediate Holdco (UK) Limited ("the Company") and its controlled entities ('the Group') for the period ended 31 December 2022.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the Group in the period under review were those of acting as an agent for a computer software developer and distributor, the provision of computer consultancy services, and training. The principal activity of the Company is that of a holding company.

The Group recorded a loss for the period of \$243,673k (2021: \$189,921k) and is in a net liability position of \$204,460k (2021: \$74,485k). The increase in the recorded loss was attributable to increased non-cash amortization expense, interest expense and foreign currency translation adjustments. Additionally, the net liability position increased during the period due to increased borrowings for the acquired entities noted in note 14. Although interest expense increased year over year, the Group continued to generate positive cash flows from operations.

Key performance indicators

Key Performance indicators that are used to monitor and manage the business are primarily:

	2022 \$'000	2021 \$'000
Turnover	491,170	418,733
Gross margin	53.5%	55.6%
EBITDA	88,342	58,880

The performance of the group was as expected given the timing of the different acquisitions in the period as outlined in note 14 and organic growth during the period.

The Group continues to monitor the availability of the liquid resources from monitoring its undrawn facilities. At the period end the group had undrawn facilities of \$50,000,000 (2021: \$50,000,000).

EBITDA is a key measure used by management to assess the performance of the group. This represents earnings before interest, tax, depreciation and amortisation and has been reconciled to loss before tax below.

	2022 \$'000	2021 \$'000
Loss before tax	(210,095)	(177,497)
Interest receivable	(41)	(23)
Interest Payable	99,061	66,126
Depreciation	6,852	8,408
Amortisation	192,565	161,866
EBITDA	88,342	58,880

Gator Intermediate Holdco (UK) Ltd

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STRATEGIC REPORT (continued)

For the period ended 31 December 2022

Principal risks and uncertainties

The Group has robust internal control and risk management processes, which are designed to provide assurance but which cannot avoid all risks. Outlined below are potential risks that could impact the Group's performance, causing actual results to vary from those previously experienced. These risks are monitored on an ongoing basis through the Group's risk management processes. Additional risks and uncertainties not identified may also have an adverse effect on the Group.

Operational Risks

The ongoing success of the Group is dependent on attracting and retaining high quality employees who have the ability to effectively manage the Group's operations. Failure to recruit and retain high quality employees can impact financial results.

The Group mitigates the risk associated with the loss of key personnel through robust succession planning, strong recruitment processes and effective management incentives. The Group continue to invest in talent and capability by recruiting the best in the industry and by providing training for all employees. The Group have made several management changes to help facilitate the change in direction of the Group.

Financial Risks

The Group relies heavily on information technology and systems to support our business. An extended failure of our core systems, caused by accidental or malicious actions (including cyber-crime), could result in a significant impact on the business.

The Group maintains a programme of controls to protect the confidentiality, integrity and availability of information across the business. Firewalls protect the network and public IP range are scanned weekly. A managed service is used to monitor and manage network security 24/7 and anti-virus software is maintained and operated on all hardware; restrictions are placed on the use of external hard drives and USB sticks.

The Group has defined benefit pension plans that are currently in deficit (on an actuarial basis). Valuations of all defined benefit plans are dependent upon market conditions and the actuarial methods and assumptions used. The Group may be required to increase pension contributions which may have an adverse effect on its financial condition. Pension regulation could restrict the freedom of the Group to undertake certain corporate activities (including disposals and return of capital to shareholders).

The Board regularly reviews the value of assets and liabilities of the Group's pension schemes as well as the potential impact of changes in actuarial assumptions and actions that can be taken to mitigate the risks associated with the defined benefit pension schemes. The scheme is closed to future benefit accrual. The Group maintains a good working relationship with the Pension scheme trustees with whom it agrees a long-term funding plan.

Liquidity risk is monitored by the Board who reviews the adequacy of available funding and compliance with borrowing covenants on a monthly basis. In assessing liquidity risk, the Company assesses cash flows, borrowing availability on the existing revolver facility, and the impact of changing interest rates on existing borrowings. Additionally, the Company considers the liquidity and interest rate impact when assessing the funding sources for future potential acquisitions. Based on the assessment of current cash flows, borrowing availability, interest rates and existing borrowings, no breaches to the Group's borrowing covenants have occurred or are forecast to occur in the foreseeable future. The Company will continue to assess funding sources for future capital raises.

The Group is impacted by macroeconomic conditions such as inflation. The rise in inflation can impact the cost of third-party software licenses used in the fulfilment of our software products. The rising costs of third-party software licenses are passed through to the customers or are costs incurred by the Company. We are assessing our contracts with third party vendors to identify potential cost savings.

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

STRATEGIC REPORT (continued)

For the period ended 31 December 2022

Future Prospects

The Group continues to pursue opportunities to grow through acquisition as well as concentrating on organic growth within existing businesses and through the expansion of products, industries and current customer relationships.

Statement by the Directors in performance of their statutory duties in accordance with s172 Companies Act

Engaging with stakeholders to deliver long-term success is an area of focus for the Board in order to develop a long-term sustainable business model.

To ensure the Board's decision making reflects a wide range of perspectives, the views of other stakeholders are gathered and where relevant, reflected within the board papers and those of the relevant committees and are considered when developing the strategy of the Group. The Board's priority is to ensure that Directors have acted both individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its stakeholders and to the matters set out in paragraphs a-f of section 172 of the Companies Act 2006, which includes the following:

- a. The likely consequences of any decisions in the long term;
- b. The interest of the Company's employees;
- c. The need to foster the Company's business relationships with suppliers, customers and others;
- d. The impact of the Company's operations on the community and the environment;
- e. The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. The need to act fairly as between members of the Company.

These details are set out below:

Risk Management

We operate in a business which provides agency services for computer software developers and distributors along with provision of computer consultancy and training. As our business has evolved, our risk profile has changed and the need to manage risk effectively has become more critical. In particular, the management of regulated mandates requires management to identify, evaluate and mitigate risks. Our risk management processes are regularly reviewed and evaluated to ensure that they are operating effectively and are independently reviewed.

People

We recognise that our people are the most important element of our business and have developed a people strategy to help us achieve our business objectives. For our business to succeed, we need to manage our people effectively and efficiently whilst fostering a culture which reflects our business values. We focus on identifying and developing talent, ensuring we provide the best service to our investors. We engage regularly with our people through a bi-annual employee engagement survey the results of which are reviewed by management and used to identify weaknesses and inform future people strategies.

Business Relationships

Our business model relies on organic growth through existing mandates and the launch of new products. To achieve this, we need to ensure that we maintain and grow strong relationships with existing investors and suppliers and can attract new investors and business partners. It is therefore essential we maintain the highest standards in our business dealings, that is reflected in our core values of Principled, Respectful and Responsible.

Community and Environment

The Group is committed to making a positive impact on the communities in which it operates and on the environment. The Group is committed to the health and safety of people and communities and to building a diverse and inclusive workforce.

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

STRATEGIC REPORT (continued)

For the period ended 31 December 2022

GOING CONCERN

After making due enquiries, the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and for this reason the going concern basis continues to be adopted in preparing the financial statements.

In reaching this conclusion, the Board has considered the financial position of the Group and its funding facilities for the twelve months following the signing of the financial statements. The Board has undertaken a review of the company's forecasts and associated risks and sensitivities. The Board recognized the uncertain economic outlook and the particular circumstances relevant to the company.

The Group made an operating loss during the year, and is in a net current liabilities position of \$120,188k at the balance sheet date. Notwithstanding these results the group generates positive operating cash flows. Based upon the Group's financial projections, the company has sufficient liquidity and borrowing capacity on the revolving credit facility to fund operations. Inflationary pressures are not expected to have a significant impact on the group's going concern position.

In addition, loan arrangements are not repayable in the next 12 months from the dates of these financial statements. The first term credit agreement matures in April 2026 and the second term credit agreement matures in April 2027. Accordingly, the Board has concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason have adopted the going concern basis in preparing the financial statements.

Accordingly, taking the above into consideration, the Directors continue to adopt the going concern basis in preparing the strategic and directors' report and financial statements.

EVENTS OCCURRING AFTER REPORTING DATE

Subsequent events have been evaluated through 30 September 2023, the date the consolidated financial statements were available for issuance. In February and June 2023, the Company drew a combined \$91 million on the First Lien credit facility in order to finance further acquisitions detailed below. No significant changes were made to the terms of the credit agreements.

During the period from the Balance Sheet date through 30 September 2023, the Company completed six acquisitions with an estimated aggregate purchase price of approximately \$65M. The acquisitions were financed through incremental borrowings on the First Lien credit facility and capital contributions from the parent company. The Company is in process of completing the purchase accounting for the entities acquired in 2023 as of the date the consolidated financial statements were available for issuance.

During March 2023, the Company completed a recapitalization transaction with TA, Vista, Charlesbank and Insight Partners valued at \$3.55 billion which resulted in a change in control and an incremental contribution of \$50 million in cash to the Company's Balance Sheet.

During April and June 2023, the Company modified its revolving commitment which resulted in additional available borrowing capacity of \$67 million.

Approved by the Board of directors and signed by a director on its behalf



Hythem Talaat EL-NAZER
Director

27 September 2023

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

DIRECTORS REPORT

For the period ended 31 December 2022

The Directors present their annual report on the affairs of Gator Intermediate Holdco (UK) Limited (the 'Company') and the entities it controls (the 'Group') together with the auditor's reports and audited consolidated financial statements for the year to 31 December 2022. The financial statements include comparatives for the year ended 31 December 2021.

The Company was incorporated on 22nd March 2019 and completed the purchase of the Aptean group of entities on 22nd April 2019 from Vista Equity Partners for gross proceeds of \$750 million, net of \$11.7 million of cash acquired. Subsequent to this the Group have continued to make further strategic acquisitions as outlined in note 14.

Directors

The directors who have served during the year and up to the date of this report, except as noted, are as follows:

Hythem Talaat EL-NAZER
David Winslow BONNETTE (resigned 15 March 2023)
Eoin DUANE (appointed 15 March 2023)
Hiren MANKODI (appointed 15 March 2023)

The Group has made qualifying third party indemnity provisions for the benefit of the directors which remain in force at the date of this report.

