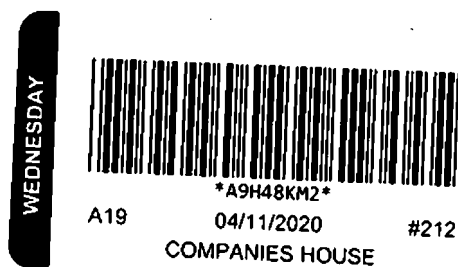


Company Registration No. 01752099 (England and Wales)

FINASTRA EUROPE LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MAY 2020



FINASTRA EUROPE LIMITED

COMPANY INFORMATION

Directors	S Dowler K Metzroth S Pemble T Schloesser N Blagden
Company number	01752099
Registered office	Four Kingdom Street Paddington London W2 6BD
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

FINASTRA EUROPE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2020

The directors present their Strategic Report and Audited Financial Statements of Finastra Europe Limited ('the Company') for the year ended 31 May 2020.

Review of the business and Principal activities

The principal activities of the Company continue to be that of an intermediate parent and holding company. However, for a limited number of contracts, the company supplies computer software and consultancy services relating to the banking and financial services industry.

The company reported a loss for the financial year of €60,477,000 (2019: loss of €61,873,000) which was driven by interest expense to group undertakings of €70,442,000 (2019: €68,389,000), a foreign exchange loss of €655,000 (2019: loss of €2,394,000) and administrative expenses of \$4,146,000 (2019: \$2,644,000) offset by revenues generated from sale of licences and services of €6,773,000 (2019: €3,868,000) and an increase in interest income of €22,000 (2019: €226,000).

The total shareholders' deficit has increased by €60,477,000 due to the loss for the financial year increasing the accumulated losses of the Company.

Key performance indicators

The executive management team of Tahoe Bidco Limited, being the parent company of the largest group in which the Company is included, manages the operation of Tahoe Bidco Limited's group of companies ("the Group" and referred to as "Tahoe Bidco Group") on a group basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Tahoe Bidco Group, which includes the Company, are discussed on pages 2 to 7 of the Tahoe Bidco Group's Annual Report, which does not form part of this report.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the company, are discussed on pages 8 to 10 of the Group's Annual Report, which does not form part of this report.

On 31 January 2020, the UK left the EU and began a transition period that is set to end on 31 December 2020, during which the UK and EU are negotiating their future relationship. If a trade agreement is not reached by December 2020, the resultant uncertainty adds to the challenges faced by UK business. This uncertainty may lead to volatility in markets with potential fluctuations in foreign exchange rates and interest rates. These movements could impact intercompany loan balances that the company has with other group entities which are made up of various currencies. Sensitivity analysis associated with the Group's exposure to currency and interest rate risk was included in note 26 of the Tahoe Bidco's Annual Report.

Overall, management assesses the direct impacts on the company to be minimal in the short term. No significant changes to the company's operations are expected and the company will continue to consider changes that are in the best interests of its customers and investors.

The Company has \$1.3bn (2019: \$1.3bn) of investments in subsidiary undertakings. The recoverable value of these investments will be impacted by the performance of the Group and the respective subsidiaries during the year. Therefore each of the investments held within the Company have been tested for impairment to ensure the carrying value of the investment does not exceed the net assets of the respective subsidiary. In the event that the carrying value of the investment exceeds the net assets of the subsidiary, a value in use exercise would be carried out on the respective subsidiary. If the carrying value of the investment exceeds the value in use of the subsidiary, an impairment for that investment would be recognised accordingly.

FINASTRA EUROPE LIMITED

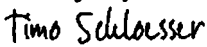
STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

The Tahoe Bidco Group has a robust Business Resiliency Program that had a Pandemic Plan which was exercised during the early stages of the pandemic allowing it to enact its crisis management and contingency plans very quickly and effectively. The Group successfully transitioned over 95% of the workforce to safe remote working in less than a week enabling it to continue business operations without disruption while protecting employee health and safety.

The Group continues evaluating and implementing strategies to evolve and adopt to the new reality of life and operations post pandemic, including people, locations, product, third party relationships, growth strategies, and markets where the business operates. In addition, liquidity initiatives and customer retention plans have been implemented to minimize any disruption to cash collection and to constrain discretionary spending.

On behalf of the Board of Directors

DocuSigned by:


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T Schloesser

Director

30 October 2020 | 9:51 AM PDT

Date:

FINASTRA EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2020

The directors present their Annual Report and audited Financial Statements of Finastra Europe Limited ("the Company") for the year ended 31 May 2020.

Results and dividends

The Company's loss for the financial year amounted to €60,477,000 (2019: €61,873,000).

Net liabilities at 31 May 2020 were €131,603,000 compared to €71,126,000 at 31 May 2019. This increase was driven by the loss for the year.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

S Dowler	
K Metzroth	(Appointed 31 January 2020)
S Pemble	(Appointed 24 February 2020)
T Schloesser	
J Hughes	(Resigned 24 February 2020)
T Kilroy	(Resigned 30 June 2020)
D Leigh	(Resigned 29 November 2019)
N Blagden	(Appointed 1 July 2020)

Qualifying third party indemnity provisions

All directors have been granted an indemnity by the 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

Liquidity risk

The Company currently has no requirements for external debt finance; sufficient funds for operations are maintained at group level.

