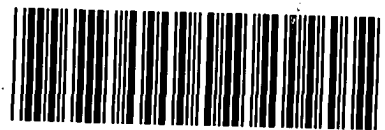


Company Registration No. 02698761 (England and Wales)

FINASTRA GLOBAL OPERATIONS LIMITED

**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MAY 2022**

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FINASTRA GLOBAL OPERATIONS LIMITED

COMPANY INFORMATION

Directors	S Dowler T Schloesser N Blagden J Barker P Kim
Company number	02698761
Registered office	Four Kingdom Street Paddington London W2 6BD
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

FINASTRA GLOBAL OPERATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2022

On behalf of the Board of Directors, it is my pleasure to present the annual report and the audited financial statements of Finastra Global Operations Limited ("the Company") for the year ended 31 May 2022.

Principal activities

The principal activity of the Company is to act as the head office for its branches situated in Taiwan, South Korea and Russia. The Company is an indirect subsidiary of Finastra Limited and Tahoe Bidco Ltd. Tahoe Bidco Ltd, operating and known as Finastra, is the parent company of Finastra Limited and its subsidiaries ("the group" or "the Tahoe Bidco group"). Finastra is one of the leading global technology companies focusing on selling software and financial services to the banking and financial services sector globally.

The branches in Taiwan and South Korea supply computer software, marketing services and consultancy services to international banking and financial markets in the Asia Pacific region. The branch in Russia operates as a development center for the Tahoe Bidco group. The financial results of these branches are included within the financial statements.

Results and dividends

The results for the year are set out on page 9. The Company reported a loss of £793,000 (2021: profit of £822,000) during the year. The loss for the year was mainly driven by lower revenues from maintenance, professional services business and a higher tax charge for the year. In the prior year, one of the company customers reinstated their maintenance contract for one of their products from 2017 onwards and as a result catchup revenues were recorded from 2017 to 2021 thus resulting in higher revenues for 2021. Professional services revenues declined due to relatively lower project executions during the year.

Administrative expenses were lower mainly due to lower group recharges and lower staff costs partly offset by higher legal and professional expenses. Tax charge increased as a clean-up of corporate tax receivable balances were processed.

No ordinary dividends were paid during the year (2021: £nil). The Directors do not recommend payment of a final dividend.

The results of the company for the year and the year-end position are in line with the expectations of the directors.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Blagden	
S Dowler	
T Schloesser	
J Barker	
P Kim	(Appointed 18 December 2022)
K Metzroth	(Resigned 31 May 2022)

Qualifying third party indemnity provisions

All Directors have been granted an indemnity by the intermediate parent Company, Finastra Limited to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies. They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities. This is a qualifying third party indemnity provision as defined in Section 234 the Companies Act 2006 which was made during the financial year and remains in force at the date of approval of this report.

Financial risk management

Foreign exchange currency risk

The Company operates internationally and is exposed to foreign currency fluctuations, primarily the Euro and the US Dollars. Foreign exchange risks arise when future commercial transactions and recognised assets and liabilities are denominated in currencies that are not the Company's functional currency.

The group reviews the non-US dollar net cash flow exposure and where considered economical to do so, hedges forecast exposures that exceed limits specified by the management using external forward contracts. As of 31 May 2022, no derivative positions were open.

FINASTRA GLOBAL OPERATIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Credit risk

The Company's principal financial assets are cash and cash equivalents, and trade, other and intercompany receivables. The Company's credit risk is primarily attributable to its trade receivables. The Tahoe Bidco group has policies in place to ensure that sales are made to customers with an appropriate credit history and also policies that limit the amount of credit exposure to any financial institution. Three (2021:Three) of the Company's customers accounted for more than 10% of the total accounts receivable balance at the year end. There is no other significant concentration of customer credit risk.

Liquidity risk

The Tahoe Bidco group of which the Company is part of manages the operations of the entire group. The Company has access to a Revolving Credit Facility ('RCF') which has financial covenant compliance obligations. The Company along with the Tahoe Bidco group aims to achieve outstanding financial performance to maintain the availability of capital and liquidity to allow further investments and management of the group's debt and liquidity position. Further details of the group's risk policies are available within the group annual report. The Tahoe Bidco Group has confirmed financial support to the Company, including, not seeking the repayment of amounts advanced to the Company by the parent and/or other members of the parent group unless adequate alternative financing has been secured by the Company; and advancing further amounts to the Company as required to allow them to meet their obligations as they fall due. The group's principal short-term debt facility is the Revolving Credit Facility ('RCF'), a committed borrowing facility provided by commercial banks, which has a total availability of \$375m committed until March 2024. The interest rate on drawings under the RCF is at a floating rate of U.S. LIBOR plus 3.75%. As at the date of approval of these financial statements, the renewal of the RCF is pending finalization as part of the group's total debt refinancing efforts. The group expects the new RCF to have a total availability that is equivalent in amount to the existing facility.

COVID-19

From the perspective of the company, its operations, risks and uncertainties are integrated with those of the Tahoe Bidco group and are not managed separately. The directors in coordination with the group continue to carefully monitor the impact of COVID-19 and its variants on the company's employees, operations, suppliers and customers and provide appropriate guidance to them consistent with updated government advice and regulated requirements around the world whilst endeavoring to mitigate any adverse effects it may have on the carrying value of the Company's assets, liabilities and its operations. There was no material financial impact of COVID-19 in FY22 on the company's business and financial results.

Donations

There were no political donations for the year (2021: £nil) and the Company did not incur any political expenditure (2021: £nil).

Overseas branches

The Company operates through overseas branches in South Korea, Taiwan, and Russia. As the Russian branch operates as development centre for the Tahoe Bidco group and does not deal with external customers, the branch operations have not been materially impacted by the Russian sanctions.