Dividends

No dividends have been declared or paid for the period ending 31 December 2022.

Streamlined Energy and Carbon Reporting

The parent and consolidated group are exempt from including full energy and carbon disclosures as all entities within the group are exempt from disclosures at an individual level. The parent company and other UK subsidiaries either consume less than 40,000 KWH of energy per annum or do not meet the criteria of a large entity, making them exempt from reporting any disclosures under the Government Streamlines Energy and Carbon reporting regulations (SECR).

Financial risk management

The financial risks faced by the Group and the measures taken to reduce these risks are addressed within the Strategic report on page 4 and form part of this report by cross-reference.

Future Developments

Details of future prospects of the Group can be found in the Strategic Report on page 4 and form part of this report by cross-reference.

Employees

Details of the number of employees and related costs can be found in note 7.

The Group takes its responsibilities to its employees seriously and places great emphasis on optimising the contribution made by employees at all levels. The Group recognises the value of its employees and seeks to *create an energetic, dynamic and responsive environment in which to work. It places considerable importance on communications with employees, which occur throughout the organisation on both a formal and informal basis. The Group's policy is to provide opportunities for active participation and personal development, with the goals of motivating individuals and helping them to enhance their skills and maximise their potential.*

The Group is committed to:

- providing equality of opportunity for all existing and potential employees. It aims to treat all of its employees fairly in every aspect of employment;
- ensuring that employees have access to information and training that enables them to contribute and participate fully in the Group's achievement of its objectives; and
- providing employees with clear and fair terms of employment and competitive remuneration packages.

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

DIRECTORS REPORT (continued)

For the period ended 31 December 2022

Employees (continued)

The Company uses a variety of methods to enable its employees to understand the performance of the Group and of their own operating business unit. These include briefing groups, meetings with employee representatives, e-mail bulletins and in-house magazines. Employees are consulted on a wide range of issues affecting their current and future interests, and particularly on changes affecting the businesses in which they work.

Applications for employment by disabled persons are fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that *training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.*

Ethical Policy

The Company and Group are committed to working with our customers, suppliers and contractors to promote responsible working and trading practices.

Post balance sheet events

Details of the post balance sheet events can be found in the Strategic Report on page 4 and form part of this report by cross-reference.

Going concern

Details of the going concern basis of preparation of the Group can be found in the Strategic Report on page 5 and form part of this report by cross-reference.

Research and development

Throughout the period the Group invested across the business in development of new and enhanced products. The costs incurred in the periods ending December 31, 2022, and 2021 were \$29.9 million and \$22.3 million, respectively. The costs include all directly attributable costs necessary to create and produce new products which are both brand new in design and those being modified.

Disclosure of Information to Auditor

The directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Deloitte LLP, will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of directors and signed by a director on its behalf



Hythem Talaat EL-NAZER
Director

27 September 2023

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

DIRECTORS' RESPONSIBILITY STATEMENT

For the period ended 31 December 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

Independent auditor's report to the members of Gator Intermediate Holdco (UK) Ltd

For the period ended 31 December 2022

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Gator Intermediate Holdco (UK) Limited (the 'parent company') and its subsidiaries (the 'group').

- 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 for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and company balance sheets;
- the consolidated and company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Gator Intermediate Holdco (UK) Ltd

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Independent auditor's report to the members of Gator Intermediate Holdco (UK) Ltd (continued)

For the period ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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 this gives rise to 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.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

Independent auditor's report to the members of Gator Intermediate Holdco (UK) Ltd (continued)

For the period ended 31 December 2022

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, and pensions regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Manual adjustments made to revenue are a fraud risk given the group is highly dependent on revenues with valuation of the business driven by Earnings before interest, tax, depreciation and amortisation ("EBITDA"). We have gained an understanding of the key controls around the financial reporting process and booking of revenue and have performed substantive testing on manual adjustments made to revenue accounts in the year. This included test of details on manual revenue postings to agree to supporting documentation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and 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.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or 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; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Gator Intermediate Holdco (UK) Ltd

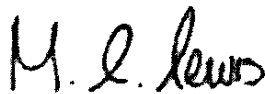
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Independent auditor's report to the members of Gator Intermediate Holdco (UK) Ltd (continued)

For the period ended 31 December 2022

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.



Mark Lewis FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, UK

27 September 2023

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Turnover	4	491,710	418,733
Cost of sales		(228,852)	(185,767)
Gross Profit		<u>262,858</u>	<u>232,966</u>
Administrative expenses		(372,475)	(332,018)
Operating loss	5	(109,617)	(99,052)
Interest receivable and similar income	9	41	23
Interest payable and expenses	10	(99,061)	(66,126)
Other		<u>1,458</u>	<u>(12,342)</u>
Loss before tax		(210,095)	(177,497)
Tax on loss	11	(1,722)	(2,048)
Loss after tax		(211,817)	(179,545)
Other comprehensive income:			
Remeasurement of net defined benefit liability		(1,501)	1,496
Foreign currency adjustments		(30,355)	(11,872)
		<u>(31,856)</u>	<u>(10,376)</u>
Total comprehensive expense		<u>(243,673)</u>	<u>(189,921)</u>

Gator Intermediate Holdco (UK) Ltd

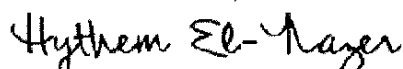
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CONSOLIDATED BALANCE SHEET

As at 31 December 2022

	Note	2022 \$'000	2021 \$'000
Fixed assets			
Goodwill	12	1,169,139	1,063,622
Intangible assets	12	263,000	258,151
Tangible assets	13	17,175	16,108
		<u>1,449,314</u>	<u>1,337,881</u>
Current assets			
Debtors: amounts falling due within one year	15	153,678	123,469
Cash at bank and in hand	16	20,047	41,914
		<u>173,725</u>	<u>165,383</u>
Creditors: amounts falling due within one year	17	(293,913)	(221,826)
Net current liabilities		<u>(120,188)</u>	<u>(56,443)</u>
Total assets less current liabilities		<u>1,329,126</u>	<u>1,281,438</u>
Creditors: amounts falling due in greater than one year	18	(1,501,238)	(1,313,765)
Pension Scheme Deficit	22	(3,871)	(7,400)
Provision for liabilities	19	(28,477)	(34,758)
Net Liabilities		<u>(204,460)</u>	<u>(74,485)</u>
Capital and reserves			
Called up share capital	20	29	29
Share premium		455,670	339,271
Profit and loss account		(660,159)	(413,785)
Shareholders' deficit		<u>(204,460)</u>	<u>(74,485)</u>

The financial statements on pages 10 to 55 were approved and authorised for issue by the Board of Directors on 27 September 2023 and were signed on its behalf by:



Hythem Talaat EL-NAZER
Director

Gator Intermediate Holdco (UK) Ltd

Registration number: 11899400

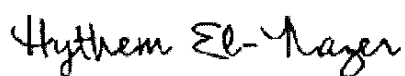
COMPANY BALANCE SHEET

As at 31 December 2022

	Notes	2022 \$'000	2021 \$'000
Fixed assets			
Investment	14	455,671	339,300
Total assets		455,671	339,300
Total assets less current liabilities		455,671	339,300
Net assets		455,671	339,300
Capital and reserves			
Called up share capital	20	29	29
Share premium		455,671	339,271
Profit and loss account		-	-
Shareholders' equity		455,671	339,300

As permitted by section 408 of the Companies Act 2006, the Company's income statement has not been included separately in these financial statements. The result for the financial periods dealt with in the financial statements of the parent Company were \$nil (2021: \$nil).

The financial statements of Gator Intermediate Holdco (UK) Limited were approved by the board of directors and authorised for issue on 27 September 2023. They were signed on its behalf by:



Hythem Talaat EL-NAZER
Director

Gator Intermediate Holdco (UK) Ltd

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2022

	Called up share capital	Share premium	Profit and loss account	Total equity
	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	29	290,271	(228,060)	62,240
Loss for the year	-	-	(179,545)	(179,545)
Pension Cost	-	-	1,496	1,496
Foreign exchange on net investment	-	-	(11,872)	(11,872)
Issue of shares	-	49,000	-	49,000
Stock Compensation Expense for options issued	-	-	4,197	4,197
Balance at 31 December 2021	29	339,271	(413,785)	(74,485)
Loss for the year	-	-	(211,817)	(211,817)
Pension cost	-	-	(1,501)	(1,501)
Foreign exchange on net investment	-	-	(30,355)	(30,355)
Capital contribution	-	116,399	-	116,399
Issue of shares	-	-	(5,328)	(5,328)
Stock Compensation Expense for options issued	-	-	2,627	2,627
Balance at 31 December 2022	29	455,670	(660,159)	(204,460)

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COMPANY STATEMENT OF CHANGES IN EQUITY

As at 31 December 2022

	Called up share capital	Share premium	Profit and loss account	Total equity
	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	29	289,971	-	290,000
Result for period	-	-	-	-
Issue of shares	-	49,300	-	49,300
At 31 December 2021	29	339,271	-	339,300
Result for period	-	-	-	-
Issue of shares	-	116,400	-	116,400
Balance at 31 December 2022	29	455,671	-	455,700

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2022

	2022 \$'000	2021 \$'000
Cash flows from operating activities		
Loss for the period	(211,816)	(179,545)
Adjustment for:		
Amortisation of intangible assets	192,565	161,866
Depreciation of tangible assets	6,852	8,408
Amortisation of debt issuance costs	4,738	3,333
Taxation charge	(14,511)	52
Loss on early extinguishment of borrowings	1,882	4,605
Stock compensation charge	3,173	4,197
Change in allowance for debtors	4,168	850
Loss/(Gain) on disposal of property	8	(1,191)
Other non-cash expenses	7,538	292
Increase in debtors	(25,493)	(11,992)
Decrease in creditors	37,573	14,744
Net cash generated from operating activities	6,677	5,619
Cash flows from investing activities:		
Purchase of tangible fixed assets	(5,337)	(5,718)
Other assets acquired	(24,495)	(16,070)
Purchase of new entities, net of cash acquired	(286,300)	(239,732)
Net cash from investing activities	(316,132)	(261,520)
Cash flows from financing activities:		
Issuance of new equity	116,400	49,000
Net Cash from new borrowing agreements	173,300	218,818
Net cash from financing activities	289,700	267,818
Effect of exchange rate changes on cash and equivalents	(2,112)	(380)
Net (decrease)/increase in cash and equivalents	(21,867)	11,537
Cash and cash equivalents at the beginning of the period	41,914	30,377
Cash and cash equivalents at the end of the period	20,047	41,914
Cash and cash equivalents at the end of the period comprise:		
Cash at bank and in hand	20,047	41,914

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

1. Entity Information

Gator Intermediate Holdco (UK) Limited is a private limited company limited by share capital and incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is Lincoln House, Wellington Crescent, Fradley Park, Lichfield, United Kingdom, WS13 8RZ.