Foreign exchange currency risk

The Company operates internationally and is exposed to foreign currency fluctuations, primarily the US dollar. 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.

Credit risk

The Group regularly reviews intercompany balances for impairment and, where appropriate, adjustments are made to the carrying value at subsidiary level.

Further details of the Group's risk policies are available within the Group's Annual Report.

FINASTRA EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

Listed securities

The Company has issued loan notes with an aggregate nominal value of €1,413,785,000 (2019: €1,353,398,000) listed on the Cayman Islands Stock Exchange. The notes are all held by fellow Tahoe Bidco Limited undertakings.

Donations

There were no political donations for the period (2019: \$nil) and the Company did not incur any political expenditure (2019: \$nil).

Going concern

A letter of support has been provided from the intermediate parent, Tahoe Bidco Limited, 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 this report.

In light of the COVID-19 pandemic, Tahoe Bidco Group has stress tested the forecasts and projections taking into account historic performance against prior year forecasts, a prolonged period of COVID-19 impacts which start easing in the fourth quarter of FY21 and a reduced cash flow conversion achievement. Applying these assumptions show that the Group is expected to operate within the level of its current financing facilities for the foreseeable future. As such they will be able to continue providing financial support to the Company and therefore the Company will continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

Future developments

The company's performance is expected to continue throughout the next financial year and it is anticipated that the current performance levels will be maintained.

Independent auditors

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

FINASTRA EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the 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 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Strategic report

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of the business review, key performance indicators and principal risks and uncertainties.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors on 30 October 2020 | 9:51 AM, PDT and signed on behalf of the Board by:

DocuSigned by:

Timo Schloesser

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T Schloesser

Director

Independent auditors' report to the members of Finastra Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion, Finastra Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2020 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, comprising 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 2020; the statement of comprehensive income, 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

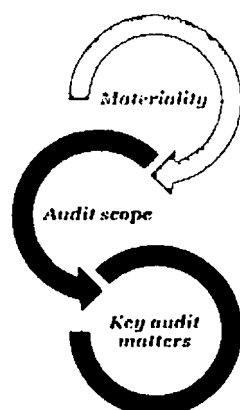
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit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

Our audit approach

Overview



- Overall materiality: €14,000,000 (2019: €14,000,000), based on 0.9% of total assets.
- We identified and tested all material financial statement line items and disclosures, including those that were considered qualitatively material. The procedures performed provided sufficient evidence over all material classes of transactions, account balances and disclosures in the financial statements.
- The Company engagement team performed the principal audit procedures with support from the shared service centre audit team performing specified procedures over accounts payable, accounts receivable, interest and intercompany balances.
- Impairment of investments

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Independent auditors' report to the members of Finastra Europe Limited

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<i>Impairment of investments</i>	
The company, being an intermediate parent and holding company, owns shares in a number of direct and indirect subsidiaries (notes 11 and 12) which are reviewed annually for indicators of impairment. Investments in subsidiary undertakings total €1,342m. Where an impairment indicator exists, the Directors prepare an impairment assessment. Where the carrying value of the investment exceeds the net assets of the investment, the Directors perform a value in use calculation to assess the recoverable amount of the investments. This involves judgements about the future results of the underlying businesses, particularly assumptions around growth rates and the discount rates applied to future cash flow forecasts, where there is a higher degree of sensitivity. This is an area of focus for us as a result of the size of the related balances.	<p>The Directors performed an exercise to determine whether there were any indicators of impairment.</p> <p>Given the current economic climate and the global impact of COVID the Directors considered this to be an impairment trigger and performed an impairment assessment. The Directors determined that the carrying value of investments was below the net assets of the investments such that no impairment was required.</p> <p>Based on our audit work agreeing the net assets of the investments to their underlying accounting records, we found that the Directors' assessment was reasonable, and we agreed with their conclusion that no impairment was required.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates. We considered the nature of the company, which holds a number of direct and indirect investments in other Group companies and has issued loan notes listed on the Cayman Islands Stock Exchange, when determining the audit scope and approach.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall materiality</i>	€14,000,000 (2019: €14,000,000).
<i>How we determined it</i>	0.9% of total assets.
<i>Rationale for benchmark applied</i>	We believe that total assets are the primary measure used by the shareholders in assessing the performance of the entity and is a generally accepted auditing benchmark.

We agreed with the directors that we would report to them misstatements identified during our audit above €700,000 (2019: €700,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditors' report to the members of Finastra Europe Limited

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2020 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 Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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.

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.

Independent auditors' report to the members of Finastra Europe Limited

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 received 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.