Russian sanctions

A working group has been established to continually monitor and evaluate the sanctions that are being imposed on certain Russian financial institutions and individuals, taking suitable actions where necessary to ensure Tahoe Bidco group's compliance and adherence to them. As already noted above, there is no material impact for the Company as the Russian branch operates as a development centre for the group.

Employee involvement

As an organisation, the group is committed to recognising the correlation between employee engagement, organisational success and financial performance. This means continuing to look for opportunities for our employees to provide feedback and tell us how they feel about working at Finastra. For more information, please refer to the group's consolidated results.

Post reporting date events

The group, with the support of its private equity sponsor Vista Equity Partners, is in advanced discussions with a group of lenders to secure a long-term refinancing package of our existing debt and credit facilities. The directors expect the refinancing could be completed in the next two months. The group of which the company is a part of has continued to service all its debt obligations without issue as short term interest rates increased during the last 18 months. No other subsequent events have occurred after 31 May 2022 until the date of signing these financial statements that require disclosure.

FINASTRA GLOBAL OPERATIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Going concern

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare the financial statements on a going concern basis.

The Directors have requested and received a letter of support from Tahoe Bidco Ltd (the parent company of the largest group in which the Company is included in consolidated financial statements), stating that it will provide continuing financial support as necessary to enable the Company to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of these financial statements.

In making the assessment of Tahoe Bidco Ltd's ability to provide support as required, the Directors of the Company have considered the current financial position of the Group headed by Tahoe Bidco Ltd ("the Group").

Specifically, they note that the Group has an outstanding revolving credit facility ("RCF") which matures in March 2024 and the Group's first lien USD and EUR term loans are due to mature in June 2024. The Group intends to extend the maturity of the RCF, increase the commitment and refinance the term loans to ensure the Group has sufficient liquidity to satisfy its obligations and fund operations for at least 12 months from the report issuance date.

The Group may be unable to extend the maturity date of its RCF, increase the commitment or refinance the term loans thereunder on terms favourable to the Group, or at all, depending on market and other conditions. The ability to refinance depends on numerous factors that are outside of the Group's control, including general economic and market conditions, the health of financial institutions, investors' and lenders' assessments of the Group's prospects and the prospects of the financial software and solutions market in general. Given that the Company relies on the Group for financial support to enable it to continue as a going concern and due to the guarantees in place whereby the Company, together with several other wholly owned subsidiaries of the Group guarantee the main facilities of the Group, these conditions and events give rise to a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Directors of the Company, have considered it appropriate to place reliance on the support of Tahoe Bidco Ltd despite the uncertainties noted above, based on a review of the Group's budget, business plan and plans to refinance the upcoming facilities and term loans.

For these reasons, the Directors have a reasonable expectation the Company will have access to adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements and have therefore concluded that the financial statements should be prepared on a going concern basis. However, these financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern, including but not limited to the impact on the carrying value of amounts owed by fellow group undertakings.

Future developments

The Financial Year 2023 focus is around people, products and processes. With the organisational realignment to the business unit model, the group chief technology officer would work in close partnership with all business units to accelerate the modernisation of most high priority products and simplifying customer experience. Transformational benefits would be delivered incrementally in latest version of the software encompassing enhanced functionality, user experience and improved margins. Priorities in maintaining product stability, increasing cyber security, reducing technology debt, adhering to regulatory compliance guidelines and enabling customer solutions are once again at the top of the Tahoe Bidco group's list. Implementing enhanced automation, simplifying our footprint, educating and empowering the business to better use our products and services are also amongst the top goals that the group have for the year ahead.

The Directors of the Company are actively working with the Tahoe Bidco Ltd group management to support them with their above strategy. The primary activity of the company is expected to remain unchanged.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

FINASTRA GLOBAL OPERATIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also 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.

Directors' confirmations

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Cautionary statement regarding forward-looking information

Where this document contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

Small companies exemptions

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The Company has also taken the exemption not to prepare a strategic report.

Approved by the Board of Directors on 14 August 2023 and signed on behalf of the Board by:

DocuSigned by:

James Barker

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Director

Independent auditors' report to the members of Finastra Global Operations Limited

Report on the audit of the financial statements

Opinion

In our opinion, Finastra Global Operations Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 May 2022; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. We note that the company relies on support from Tahoe Bidco Ltd (the parent company of the largest group in which the Company is included in consolidated financial statements (the "Group")) and also is party to a guarantee of certain of the Group's debt facilities. As at the date of approval of the financial statements the Group has an outstanding revolving credit facility ("RCF") which matures in March 2024 and the Group's first lien USD and EUR term loans are due to mature in June 2024, for which currently the Group does not have sufficient committed facilities or liquid assets to refinance. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a 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.

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

Independent auditors' report to the members of Finastra Global Operations Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 May 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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.

Independent auditors' report to the members of Finastra Global Operations Limited

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to anti-corruption, data protection, health and safety, employment and global economic sanctions, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the fraudulent posting of journals, significant or unusual transactions outside the normal course of business and management bias in making significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Enquiry of management regarding actual and potential litigation and claims;
- Review of board meeting minutes for any instances of non-compliance with laws, regulations and fraud and to identify any unusual transactions outside the normal course of business;
- Challenging assumptions and judgements made by management in determining significant accounting estimates and independently reviewed and tested assumptions in relation to such judgements and estimates along with the related disclosures in the financial statements; and
- Identifying and testing a sample of journal entries throughout the whole year, which met our pre-defined fraud risk criteria.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

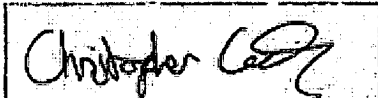
- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified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

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Finastra Global Operations Limited

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A rectangular box containing a handwritten signature in black ink. The signature appears to read 'Christopher Cook' with a stylized flourish at the end.