The nature of the company's operations and its principal activity is set out in the Strategic report on page 3.

2. General Information

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The functional currency of the Company is considered to be US dollars, because that is the currency of the *primary economic environment in which the Company operates*. These financial statements are also presented in US dollars.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

Gator Intermediate Holdco (UK) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the *parent company as their remuneration is included in the totals for the group as a whole*.

2.3 Going concern

After making due enquiries, the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and for this reason the going concern basis continues to be adopted in preparing the financial statements.

In reaching this conclusion, the Board has considered the financial position of the Group and its funding facilities. The Board has undertaken a review of the company's forecasts and associated risks and sensitivities. The Board recognized the uncertain economic outlook and the particular circumstances relevant to the company.

The Group made an operating loss during the year, and is in a net current liabilities position of \$120,188k at the balance sheet date. Based upon the Group's financial projections, the company has sufficient liquidity and borrowing capacity on the revolving credit facility to fund operations. Inflationary pressures are not expected to have a significant impact on the group's going concern position.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

2.3 Going concern (continued)

In addition, loan arrangements are not repayable in the next 12 months from the dates of these financial statements. Accordingly, the Board has concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason have adopted the going concern basis in preparing the financial statements.

Accordingly, taking the above into consideration, the Directors continue to adopt the going concern basis in preparing the strategic and directors' report and financial statements.

2.4 Revenue

Turnover comprises revenue recognized by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts. The company's turnover is derived from the following sources:

Software products

The company recognizes the revenue attributable to software licenses and specified upgrades upon delivery of the software product or upgrade, whether there are no specific vendor obligations remaining, when the fee is fixed and determinable and when collection is considered probable.

Customer support included as part of the software product sale is recognized on a straight-line basis over the term of the support based on the fair value of the services to be performed.

Maintenance and customer support

Revenue attributable to maintenance and customer support is recognized on a straight-line basis over the term of the maintenance and support. Revenue not recognized in the profit and loss account under this policy is classified as deferred income in the balance sheet.

Other services

Revenue attributable to other services, such as training and consultancy, is recognized as the services are provided.

Multiple element arrangements

For arrangements with multiple elements, the group allocates revenue to each element of a transaction based on its fair value, upon the price charged when an element is sold separately except for maintenance which is also measured by the renewal rate offered to the customer.

In situations where fair value can be determined for all elements (delivered and undelivered), the group allocates the total revenue to be earned under the arrangement amount the various elements, based on their relative fair value. For arrangements where fair value can be determined for the undelivered elements, but does not exist for a delivered element, the residual method is used to record revenue.

Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is allocated to the delivered element and recognized as revenue. If the group cannot objectively determine fair value of any undelivered element included in the multiple element arrangement, revenue is deferred until all elements are delivered and services have been performed.

Investment income

Dividends received from subsidiary entities are recognized when the Company's right to receive payment is established.

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For the period ended 31 December 2022

2.5 Intangible assets

Intangible assets are initially recognized at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortization and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software - 10 years

Goodwill arising on acquisition, representing the difference between the cost and the fair value of the net assets acquired in a business combination is capitalised in the period of acquisition and amortized on a straight line basis over its useful economic life which is estimated to be ten years. Goodwill is assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, provision is made in profit or loss.

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements - Straight line basis over the term of the lease

Furniture and fittings - Straight line basis 20% - 33%

Computer Equipment and other - Straight line basis 20%-30%

Motor Vehicle- 30%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of comprehensive income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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For the period ended 31 December 2022

2.8 Research and Development

Research and Development expenditures are charged to the profit and loss account as incurred. Management cannot, with an acceptable level of certainty, give an expected period of economic benefit for these products, *additionally products are constantly modified and re-considered to ensure that they remain competitive.*

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortized cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortized cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortized cost.

Financial assets that are measured at cost and amortized cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognized in the Statement of comprehensive income.

For financial assets measured at amortized cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

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For the period ended 31 December 2022

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortized cost using the effective interest method.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.14 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognized as a reduction in the proceeds of the associated capital instrument.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution 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 recognized as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position.

The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension schemes

The Group operates a number of defined benefit pension schemes; the UK and Irish schemes are closed to future benefit accrual.

For defined benefit schemes, the amounts charged to operating profit are the costs arising from settlements and curtailments. They are included as part of staff costs.

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For the period ended 31 December 2022

Defined benefit pension schemes (continued)

The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in other comprehensive income. Costs of administering the closed defined benefit schemes are charged to administration costs.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. Full actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

2.14 Interest income

Interest income is recognized in the Statement of comprehensive income using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognized as other comprehensive income or to an item recognized directly in equity is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognized in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognized in respect of permanent differences except in respect of business combinations, when deferred tax is recognized on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS

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3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The group do not consider there to be any critical judgements within the accounts.

The company does not consider there to be any critical judgements nor key sources of estimation uncertainty.

Key sources of estimation uncertainty.

Defined benefit pension schemes

The Group operates a defined benefit pension schemes. The actuarial valuations of these schemes are reliant on a number of assumptions, including the discount rate, the inflation rate and the mortality rate. The assumptions applied as part of these valuations are based on forecasted trends and are closely monitored by the Group.

The most recent actuarial valuations of these schemes and the present value of the defined benefit obligations for the purpose of the financial statements were carried out as of 31 December 2022 by independent qualified actuaries. The directors have conducted sensitivity analysis around the key assumptions; which are outlined in note 22.

4 Turnover

An analysis of turnover by class of business is as follows:	2022 \$'000	2021 \$'000
Software license	43,362	41,590
Maintenance	197,173	179,311
Professional Services	140,661	117,537
SAAS and other	110,514	80,295
	<u>491,710</u>	<u>418,733</u>

Analysis of turnover by country of destination:	2022 \$'000	2020 \$'000
United Kingdom	85,737	77,654
Rest of Europe	125,658	106,168
Rest of the World	280,315	234,911
	<u>491,710</u>	<u>418,733</u>

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For the period ended 31 December 2022

5 Operating loss

	2022	2021
	\$'000	\$'000
The operating loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets	6,582	8,408
Amortisation of intangible assets	192,565	161,866
Operating lease rentals	14,504	5,800
Research and development	29,900	22,300
Loss/(Gain) on disposal	8	(1,191)
Foreign Exchange differences	(2,112)	(380)

6 Auditors remuneration

	2022	2021
	\$'000	\$'000
Fees payable to the Company's auditor and its Company's period ending financial statements	792	1,016
Fees payable to the Company's auditor and its associates in respect of:		
All other non-audit services	-	-

7 Employees

	2022	2021
	\$'000	\$'000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	186,317	156,904
Social security costs	14,261	11,787
Pension costs	4,122	4,100
	<u>204,700</u>	<u>172,791</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2022	2021
Administration and support	915	941
Research and development	1,266	1,150
Sales, marketing and distribution	352	324
Professional services	874	665
	<u>3,407</u>	<u>3,080</u>

8 Directors remuneration

None of the statutory directors are remunerated by the group but are remunerated by the investing parties.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

9 Interest receivable

	2022 \$'000	2021 \$'000
Other interest receivable	<u>41</u>	<u>23</u>

10 Interest payable

	2022 \$'000	2021 \$'000
Interest to creditors	<u>99,061</u>	<u>66,126</u>

Interest to creditors is payable monthly based on the outstanding principal balance and respective interest rate, as defined.

11 Taxation

	2022 \$'000	2021 \$'000
Corporation tax		
Current tax on profits for the period	<u>16,233</u>	<u>1,996</u>
Total Current Tax	<u>16,233</u>	<u>1,996</u>
Deferred Tax		
Origination and reversal of timing differences	<u>(14,511)</u>	<u>52</u>
Total Deferred Tax	<u>(14,511)</u>	<u>52</u>
Taxation on profit on ordinary activities	<u>1,722</u>	<u>2,048</u>

The corporation tax charge is different to the standard UK corporation tax rate of 19.0%.

The differences are analysed below:

	Year ended 31 December 2022 \$'000	Year ended 31 December 2021 \$'000
<i>Current tax reconciliation</i>		
Loss before taxation	<u>210,095</u>	<u>177,497</u>
Taxation on loss at the standard UK corporation tax rate of 19.0% (2021: 19.0%)	<u>(39,918)</u>	<u>(33,724)</u>
<i>Effects of:</i>		
- Amortisation not deductible for tax purposes	27,864	21,821
- Permanent differences on transaction costs	2,487	2,808
- State tax's net of Federal benefit	(2,975)	(1,293)
- Other permanent differences	(569)	577
- Differences between UK and overseas tax rates	(4,453)	(3,755)
- Change in valuation allowance	<u>19,286</u>	<u>15,614</u>
Tax charge for the period	<u>1,722</u>	<u>2,048</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

12 Taxation (continued)

As announced in the UK Budget 2021, the main rates for UK Corporation tax will increase from 19.0% to 25.0% with effect from 1 April 2023. This is not expected to have a material impact on our deferred tax assets nor liabilities.