M. Haverson

Matthew Haverson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 October 2020


FINASTRA EUROPE LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2020**

		2020	2019
	Note	€000	€000
Revenue	4	6,773	3,868
Cost of sales		98	(245)
Gross profit		6,871	3,623
Administrative expenses		(4,810)	(5,046)
Operating profit/(loss)	7	2,061	(1,423)
Interest receivable and similar income	8	7,988	7,953
Interest payable and similar expenses	9	(70,442)	(68,369)
Loss before taxation		(60,393)	(61,859)
Tax on loss	10	(84)	(14)
Loss and total comprehensive expense for the financial year		(60,477)	(61,873)

FINASTRA EUROPE LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020**

	Note	2020 €000	2019 €000
Non-current assets			
Investments	11	1,341,822	1,282,569
Trade and other receivables	16	206,909	198,696
		<u>1,548,731</u>	<u>1,461,265</u>
Current assets			
Trade and other receivables	16	1,710	3,992
Cash and cash equivalents		423	-
		<u>2,133</u>	<u>3,992</u>
Current liabilities			
Trade and other payables	17	(57,169)	(26,011)
Contract liabilities		(2,235)	(2,039)
		<u>(59,404)</u>	<u>(28,050)</u>
Net current liabilities		<u>(57,271)</u>	<u>(24,058)</u>
Total assets less current liabilities		<u>1,491,460</u>	<u>1,437,207</u>
Non-current liabilities			
Trade and other payables	17	(1,622,417)	(1,508,333)
Contract liabilities		(646)	-
		<u>(1,623,063)</u>	<u>(1,508,333)</u>
Net liabilities		<u>(131,603)</u>	<u>(71,126)</u>
Equity			
Called up share capital	18	9,075	9,075
Translation reserve	19	(39,396)	(39,396)
Accumulated losses	19	(101,282)	(40,805)
Total equity		<u>(131,603)</u>	<u>(71,126)</u>

The financial statements on pages 10 to 33 were approved by the Board of Directors on 30 October 2020 at 9:51 AM signed on behalf of the Board by:

DocuSigned by:

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 T Schloesser
 Director

FINASTRA EUROPE LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Share capital	Translation reserve	Accumulated losses	Total
	€000	€000	€000	€000
Balance at 1 June 2018	9,075	(39,396)	21,068	(9,253)
Year ended 31 May 2019:				
Loss and total comprehensive expense for the year	-	-	(61,873)	(61,873)
Balance at 31 May 2019	9,075	(39,396)	(40,805)	(71,126)
Year ended 31 May 2020:				
Loss and total comprehensive expense for the year	-	-	(60,477)	(60,477)
Balance at 31 May 2020	9,075	(39,396)	(101,282)	(131,603)

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1 General information

Finastra Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Four Kingdom Street, Paddington, London, W2 6BD.

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

2 Accounting policies

Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

The financial statements are prepared in Euros, 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.

In preparing these financial statements, the company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("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 Group accounts of the ultimate controlling party, 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 and liabilities;
 - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred;
 - 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;
- Valuation technique(s) and assumptions used to measure recoverable amounts for impairment tests in respect of:-
 - assets or CGUs for which impairment losses are recognised or reversed in the period where recoverable amount is based on fair value less costs of disposal;
- Comparative narrative information that continues to be relevant to the current period;
- 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; and
- Disclosure of the objectives, policies and processes for managing capital;

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

2 Accounting policies (Continued)

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

Finastra Europe Limited is a wholly owned subsidiary of Tahoe Bidco Ltd., a company incorporated in the Cayman Islands. The results of Finastra Europe Limited are included in the consolidated financial statements of Tahoe Bidco Ltd. which can be obtained as set out in note 22.

Going concern

A letter of support has been provided from the intermediate parent, Tahoe Bidco Ltd., 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 this report.

In light of the COVID-19 pandemic, Tahoe Bidco Group has stress tested the forecasts and projections taking into account historic performance against prior year forecasts, a prolonged period of COVID-19 impacts which start easing in the fourth quarter of FY21 and a reduced cash flow conversion achievement. Applying these assumptions show that the Group is expected to operate within the level of its current financing facilities for the foreseeable future. As such they will be able to continue providing financial support to the company and therefore the company will continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue is derived from the sale of software solutions and software related services to customers. Note 4 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 (PA) 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.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

2 Accounting policies (Continued)

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.

Implementation services and other professional services are typically considered distinct performance obligations. The company's professional services that are accounted for as distinct performance obligations and that are billed on a fixed fee basis are typically satisfied as services are rendered; thus, the company uses a cost-based input method, such as cost-to-cost or efforts expended via labour hours, which reflects the transfer of those services. If the services are short term in nature (less than 30 days) the company recognises revenue when the services are completed. For professional services that are distinct and billed on a time and materials basis, revenue is generally 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. Losses on contracts are recognised at the point a loss is foreseen by reference to estimated costs of completion.

When professional services involve significant complex customisation 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. Revenue is recognised as the professional services are provided through to customer acceptance consistent with the methods described above for professional services revenue.

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 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 recognised 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.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

2 Accounting policies (Continued)

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.

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.

Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. Acquisition related costs are expensed as incurred.

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.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

2 Accounting policies (Continued)

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.