Christopher Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 14 August 2023

FINASTRA GLOBAL OPERATIONS LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2022**

	Note	2022 £'000	2021 £'000
Revenue	5	4,281	5,958
Administrative expenses		<u>(4,561)</u>	<u>(4,838)</u>
Operating (loss)/profit	7	(280)	1,120
Interest receivable and similar income	9	1	1
Interest payable and similar expenses	10	<u>(192)</u>	<u>(204)</u>
(Loss)/profit before taxation		(471)	917
Tax (charge)	11	<u>(322)</u>	<u>(95)</u>
(Loss)/profit for the financial year		<u><u>(793)</u></u>	<u><u>822</u></u>
Other comprehensive expense:			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		<u>(27)</u>	<u>(8)</u>
Total items that may be reclassified to profit or loss		(27)	(8)
Total other comprehensive expense for the year		<u><u>(27)</u></u>	<u><u>(8)</u></u>
Total comprehensive (expense)/income for the year		<u><u>(820)</u></u>	<u><u>814</u></u>

The statement of comprehensive income has been presented on the basis that all operations are continuing operations.

FINASTRA GLOBAL OPERATIONS LIMITED

Company Registration No. 02698761

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2022**

		2022	2021
	Note	£'000	£'000
Non-current assets			
Property, plant and equipment	12	387	506
Trade and other receivables	14	204	2,370
		<u>591</u>	<u>2,876</u>
Current assets			
Trade and other receivables	14	1,711	2,397
Cash and cash equivalents		5,488	3,739
		<u>7,199</u>	<u>6,136</u>
Current liabilities			
Trade and other payables	16	(5,327)	(3,447)
Taxation and social security		(17)	(9)
Lease liabilities	17	(63)	(95)
		<u>(5,407)</u>	<u>(3,551)</u>
Net current assets		<u>1,792</u>	<u>2,585</u>
Total assets less current liabilities		<u>2,383</u>	<u>5,461</u>
Non-current liabilities			
Trade and other payables	16	(5,488)	(7,647)
Lease liabilities	17	(41)	(140)
		<u>(5,529)</u>	<u>(7,787)</u>
Net liabilities		<u>(3,146)</u>	<u>(2,326)</u>

FINASTRA GLOBAL OPERATIONS LIMITED

Company Registration No. 02698761

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2022**

		2022	2021
	Note	£'000	£'000
Equity			
Called up share capital	19	—	—
Translation reserve	20	(378)	(351)
Accumulated losses	20	(2,768)	(1,975)
Total shareholders' deficit		<u>(3,146)</u>	<u>(2,326)</u>

14 August 2023

The financial statements on pages 9 to 32 were approved by the Board of Directors on and signed on behalf of the Board by:

DocuSigned by:

James Barker

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J Barker
Director

FINASTRA GLOBAL OPERATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2022

	Called up share capital £'000	Translation reserve £'000	Accumulated losses £'000	Total £'000
Balance at 1 June 2020	<u>—</u>	<u>(343)</u>	<u>(2,797)</u>	<u>(3,140)</u>
Year ended 31 May 2021:				
Profit for the year	—	—	822	822
Other comprehensive expense:				
Exchange differences on translation of foreign operations	<u>—</u>	<u>(8)</u>	<u>—</u>	<u>(8)</u>
Total comprehensive income for the year	<u>—</u>	<u>(8)</u>	<u>822</u>	<u>814</u>
Balance at 31 May 2021	<u>—</u>	<u>(351)</u>	<u>(1,975)</u>	<u>(2,326)</u>
Year ended 31 May 2022:				
Loss for the year	—	—	(793)	(793)
Other comprehensive expense:				
Exchange differences on translation of foreign operations	<u>—</u>	<u>(27)</u>	<u>—</u>	<u>(27)</u>
Total comprehensive expense for the year	<u>—</u>	<u>(27)</u>	<u>(793)</u>	<u>(820)</u>
Balance at 31 May 2022	<u>—</u>	<u>(378)</u>	<u>(2,768)</u>	<u>(3,146)</u>

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

1 General information

Finastra Global Operations Limited is a private company limited by shares incorporated and domiciled in England and Wales, whose registered office is at Four Kingdom Street, Paddington, London, W2 6BD.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

2 Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to Companies using Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

The financial statements are prepared in Pound Sterling, which is the functional and presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000, unless otherwise indicated.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below and these accounting policies have been applied consistently, other than where new policies have been adopted.

In preparing these financial statements, the company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the UK ("IFRS"), amended where necessary in order to comply with Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the Tahoe Bidco Ltd group accounts, in accordance with FRS 101:

- Presentation of a Statement of Cash Flows and related notes;
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- Revenue disclosures, including:-
 - Explanation of significant changes in contract assets, contract liabilities and contract costs;
 - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred;
 - Aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised;
 - Significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract;
 - Methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract;
- Financial instrument disclosures, including:-
 - Carrying amounts and fair values of financial instruments by category and information about the nature and extent of risks arising on financial instruments;
 - Income, expenses, gains and losses on financial instruments;
 - Details of credit losses, collateral, loan defaults or breaches;
- Comparative period reconciliation's for the carrying amounts of property, plant and equipment, intangible assets and investments, if any;
- Disclosure of key management personnel compensation, and amounts incurred for the provision of key management personnel services by a separate management entity;
- Related party disclosures for transactions with the parent or wholly owned members of the group;
- Disclosure of the objectives, policies and processes for managing capital; and
- Disclose of a maturity analysis of lease liabilities.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Accounting policies (Continued)

Finastra Global Operations Limited is a wholly owned subsidiary of Tahoe Bidco Ltd, a company incorporated in the Cayman Islands. The results of Finastra Global Operations Limited are included in the consolidated financial statements of Tahoe Bidco Ltd which can be obtained as set out in note 23.

Going concern

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare the financial statements on a going concern basis.