13 Intangible assets and goodwill

	Gross carrying amount \$'000	Accumulated amortization \$'000	Net \$'000
Intangible assets			
At 1 January 2022	353,995	(95,844)	258,151
Additions	55,435	-	55,435
Amortization	-	(50,586)	(50,586)
At 31 December 2022	409,430	(146,430)	263,000
Goodwill			
At 1 January 2022	1,317,989	(254,367)	1,063,622
Additions	243,189	-	243,189
Amortization	-	(138,302)	(138,302)
At 31 December 2022	1,561,808	(392,669)	1,169,139

Intangible assets and goodwill are analysed for impairment up to the occurrence of a triggering event. Management's judgment regarding the existence of triggering events is based on legal factors, market conditions, and operational performance, among other things. An impairment loss is recognized if the carrying value exceeds the asset's fair value. There were no triggering events during the year ended 31 December 2022 or 31 December 2021.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

14 Fixed assets

Cost or Valuation	Leasehold Improvements	Furniture and Fittings	Motor Vehicles	Computer Equipment & Other	Total \$'000
At 1 January 2022	4,864	2,249	7,173	10,264	24,550
Additions	530	845	447	6,097	7,919
Disposals	(791)	(27)	(50)	(2637)	(3,505)
At 31 December 2022	4,603	3,067	7,570	13,724	28,964

Depreciation	Leasehold Improvements	Furniture and Fittings	Motor Vehicles	Computer Equipment & Other	Total \$'000
At 1 January 2022	749	793	2,928	3,972	8,442
Additions	954	745	695	4,458	6,852
Disposals	(791)	(27)	(50)	(2637)	(3,505)
At 31 December 2022	912	1,511	3,573	5,793	11,789

Net Book Value					
At 31 December 2022	3,691	1,556	3,997	7,931	17,175
At 31 December 2021	4,115	1,456	4,245	6,292	16,108

Leased assets included above:

Net Book Value					
At 31 December 2022	-	-	3,997	-	3,997
At 31 December 2021	-	-	4,245	-	4,245

The group has leased vehicles on leases which are considered to meet the definition of finance leases and are accounted for accordingly.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

15 Investments

	\$'000
Company	
At 31 December 2021	339,300
Additions	116,400
At 31 December 2022	455,700

Provisions for impairment are made where it is deemed the carrying value of the investment will not be recovered. The directors consider the value of investments to be supported by their underlying assets and future cash flows.

The parent Company have investments in the following subsidiary undertakings:

Name	Class of shares	Holding	Principal Activity	Country of Incorporation	Registered address
Anisa Consolidated Holdings LTD ⁺	Ordinary	100%	Holding	UK	1
Anisa Group Holdings LTD ⁺	Ordinary	100%	Holding	UK	1
Anisa Supply Chain Solutions LTD ⁺	Ordinary	100%	Trading	UK	1
Aptean EMEA Clearing LTD ⁺	Ordinary	100%	Dormant	UK	1
Aptean LTD ⁺	Ordinary	100%	Trading	UK	1
Gould Hall Computer Services LTD ⁺	Ordinary	100%	Trading	UK	1
Gator Holdco (UK) Limited ⁺	Ordinary	100%	Holding	UK	1
In2grate Business Solutions LTD ⁺	Ordinary	100%	Trading	UK	1
LinkFresh Software Group LTD ⁺	Ordinary	100%	Trading	UK	1
LinkFresh Software LTD ⁺	Ordinary	100%	Trading	UK	1
Sanderson Multi-Channel Retail Systems LTD ⁺	Ordinary	100%	Trading	UK	1
OBS Logistics LTD ⁺	Ordinary	100%	Trading	UK	1
Proteus Software LTD ⁺	Ordinary	100%	Trading	UK	1
Respond Group LTD ⁺	Ordinary	100%	Dormant	UK	1
RFMS (UK) LTD ⁺	Ordinary	100%	Trading	UK	1
Sanderson Group LTD ⁺	Ordinary	100%	Holding	UK	1
Sanderson LTD ⁺	Ordinary	100%	Dormant	UK	2
Sanderson Multi-Channel Solutions LTD ⁺	Ordinary	100%	Dormant	UK	2
Supply Chain Systems LTD ⁺	Ordinary	100%	Trading	UK	2
TheySay LTD ⁺	Ordinary	100%	Dormant	UK	2
Yaletown Acquiror (UK) LTD ⁺	Ordinary	100%	Holding	UK	2
Aptean Acquiror Inc.	Ordinary	100%	Trading	US	3
Aptean, Inc.	Ordinary	100%	Trading	US	4
Saratoga Systems SARL	Ordinary	100%	Trading	France	5
CDC Software Canada LTD	Ordinary	100%	Trading	Canada	6
Ross Computer Software B.V.	Ordinary	100%	Dormant	Netherlands	7
Ross Systems Europe N.V.	Ordinary	100%	Trading	Belgium	8
Aptean Systems LLC	Ordinary	100%	Trading	US	4
AssetPoint LLC	Ordinary	100%	Trading	US	4
GQ Life Sciences, Inc	Ordinary	100%	Trading	US	4
IndustryBuilt Software LTD	Ordinary	100%	Trading	US	4
BCG Management Resources, Inc.	Ordinary	100%	Trading	US	9
d/b/a Beck Consulting	Ordinary	100%	Trading	US	9
Apprise Software, Inc.	Ordinary	100%	Dormant	US	10

Gator Intermediate Holdco (UK) Ltd

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For the period ended 31 December 2022

14. Investments (continued)

Name	Class of shares	Holding	Principal Activity	Country of Incorporation	Registered Address
Nanjing Apprise Software Co., LTD	Ordinary	100%	Trading	PRC	12
Apprise Software Pty LTD	Ordinary	100%	Trading	Australia	13
Aptean India Private LTD	Ordinary	100%	Trading	India	15
Lil Su Acquireco ApS	Ordinary	100%	Trading	Denmark	17
TopCap API ApS	Ordinary	100%	Trading	Denmark	17
API Maintenance Holding ApS	Ordinary	100%	Trading	Denmark	17
API Maintenance Systems A/S	Ordinary	100%	Trading	Denmark	17
APIPRO Maintenance Systems	Ordinary	100%	Trading	Belgium	18
APIPRO Maintenance Sverige AB	Ordinary	100%	Trading	Sweden	19
APIPRO India Private LTD	Ordinary	100%	Dormant	India	21
API Deutschland GmbH	Ordinary	100%	Trading	Germany	22
Axxos AB	Ordinary	100%	Trading	Sweden	23
Axxos Industrial Systems Europe AB	Ordinary	100%	Trading	Sweden	23
Axxos Industrisystem AB	Ordinary	100%	Trading	Sweden	23
Aptean (Hong Kong) LTD	Ordinary	100%	Trading	Hong Kong	24
CDC Software Corporation	Ordinary	100%	Dormant	Cayman	25
STG	Ordinary	100%	Dormant	Cayman	25
IMI Global Holdings Ireland LTD	Ordinary	100%	Dormant	Ireland	26
Aptean Asia Pacific LTD	Ordinary	100%	Trading	Hong Kong	24
Aptean Shenzhen Co., LTD	Ordinary	100%	Trading	PRC	27
Aptean (Australia) Pty Ltd	Ordinary	100%	Trading	Australia	13
ActivPlant Corporation	Ordinary	100%	Trading	Canada	6
Aptean Iberica, S.L.	Ordinary	100%	Trading	Spain	31
Aptean France S.A.	Ordinary	100%	Trading	France	5
Aptean GmbH	Ordinary	100%	Trading	Germany	50
Aptean Japan Co., LTD	Ordinary	100%	Trading	Japan	94
Aptean Software Singapore Pte. LTD	Ordinary	100%	Trading	Singapore	32
Sustina Software Inc.	Ordinary	100%	Trading	Canada	6
Axentia Solutions Corp	Ordinary	100%	Trading	Canada	6
IndustryBuilt Software Corp.	Ordinary	100%	Trading	Canada	6
LINKFRESH Inc.	Ordinary	100%	Trading	US	4
Schouw Informatisering B.V.	Ordinary	100%	Trading	Netherlands	33
Yaletown Acquiror Sarl	Ordinary	100%	Trading	Luxembourg	34
Aptean Nederland B.V.	Ordinary	100%	Trading	Netherlands	7
Aptean Global Holdings Corporation	Ordinary	100%	Dormant	BVI	35
IMI North America Holdings LTD	Ordinary	100%	Dormant	Ireland	26
Industri-Matematik Holdings, Inc.	Ordinary	100%	Dormant	US	4
Nolaba AB	Ordinary	100%	Dormant	Sweden	36
Aptean OY	Ordinary	100%	Dormant	Finland	37
Aptean Software Investments LTD	Ordinary	100%	Dormant	BVI	35
CDC Software Asia Corporation	Ordinary	100%	Dormant	Cayman	25
Platinum China Holdings Inc.	Ordinary	100%	Dormant	BVI	35
Open Business Solutions Logistics Pte LTD	Ordinary	100%	Trading	Singapore	39
Sanderson Australia Software Pty Ltd	Ordinary	100%	Trading	Australia	40
Agiles informationssystems GmbH	Ordinary	100%	Trading	Germany	45
Aptean Jersey Bidco Ltd	Ordinary	100%	Trading	Jersey	45
Axant Ltd +	Ordinary	100%	Trading	UK	2

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For the period ended 31 December 2022