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 (eg 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.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

2 Accounting policies (Continued)

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.

Intercompany receivables

Short term inter group financing is repayable on demand and is deemed to have a near zero expected credit loss.

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.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derecognition of financial liabilities

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

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

2 Accounting policies (Continued)

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. 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.

Foreign exchange

The financial statements are presented in euro, which is the functional currency of the company and the company's presentational currency. Each entity in the company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are, on initial recognition, recorded in the functional currency of the entity at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All exchange movements are included in the company's income statement for the period. Non-monetary items that are measured at historical cost in a currency other than the functional currency of the entity concerned are translated using the exchange rate prevailing at the dates of the initial transaction.

For presenting financial statements, the assets and liabilities of the company's non-euro functional currency subsidiary undertakings are translated into US dollar at exchange rates prevailing at the reporting date. The results of these subsidiary undertakings are translated into euro at the average rates of exchange for the relevant period.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

3 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.

Key sources of estimation uncertainty

Expected credit loss

Due to the group financing structure the company has assumed the default risk on the receivables is 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 €207m on the financial statements.

4 Revenue

An analysis of the company's revenue is as follows:

	2020 €000	2019 €000
Revenue analysed by class of business		
License fees	3,637	1,997
Maintenance fees	884	669
Professional fees	2,252	1,202
	<u>6,773</u>	<u>3,868</u>

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

4 Revenue (Continued)

	2020 €000	2019 €000
Revenue analysed by geographical market		
Rest of Europe	5,637	3,391
Rest of World	890	327
United Kingdom	246	150
	<u>6,773</u>	<u>3,868</u>
	2020 €000	2019 €000
Timing of revenue recognition		
Revenue recognised at a point in time	2,500	2,063
Revenue recognised over time	4,273	1,805
	<u>6,773</u>	<u>3,868</u>

5 Employees

There were no employees of the company during the current or prior year. The company incurs a charge from other group entities for any employee time spent working for Finastra Europe Limited.

6 Directors' remuneration

The directors are employed and remunerated by other group companies. The directors do not consider there to be any remuneration in respect of their services as directors of this company.

7 Operating profit/(loss)

	2020 €000	2019 €000
Operating profit/(loss) for the year is stated after charging:		
Exchange losses	655	2,394
Fees payable to the company's auditor for the audit of the company's financial statements	18	12
Fair value movement in subsidiaries	9	8
	<u></u>	<u></u>

Audit fees of €18,000 (2019: €12,000) have been borne by another group company, no fees for other services were incurred in the current or prior period.

Exchange differences recognised in the statement of comprehensive income during the year amounted to a loss of €655,000 (2019: €2,394,000).

FINASTRA EUROPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020****8 Investment income**

	2020	2019
	€000	€000
Interest income		
Interest receivable from group companies	7,975	7,953
Income from fixed asset investments		
Income from shares in group undertakings	13	-
Total income	7,988	7,953

9 Finance costs

	2020	2019
	€000	€000
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	70,442	68,389

10 Tax on loss

	2020	2019
	€000	€000
Current tax		
UK corporation tax on profits for the current period	-	-
Foreign taxes and reliefs	84	14
	84	14

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

	2020	2019
	€000	€000
Loss before taxation	(60,393)	(61,859)
Expected tax credit based on a corporation tax rate of 19.00% (2019: 19.00%)	(11,475)	(11,753)
Group relief	11,475	1,834
Deferred tax not recognised	-	9,920
Permanent items	-	(1)
Overseas tax	84	14
Total tax charge for the year	84	14

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

10 Tax on loss (Continued)

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. As at 31 May 2019, these rates have been used to measure deferred tax assets and liabilities where applicable. On 17 March 2020 the Chancellor announced that the tax rate would remain at 19%, therefore this rate has been substantively enacted at the reporting date and has been used in the measurement of deferred tax.

At 31 May 2020, there was unrecognised deferred tax of €Nil (2019: €10,516,000) in relation to unused tax losses. This deferred tax asset was not recognised as it is uncertain whether the company would have sufficient future profits within the group to utilise the tax losses.

11 Investments

	Non-current	
	2020	2019
	€000	€000
Investments in subsidiaries	1,341,424	1,262,360
Other investments	398	209
	<u>1,341,822</u>	<u>1,262,569</u>

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

FINASTRA EUROPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020****11 Investments (Continued)****Movements in non-current investments**

	Shares in group undertakings	Other investments other than loans	Total
	€000	€000	€000
Cost or valuation			
At 1 June 2019	1,262,360	209	1,262,569
Additions	79,262	-	79,262
Fair value movement	-	(9)	(9)
Transfers	(198)	198	-
	<u>1,341,424</u>	<u>398</u>	<u>1,341,822</u>
At 31 May 2020			
	<u>1,341,424</u>	<u>398</u>	<u>1,341,822</u>
Carrying amount			
At 31 May 2020	1,341,424	398	1,341,822
	<u>1,341,424</u>	<u>398</u>	<u>1,341,822</u>
At 31 May 2019	1,262,360	209	1,262,569
	<u>1,262,360</u>	<u>209</u>	<u>1,262,569</u>

The company's investment in Finastra Holdings Limited, a wholly owned subsidiary, increased during the year by €79,262,000.