The Directors have requested and received a letter of support from Tahoe Bidco Ltd (the parent company of the largest group in which the Company is included in consolidated financial statements), stating that it will provide continuing financial support as necessary to enable the Company to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of these financial statements.

In making the assessment of Tahoe Bidco Ltd's ability to provide support as required, the Directors of the Company have considered the current financial position of the Group headed by Tahoe Bidco Ltd ("the Group").

Specifically, they note that the Group has an outstanding revolving credit facility ("RCF") which matures in March 2024 and the Group's first lien USD and EUR term loans are due to mature in June 2024. The Group intends to extend the maturity of the RCF, increase the commitment and refinance the term loans to ensure the Group has sufficient liquidity to satisfy its obligations and fund operations for at least 12 months from the report issuance date.

The Group may be unable to extend the maturity date of its RCF, increase the commitment or refinance the term loans thereunder on terms favourable to the Group, or at all, depending on market and other conditions. The ability to refinance depends on numerous factors that are outside of the Group's control, including general economic and market conditions, the health of financial institutions, investors' and lenders' assessments of the Group's prospects and the prospects of the financial software and solutions market in general. Given that the Company relies on the Group for financial support to enable it to continue as a going concern and due to the guarantees in place whereby the Company, together with several other wholly owned subsidiaries of the Group guarantee the main facilities of the Group, these conditions and events give rise to a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Directors of the Company, have considered it appropriate to place reliance on the support of Tahoe Bidco Ltd despite the uncertainties noted above, based on a review of the Group's budget, business plan and plans to refinance the upcoming facilities and term loans.

For these reasons, the Directors have a reasonable expectation the Company will have access to adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements and have therefore concluded that the financial statements should be prepared on a going concern basis. However, these financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern, including but not limited to the impact on the carrying value of amounts owed by fellow group undertakings.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Accounting policies (Continued)

Revenue

Revenue is derived from the sale of software solutions and software related services to customers and from the sale of staff time and costs recharged to other Tahoe Bidco group of companies for services. Revenue from external customer contracts is measured based on consideration specified in the contract with customer and excludes amounts collected on behalf of third parties. The company recognises revenues when it transfers control of a product or service to a customer. Related party (Intra Group revenues) are determined on an arm's length basis to ensure fair compensation for work performed and is recognised when the company transfers control of product or service to the counterparty. Note 5 to the financial statements shows the composition of total revenue according to geographical market, major service lines and by the timing of revenue recognition.

Subscription and software license revenue and related maintenance

The company's subscription and software licenses consist of lending, retail banking, transaction banking and treasury and capital markets products. The related maintenance is commonly not considered a distinct performance obligation from the associated license because the ongoing utility of the license is dependent on and changed by the delivery of updates. In these cases, revenue for both is recognised as a single performance obligation over time as the customer simultaneously receives and consumes the solution.

In other cases, the two are considered distinct and the license will be recognised at a point in time once the customer has been transferred control of the license. Maintenance will be recognised in these cases as a stand ready obligation over time. This distinction depends upon the nature of the maintenance and what constitutes the company's promise to the customer.

In all product offerings the Company may offer roadmap accelerators (RA) to customers. This is a fee to accelerate the timing of a specific feature or functionality on the product roadmap that once developed will be available to the general customer base. The revenue is recognised at the time the feature or functionality is delivered.

Professional services

Revenue is generated from implementation and customisation services, consulting and training. These services are often reflected in separate contracts from license contracts but are evaluated together with the license agreement when signed at or near the same time because they share one commercial objective i.e. to implement a solution. Payment terms for professional services may be based on a time and materials basis, an upfront fixed fee, or fixed upon the achievement of milestones.

The Company's professional services that are separate performance obligations are recognised in two ways. Where they are billed on a fixed fee basis, services are satisfied as they are rendered and we use a cost-based input method, which reflects the transfer of those services, to determine the amount of revenue to recognise. Where they are billed on a time and materials basis, revenue is recognised using an output method that corresponds with the time and materials billed and delivered, which also is reflective of the transfer of the services to the customer.

For services revenue, which is recognised over time, the Company frequently uses an input method to measure progress which relies on the Company's internal measure of progress compared to total anticipated costs. The scope of projects frequently change and most frequently in agreement with customer modifications. Consequently, the estimate of total anticipated costs is subjected to a high level of review at all stages in a project life cycle.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Accounting policies (Continued)

Enhancement services

Many of our products that are offered as a license are also offered as a hosted solution. Hosting revenue is generated by way of an additional subscription fee payable to the company to provide a software hosting service. In these instances, the customer has the right to take possession of software during the term without a significant penalty and so the hosting is considered a distinct performance obligation from the license. Hosting fees are recognised on a straight-line basis over the term of the contract.

Cloud revenue

Cloud revenue is generated in hosting arrangements where the customer purchases a combined software and hosting arrangement but does not have the ability to take possession of the software during the term. Fees related to cloud solutions are provided on either a subscription or consumption basis. Revenue related to cloud services provided on a subscription basis is recognised straight-line over the contract period. Revenue related to cloud services provided on a transaction basis, is recognised as the access to the services is made available to the customer or transactions are incurred. Fees related to any non-distinct upfront administrative set-up activities are recognized over the enforceable cloud service term.

Contract acquisition costs

Incremental costs of obtaining a contract, such as sales commissions and agent fees, are capitalised if they are expected to be recovered. Incremental costs include only those costs that would not have been incurred if the contract had not been obtained. The Company has adopted a portfolio approach to account for contract acquisition costs. In any given month all such costs incurred are included in a product and term-based portfolio that applies a consistent average term to the amortisation period. The period of amortisation is based on historical contract terms which is materially consistent with the pattern of transfer of the good or service to which the asset relates.

Contract fulfilment costs

Costs to fulfil a contract include professional services internal and external costs and any license inputs purchased from third parties. These costs are capitalised where they relate to an identified specific contract, generate an asset for the company and they will be recovered over the course of the contract. Fulfilment contract costs are amortised over a period that is consistent with the pattern of transfer of the good or service to which the asset relates.