14. Investments (continued)

Pan Rui Software (Shanghai) Co Ltd	Ordinary	100%	Trading	PRC	47
Cimdata Software GmbH	Ordinary	100%	Trading	Germany	49
Cimdata Verwaltungs GmbH	Ordinary	100%	Trading	Germany	48
DIN Computers B.V.	Ordinary	100%	Trading	Netherlands	46
Innovative Systems LLC	Ordinary	100%	Trading	US	43
Iqu applications GmbH	Ordinary	25.1%	Trading	Germany	48
Lascom S.A.	Ordinary	100%	Trading	France	44
Lascom Solutions, Inc.	Ordinary	100%	Trading	US	51
Logis Beteiligungs GmbH	Ordinary	100%	Trading	Germany	48
Logis GmbH	Ordinary	100%	Trading	Germany	48
OnContact CRM, LLC	Ordinary	100%	Trading	US	52
Open Systems de Latinamerica, S.A.	Ordinary	100%	Trading	Costa Rica	42
Open Systems Holding Corporation	Ordinary	100%	Trading	US	41
Open Systems, Inc.	Ordinary	100%	Trading	US	53
OSI Consulting Services, Inc.	Ordinary	100%	Dormant	US	53
Oxaion GmbH	Ordinary	100%	Trading	Germany	48
Oxaion GmbH (Austria)	Ordinary	100%	Trading	Austria	48
Paragon HDX Ltd *	Ordinary	100%	Trading	UK	2
Paragon Hungaria Kft	Ordinary	49.62%	Trading	Hungary	93
Paragon Software Systems Inc.	Ordinary	100%	Trading	US	52
Paragon Software Systems Ltd	Ordinary	100%	Trading	UK	2
Syncos Beteiligungs GmbH	Ordinary	100%	Trading	Germany	48
Syncos GmbH	Ordinary	100%	Trading	Germany	48
WorkWise, LLC	Ordinary	100%	Trading	US	53
Xanadu Equipment Leasing, Inc.	Ordinary	100%	Dormant	US	53
Aptean Software Systems, S.R.L. (f/k/a 3-102-850993 S.R.L.)	Ordinary	100%	Trading	Costa Rica	54
Aptean Fashion GmbH	Ordinary	100%	Trading	Germany	55
Aptean France Solutions Sarl	Ordinary	100%	Trading	France	56
Aptean Global Services SP.ZO.O	Ordinary	100%	Trading	Poland	57
Aptean Italy Bidco S.r.l	Ordinary	100%	Dormant	Italy	58
Aptean Italy Srl	Ordinary	100%	Trading	Italy	59
Aptean MLM Solutions UK Limited	Ordinary	100%	Trading	UK	60
Aptos Solutions Spain SL	Ordinary	100%	Trading	Spain	61
Customware Inc	Ordinary	100%	Trading	US	62
CSB Meridian Limited *	Ordinary	100%	Dormant	UK	63
(Data Systems) JET ERP	Ordinary	100%	Trading	Germany	64
Exenta Inc	Ordinary	100%	Trading	US	65
Exerve Inc	Ordinary	100%	Trading	US	66
Florida Business Software Solutions LLC	Ordinary	100%	Trading	US	67
Frontix BV	Ordinary	100%	Trading	Netherlands	68
Groupe Mistral SAS	Ordinary	100%	Trading	Germany	69
ImPuls GmbH	Ordinary	100%	Trading	Germany	70
Aptean DACH Betellungs				Germany	71
Gesellschaft GmbH	Ordinary	100%	Holdings		
Aptean DACH GmbH	Ordinary	100%	Trading	Germany	72
Merlin Business Software Limited	Ordinary	100%	Trading	UK	73
Mistral Informatique SAS	Ordinary	100%	Trading	France	74
Nanjing Apprise Software Co., LTD				PRC	75
- Shanghai Branch	Ordinary	100%	Trading		
Objective Holdings NV	Ordinary	100%	Holdings	Belgium	76
Objective International BV	Ordinary	100%	Trading	Belgium	77
Objective BVBA	Ordinary	100%	Trading	Belgium	78
Objective Belgium BVBA	Ordinary	100%	Trading	Belgium	79

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14. Investments (continued)

Objective Belgium BVBA				Netherlands	80
Nederlands Branch	Ordinary	100%	Trading		
Prima Solutions Limited +	Ordinary	100%	Trading	UK	81
Prima Solutions (Holdings) Limited	Ordinary	100%	Dormant	UK	82
Produce Pro Inc	Ordinary	100%	Trading	US	83
Ramsauer & Sturmer Software GmbH (Austria)	Ordinary	100%	Trading	Austria	84
Ramsauer & Sturmer Software GmbH (Germany)	Ordinary	100%	Trading	Germany	85
R.L.M. Apparel Software Systems Inc	Ordinary	100%	Trading	US	86
RLM Software Systems S.A.S	Ordinary	100%	Trading	Costa Rica	87
Task Performance Group Inc	Ordinary	100%	Trading	US	88
TAH Concepts LLC	Ordinary	100%	Trading	US	89
Timesavers INC	Ordinary	100%	Trading	US	90
The System House Inc	Ordinary	100%	Trading	US	91
Aptean Australia Solutions Pty	Ordinary	100%	Trading	US	95
Systems Integrate (Trading) Limited+	Ordinary	100%	Trading	UK	60
V-Technologies LLC	Ordinary	100%	Trading	US	92

- 1 Lincoln House, Wellington Crescent, Fradley Park, Lichfield, United Kingdom. WS13 8RZ
- 2 Lincoln House, Wellington Crescent, Fradley Park, Lichfield, United Kingdom. WS13 8RZ
- 3 3500 S Dupont Hwy Dover, DE 19901
- 4 Corporation Service Company 251 Little Falls Drive Wilmington, DE 19808
- 5 15 Rue de Choiseul, 75002 Paris
- 6 Suite 2600 1066 West Hastings St. Vancouver, BC V6E 3X1
- 7 Newtonlaan 115, 3584 BH Utrecht
- 8 Noorderlaan 147 2030 Antwerp, Belgium
- 9 CSC- Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA, 95833-3505
- 10 3101 Emerick Boulevard Suite 301 Bethlehem, PA 18020
- 11 Holandská 874/8, Štýřice, 639 00 Brno
- 12 6009 Changjiang Science Bldg, 40 Nanchang Road, Nanjing, China 210037
- 13 Pitcher Partners NSW Pty Limited, Level 22, 19-29 Martin Place, Sydney NSW 2000
- 14 Derech HaAtsma'ut 57, Haifa, Israel 33032
- 15 Level -5 (8th Floor), "Golden Heights", No 1/2, 59th C Cross Road, 4th M Block, Rajajinagar, Bangalore – 560 010
- 16 Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703
- 17 c/o Horten Advokatpartnerselskab, Philip Heymans Alle 7, 2900 Hellerup
- 18 Leuvensesteenweg 248D Box 4, 1800 Vilvoorde, Belgium
- 19 Fridkullagatan 14, 412 62 Göteborg
- 20 Corporation Service Company 40 Technology Pkwy, South #30, Norcross, GA 30092
- 21 GF No.7, Karuna Complex, No 337, Sampige Road, Malleshwaram Bangalore Bangalore KA 560003 IN
- 22 Karl-Götz-Straße 5, 97424, Schweinfurt
- 23 Österängsvägen 2, 554 63 Jönköping
- 24 20th Floor, Central Tower, 28 Queen's Road Central, Hong Kong
- 25 PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
- 26 25-28 North Wall Quay, Dublin 1
- 27 1 FL South T3 Software Park Shili New Area Nanshan District Shenzhen
- 28 c/o Weitnauer Rechtsanwälte Neuer Wall 84 20354 Hamburg.
- 29 Oak Minami-Azabu Building 2F, 3-19-23 Minami-Azabu, Minato-ku, Tokyo
- 30 Życzkowskiego 20, 31-864 Kraków
- 31 C/Frederic Mompou, 5-2° 1ª Sant Just Desvern, Barcelona, 08960, Spain
- 32 30 Cecil Street, #11-04, Prudential Tower, Singapore 049712
- 33 Bredaseweg 172, 4872LA Etten-Leur
- 34 19, rue de Bithourg L-1273 Luxembourg
- 35 Tropic Isle Building P. O. Box 438, Road Town, Tortola, British Virgin Islands
- 36 Repslagaregatan 24, SE 582 22 Linköping
- 37 Äyritie 12 A, FI-01510 Vantaa
- 38 C/- Crown Corporate Services Unit 701 Level 7 171 Clarence Street, Sydney NSW 2000

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NOTES TO THE FINANCIAL STATEMENTS**For the period ended 31 December 2022**