The other investments cost of €398,000 relates to a holding in Accel Europe Limited Partnership, formed in the United States of America. The Partnership invests primarily in companies in software and technology infrastructure industries in the United States, the United Kingdom, and Israel.

The holding in Accel Europe Limited Partnership is measured at market value and a fair value loss for the year of €9,000 (2019: €8,000) has been recorded. Fair value gains and losses are recognised within administrative expenses.

The company also has an investment holding in Accel Keiretsu VI Limited Partnership, formed in the United States of America which is held at its fair value of €Nil. The Partnership maintains investments in technology and media sectors globally.

Impairment review

The first test that management has applied with regards to impairment test for investments in subsidiaries is the net assets test. The net assets of the subsidiaries were greater than the carrying value of investments, hence no impairments are required for the investments held by the company.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

12 Subsidiaries

Details of the company's subsidiaries at 31 May 2020 are as follows:

Direct subsidiary undertakings

Name of undertaking	Registered office	Ownership Interest (%)
Finastra Holdings Limited	Four Kingdom Street, Paddington, London, W2 6BD	95.44
ACT Pension Trustees Limited (in liquidation)	Four Kingdom Street, Paddington, London, W2 6BD	100.00

Indirect subsidiary undertakings

Name of undertaking	Registered office	Ownership Interest (%)
Finastra Europe S.à r.l	287 289, Route d'Arlon, L 1150, Luxembourg	100.00
Misys International Systems - Informatica Unipessoal Limitada	Praça do Canipo Pequeno, 482º Dtº, 1000 081 Lisboa, Portugal	100.00
Finastra South Africa (Pty)	144 Oxford Road, 7th Floor, Rosebank, Sandton, 2196, South Africa	100.00
Finastra International Limited	Four Kingdom Street, Paddington, London, W2 6BD	100.00
Misys International Banking Systems Limited (formerly Finastra International Pty)	2800 Park Place, 666 Burrard Street, Vancouver BC V6C 2Z7, Canada	100.00
Misys International Banking Systems K.K	Fukoku Seimei Building. 2 2 2 Uchisaiwaicho. Chiyoda Ku, Tokyo, Japan	100.00
Misys International Banking Systems A.G.	c/o Finastra Switzerland GmbH, Baderstrasse 29, 5400, Baden, Switzerland	100.00
Misys Netherlands Global B.V.	Henkerbergweg 238, 1101CM, Amsterdam, Zuidoost, Netherlands	100.00
Misys India Holdings Limited	Four Kingdom Street, Paddington, London, W2 6BD	100.00
Misys Africa Limited	Four Kingdom Street, Paddington, London, W2 6BD	100.00
Finastra (Thailand) Limited (note 1)	Unit # 1712, 17th Floor, Silom Complex, 191, Silom Road, Silom, Bangrak, Bangkok, 10500, Thailand	99.90
Finastra Italy S.r.l.	Corso Vercelli 40, 20145, Milano, MI, Italy	99.90
PT Finastra International Financial Systems (formerly PT Misys International Financial Systems) (note 2)	Sequis Tower, 16th Floor, Suite 1602, JL Jenderal Sudirman Kav. 71, Jakarta 12190, Indonesia	99.00
Finastra Global Operations Limited	Four Kingdom Street, Paddington, London, W2 6BD	100.00