Contract modifications

Contract modifications occur when the company and its customers agree to modify existing customer contracts to change the scope or price (or both) of the contract or when a customer terminates some, or all, of the existing services provided by the company. When a contract modification occurs, it requires the company to exercise judgment to determine if the modification should be accounted for as: (i) a separate contract, (ii) the termination of the original contract and creation of a new contract, or (iii) a cumulative catch up adjustment to the original contract. Further, contract modifications require the identification and evaluation of the performance obligations of the modified contract, including the allocation of revenue to the remaining performance obligations and the period of recognition for each identified performance obligation.

Material rights

Options granted as part of a revenue contract to a customer, which are incremental to the range of discounts typically given for the goods or services, are considered a separate performance obligation for revenue recognition purposes. If the option provides a material right to the customer, the customer in effect is paying the company in advance for future goods or services and the associated revenue is recognised when the future good or service is transferred or when the option expires.

Contract existence and term

Where customers are granted a set term contract but are granted a right to terminate before the end of the term, a judgement is required on the enforceable term of the contract. Where the termination right allows a termination for convenience with no penalty this suggests that a shorter contract term should be considered. This judgement changes the total contract value assessed at inception for subsequent allocations and the value of revenue allocated to unsatisfied performance obligations.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Accounting policies (Continued)

Existence of a significant financing component

When a contract includes a significant financing component as a result of an advance payment to the company, the accounting effect of the financing component increases the amount of revenue recognised, with a corresponding increase to interest expense as the customer is providing financing to Finastra.

Conversely, when payments are in arrears, the adjustment for the financing component decreases the amount of revenue recognised with a corresponding increase to interest income as Finastra has provided financing to the customer. A significant financing component generally only arises on the most significant contracts where a customer pays upfront fees for professional services and / or licenses, but the company is delivering services over time.

Revenue to recognise: 'The transaction price'

Total contract revenue or 'the transaction price' is determined based on the consideration that the Company expects to receive in a contract with a customer. The Company's expectation is informed by the stated contract value plus any estimates of variable consideration, that is where the Company expects to receive a variable amount based on the occurrence or non-occurrence of future events. Variable consideration is present in a number of our customer contracts for usage-based fees in hosting and cloud arrangements or tiered pricing offered through lower rate charges as clients move through tiers.

Variable consideration is also present in certain transactions in the form of discounts, credits, price concessions, penalties, inflationary price rises, and similar items and the Company develops estimates of variable consideration based on both historical information and current trends. Where necessary, variable consideration included in the transaction price is constrained such that a significant revenue reversal is not probable should a future event reduce the amount of consideration due from a customer.

Related party revenues

The company recognises revenue from direct sales of services and operational support to other entities within the Tahoe Bidco group. The company recognises revenue as and when it satisfies a performance obligation by transferring control of a product or service to the customer. The amount of revenue recognised is the amount the company expected to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	On a straight line basis over the length of the lease
Computer equipment	4-15 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Impairment of non-financial assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Accounting policies (Continued)

Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specific categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs), for all debt instruments not held at fair value through the income statement. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Accounting policies (Continued)

Intercompany receivables

All intercompany receivables are deemed to have a near zero expected credit loss. In making this determination the Company has placed reliance on a letter of support received from Tahoe Bidco Ltd (the group parent Company) whereby they have confirmed and will ensure that in relation to amounts owed by fellow subsidiaries that such subsidiaries have sufficient financial and other resources to satisfy any financial obligations created by such Intercompany payables they hold, as and when such obligations fall due and are called upon.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Trade and other payables

Trade, group and other payables are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Accounting policies (Continued)

Taxation (Continued)

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for restructuring that is within IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits.

Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

2 Accounting policies (Continued)

Leases (continued)

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

The balances at year end have been converted to pound sterling at year end closing rate and transactions during the year have been converted to pound sterling at average rate during the year, with the difference then going through foreign exchange translation reserve.

3 Adoption of new and revised standards and changes in accounting policies

There are no other new and revised Standards and Interpretations that have been adopted by the Company that have an effect on the current year or a prior year or may have an effect on future years.

4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Revenue recognition

The Company enters into revenue arrangements with customers to provide software solutions and software-related services such as cloud, hosting and maintenance, and related professional services either individually or as part of an integrated offering of multiple services. Revenue is recognized in accordance with the 5-step model of IFRS 15 'Revenue from Contracts with Customers' and the following critical judgements arise.

Promises to a customer

At inception of the contract, the Company assesses the products and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a product or service (or bundle of products or services) that is distinct. - i.e., if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it on its own or with other resources that are readily available to the customer.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

4 Critical accounting estimates and judgements (Continued)

Revenue recognition (continued)

Judgement is required when determining which promises are distinct and which are not. Generally, the solutions and services sold follow a prescribed treatment and are consistently treated. However, this can vary by customer contract depending on the context of the contract and requires the evaluation of performance obligations for every contract. The judgement is significant because it can cause a significant change in the timing of revenue recognition.

In the financial services software industry, there are circumstances where the utility of core functionality of the licensed software would degrade significantly during the term of a licence if the vendor were not to fulfil its promise to provide updates for changes. Where there is effectively a reasonable certainty that updates will be provided that are integral to the customer's ability to continue to derive substantive benefit from the software licence (i.e. its utility to the customer) throughout the licence period, the licence and maintenance are viewed as a combined performance obligation for revenue recognition purposes.

For the Company, it has been identified that many of the licenses where maintenance is viewed as critical because the core functionality of the software relies on regular updates for i) financial transaction infrastructure changes and/or ii) regulatory compliance reporting/functionality changes. In these cases, the license and the maintenance are combined into a single performance obligation and the combined revenue is recognised over time.