14. Investments (continued)

- 39 30 Cecil Street, #11-04, Prudential Tower, Singapore 049712
- 40 Proactive Business Advice Pty Ltd, Suite 5, Level 1, 2 Help Street, Chatswood NSW 2067, Australia
- 41 Corporation Service Company, 2345 Rice Street Suite 230, Roseville, MN 55113 USA
- 42 San Jose, Santa Ana, Pozos, Radial Santa Ana San Antonio De Belen, Kilometro Tres, Centro Empresarial Via Lindora, Edificio BLP Abogados, Cuarto Piso
- 43 CSC - LAWYERS INCORPORATING SERVICE, 251 LITTLE FALLS DRIVE, WILMINGTON DE 19808 USA
- 44 36 avenue de l'Europe, 78140 VELIZY-VILLACOUBLAY, France
- 45 2nd Floor Sir Walter Raleigh House 48-50 Esplanade St Helier Jersey JE2 3QB
- 46 Europalaan 24, 6199AB Maastricht-Airport, The Netherlands
- 47 Floor 1-2, Building 4, No. 1628, Lizheng Road, Shuyuan Town, Pudong New District, Shanghai, People's Republic of China
- 48 Pforzheimer Str. 128, 76275 Ettlingen, Germany
- 49 Hohentürdingen Straße 11, 91747 Westheim
- 50 Lenbachplatz 6, c/o Orrick, Herrington & Sutcliffe LLP, 80333 München
- 51 5473 KEARNY VILLA RD, SUITE 255, SAN DIEGO CA 92123 USA
- 52 Corporation Service Company - 251 Little Falls Drive, Wilmington, DE 19808 USA
- 53 Corporation Service Company - 8040 Excelsior Drive, Suite 400, Madison, WI 53717 USA
- 54 Santa Ana – San Antonio de Belen highway, third kilometer, Via Lindora Business Center, BLP building, fifth floor, Pozos 10903, Santa Ana, San Jose, Costa Rica.
- 55 Chemnitz, Neefestraße 88, 09116 -Germany
- 56 203 rue de Bercy 75012 Paris
- 57 ul. Grabarska 1, 50-079 Wrocław, Poland
- 58 Via Podgora, 13, 20122, Milan, Italy
- 59 Via Chiese, No. 72/74, 20126, Milan, Italy
- 60 Lincoln House, Wellington Crescent, Fradley Park, Lichfield, United Kingdom, WS13 8RZ
- 61 Calle Buenos Aires, nº 60, Planta 2, Puerta 1, 08036, Barcelona
- 62 421 West Main Street, Frankfort, KY 40601
- 63 Lincoln House, Wellington Crescent, Fradley Park, Lichfield, United Kingdom, WS13 8RZ
- 64 Lemböckgasse 49, Stiege A, Top A62, 1230 Wien
- 65 80 State Street, 7th Floor, Albany, NY, United States, 12207 - 2543
- 66 2 Sun Court Suite 400, Peachtree Corners, GA, 30092
- 67 1201 Hays Street, Tallahassee, FL 32301
- 68 Madame Curiestraat 22a, 2171TW, Sassenheim
- 69 39, rue Georges Besse, 63100 Clermont-Ferrand
- 70 Dießemer Str. 163, 47799 Krefeld, Germany
- 71 Pforzheimer Straße 128, 76275 Ettlingen, Deutschland
- 72 18 Pforzheimer Straße 128, 76275 Ettlingen, Deutschland
- 73 Lincoln House, Wellington Crescent, Fradley Park, Lichfield, United Kingdom, WS13 8RZ
- 74 39, rue Georges Besse, 63100 Clermont-Ferrand
- 75 6009 Changjiang Science Bldg., 40 Nanchang Road, Nanjing, China 210037
- 76 Meerbos 2, 9260 Wichelen, Belgium
- 77 Meerbos 2, 9260 Wichelen, Belgium
- 78 Meerbos 2, 9260 Wichelen, Belgium
- 79 Meerbos 2, 9260 Wichelen, Belgium
- 80 Hees 4C 5521NV Eersel, Netherlands
- 81 Lincoln House, Wellington Crescent, Fradley Park, Lichfield, United Kingdom, WS13 8RZ
- 82 Lincoln House, Wellington Crescent, Fradley Park, Lichfield, United Kingdom, WS13 8RZ
- 83 801 Adlai Stevenson Drive, Springfield, IL 62703-4261
- 84 Dorfstraße 67, 5101 Bergheim bei Salzburg
- 85 Eichbühlstraße 3, 83071 Stephanskirchen, Deutschland
- 86 Princeton South Corporate Center, Suite 160, 100 Charles Ewing Boulevard, Ewing, NJ 08628
- 87 34 Santa Ana – San Antonio de Belen highway, third kilometer, Via Lindora Business Center, BLP building, fifth floor, Pozos 10903, Santa Ana, San Jose, Costa Rica
- 88 Corporation Service Company, 2345 Rice Street Suite 230, Roseville MN 55113 USA
- 89 50 West Broad Street, Suite 1330 Columbus OH 43215
- 90 1635 Pediatric Dr Ste 100, Jasper, AL 35501
- 91 1201 Hays St, Tallahassee, FL 32301
- 92 100 Pearl St, 17TH FLOOR, MC-CSC1, Hartford, CT, 06103-4506, United States
- 93 Győr, Páva u. 41, 9028 Hungary
- 94 Oak Minami-Azabu Building 2F, 3-19-23 Minami-Azabu, Minato-ku, Tokyo

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

14. Investments (continued)

95 Banks Group Sydney Pty Ltd, Suite 1406, Level 14, 109 Pitt Street Sydney NSW 2000

For the period ending 31 December 2022 the subsidiaries of the Company marked + were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies as outlined in note 25.

Acquisitions

All of the acquisitions that have been completed in 2021 and 2022 and are outlined below are for 100% of the share capital of the group or company.

2022 Acquisitions

During 2022, Aptean completed 6 significant acquisitions out of the total 9 acquisitions for the year. All acquisitions served as expansions of our core ERP and software solutions worldwide in a range of industry sectors, in which the Aptean group operates. The acquisitions serve to expand the Company's software offerings to customers globally and strengthen our position within the ERP and software solutions market. For business purposes, the name of the entities acquired have been anonymized. The Company has included the financial results of the acquired businesses in the consolidated financial statements as of the acquisition date.

The operating results of the 2022 acquisitions have been included in the consolidated statements of operations from their acquisition dates through the end of 2022. The acquired entities contributed \$27.4 million in net revenues and \$6.2 million in net loss for the year ended 31 December 2022.

Acquisition A

The Company acquired 100% of the stock of Acquisition A. The total purchase price paid at closing for this acquisition was approximately \$85.6 million including deferred consideration of \$8.9 million to be paid in 2023 and net of \$1.2 million of cash acquired. The \$85.6 million of net assets acquired included \$11.3 million of identifiable intangible assets, based on their estimated fair values, and \$80.7 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognised from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition is preliminary at December 31, 2022 due to the filing of the final income tax return for the acquired company.

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NOTES TO THE FINANCIAL STATEMENTS*For the period ended 31 December 2022***14. Investments (continued)****Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	717
Prepays and Other Current Assets	32
Intangible Assets	11,300
Goodwill	80,712
Total Assets Acquired	92,761
Liabilities	
Accrued Liabilities	5,704
Deferred Revenue	300
Deferred Tax Liability	1,191
Total Liabilities assumed:	7,195
Net assets acquired	85,566

Acquisition B

The Company acquired 100% of the stock of Acquisition B. The total purchase price paid at closing for this acquisition was approximately \$30.7 million including deferred consideration of \$3.1 million to be paid in 2023 and net of \$5.4 million of cash acquired. The \$30.7 million of net assets acquired included \$3.7 million of identifiable intangible assets, based on their estimated fair values, and \$29.8 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognised from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition is preliminary at December 31, 2022 due to the filing of the final income tax return for the acquired company.

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	532
Prepays and Other Current Assets	195
Property and Equipment, net	184
Intangible Assets	3,675
Goodwill	29,792
Total Assets Acquired	34,378
Liabilities	
Accounts Payable	71
Accrued Liabilities	548
Deferred Revenue	1,776
Sale and Use Tax Payable	87
Income Tax Payable	236
Deferred Tax Liability	950
Total Liabilities assumed:	3,668
Net assets acquired	30,709

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NOTES TO THE FINANCIAL STATEMENTS*For the period ended 31 December 2022***14. Investments (continued)****Acquisitions (continued)***Acquisition C*

The Company acquired 100% of the stock of Acquisition C. The total purchase price paid at closing for this acquisition was approximately \$51.8 million net of \$8.8 million of cash acquired. The \$51.8 million of net assets acquired included \$10.8 million of identifiable intangible assets, based on their estimated fair values, and \$50.7 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognised from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition is preliminary at December 31, 2022 due to the filing of the final income tax return for the acquired company.

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	3,886
Prepays and Other Current Assets	1,103
Property and Equipment, net	199
Intangible Assets	10,800
Goodwill	50,655
Total Assets Acquired	<u>66,643</u>
Liabilities	
Accounts Payable	126
Accrued Liabilities	9,922
Deferred Revenue	3,433
Sale and Use Tax Payable	236
Deferred Tax Liability	1,114
Total Liabilities assumed:	<u>14,381</u>
Net assets acquired	<u>51,811</u>

Acquisition D

The Company acquired 100% of the stock of Acquisition D. The total purchase price paid at closing for this acquisition was approximately \$32.9 million net of \$4.2 million of cash acquired. The \$32.9 million of net assets acquired included \$5.4 million of identifiable intangible assets, based on their estimated fair values, and \$32.7 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognised from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition is preliminary at December 31, 2022 due to the filing of the final income tax return for the acquired company.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

14. Investments (continued)**Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired in millions of \$
Assets	
Accounts receivable, net	2,531
Prepays and Other Current Assets	803
Property and Equipment, net	788
Intangible Assets	5,350
Goodwill	32,708
Other Assets	68
Total Assets Acquired	42,248
Liabilities	
Accounts Payable	229
Accrued Liabilities	4,928
Deferred Revenue	3,082
Sale and Use Tax Payable	448
Capital Lease Liability	387
Deferred Tax Liability	262
Total Liabilities assumed:	9,336
Net assets acquired	32,912

Acquisition E

The Company acquired 100% of the stock of Acquisition E. The total purchase price paid at closing for this acquisition was approximately \$20.6 million including deferred consideration of \$1.0 million to be paid in 2023 and net of and \$1.7 million of cash acquired. The \$20.6 million of net assets acquired included \$4.0 million of identifiable intangible assets, based on their estimated fair values, and \$19.3 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognised from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition is preliminary at December 31, 2022 due to the filing of the final income tax return for the acquired company.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

14. Investments (continued)**Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	231
Prepays and Other Current Assets	63
Property and Equipment, net	155
Intangible Assets	4,044
Goodwill	19,305
Total Assets Acquired	23,798
Liabilities	
Accounts Payable	138
Accrued Liabilities	563
Deferred Revenue	933
Sale and Use Tax Payable	315
Capital Lease Liability	93
Deferred Tax Liability	1,127
Total Liabilities assumed:	3,076
Net assets acquired	20,630

Acquisition F

The Company acquired 100% of the stock of Acquisition F. The total purchase price paid at closing for this acquisition was approximately \$37.3 million net of \$3.6 million of cash acquired. The \$37.3 million of net assets acquired included \$6.2 million of identifiable intangible assets, based on their estimated fair values, and \$33.7 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognised from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition is preliminary at December 31, 2022 due to the filing of the final income tax return for the acquired company.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2022

14. Investments (continued)**Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	1,361
Prepays and Other Current Assets	779
Income Tax Receivable	229
Property and Equipment, net	780
Intangible Assets	6,172
Goodwill	33,650
Total Assets Acquired	42,971
Liabilities	
Accounts Payable	691
Accrued Liabilities	1,454
Deferred Revenue	1,243
Sale and Use Tax Payable	27
Income Tax Payable	(229)
Capital Lease Liability	223
Other Liabilities	35
Deferred Tax Liability	2,015
Total Liabilities assumed:	5,688
Net assets acquired	37,283

Other 2022 Acquisitions

During the year ended December 31, 2022, Aptean completed three additional acquisitions to increase its solution landscape. The Company has included the financial results of the acquired businesses in the consolidated financial statements from their respective acquisition dates, and the results from each of these companies were not individually material to the consolidated financial statements. In the aggregate, the total purchase price for these acquisitions was approximately \$25.5 million including deferred consideration of \$3.1 million and net of \$1.7 million of cash acquired. The \$25.5 million of net assets acquired included \$4.7 million of identifiable intangible assets, based on their estimated fair values, and \$22.7 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognized from these acquisitions are not deductible for income tax purposes. The purchase price allocation for these acquisitions is preliminary at December 31, 2022 due to the filing of the final income tax return for the acquired companies.