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

12 Subsidiaries (Continued)

Name of undertaking	Registered office	Ownership interest (%)
Misys Spain S.L.	Edificio Mapfre, Avenida de Burgos, n° 12, 3° planta 28036, Madrid, Spain	100.00
Finastra Romania S.R.L. (note 3)	Orhideea Towers, Strada Orhideelor nr. 15A Etajele 2, 3 si 4, Sector 6, Bucuresti, Romania	95.00
Finastra UK Limited	Four Kingdom Street, Paddington, London, W2 6BD	100.00
Misys Poland SP zoo	Biurowiec Lumen, ul. Zlota 59 , 00 120 Warszawa, Polska. Poland	100.00
Finastra MKI Australia Pty Limited	Citigroup Centre, Suite 18F, Level 18, 226 Park Street, Sydney NSW 2000, Australia	99.99
Finastra Hungary Kft.	Szechenyi u. 70 floor IV, Miskolc, H3530, Hungary	100.00
DH Corporation/ Societe DH	199 Bay Street, Suite 4400, Toronto ON M5L 1E8, Canada	100.00
D+H Finance S.à r.l. (in liquidation)	Luxembourg	100.00
Finance Information et Technologie SAS	Washington Plaza 42. rue Washington, 755008 Paris, France	100.00
Finastra France SAS	Washington Plaza 42. rue Washington, 755008 Paris, France	100.00
Finastra Software Solutions (India) Private Limited	Virgo Building, Bagmane Constellation Business Park, Outer Ring Road, Doddanekundi, Bengaluru Karnataka, 560037, India	99.90
Misys International Financial Systems S.L.	Edificio Mapfre, Avenida de Burgos, no 12, 3 Planta, 28036, Madrid, Spain	100.00
Misys Egypt LLC	26 July 10 Street, Downtown the Third Round, Cairo, Egypt	100.00
Sophis Brazil Servicos De Tecnologia Ltda (note 2)	Rua Olimpíadas, 205, 4º andar conjunto 44, salas 401, 403, 404 e 405 Vila Olimpia, São Paulo-SP CEP 04551-000, Brazil	100.00
Finastra Morocco S.à r.l. (note 3)	Zénith Millenium, Imm.1 Lot Attaoufik, Sidi Maârouf Casablanca, Morocco 2000, Morocco	99.90
Finastra Ireland Limited (in liquidation 6 April 2020)	East Point Business Park, Dublin 3, Ireland	100.00
Finastra International GmbH	Hedderichstrasse 36. 60594, Frankfurt, Germany	100.00
Finastra International Pty Limited	Citigroup Centre, Suite 18F, Level 18 2-26 Park Street, Sydney NSW 2000 Australia	100.00
Finastra Philippines, Inc (formerly Misys Philippines Inc) (note 4)	8th Floor, Zuellig Building. Makati Ave cor Paseo De Roxas, Makat, City, 1225, Philippines	99.90
Finastra Hong Kong Limited	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay Hong Kong	99.90
Finastra Technology (Beijing) Limited (formerly Misys International Financial Systems Technology (Beijing) Limited)	Room 4B&5-7, Level 2, Tower W1, The Towers, Oriental plaza, No.1 East Chang An Avenue, Dong Cheng District, Beijing China	100.00

FINASTRA EUROPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020****12 Subsidiaries (Continued)**

Name of undertaking	Registered office	Ownership interest (%)
Finastra Malaysia Sdn Bhd	10th Floor, Menara Hap Seng, No.1 & 3 Japan P Ramlee 50250 Kuala Lumpur, Malaysia	100.00
Finastra Technology, Inc.	285 Madison Avenue, 4th floor New York NY 10017, United States	100.00
Misys International Banking Systems Mexico S.A. DE CV	Lago Alberto 442 Int. 404 Suite 573, Col. Anahuac I Secc., Miguel Hidalgo, Ciudad de Mexico, Mexico, CP 11320, Mexico	100.00
Finastra Saudi Arabia Limited (note 3)	Cerecon Building 8, 1st floor, Mousa Bin Nasyer Street, Olaya, Post box number 1119, Riyadh, 11393	90.00
Finastra USA, Inc.	Corporation Trust Center, 1209 Orange Street Wilmington, New Castle DE 19801 United States	100.00
D+H USA Holdings LLC	Corporation Trust Center, 1209 Orange Street Wilmington, New Castle DE 19801 United States	100.00
Finastra USA Corporation	CT Corporation System, Attn Legal Department, 1320 SW Broadway, Suite 100, Portland, Oregon, 97301	100.00
Fundtech Investments II, Inc.	Corporation Trust Center, 1209 Orange Street Wilmington, New Castle DE 19801 United States	100.00
US FT Parent, Inc.	Corporation Trust Center, 1209 Orange Street Wilmington, New Castle DE 19801 United States	100.00
D+H Investments S.a r.l.	287 289, Route d'Arlon, L 1150, Luxembourg	100.00
Finastra Financial Technology Corporation	Corporation Trust Center, 1209 Orange Street Wilmington, New Castle DE 19801 United States	100.00
BServ Investments, Inc.	Corporation Trust Center, 1209 Orange Street Wilmington, New Castle DE 19801 United States	100.00
Finastra Merchant Services, Inc	C T Corporation System 701 S Carson St STE 200 Carson City NV 89701 United States	100.00
World Trade Board Limited	Four Kingdom Street, Paddington, London, W2 6BD	100.00
Fundtech UK Limited (in liquidation)	Four Kingdom Street, Paddington, London, W2 6BD	100.00
Fundtech FSC Ltd.	Four Kingdom Street, Paddington, London, W2 6BD	100.00
Accountis Europe Ltd	Four Kingdom Street, Paddington, London, W2 6BD	100.00

FINASTRA EUROPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2020****12 Subsidiaries (Continued)**