Implementation services and other professional services are typically considered distinct performance obligations, however where professional services involve significant complex customization or modification of an underlying solution or offering, or if the services are complex and not available from a third-party provider and must be completed prior to a customer having the ability to benefit from a solution or offering, then such services are combined with the underlying software solution and are accounted for as a single performance obligation. This judgement is applied on a contract by contract basis and is informed through detailed contractual reviews and an in depth understanding of the particulars of each implementation.

Recognising revenue

The Company recognises revenue when, or as, it satisfies a performance obligation by transferring control of the good or service to a customer. The judgement of when to recognize revenue is intrinsically linked to the performance obligation assessment because revenue can only be recognized when or as the performance obligation is satisfied.

The distinction of whether to recognize revenue over time or at a point in time depends on how the obligation is transferred to the customer and whether there remains any ongoing obligation to satisfy the contractual requirements, given the context of the customer contract. As such the same product sold in a different way to a different customer can have a different revenue recognition profile. This requires that the Company evaluates contracts with customers on a contract-by-contract basis.

Generally, maintained licenses, bespoke licenses, support and professional services are recognized over time as and when the customer consumes the software solution or service. Conversely, licenses which are considered distinct performance obligations are recognised at a point in time.

Significant financing component

Occasionally, the company offers extended payment terms to customers on its sale transactions and evaluates whether any significant financing component exists in such situations. Judgement is required to determine whether these arrangements contain any significant financing component. The company evaluates whether there is any significant difference between the present value of promised consideration over the rental term and the present value of cash selling price of the software licence, the degree to which financing is solely the reason for any such difference and the overall impact of the time value of money on the transaction. If it is concluded that a significant financing component exists, then the transaction price is adjusted for the time value of money at the Tahoe Bidco group's incremental borrowing rate and an interest expense is recorded over the rental term. The promised consideration is not adjusted for the effects of time value of money where the difference between such consideration and the cash selling price is due to reasons other than provision of finance or where the period between the transfer of promised solution or service to the customer and the receipt of related payment is less than one year.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

4 Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty

Revenue

Estimates for revenue allocations

The consideration received in a customer contract is allocated to each performance obligation using a standalone selling price ('SSP') methodology. The standalone selling price is the observable price at which the Company sells a promised good or service separately to a customer, or the estimated standalone selling price where sufficient standalone sales do not exist. Standalone selling prices are updated annually.

Estimating SSP requires data informed decisions using all information that is reasonably available and maximizing observable inputs with approaches including historical pricing, cost plus a margin or using a residual approach. The estimate is key because the SSP used will influence the resulting revenue allocation relative to the other goods and services sold in the same contract.

Expected credit losses (Amounts due from fellow group undertakings)

The Company has placed reliance on a letter of support received from Tahoe Bidco Ltd (the group parent company) whereby they have confirmed and will ensure that in relation to amounts owed by fellow subsidiaries that such subsidiaries have sufficient financial and other resources to satisfy any financial obligations created by such intercompany payables they hold, as and when such obligations fall due and are called upon. Due to the financing structure of the group, the Company has assessed Tahoe Bidco Ltd's ability to provide this support if required and assumed the default risk on the receivables is therefore nil, based on the ability of the group as a whole to settle the loans to the various counterparties. If the group was not able to support these payments this would result in the full amount being impaired with an impact of £858,000 (2021: £2,706,000) on the financial statements.

5 Revenue

	2022 £'000	2021 £'000
Revenue analysed by class of business		
Maintenance fees	1,792	2,349
Professional services	1,058	1,633
Related party revenues	1,131	1,751
Licence fees	300	225
	<u>4,281</u>	<u>5,958</u>

All external revenues are generated from sales in Asia whilst related party revenues are generated in UK, Asia & Europe.

	2022 £'000	2021 £'000
Timing of revenues		
Revenue recognised at a point of time	—	1,751
Revenue transferred over time	4,281	4,207
	<u>4,281</u>	<u>5,958</u>

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

6 Employees and Directors

The average monthly number of persons employed by the company during the year was:

	2022 Number	2021 Number
Professional services	26	35
Sales	2	2
Support	4	6
	<u>32</u>	<u>43</u>

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	1,865	2,141
Social security costs	105	102
Other pension costs	98	130
	<u>2,068</u>	<u>2,373</u>

The Directors are remunerated by other group companies and no recharge is made to Finastra Global Operations Limited as their services to the company are incidental to their services to the group. During the year, none of the directors (2021: nil) exercised share options in the Tahoe Topco Ltd, an intermediary parent company. During the year, two of the directors (2021: four) received share options under a long-term incentive scheme. Details of the long-term incentive scheme can be found in the Tahoe Bidco Ltd group accounts, copies of which can be obtained from Finastra group secretariat as set out in note 23.

7 Operating (loss)/profit

	2022 £'000	2021 £'000
Operating (loss)/profit for the year is stated after charging:		
Intra-group royalties and, time recharges	1,640	1,466
Exchange losses	38	13
Impairment of accounts receivables	4	—
Depreciation of property, plant and equipment	<u>168</u>	<u>152</u>

Exchange differences recognised in the statement of comprehensive income during the year amounted to a loss of £37,639 (2021: £12,890).

FINASTRA GLOBAL OPERATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022****8 Auditors' remuneration**

	2022	2021
	£'000	£'000
Fees payable to the company's auditors and their associates:		

For audit services

Auditors' remuneration	<u>29</u>	<u>21</u>
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The remuneration for the year ended 31 May 2022 includes an amount of £5,625 for the prior financial year (2021: £nil) agreed in the year ended 31 May 2022. No fees for non-audit related services were incurred during the reporting year (2021: £nil).