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14. Investments (continued)
Acquisitions (continued)

The assets acquired and liabilities assumed as of the date of acquisition for the other 2022 acquisitions consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	631
Prepays and Other Current Assets	314
Property and Equipment, net	415
Intangible Assets	4,703
Goodwill	22,666
Total Assets Acquired	28,729
Liabilities	
Accounts Payable	210
Accrued Liabilities	578
Deferred Revenue	631
Sales and Use Tax Payable	55
Income Tax Payable	22
Capital Lease Liability	215
Deferred Tax Liability	1,510
Total Liabilities assumed:	3,221
Net assets acquired	25,508

The acquired identifiable intangible assets of the 2022 acquisitions as of their respective dates of the acquisition are summarized below:

Intangible	Amount \$'000	Weighted-Average Useful Life
Assets		
Developed Software	45,162	9.7 years
Tradenames	1,703	3.4 years
	46,865	

The operating results of the 2022 acquisitions have been included in the consolidated statements of operations from their acquisition dates through the end of 2022. The acquired entities contributed \$27.4 million in net revenues and \$6.2 million in net loss for the year ended December 31, 2022. The Company expensed \$13.1 million in acquisitions costs in 2022 related to closing the 2022 acquisitions.

2021 Acquisitions

During 2021, Aptean completed 5 significant acquisitions out of the total 13 acquisitions for the year. All acquisitions served as expansions of our core ERP and software solutions worldwide in a range of industry sectors, in which the Aptean group operates. The acquisitions serve to expand the Company's software offerings to customers globally and strengthen our position within the ERP and software solutions market. For business purposes, the name of the entities acquired have been anonymized. The Company has included the financial results of the acquired businesses in the consolidated financial statements as of the acquisition date.

Acquisition A

The Company acquired 100% of the stock of Acquisition A. The total purchase price paid at closing for this acquisition was approximately \$50.1 million net of \$0.2 million of cash acquired. The \$50.1 million of net assets acquired included \$9.5 million of identifiable intangible assets, based on their estimated fair values, and \$42.1

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million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to

14. Investments (continued)**Acquisitions (continued)**

goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The Company made an election for this acquisition, whereby the acquired goodwill and intangibles would become tax deductible for income tax purposes. As a result no deferred tax liability balance was established as of the acquisition date related to non-deductible goodwill and intangible assets in the purchase price allocation. The purchase price allocation for this acquisition was finalized in 2022 and was not materially adjusted.

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	308
Prepays and Other Current Assets	4
Intangible Assets	9,450
Goodwill	42,085
Total Assets Acquired	51,847
Liabilities	
Accounts Payable	18
Accrued Liabilities	90
Deferred Revenue	1,600
Total Liabilities assumed:	1,708
Net assets acquired	50,139

Acquisition B

The Company acquired 100% of the stock of *Acquisition B*. The total purchase price paid at closing for this acquisition was approximately \$38.0 million net of \$1.7 million of cash acquired. The \$38.0 million of net assets acquired included \$7.5 million of identifiable intangible assets, based on their estimated fair values, and \$35.6 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognized from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition was finalized in 2022 and was not materially adjusted.

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14. Investments (continued)**Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	1,305
Prepays and Other Current Assets	235
Property and Equipment, net	98
Intangible Assets	7,450
Goodwill	35,599
Other Assets	1,698
Total Assets Acquired	<u>46,385</u>
Liabilities	
Accounts Payable	1,048
Accrued Liabilities	3,355
Deferred Revenue	1,325
Deferred Tax Liability	498
Other Liabilities	2,110
Total Liabilities assumed:	<u>8,336</u>
Net assets acquired	<u>38,049</u>

Acquisition C

The Company acquired 100% of the stock of *Acquisition C*. The total purchase price paid at closing for this acquisition was approximately \$55.5 million including deferred consideration of \$8.1 million to be paid in 2022 and net of \$0.9 million of cash acquired. The \$55.5 million of net assets acquired included \$10.6 million of identifiable intangible assets, based on their estimated fair values, and \$48.1 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognized from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition was finalized in 2022 and was not materially adjusted.

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14. Investments (continued)**Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	3,636
Prepays and Other Current Assets	329
Property and Equipment, net	399
Intangible Assets	10,589
Goodwill	48,131
Other Assets	2
Total Assets Acquired	63,086
Liabilities	
Accounts Payable	64
Accrued Liabilities	2,151
Deferred Revenue	1,144
Income Tax Payable	1,920
Sales and Use Tax Payable	268
Capital Lease Obligations	121
Deferred Tax Liability	1,907
Total Liabilities assumed:	7,575
Net assets acquired	55,511

Acquisition D

The Company acquired 100% of the stock of *Acquisition D*. The total purchase price paid at closing for this acquisition was approximately \$44.5 million including contingent consideration of \$0.3 million and net of \$1.5 million of cash acquired. The \$44.5 million of net assets acquired included \$4.8 million of identifiable intangible assets, based on their estimated fair values, and \$40.6 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognized from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition was finalized in 2022 and was not materially adjusted.

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14. Investments (continued)**Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	2,332
Prepays and Other Current Assets	215
Property and Equipment, net	4,497
Intangible Assets	4,814
Goodwill	40,564
Total Assets Acquired	52,422
Liabilities	
Accounts Payable	120
Accrued Liabilities	1,711
Deferred Revenue	1,346
Income Tax Payable	(60)
Sales and Use Tax Payable	25
Capital Lease Obligations	3,414
Debt	265
Deferred Tax Liability	1,108
Total Liabilities assumed:	7,930
Net assets acquired	44,492

Acquisition E

The Company acquired 100% of the stock of *Acquisition E*. The total purchase price paid at closing for this acquisition was approximately \$26.6 million including deferred consideration of \$2.9 million, which is recorded as a liability on the opening balance sheet, to be paid in 2022 and net of \$4.7 million of cash acquired. The \$26.6 million of net assets acquired included \$3.8 million of identifiable intangible assets, based on their estimated fair values, and \$23.2 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognized from this acquisition are not deductible for income tax purposes. The purchase price allocation for this acquisition was finalized in 2022 and was not materially adjusted.

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14. Investments (continued)**Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition consist of the following:

	Values acquired \$'000
Assets	
Accounts receivable, net	2,210
Prepays and Other Current Assets	763
Property and Equipment, net	309
Intangible Assets	3,765
Goodwill	23,228
Total Assets Acquired	30,285
Liabilities	
Accounts Payable	318
Accrued Liabilities	361
Deferred Revenue	1,519
Income Tax Payable	121
Sales and Use Tax Payable	291
Capital Lease Obligations	75
Deferred Tax Liability	963
Total Liabilities assumed:	3,648
Net assets acquired	26,367

Other 2021 Acquisitions

During the year ended December 31, 2021, Aptean completed eight additional acquisitions. The Company has included the financial results of the acquired businesses in the consolidated financial statements from their respective acquisition dates, and the results from each of these companies were not individually material to the consolidated financial statements. In the aggregate, the total purchase price for these acquisitions was approximately \$26.9 million including deferred consideration of \$2.4 million and net of \$2.4 million of cash acquired. The \$26.9 million of net assets acquired included \$2.1 million of identifiable intangible assets, based on their estimated fair values, and \$26.5 million of goodwill. The goodwill is attributable to customer-related assets acquired whose value was assigned to goodwill along with synergies that the Company expects as the acquired business is integrated into the Company's operating structure. The goodwill and intangibles recognized from 3 of these acquisitions are not deductible for income tax purposes. The Company made an election for the other 5 acquisitions, whereby the acquired goodwill and intangibles would become tax deductible for income tax purposes. As a result no deferred tax liability balance was established as of the acquisition date related to non-deductible goodwill and intangible assets in the purchase price allocation for these acquisitions. The purchase price allocation for this acquisition was finalized in 2022 and was not materially adjusted.

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14. Investments (continued)**Acquisitions (continued)**

The assets acquired and liabilities assumed as of the date of acquisition for the other 2021 acquisitions consist of the following:

	Values - acquired \$'000
Assets	
Accounts receivable, net	686
Prepays and Other Current Assets	166
Property and Equipment, net	188
Intangible Assets	2,096
Goodwill	26,492
Other Assets	72
Total Assets Acquired	29,700
Liabilities	
Accounts Payable	167
Accrued Liabilities	764
Deferred Revenue	1,847
Sales and Use Tax Payable	34
Deferred Tax Liability	(35)
Total Liabilities assumed:	2,777
Net assets acquired	26,923

The acquired identifiable intangible assets of the 2021 acquisitions as of their respective dates of the acquisition are summarized below:

Intangible	Amount \$'000	Weighted-Average Useful Life
Assets		
Developed Software	34,996	9.9 years
Tradenames	2,796	3.0 years
	37,792	

The operating results of the 2021 acquisitions have been included in the consolidated statements of operations from their acquisition dates through the end of 2021. The acquired entities contributed \$18.3 million in net revenues and \$7.5 million in net loss for the year ended December 31, 2021. The Company expensed \$15.2 million in acquisitions costs in 2021 related to closing the 2021 acquisitions.

16 Debtors

	2022 \$'000	2021 \$'000
Trade debtors	116,148	93,018
Prepayments	26,598	21,822
Deferred taxation (note 19)	1,246	1,336
Other	9,686	7,293
	153,678	123,469

Other consists primarily of tax indemnification asset balances.

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17 Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Cash at bank and in hand	20,047	41,914

18 Creditors: amounts falling due within one year

	2022	2021
	\$'000	\$'000
Trade creditors	22,065	18,528
Corporation tax	15,271	6,708
Short term borrowings and lease obligations	15,508	13,250
Accruals	89,717	67,210
Deferred income	147,907	116,130
	<u>293,913</u>	<u>221,826</u>

Short term borrowings primarily represent quarterly principal payments on the First Lien borrowings facility, these are charged at 1% per annum of the original funding amount.