Name of undertaking	Registered office	Ownership interest (%)
Tricura Canada Inc	1080 côte du Beaver Hall, Suite 1717, Montreal Québec H2Z 1S8, Canada	100.00
1119614 B.C. ULC	1600 925 West Georgia Street, Vancouver, BC V6C 3L2, Canada	100.00
1119607 B.C. Ltd	1600 925 West Georgia Street, Vancouver, BC V6C 3L2, Canada	100.00
D+H Cheque Services Corporation	1600 925 West Georgia Street, Vancouver, BC V6C 3L2, Canada	100.00
D+H Mortgage Technology Corporation	1600 925 West Georgia Street, Vancouver, BC V6C 3L2, Canada	100.00
D+H Shared Services Corporation	1600 925 West Georgia Street, Vancouver, BC V6C 3L2, Canada	100.00
D+H Software Corporation	1600 925 West Georgia Street, Vancouver, BC V6C 3L2, Canada	100.00
Finastra Israel Holdco Ltd.	5th Floor, 10 Hamada Street, Herzliya, 4673344, Israel	100.00
D+H Financial Technology Limited (in liquidation 7 May 2020)	8th Floor, Block E Iveagh Court, Harcourt Road. Dublin, 2, Ireland	100.00
Finastra Financial Technology Israel Ltd (merged on 30th September 2020 with Finastra Israel Technology Limited)	14 Maskit St. Herzliya 46733114 C/O Herzog, Fox Neeman & Co., 4 Weitzmann St., Tel Aviv 64239, Israel	100.00
D+H Solutions India Private Limited	6A, Sixth Floor, Plot 2. Leela Infopark, Technopark, Trivandrum Kerala, 695581 India	100.00
Finastra Israel Technology Limited	1 Atirey Yeda St., Kfar Saba 4464301, Israel	100.00
Fundtech India Private Limited	1/F, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, 400018, India	100.00
Finastra Switzerland GmbH	Bäderstrasse 29. 5400, Baden, Switzerland	100.00
Fundtech Financial Messaging Ltd	Four Kingdom Street, Paddington, London, W2 6BD	100.00
Finastra Financial Technology Germany GmbH	Hedderichstraße 36, 60594, Frankfurt am Main, Germany	100.00
Finastra Muscat LLC (Incorporated 25 June 2020)	Office #205, Maktabi -1, 2nd Floor Near Zakher Mall - Al Khuwair, Behind OHI, PO Box 1982, PC 111, CPO, Muscat, Sultanate of Oman	99.00

The class of share capital held for all the above undertakings are ordinary shares.

Notes

1. The remaining 0.0033% is owned by other group undertakings
2. 99% is directly owned, the additional 1% is owned by a subsidiary undertaking.
3. The remaining shareholding is owned by another group undertaking.
4. The remaining shareholding is owned by 5 individuals holding 0.0007% each

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

13 Contracts with customers

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

	2020 €000	2019 €000
Contracts in progress at the reporting end date		
Contract receivables included in trade and other receivables	755	1,736
Contract assets	777	899
	<u>777</u>	<u>899</u>

Analysis of contract assets	2020 €000	2019 €000
Accrued income - contract assets included in trade & other receivables	777	899
	<u>777</u>	<u>899</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 in the statement of financial position.

Contract assets refers to accrued income and arises when revenue is recognized, 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.

Analysis of contract liabilities	2020 €000	2019 €000
Deferred income - contract liabilities	2,881	2,039
	<u>2,881</u>	<u>2,039</u>

Contract liabilities refer to deferred income and results from customer payments in advance of the satisfaction of the associated performance obligations and relates primarily to prepaid maintenance or other recurring services. Deferred income is released as revenue is recognised.

Revenue recognised in the year that was included in the contract liability balance at the beginning of the year was €2,039,000 (2019: €nil).

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

14 Transaction price allocated to the remaining performance obligations

The total amount of revenue allocated to unsatisfied performance obligations is €10,464,000 (2019: €22,352,000). We expect to recognise approximately €2,638,000 (2019: €3,474,000) in the next 12 months, €3,022,000 (2019: €6,902,000) in 1 to 3 years and the remainder after 3 years or more time.

The amount represents our best estimate of contractually committed revenues that are due to be recognised as we satisfy the contractual performance obligations in these contracts. A large proportion of the company's revenue is transactional in nature and these amounts are excluded unless there is a minimum commitment amount (a floor) in which case the floor value is included. A significant amount of the company's maintenance revenue is billed annually in advance and has to be renewed each year. In such cases only the current invoiced amount remaining to be recognised as revenue is included until the date of renewal when a full year will be captured.

15 Contract costs

The following table provides information about contract costs by category of asset:

	2020 €000	2019 €000
Commission fees	-	161
Royalty and agent fees	-	80
	<u>-</u>	<u>241</u>
	<u>-</u>	<u>241</u>

Management expects that incremental commission fees paid to employees and agent fees paid to intermediaries and implementation fees, as a result of obtaining contracts, are recoverable. The company has therefore deferred these fees as contract costs in the amount of €Nil at 31 May 2020 (2019: €241,000). The contract cost assets are amortised when the related revenues are recognised. In FY20 no impairment loss was recognised in relation to the costs deferred.

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.

During the year, amortisation of €161,000 (2019: €nil) was recognised in respect of assets recognised from the costs to obtain contracts with a customers and amortisation of €80,000 (2019: €nil) was recognised in respect of assets recognised from the costs to fulfil contracts with customers.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

16 Trade and other receivables

	Current 2020 €000	2019 €000	Non-current 2020 €000	2019 €000
Trade receivables	755	1,735	-	-
Expected credit loss	(87)	(58)	-	-
	<u>668</u>	<u>1,677</u>	<u>-</u>	<u>-</u>
Contract assets (note 13)	539	899	238	-
Amounts owed by fellow group undertakings	503	1,264	206,671	198,696
Prepayments	-	152	-	-
	<u>1,710</u>	<u>3,992</u>	<u>206,909</u>	<u>198,696</u>

As at 31 May 2020, trade receivables of €95,000 (2019: €159,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default and where commercial discussions led management to conclude that it remains likely that the customer will pay without concessions from the company. There is no significant concentration of outstanding customer receivables which is considered a heightened risk factor by management.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

The fair value of trade and other receivables approximates book value due to the short-term maturities associated with these items.