9 Interest receivable and similar income

	2022	2021
	£'000	£'000
Interest income		
Interest receivable from group companies	<u>1</u>	<u>1</u>

10 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	182	162
Interest on lease liabilities	<u>10</u>	<u>42</u>
Total interest expense	<u>192</u>	<u>204</u>

11 Tax (charge)/credit

	2022	2021
	£'000	£'000
Foreign taxes	<u>322</u>	<u>95</u>
	<u>322</u>	<u>95</u>

The above total tax charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

FINASTRA GLOBAL OPERATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022****11 Tax (charge)/credit (Continued)**

	2022	2021
	£'000	£'000
(Loss)/profit before taxation	<u>(471)</u>	<u>917</u>
Expected tax credit based on a corporation tax rate of 19.00% (2021: 19.00%)	(89)	174
Change in unrecognised deferred tax assets in branches	24	26
Group relief	65	(200)
Foreign taxes	<u>322</u>	<u>95</u>
Taxation charge for the year	<u>322</u>	<u>95</u>

The company does not accrue for tax liability in the United Kingdom (UK) as in view of the group relief it does not have a liability for UK taxes. The foreign branches are liable for their own taxes.

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax assets and liabilities at 31 May 2022 have been measured using these tax rates.

As at 31 May 2022, there is an unrecognised gross deferred tax asset of £1,054,000 (2021: £1,108,000) which has not been recognised as it is uncertain whether the Company will have sufficient future profits to utilise the tax losses. The unrecognised deferred tax balance comprises of amounts related to deductible temporary differences on fixed and intangible assets of £1,054,000 (2021: £1,108,000) and amounts relating to unused tax losses of £nil (2021: £nil).

FINASTRA GLOBAL OPERATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022****12 Property, plant and equipment**

	Leasehold land and buildings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 June 2021	277	524	801
Additions	36	32	68
At 31 May 2022	313	556	869
Accumulated depreciation			
At 1 June 2021	93	202	295
Charge for the year	67	101	168
Foreign currency adjustments	19	—	19
At 31 May 2022	179	303	482
Carrying amount			
At 31 May 2022	134	253	387
At 31 May 2021	184	322	506

Property plant and equipment includes right- of- use assets as follows:

Right-of-use assets	2022 £'000	2021 £'000
Net values		
Leasehold Land and Buildings	134	184
Depreciation charge for the year		
Leasehold Land and Buildings	67	52

The depreciation charge for the year is included in administrative expenses within the statement of comprehensive income.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

13 Contract balances

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

	2022	2021
	£'000	£'000
Contracts in progress at the reporting end date		
Contract receivables included in trade and other receivables	683	972
Accrued income - Contract assets included in trade and other receivables	241	925
Contract liabilities included in deferred income	<u>(2,535)</u>	<u>(2,513)</u>

Payment terms and conditions in customer contracts may vary. In some cases, customers pay in advance of the delivery of solutions or services; in other cases, payment is due as services are performed or in arrears following the delivery of the solutions or services. Differences in timing between revenue recognition and invoicing result in trade receivables, contract assets, or contract liabilities on the statement of financial position.

Contract assets result when amounts allocated to distinct performance obligations are recognised when or as control of a good or service is transferred to the customer but invoicing is contingent on performance of other performance obligations or on completion of contractual milestones. Contract assets are transferred to receivables when the rights become unconditional, typically upon invoicing of the related performance obligations in the contract or upon achieving the requisite project milestone.

Contract liabilities result from customer payments in advance of the satisfaction of the associated performance obligations and relates primarily to prepaid maintenance or other recurring services. Contract liabilities are released as revenue is recognised. Contract assets and liabilities are reported on a contract by contract basis at the end of each reporting period.

Revenue recognised in the current reporting period from contract liability balances outstanding at the beginning of the year were as follows:

	2022	2021
	£'000	£'000
Revenue recognised in the current reporting period from contract liability balances outstanding at the beginning of the year	<u>1,375</u>	<u>1,951</u>

No revenue was recognised in respect of performance obligations satisfied (or partially satisfied) in prior years.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

14 Trade and other receivables

	Current		Non-current	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade receivables	683	972	—	—
Expected credit loss	(27)	(62)	—	—
	<u>656</u>	<u>910</u>	<u>—</u>	<u>—</u>
Contract assets	176	838	65	87
Other receivables	42	106	104	102
Amounts owed by fellow group undertakings	823	525	35	2,181
Prepayments	14	18	—	—
	<u>1,711</u>	<u>2,397</u>	<u>204</u>	<u>2,370</u>

Amounts owed by fellow group undertakings are unsecured and are repayable on demand. However, the payment of £35,000 (2021: £2,181,000) is not expected to be recalled within 12 months from the reporting date and so these amounts were classified as non-current assets. The decline in non-current amounts owed by fellow group undertakings was due to netting of intercompany balances as part of the intercompany netting process operated by the group management to manage currency risk exposure and was not due to repayments demanded. The timing of these nettings are not within the control of the Company management and therefore these balances are disclosed as non-current.

Of the non-current amounts receivable from group undertakings above, £21,242 (2021: £2,167,000) represents the interest bearing loan amount and the residual amount represents the accumulated interest thereon. These balances earned interest at a rate of 1.96% during the year. During 2021, they were entitled to earn interest at EURIBOR+1%. No interest is charged on the current amounts owed by fellow group undertakings.

15 Contract costs

	2022	2021
	£'000	£'000
Commission fees	142	139
Royalty and agent fees	4	5
	<u>146</u>	<u>144</u>

Management expects that incremental commission fees paid to employees and agent fees paid to intermediaries and deferred implementation fees, as a result of obtaining contracts, are recoverable. The company has therefore capitalised these fees as contract costs in the amount of £146,000 at 31 May 2022 (2021: £144,000). Capitalised fees are amortised when the related revenues are recognised.