19 Creditors: amounts falling due in greater than one year

	2022	2021
	\$'000	\$'000
Borrowings	1,467,706	1,284,823
Obligations under finance leases	4,173	4,744
Other liabilities	29,395	24,198
	<u>1,501,238</u>	<u>1,313,765</u>

The bank loans have a weighted average interest rate of 7.2% are unsecured and are due for repayment in April 2026 and April 2027.

20 Provision for liabilities

Deferred tax

	2022	2021
	\$'000	\$'000
Credit to profit and loss	14,511	(52)
On acquisition	(41,742)	(33,370)
Net deferred tax liability at 31 December	<u>(27,231)</u>	<u>(33,422)</u>

The deferred tax liability is made up of:

	2022	2021
	\$'000	\$'000
Losses	14,511	(52)
Acquired Intangible assets	(41,742)	(33,370)
	<u>(27,231)</u>	<u>(33,422)</u>

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21 Provision for liabilities (continued)*The deferred tax position includes the below*

	2022 \$'000	2021 \$'000
Deferred tax asset (note 15)	(1,246)	(1,336)
Deferred tax liability	28,477	34,758
	<u>27,231</u>	<u>33,442</u>

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

There is no expiry date on timing differences, unused tax losses or tax credits.

22 Share capital

	2022 \$'000	2021 \$'000
Allotted, called up and fully paid (2,900,000 at £0.01)	<u>29</u>	<u>29</u>

23 ReservesShare premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. Additional share premium of \$116,399,000 has been issued in the year as a result of issuing shares to the ultimate controlling parties from Gator Intermediate Holdco (UK) Limited on behalf of the group.

Profit and loss account

Includes all current period retained profits and losses.

24 Pension liability

As a result of the September 2019 Sanderson acquisition, the Company assumed a defined benefit pension plan (the Plan) that is closed to new entrants and funded by contributions made by the Company. The projected unit credit actuarial method was used in determining the cost future benefits. Assets of the Plan are principally invested in fixed-income securities and a money market fund. The Company uses an annual measurement date of December 31 for valuing the Plan for the purpose of the financial statements. The most recent triennial valuation performed for the scheme was dated 31 March 2020. The net periodic benefit cost and related change in plan assets were not material to the Company subsequent to the Sanderson acquisition date. The funded status of the Plan as of 31 December 2022 is as follows:

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25 Pension liability (continued)

a) Funded Status

	2022	2021
	\$'000	\$'000
Fair value of plan of assets	10,053	10,402
Benefit obligation	(13,924)	(23,882)
Funded status recognised at 31 December	<u>(3,871)</u>	<u>(7,400)</u>

The amount of post retirement benefit recognised in Other Liabilities on the Consolidated Balance Sheet consist of the following:

Funded status recognised in our Balance Sheet

	2022	2021
	\$'000	\$'000
Pension liability, current portion	-	-
Pension liability, net of current portion	(3,871)	(7,400)
Net liability at 31 December	<u>(3,871)</u>	<u>(7,400)</u>

b) Analysis of the amounts included within the Financial Statements

The current and past service costs, settlements and curtailments, together with the net interest expense for the period, are included in the employee benefits expense in the Statement of Comprehensive Income. Remeasurements of the net defined benefit liability are included in other comprehensive income.

	2022	2021
	\$'000	\$'000
Service cost:		
Net interest expense recognised in the Statement of Comprehensive Income	113	120
Remeasurements of the net liability		
Return on Scheme assets (excluding amount included in interest expense)	5,872	736
Gain arising from changes in financial assumptions	(1,666)	2,137
Gain arising from changes in demographic assumptions	9,040	(219)
Experience gain	-	(1,158)
Remeasurement within other comprehensive income	<u>1,501</u>	<u>1,496</u>

c) Major Assumptions

Actuarial assumptions used to calculate the projected benefit obligation and net periodic benefit cost are as follows:

Weighted-average actuarial assumptions:	Net periodic benefit cost	Benefit obligation
2022		
Discount rate	4.8%	4.8%
RPI Price inflation	3.1%	3.1%
CPI Price inflation	2.6%	2.6%
Expected return on assets	6.0%	6.0%

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26 Pension liability (continued)

Weighted-average actuarial assumptions: 2021	Net periodic benefit cost	Benefit obligation
Discount rate	1.9%	1.9%
RPI Price inflation	3.4%	3.4%
CPI Price inflation	2.7%	2.7%
Expected return on assets	3.0%	3.0%

The expected return on plan asset assumption, currently 6.0% for post retirement benefit, estimates the portion of plan benefits that will be derived from investment return and the portion that will come directly from the Company contributions. Accordingly, the Company strives to maintain an investment portfolio that generates annual returns from fund invested consistent with achieving the projected long term rate of return required for plan assets.

d) Reconciliation of opening and closing retirement benefit liabilities and assets

	2022 \$'000	2021 \$'000
Movement in the defined benefit obligation		
At 1 January	23,882	24,908
Interest cost	333	317
Foreign exchange on translation	(2,537)	-
Remeasurements – demographic assumptions	-	219
Remeasurements – financial assumptions	(9,040)	(2,137)
Remeasurements – experience (gains)/losses	1,666	1,157
Benefits paid	(449)	(582)
	<u>13,924</u>	<u>23,882</u>
 Changes in the fair value of plan assets		
At 1 January	16,842	15,112
Interest income	288	198
Foreign exchange on translation	(2,111)	-
Contributions by employer	1,355	1,018
Return on scheme assets excluding interest income	(5,872)	736
Benefits paid	(449)	(582)
	<u>10,053</u>	<u>16,482</u>

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27 Pension liability (continued)**e) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding all other assumptions constant, would have affected the defined benefit obligation by the percentage shown below as of 31 December 2022 and 31 December 2021, respectively:

Sensitivity (2022)	Change in assumption	Change in liability
Discount rate	-0.1%	2.0%
Inflation	0.1%	1.0%
Mortality improvement rate (years)	1.0	4.0
Sensitivity (2021)	Change in assumption	Change in liability
Discount rate	-0.1%	2.0%
Inflation	0.1%	1.0%
Mortality improvement rate (years)	1.0	4.0

Although the analysis does not take into account the full distribution of the cash flows expected under the plans, it does provide an approximation of the sensitivity of the assumptions shown.

22. Pension liability (continued)**f) Plan assets**

The Company diversifies its postretirement plan assets across domestic and international common stock, bonds, and fixed-income asset classes.

As of 31 December 2022 and 2021, the current target allocations for postretirement plan assets is 100% to be allocated to cash, bonds and certain other investments. The fair values of the Company's postretirement plan assets at 31 December 2022, were all valued using Level 1 inputs.

Benefit payments, under the provisions of the plans, are expected to be paid as follows:

For the Year ending 31 December 2022	\$'000
2023 – 2027	1,387
Total projected payments	6,938

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22 Commitments

Operating lease commitments

Group

Total future minimum lease payments under non-cancellable operating leases are as follows:

	31 December 2022 \$'000	31 December 2021 \$'000
Land and buildings leases expiring:		
Within one year	11,373	7,335
Between one and five years	21,167	17,936
After five years	14,811	5,884
	<u>47,351</u>	<u>31,155</u>
Other leases expiring:		
Within one year	51	73
Between one and five years	75	51
After five years	-	-
	<u>126</u>	<u>124</u>

23 Related party transactions

The company has taken advantage of the exemption available under FRS 102, Section 33.1A, not to disclose transactions with wholly owned members of the Group.

For the period ending 31 December 2022 the subsidiaries of the Company listed below were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

Company name	Company registration number
Anisa Consolidated Holdings Limited	10043142
Anisa Group Holdings Limited	07676163
Anisa Supply Chain Solutions Limited	03496176
Aptean EMEA Clearing Limited	04376578
Aptean Limited	03399429
Axant Limited	04038357
Gator Holdco (UK) Ltd	11829967
Gould Hall Computer Services Limited	07574113
In2grate Business Solutions Limited	04695575
LinkFresh Software Limited	01950612
LinkFresh Software Group Limited	06908104
OBS Logistics Limited	02439258
Paragon Software Systems Limited	02634586
Paragon HDX Limited	03031787
Proteus Software Limited	04403751
Respond Group Limited	05240703
RFMS (UK) Limited	09063562
Sanderson Group Limited	04968444
Sanderson Limited	03743507
Sanderson Multi-Channel Solutions Limited	09445784

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23. Related party transactions (continued)

Sanderson Multi-Channel Retail Solutions Limited	05684599
Supply Chain Systems Limited	04515812
Systems Integration (Trading) Limited	02918365
TheySay Limited	07874054
Yaletown Acquiror Limited	11830145
Prima Solutions (Holdings) Limited	06883685
CSB Meridian Limited	02041005
Prima Solutions Limited	02576695
Aptean MLM Solutions UK Limited	04230389
Merlin Business Software Limited	01274874
Aptean Drink-UK Limited	09730972

24 Controlling party

The ultimate controlling parties at signing are TA Associates, Charlesbank, and Insight Partners by virtue of their shareholding in Gaytor Parent Limited.

25 Subsequent events

Subsequent events have been evaluated through 30 September 2023, the date the consolidated financial statements were available for issuance. In 2023, the Company drew \$91 million on the First Lien credit facility in order to finance further acquisitions detailed below. No significant changes were made to the terms of the credit agreements.

During the period from the Balance Sheet date through 30 September 2023, the Company completed six acquisitions with an estimated aggregate purchase price of approximately \$65M. The acquisitions were financed through incremental borrowings on the First Lien credit facility and capital contributions from the parent company. The Company is in process of completing the purchase accounting for to the entities acquired in 2023 as of the date the consolidated financial statements were available for issuance.

During March 2023, the Company completed a recapitalization transaction with TA, Vista, Charlesbank and Insight Partners valued at \$3.55 billion which resulted in a change in control and an incremental contribution of \$50 million in cash to the Company's Balance Sheet.

The initial accounting for and expense associated with the business combination and recapitalization transactions are incomplete at the time the financial statements were available to be issued. Thus, the Company could not disclose the amounts recognized for the transactions and the line item in the financial statements in which each amount is recognized or the valuation techniques used to measure the acquisition date fair value of the assets acquired and liabilities assumed.

During April and June 2023, the Company modified its revolving commitment which resulted in additional available borrowing capacity of \$67 million.