Included in the above balance for non-current amounts owed by group undertakings are unsecured loan notes issued by other companies. Details of the companies who the loan notes have been issued by along with the respective interest rates the loan notes attracted are as follows:

Company	Balance 2020 €000	Balance 2019 €000	Interest rate 2020 %	Interest rate 2019 %
Misys International Limited	<u>206,490</u>	<u>198,515</u>	4.29	4.29

The above loan notes have a maturity date of 13 December 2024.

The remaining balance owed to the company by group undertakings of €181,000 (2019: €181,000) is non interest bearing and is unsecured and repayable on demand. The company has no immediate intention to recall this amount in the short term and so it is classified as an amount falling due after more than one year.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

17 Trade and other payables

	Current 2020 €000	2019 €000	Non-current 2020 €000	2019 €000
Amounts owed to fellow group undertakings	57,097	25,581	1,622,417	1,508,333
Accruals	72	430	-	-
	<u>57,169</u>	<u>26,011</u>	<u>1,622,417</u>	<u>1,508,333</u>

Included in the above balance for non-current amounts owed to group undertakings are unsecured loan notes issued by the company. Details of the companies who the loan notes have been issued to along with the respective interest rates attracted are as follows:

Company	Maturity date	Balance 2020 €000	Balance 2019 €000	Interest rate 2020 %	Interest rate 2019 %
Finastra Europe Sarl	13 December 2024	533,663	559,884	4.29	4.29
Finastra Europe Sarl	31 December 2024	880,122	793,514	4.29	4.29
		<u>1,413,785</u>	<u>1,353,398</u>		

The loan notes were listed on the Cayman Islands Stock Exchange on 30 August 2017.

The other amounts owed to group undertakings of €265,729,000 (2019: €113,724,000) are unsecured and repayable on demand. However, the counterparties have confirmed that payment of €208,632,000 (2019: €88,143,000) will not be recalled within 12 months from the date of the Statement of Financial Position and so these amounts are classified as non-current liabilities. Of the other amounts owed to group undertakings, an amount of €252,713,000 (2019: €82,452,000) has attracted interest at a floating rate ranging from 4.51% to 4.83% (2019: 4.64% to 4.66%) for Euro loans and 5.54% to 7.48% (2019: 6.32% to 7.79%) for USD loans during the year.

18 Called up share capital	2020 €000	2019 €000
Ordinary share capital <i>Issued and fully paid</i>		
7,654,123 (2019: 7,654,123) Ordinary shares of £1 each	9,075	9,075

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.

FINASTRA EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

19 Reserves

Translation reserve

The translation reserve represents amounts arising as a result of translating financial statement items from the functional currency into the presentation currency. The translation reserve was recognised at 31 May 2018 due to a change of presentational currency from USD to EUR on 1 June 2017. There has been no movement in this reserve since it was recognised to date.

Retained earnings

Retained earnings represents cumulative profits, losses and total other recognised gains or losses made by the company, including distributions to, and contributions from, the owners.

20 Contingent liabilities

On 13 June 2017 as part of the combination with D+H, Vista Equity Partners, the Finastra Group's ultimate controlling party arranged for new external debt finance to refinance its existing debt and provide funding for the acquisition of D+H. The new external debt finance consisted of \$3,582m and €850m First Lien Term Loans which was refinanced to €940m on 17 October 2019, \$1,245m Second Lien Term Loan, and a Multi-Currency Revolving Credit Facility ("new RCF") totalling to \$400m. The First Lien Term loans will mature on 12 June 2024, the Second Lien Term loan will mature on 12 June 2025 and the new RCF will mature on 13 June 2022. The company together with several other wholly owned subsidiaries of the newly formed Finastra Limited Group, guarantees these credit facilities. Under these credit facilities there is a fixed and floating charge over all the assets of the company. There is also a negative pledge over these assets.

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 and its subsidiaries may be parties 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.

21 Events after the reporting date

The impacts of COVID-19 on the company are being monitored closely as the situation evolves. The pandemic is having and will continue to have an impact across the business. At Tahoe Bidco Group level cash flow conversion has improved during the year and cash balances remain at a healthy level. The Group performance for the year was above its plan expectation for both revenue and EBITDA. Overall the Group is well positioned to continue in any uncertainty from COVID-19 as a result.

22 Controlling party

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

The parent company of the smallest and largest group in which the company is included in consolidated financial statements is that of Tahoe Bidco Limited, a company incorporated in the Cayman Islands. Copies of the consolidated financial statements of Tahoe Bidco Limited 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.