As permitted by IFRS 15, the company recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the company otherwise would have recognised is one year or less.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

16 Trade and other payables

	Current		Non-current	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade payables	6	2	—	—
Contract liabilities	1,682	1,375	853	1,138
Amounts owed to fellow group undertakings	2,968	1,266	4,635	6,509
Accruals	668	796	—	—
Other payables	3	8	—	—
	<u>5,327</u>	<u>3,447</u>	<u>5,488</u>	<u>7,647</u>

Amounts owed to fellow group undertakings are unsecured and repayable on demand. However, the Tahoe Bidco group on behalf of the counterparties has confirmed in writing that the balances included within the £4,635,000 (2021: £6,509,000) will not be recalled within 12 months from the reporting date and so these amounts are classified as non current liabilities. The decline in non-current amounts owed to fellow group undertakings was due to netting of intercompany balances as part of the intercompany netting process operated by the group to manage currency risk exposure which was not expected to occur at 31 May 2021.

Of the non-current amounts owed to group undertakings above, £3,539,000 (2021: £5,665,000) represents the interest bearing loan amount and the residual amount represents the accumulated interest thereon. These balances have attracted interest at a floating rate ranging from 5.11% to 6.34% during the year (during 2021: 5.15% to 5.30%). No interest is charged on the current amounts owed to fellow group undertakings.

17 Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022	2021
	£'000	£'000
Current liabilities	63	95
Non-current liabilities	41	140
	<u>104</u>	<u>235</u>
	2022	2021
	£'000	£'000
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>10</u>	<u>42</u>

The fair value of the company's lease obligations is approximately equal to their carrying amount.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

18 Other pension costs

Defined contribution schemes

The branches of the company participate in the local government administered fund and make monthly contributions covering its share and employee share to the Government administered fund.

The charge to profit or loss in respect of contributions to the above fund was £98,472 (2021: £130,000). As at 31 May 2022 there was an amount payable of £5,400 (2021: £7,000).

19 Called up share capital

	2022	2021
	£'000	£'000
Ordinary share capital		
<i>Issued and fully paid</i>		
2 (2021: 2) Ordinary shares of £1 each	<u> </u>	<u> </u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

20 Reserves

Translation reserve

The translation reserve represents amounts arising as a result of translating overseas branches' financial statement items from their functional currency into the company's presentation currency.

Accumulated losses

Accumulated losses represent cumulative profits, losses and total other comprehensive income made by the company, including distributions to, and contributions from, the owners.

21 Contingent liabilities

On 13 June 2017 as part of the combination with D+H, Vista Equity Partners, the Tahoe Bidco Ltd's ultimate controlling party arranged for new external debt finance to refinance its existing debt and provide funding for the acquisition of D+H.

At the year-end, the Company, together with several other wholly owned subsidiaries of the group also guaranteed the main credit facilities of the group. The credit facilities consist of a \$3,582m (2021: \$3,582m) and €940m (2021: €940m) First Lien Term Loans, a \$1,245m (2021: \$1,245m) Second Lien Term Loan, and a Multi-Currency Revolving Credit Facility ("new RCF") totaling \$400m (2021: \$400m). The First Lien Term loans mature on 13 June 2024, the Second Lien Term loan matures on June 13, 2025, and the RCF has been renewed until March 2024 at \$375m. Under the credit facilities, there is a fixed and floating charge over all the assets of the Company, as well as a negative pledge over the assets.

Net Group finance costs were \$535.7m (May 2021: \$531.1m), predominantly reflecting interest costs on term loans related to \$3,582.0m and €940.0m First Lien Term Loans, \$1,245.0m Second Lien Term Loan and \$875.0m of Series A Preference Shares. The associated interest on the facilities was \$314.6m (2021: \$475.4m) of total finance costs with the cost of financing decreasing as the year progressed. This was due to cross currency and interest rate swaps taken to mitigate against foreign currency risk and interest rate risk and expiring in the first half of the financial year. The interest rates remained flat until April 2022 and began to increase thereafter. Effective from 30 November 2017, principal repayments of \$9.0m and €2.4m are being made every three months on the \$3,582.0m and €940.0m First Lien Term Loans, respectively. No principal repayments are due on the \$1,245.0m Second Lien Term Loan. Further details are available in the Tahoe Bidco Ltd accounts.

FINASTRA GLOBAL OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

21 Contingent liabilities (Continued)

Contingent liabilities that are quantifiable generally arise from guarantees, letters of credit and bonds that have been issued in support of tenders submitted to prospective customers. There were no such commitments for the Company as at the reporting date. The Company may be party to legal actions and claims arising in the ordinary course of business. Whilst the outcome of current outstanding actions and claims remains uncertain, it is expected that they will be resolved without a material impact to the Company's financial position. The Company considers that it is remote that any material liabilities will arise from any other contingent liabilities which are not identified above.

22 Events after the reporting date

The group, with the support of its private equity sponsor Vista Equity Partners, is in advanced discussions with a group of lenders to secure a long-term refinancing package of our existing debt and credit facilities. The directors expect the refinancing could be completed in the next two months. The group of which the company is a part of has continued to service all its debt obligations without issue as short term interest rates increased during the last 18 months.

No other subsequent events have occurred after 31 May 2022 until the date of signing these financial statements that require disclosure.

23 Controlling party

The company's immediate parent company is Finastra Holdings Limited, whose registered office address is Four Kingdom Street, Paddington, London, W2 6BD.

The parent company of the smallest group in which the company is included in consolidated financial statement is that of Finastra Limited, a company incorporated in the Cayman Islands. The parent company of the largest group in which the company is included in consolidated financial statements is that of Tahoe Bidco Ltd, a company incorporated in Cayman Islands. Copies of the consolidated financial statements of Finastra Limited and Tahoe Bidco Ltd may be obtained from Finastra Group Secretariat, Four Kingdom Street, Paddington, London, W2 6BD.

The ultimate parent company and ultimate controlling party is Vista Equity Partners, incorporated in the United States of America.